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COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

4/2/81

(7)

Date: April 11, 1981

Mr. Speaker:

The Committee on COMMUNITY & REGIONAL AFFAIRS has had HB 457

"An Act making a special appropriation to the City of Cordova for the Chenega village relocation; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 457 same title new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]
CHAIRMAN

(C) the minority leaders of each house of the legislature.

(d) Votes required to be conducted under (c) of this section may be conducted by teleconference. (§ 1 ch 170 SLA 1980)

Cross reference. — For the 1980 special appropriation to the reserve for emergency operating expenses account, see Chapter 171, SLA 1980, in the

Temporary and Special Acts binder.

Effective date. — Section 2, ch. 170, SLA 1980, makes this section effective July 1, 1980.

Article 4. Uniform Purchasing.

Section

230. Competitive bids

Sec. 37.05.230. Competitive bids. In the manner provided in this chapter and rules and regulations established under it

(4) the provisions of this section relative to competitive bids do not apply to contracts for the operation of transportation systems for students to and from the schools within the state, as are authorized under AS 14.09.010; and these contracts may be awarded by bid or negotiation and, at the discretion of the Board of Education, may be awarded for periods of three years or less;

Revisor's note. — The reference to AS 14.09.010 in paragraph (4) was originally a reference to AS 14.10.070. Chapter 98,

SLA 1966 revised Title 14 and the substance of AS 14.10.070 became AS 14.09.010.

Article 5. General Provisions.

Section

315. State grants

Sec. 37.05.300. Interpretation of chapter.

Chapter applicable to University of Alaska. — See note under this catchline following chapter analysis.

Sec. 37.05.315. State grants. (a) When an appropriation is made as a grant to a municipality, the Department of Administration shall promptly notify the municipality of the availability of the grant. When the Department of Administration receives an agreement executed by the municipality which provides that the municipality (1) will spend the grant for the purposes specified in the appropriation; (2) will allow, on request, an audit by the state of the uses made of the grant; and (3) assures that, to the extent consistent with the purpose of the appropriation, the facilities and services provided with the grant will be available for the use of the general public, the Department of Administration shall pay the grant directly to the municipality. The agreement executed by a municipality under this section shall be on a form furnished by the Department of Administration.

Public Buildings, Parks
and Highways

Supplement

Not less than 20 percent of the grant shall be paid to the municipality within 10 days of the effective date of the agreement. The remainder of the grant shall be paid either in monthly installments equal to the amount of grant money the municipality expended in the previous month or in a lump sum as determined by the Department of Administration.

(b) An appropriation for a grant to a municipality for construction of a public facility lapses if substantial, ongoing work on the project has not begun within five years after the effective date of the appropriation.

(c) In accepting a grant of money for construction of a public facility, each municipality covenants with the state that it will operate and maintain the facility for its practical life and that it will not look to the state to operate or maintain the facility or pay for its operation or maintenance.

(d) When an appropriation is made to a department as a grant for a named recipient which is not a municipality, the department to which the appropriation is made shall promptly notify the named recipient of the availability of the grant and request the named recipient to submit a proposal to provide the goods or services, or both, for which the appropriation is made. At the same time, the department shall issue a request for proposals from other qualified persons to provide the same goods or services, or both, in the same area. The department shall contract with the named recipient unless the Office of the Governor, with due regard for any local expertise or experience among those making proposals, determines that an award of the contract to a different party would better serve the public interest. If the contract is awarded to another party than that named by the legislature, the basis of that action shall be stated in writing at the time the grant is issued. The purchase of the goods or services, or both, shall be in accordance with AS 37.05.230(1)(C).

(e) A grant to a municipality must be made within 60 days after the effective date of the appropriation. A contract under (d) of this section must be executed within 60 days after the effective date of the appropriation.

(f) A grant to an unincorporated community made under this section shall be disbursed as follows:

(1) Within 45 days after the effective date of the appropriation, the Department of Community and Regional Affairs shall notify the governing body of the unincorporated community, if any, that a grant is available.

(2) The Department of Community and Regional Affairs shall determine whether there is a qualified incorporated entity in the community area which will agree to receive the grant and administer it, subject to terms generally applicable to private grantees. If there is more than one such entity, the Department of Community and

Regional Affairs shall select the most qualified and the grant shall be awarded to that incorporated entity for the purposes of the appropriation; however, the Department of Community and Regional Affairs shall give preference to a nonprofit corporation organized by a community for receipt of the grant.

(3) If there is no incorporated entity qualified to receive the grant, the Department of Community and Regional Affairs shall administer the program directly or through agents or contractors with whom it may contract in the community area.

(g) Notwithstanding the Administrative Procedure Act (AS 4.62), the Fiscal Procedures Act (AS 37.05), and the Executive Budget Act (AS 37.07), a department may not adopt regulations or impose additional requirements or procedures to implement, interpret, make specific or otherwise carry out the provisions of this section unless required by the federal government for participation in federal programs. (§ 1 ch 156 SLA 1980)

Effective date. — Section 2, ch. 156, July 2, 1980, in accordance with AS SLA 1980, makes this section effective 01.10.070(c).

Chapter 07. Executive Budget Act.

Section

- 20. Responsibilities of the governor
- 60. Governor's recommendation
- 80. Program execution

The University of Alaska is subject to the provisions of this chapter. February 28, 1977, Op. Att'y Gen. There is no constitutional obstacle to

making the University of Alaska subject to the provisions contained in this title. February 28, 1977, Op. Att'y Gen.

Sec. 37.07.020. Responsibilities of the governor.

(d) The governor shall annually, before the convening of the legislature, report to the legislature through the Legislative Budget and Audit Committee the long-range fiscal and economic consequences of

- (1) alternate levels of capitalization of the investment funds of the state; and
 - (2) alternative investment policy for the general fund surplus.
- (am § 4 ch 18 SLA 1980)

Effect of amendment. The 1980 amendment, effective April 9, 1980, added subsection (d).

As the rest of the section was not affected by the amendment, it is not set out.

I. INTRODUCTION

This document will explain the overall program for the development of the New Chenega Village. It provides a history of the village's relocation efforts, an explanation of the development plan, and an outline of the overall goals that the Chenega Council and the Chenega Village Corporation hope to attain through this program. Also included is a detailed 1981 work program and budget, plus an overall budget estimate for the development of the new village. Attached are the Chenega Field Trip Reports by Erv Long and Mason Wade of the U.S. Army Corps of Engineers in 1976 (Attachment A), and the New Chenega Preliminary Plan prepared by Hewitt V. Lounsbury and Associates in 1980 (Attachment B).

History of Chenega

Chenega is one of the five villages that constitute the Chugach Native Region. Prior to the Good Friday Earthquake of 1964 it was located on the southern end of Chenega Island in the western Prince William Sound, 41 miles by air from Whittier, 48 from Seward and 84 from Cordova. The tsunami which followed the earthquake destroyed the old village and killed one-third of the residents. The survivors were evacuated to Tatitlek and Cordova, where most of them settled. However, few, if any have ever considered any place other than Chenega home.

Even though Chenega was not noted among the villages receiving benefits of the Alaska Native Claims Settlement Act in 1971, it was certified in 1974 through an "Act of God" provision which recognized certain abandoned villages. This paved the way for the formation of a village corporation to receive the land and monetary benefits owed to the 69 Chenega people who enrolled as village corporation shareholders.

The Chenega Village Council is an IRA Council which is spearheading the development of the New Chenga Village. There are 23 households of Chenega residents who have committed themselves to return to New Chenega.

At first the village considered rebuilding at the village's former location on Chenega Island, and has a plan prepared to guide them on that endeavor. Then, however, the people realized that they would be vulnerable to the same kind of disaster that struck previously. They were also fearful of living at what was now considered a historic place.

Consequently, the Corps of Engineers was asked to assist the village in identifying a suitable site on lands selected by the Village Corporation under the Settlement Act. A Corps of Engineers party, led by Mason Wade and Erv Long visited the area in 1976 and recommended that Crab Bay on Evans Island be considered as the site for the new village. This site is 15 miles south of the former village location. It has a sheltered harbor, a good level area for development, plentiful water supplies and enough protection from all elements to assure that a disaster similar to the one that befell the Chenega people before would never happen again.

In the spring of 1977 the Soil Conservation Service of the U.S. Department of Agriculture visited the site and performed a soils survey. In 1980 the Anchorage firm of Lounsbury and Associates was selected to draft a design plan for the new village. These alternatives were produced under that agreement, and in October of that year the Chenega people assembled in Cordova and chose their preferred alternative.

Based on that decision, the Chenega Village Council has worked with several consultants to prepare this proposal for funding. It entails the collection of sufficient site information for

survey, engineering and design purposes, so that major construction can get underway in late 1981 and 1982.

The Chenega people were uprooted seventeen years ago by an Act of God. Hopefully, the funds granted under this proposal and the construction activities which are soon to follow will finally provide them with a home to return to.

II. DEVELOPMENT PLAN

The Chenega Council proposes to develop New Chenega in a series of phases. Planning for the site has already begun. Significant effort has gone into site selection and preliminary evaluation. A preliminary layout of lots and roads has been done and approved by the stockholders. Initial location studies have been done for a variety of community facilities, including an airport, a school site, a boat harbor, a sewage treatment plant, electrical power generation source and a water source. Consideration has been given to areas for commercial development and future expansion of the residential uses. A preliminary layout of New Chenega is attached (Attachment C). The Chenega Village Corporation owns all of the land involved in the site, thus there should be no title-related problems.

The overall schedule for the development of New Chenega stretches over several years. The short-term schedule anticipates an intensive effort that will result in initial occupancy by late 1982.

In 1981 the Village Council is ready to begin detailed planning, layout and design studies. The feasibility of the utilities should be verified and the village design need to be adjusted to fit the exact physical conditions of the site. After that the final stages of engineering, surveying and construction can begin.

Chenega's immediate goal is to complete the planning, layout and surveying during this summer. Engineering would be started with completion of construction documents during the winter of 1981-82. It is anticipated that some preliminary construction activity would begin in 1981. However, the major construction effort would occur in 1982. This would include construction of roads, utilities and some houses. An investigation of the

hydroelectric potential identified in the preliminary planning would be conducted to determine the most efficient source of electric power for the village.

Following initial occupancy in late 1982, the Village Council will continue planning for construction of ancillary community facilities, including the small boat harbor, the airport, electrical system improvements and road extensions.

During the winter of 1982-83 design work would continue. The airport would be designed and construction prepared for. The small boat harbor would also be designed and the necessary permits would be obtained prior to construction. Design of the school and community hall would also be completed.

In the summer of 1983 construction of both the road to the airport and the airport would be completed. The school and community hall would be built. Additional housing would be completed and occupied. Improvements to the water storage system could be made, if needed.

Construction of the small boat harbor could begin in 1983 with completion by 1984. By late 1984 the village would be essentially complete.

At the same time that New Chenega is being built, several entities, including the Chugach Region and the Chenega Village Corporation, are searching for and encouraging the development of new economic enterprises in the village. This will provide a stabilizing economic base that will give New Chenega momentum and added ingredients for a stable and permanent community.

Chenega recognizes that this is an ambitious schedule. It is not, however, one that cannot be met. Since the initial planning decisions have already been made, the most critical factor

affecting scheduling of the project will be availability of funding.

The following work program and budget has been prepared for the purpose of requesting financial assistance for this project. This assistance, combined with the financial and human resources of the Chenega people, will allow the plans for replacing the Chenega Village to come to fruition after 17 years of effort.

III. NEW CHENEGA 1981 WORK PLAN

The following is an expression of the tasks that need to be accomplished within the next year in order to maintain the schedule described above.

Task 1: Soils Investigation

Prior to proceeding with final planning and actual layout of the new village on the site and before any engineering activities can begin, it will be necessary to gain definite soils information. This will be a major planning and design determine. The soils information will be used to help adjust the preliminary site plan to actual conditions on the site, to help develop engineering studies and to develop estimates of construction costs for the village infrastructure and building foundations.

The soils investigation will involve moving a boring rig to the site by barge and taking core samples on a grid pattern. The location of test holes will have to be surveyed. Both onsite and laboratory analysis will be conducted. The final soils report will describe the subsurface conditions in detail and will make engineering and construction recommendations pertaining to the site.

Task 2: Schematic Design and Construction Cost Estimates

This task will utilize the soils information and the preliminary planning that has been done to date to develop a schematic design for utilities and roads. The sewer and water lines will be layed out on a preliminary basis and the treatment facilities will be sited. The roads will also be sited and preliminary design will be done.

This information will then be converted to cost estimates for construction and maintenance of the utilities and roads. After review of these schematic designs and cost estimates by the Village Council and its engineer, any necessary adjustments to the plan and approach to development of the new village will be made. This may involve changes in the site plan and in the method of handling wastewater collection and treatment. After the necessary adjustments and "fine tuning" are complete, the plan can be fitted to the site.

Task 3: Site Validation

This task will involve onsite layout of the village plan to assure that it takes advantage of the soil conditions, topography and other physical features. Changes to accommodate the characteristics of the site will be made and the final layout confirmed. Final location will be determined for the initially required community facilities, including docking facilities, school and town hall, water source and wastewater treatment facilities.

The roads will be staked out and cross-sections will be surveyed in preparation for final engineering. Computations of lot sizes for the final plat will be made so that reconveyance can be planned. This process involves the Village Corporation reconveying all lands necessary for public purposes and community expansion, including residential lots, to the State Municipal Lands Trust Officer, as provided for in Section 14(c)(3) of the Settlement Act, as amended and Alaska Statute 49.47.150. The trust officer will deed individual lots to the residents as they are ready to move to New Chenega.

Task 4: Final Plat Preparation and Staking

This task will include final subdivision design and computation and staking of each lot. The road system will be surveyed and staked for construction and the above described community facilities will be staked.

The final plat of the village site will be prepared and processed.

Task 5: Engineering Design

This task will begin in the late summer of 1981 and continue into the winter. It will involve final design and preparation of construction documents for the following facilities and utilities:

- Streets and Trails
- Water Source & Storage
- Waterline Extensions
- Sanitary Sewer Laterals
- Sanitary Sewer Treatment Plant
- Initial Dock Facilities
- Hydroelectric Investigation
- Initial Electrical System Design
- Airport Design
- School Design

These designs will be totally complete by the spring of 1982. This will allow the major construction effort to be concentrated in the summer of 1982. Some initial design work will be completed by late summer 1981, which will allow initial construction of the road and trail system to begin in 1981.

IV. PROPOSED BUDGET

The following budget is based on the costs involved in completing the 1981 work program. Some of the costs will be covered by an allocation to Chenega from the State Department of Transportation and Public Facilities, Local Service Roads and Trails Program (LSRT). Chenega has \$17,500 allocated per year for the 1981 and 1982 fiscal years. This money is eligible for use in the design and construction of the roads and trails within the village. The availability of these funds for 1981 are shown in the budget below.

The budget also includes administrative funds for coordination between the State Department of Transportation and Public Facilities, the City of Cordova, the engineers, contractors and the Village Council. This would require the effort of one full-time person plus administrative and overhead costs.

1981 BUDGET

	<u>Total Cost</u>	<u>Approx. LSRT Funds</u>	<u>Additional Funds Required</u>
TASK I - Soils Investigation	42,400	30,000	12,400
TASK II - Schematic Design & Construction Cost Estimates	6,000	2,000	4,000
TASK III - Site Validation	14,500	6,000	8,500
TASK IV - Final Plat Preparation and Staking	11,000	5,500	5,500
TASK V - Engineering Design Hydroelectric Feasibility and Design	68,500	10,000	58,500
	<u>95,000</u>	<u>0</u>	<u>95,000</u>
Total Planning & Design (Tasks I-V)	237,400	53,500	183,900
Construction - 1981	64,000	64,000	0
Chenega Administration Costs	<u>25,000</u>	<u>0</u>	<u>25,000</u>
TOTAL BUDGET	\$326,400	117,500	
TOTAL ADDITIONAL FUNDING REQUIRED			\$208,900

+ City of Cordova Adm.

Call

225,000

V. OVERALL CONSTRUCTION COST ESTIMATE

The preceding budget reflects the work program proposed for 1981. The following cost estimates include all construction activities for the development of the village. The estimates do not include housing construction, since at this time we do not know the precise type of housing that will be utilized. The estimates are done in 1981 dollars. Inflation factors will have to be added to those projects which are are not completed in 1981. This estimate is based on the plan done by H. V. Lounsbury and Associates. It is assumed that the gravel will be available for purchase from the Chugach Regional Corporation from nearby upland beaches and streams.

These are estimates only and are provided without the benefit of any design information, detailed soils data and final programming decisions. The costs will undoubtedly change, up or down, depending on the final information, designs and decisions affecting each item. Potential source of funding for these capital improvements include, but are not limited to, the State of Alaska, the U.S. Department of Housing and Urban Development, the Bureau of Indian Affairs, the Public Health Service, the Rural Development Administration, the Federal Aviation Administration, the Corps of Engineers, the Economic Development Administration and the Alaska Power Authority, as well as private funding sources.

NEW CHENEGA
CONSTRUCTION COST ESTIMATES

A. STREETS & TRAILS			
1.	Road to Airport - 2 miles	\$496,320	
2.	Maintenance Road to Power Plant - 2.3 miles	425,040	
3.	Townsite Roads - .5 miles	<u>104,000</u>	1,025,000
B. WATER SOURCE			150,000
C. WATER LINES			
1.	6" PVC Distribution Line, installed 2000 LF @ 43.00/ft	86,000	
2.	33 Service Connects w/keyboxes @ \$500.00	<u>16,500</u>	102,500
D. SANITARY SEWER LATERALS			
1.	8" PVC Pipe, installed 3850 LF @ 35.00	134,750	
2.	11 Manholes @ 2,500.00	27,500	
3.	4 Cleanouts @ 650.00	2,640	
4.	33 Services to Lots @ 500.00	<u>16,500</u>	181,500
E. SEWAGE TREATMENT PLANT			130,000
Capacity = 75 GPCD x 35 lots x 4 persons/ lot = 10,500 GPD; Packaged Treatment Plant 15,000 GPD.			
F. CONSTRUCTION DOCK			1,125,000
Wood piling dock 50' wide x 300' long, requiring approx. 40 piles. Light duty 15,000 SF @ 75.00/sq. ft.			
G. ELECTRICAL SYSTEM			
1.	75 kW Hydro Generator at lake or NW side	175,000	
2.	500 ft. Pipeline and Dam	100,000	
3.	400 SF Building to house gen. & switchgear	90,000	
4.	3000 LF Distribution Line in village	220,000	
5.	50 kW Standby Diesel Generator	80,000	
6.	2 Miles Transmission Line	<u>150,000</u>	815,000
H. AIRFIELD			
1.	2500' x 150' wide Gravel Overlay, gravel available within 1/2 mile. <u>2500 LF x 170' x 3' thick</u> @ 5.00/CY		283,333
	27		

2. Clearing & Grubbing		
<u>4000 LF x 300'</u>	@ 2,500/acre	
43,560		<u>68,870</u>
		352,200
I. FUEL STORAGE AND HANDLING		
1. 50,000 Gallon Tanks 3 @ 75,000		225,000
2. 3" Pipe 1000 LF @ 15.00/LF		<u>15,000</u>
		240,000
J. COMMUNICATIONS (not included)		
K. Housing - 29 units @ \$60,000		1,740,000
L. School - Structure only		<u>2,000,000</u>
	Sub-Total	\$7,861,200
	10% Contingency	<u>786,120</u>
	TOTAL	\$8,647,320