

HB

428

SENATE FINANCE COMMITTEE REPORT

DATE:

5/6/90

FURTHER:

DATE TURNED INTO OFFICE:

5/8/90

The Finance Committee considered

CSHB 428 (Finance)(edf fld)

Miscellaneous supplemental appropriations for fiscal year 1990 and prior fiscal years; making special appropriations for cost of Team Alaska and Arctic Winter Games dues; and making a transfer of an account balance within the general fund.

and recommended:

replace with 5 CS CSHB 428 (Fix)
 or adopt _____ CS _____
 attached amendment(s)
 _____ letter of intent adopted

same title
 new title
 technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

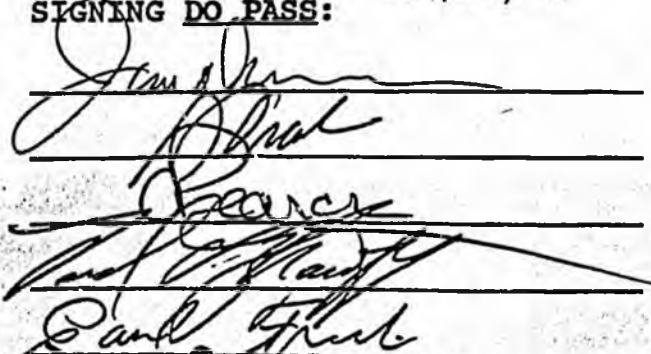
zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

767,017,291

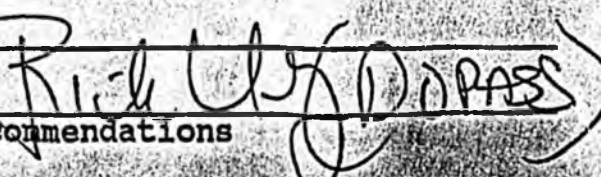
OTHER RECOMMENDATIONS:



1.

Co-Chairs: Signatures and Recommendations

DO PASS



5/8/90
2-3
Adopted

AMENDMENT
SCS CS HB 428 (FIN)
BY ZHAROFF

Replace the language in Section 67 with the following:

Sec. 67. The sum of \$400,000 is appropriated from the general fund to the Department of Transportation & Public Facilities for reconstruction of erosion damage to property adjacent to and in the vicinity of the Naknek/King Salmon Highway for the fiscal year ending June 30, 1990.

Funding Information: General Fund \$53,901,501
 Other Funds 13,115,790
 \$67,017,291

Original sponsor(s): Rules/Governor

IN THE HOUSE

BY THE FINANCE COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 428 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making miscellaneous supplemental appropriations for fiscal year 1990 and prior fiscal years; making special appropriations for costs of Team Alaska and Arctic Winter Games dues; and making a transfer of an account balance within the general fund; and providing for an effective date."

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

* Section 1. The sum of \$642,000 is appropriated from the general fund to the Department of Administration for longevity bonus payments for the fiscal year ending June 30, 1990.

* Sec. 2. The sum of \$25,000 is appropriated from the general fund to the Department of Administration, labor relations agency, for increased legal and administrative costs for the fiscal year ending June 30, 1990.

* Sec. 3. The sum of \$358,300 is appropriated from the general fund to the Department of Administration, pioneers' homes, for increased operating costs for the fiscal year ending June 30, 1990.

* Sec. 4. The sum of \$38,700 is appropriated from the general fund to the Department of Administration, Older Alaskans Commission, for an arbitration award for the fiscal year ending June 30, 1990.

* Sec. 5. The sum of \$193,600 is appropriated from the general fund to the Department of Administration, public defender agency, to eliminate forced leave without pay for the fiscal year ending June 30, 1990.

* Sec. 6. The sum of \$130,000 is appropriated from the general fund to the Department of Administration, Alaska Public Offices Commission, for a

storage, retrieval, and access system for election report data for the fiscal year ending June 30, 1990.

* Sec. 7. The sum of \$267,167 is appropriated from the general fund to the Department of Law to pay judgments and claims against the state for the fiscal year ending June 30, 1990.

* Sec. 8. The sum of \$267,000 is appropriated from the mental health trust income account in the general fund to the Department of Law to pay increased costs associated with Weiss v. State for the year ending June 30, 1990.

* Sec. 9. The sum of \$32,774 is appropriated from the general fund to the Department of Revenue to refund additional electric and telephone cooperative tax revenue under AS 10.25.570 for the fiscal year ending June 30, 1989.

* Sec. 10. The sum of \$54,500 is appropriated from the general fund to the Department of Revenue, division of child support enforcement, for increased operating costs caused by reduced federal funds for the fiscal year ending June 30, 1990.

* Sec. 11. The sum of \$18,495,500 is appropriated from the general fund to the Department of Education for the public school foundation program for the fiscal year ending June 30, 1990.

* Sec. 12. The sum of \$1,753,291 is appropriated from the general fund to the Department of Education for the school debt retirement program for fiscal year ending June 30, 1989, and is allocated in the amounts listed below to the following municipalities:

<u>Municipality</u>	<u>Allocation</u>
City and Borough of Juneau	\$ 5,968
City and Borough of Sitka	130,126
North Slope Borough	1,617,197

* Sec. 13. The sum of \$3,619,100 is appropriated to the Department of SCS CSHB 428(Fin)

Health and Social Services for additional Medicaid nonfacility program costs for the fiscal year ending June 30, 1990, from the following sources:

Federal Receipts	\$1,809,500
General Fund Match	1,809,600

* Sec. 14. The sum of \$8,524,900 is appropriated to the Department of Health and Social Services for additional Medicaid facilities program costs for the fiscal year ending June 30, 1990, from the following sources:

Federal Receipts	\$4,262,400
General Fund Match	4,262,500

* Sec. 15. The sum of \$3,446,200 is appropriated from federal receipts to the Department of Health and Social Services for additional Indian Health Services Medicaid program costs for the fiscal year ending June 30, 1990.

* Sec. 16. The sum of \$882,000 is appropriated from federal receipts to the Department of Health and Social Services for additional state program Medicaid costs for the fiscal year ending June 30, 1990.

* Sec. 17. The sum of \$100,000 is appropriated to the Department of Health and Social Services, division of medical assistance, central administration, for additional legal costs associated with the federal upper-limit caps on Medicaid nursing home and hospital payment rates for the fiscal year ending June 30, 1990, from the following sources:

Federal Receipts	\$50,000
General Fund Match	50,000

* Sec. 18. The sum of \$672,000 is appropriated to the Department of Health and Social Services, division of medical assistance, claims processing, for additional costs associated with increased volume, claims reprocessing, and implementation of federal OBRA 1989 requirements for the fiscal year ending June 30, 1990, from the following sources:

Federal Receipts	\$469,600
------------------	-----------

General Fund Match 202,400

* Sec. 19. The sum of \$90,000 is appropriated from the general fund to the Department of Military and Veterans' Affairs for additional costs of the veterans' burial allowance program for the fiscal year ending June 30, 1990.

* Sec. 20. The sum of \$663,200 is appropriated from the general fund to the Department of Natural Resources for fire suppression costs for the fiscal year ending June 30, 1990.

* Sec. 21. The sum of \$500,000 is appropriated to the Department of Natural Resources for overtime costs of emergency fire fighting crews for the fiscal years ending June 30, 1988, and June 30, 1989, from the following sources:

Federal Receipts	\$400,000
General Fund	100,000

* Sec. 22. The sum of \$5,400 is appropriated from Alaska Historical Commission general fund program receipts to the Department of Natural Resources for the fiscal year ending June 30, 1990, for purchase of a license for commercial use of the music used in the film Alaska at War.

* Sec. 23. The sum of \$170,600 is appropriated from the general fund to the Department of Fish and Game for the additional costs of operations of the local advisory committees and regional councils for the fiscal year ending June 30, 1990.

* Sec. 24. The sum of \$177,500 is appropriated from the general fund to the Department of Fish and Game for additional costs of the Board of Fisheries and Board of Game and headquarters support for the fiscal year ending June 30, 1990.

* Sec. 25. The sum of \$440,400 is appropriated from the general fund to the Department of Public Safety to pay increased contract jail costs for the fiscal year ending June 30, 1990.

* Sec. 26. The sum of \$83,100 is appropriated from the general fund to the Department of Public Safety to cover the costs of increased demands for serology evidence testing services at the state crime laboratory for the fiscal year ending June 30, 1990.

* Sec. 27. The sum of \$58,100 is appropriated from the general fund to the Department of Public Safety to cover funding shortfalls for maintaining personal identification, criminal history, and police case report information to Alaska law enforcement agencies for the fiscal year ending June 30, 1990.

* Sec. 28. The sum of \$137,900 is appropriated from the general fund to the Department of Public Safety to maintain law enforcement agency access to the National Crime Information Center, cover funding shortfalls in the Alaska automated fingerprint identification system and to pay for state participation in the Western Identification Network for the fiscal year ending June 30, 1990.

* Sec. 29. The sum of \$238,293 is appropriated from general fund program receipts received from Exxon Corporation for vessel services provided during the Exxon Valdez oil spill cleanup effort to the Department of Transportation and Public Facilities, Alaska marine highway system, for payment of outstanding bills for the fiscal year ending June 30, 1989.

* Sec. 30. The sum of \$95,000 is appropriated from the general fund to the Department of Transportation and Public Facilities, western district highways and aviation, for additional costs associated with the airport maintenance contracts, for the fiscal year ending June 30, 1990.

* Sec. 31. The sum of \$2,325,000 is appropriated from the general fund to the Department of Transportation and Public Facilities for the settlement agreed to in the Spring Creek Prison claim for the fiscal year ending June 30, 1990.

* Sec. 32. The sum of \$6,678,700 is appropriated to the Department of

Transportation and Public Facilities, maintenance and operations components, for additional snow and ice removal costs and extraordinary Spring break-up maintenance work for the fiscal year ending June 30, 1990, from the following sources:

General Fund	\$5,800,000
Highway working capital fund	878,700

* Sec. 33. The sum of \$900,000 is appropriated from the general fund to the Department of Military and Veterans' Affairs, division of emergency services, for snow and ice removal from roads in municipalities for the fiscal year ending June 30, 1990. The division shall allocate this appropriation to local governments after considering the number of lane miles of roads within the municipal jurisdiction, the annual local government expenditure for road maintenance, and the climatic conditions within the area during the winter of 1989 - 1990.

* Sec. 34. The sum of \$136,000 is appropriated from the general fund to the Department of Transportation and Public Facilities to reimburse the City and Borough of Juneau for repairs and renovation under a Transfer of Responsibility Agreement #H79148.

* Sec. 35. The sum of \$294,100 is appropriated to the Department of Community and Regional Affairs, child assistance program, to pay for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990, from the following sources:

Interagency Receipts	\$147,000
General Fund	147,100

* Sec. 36. The sum of \$50,000 is appropriated from the general fund to the Department of Community and Regional Affairs for payment as an organizational grant under AS 29.05.180 to the City of Coffman Cove for the fiscal year ending June 30, 1990.

* Sec. 37. The sum of \$24,660 is appropriated from the general fund to the Department of Community and Regional Affairs to pay revenue sharing entitlements for the unincorporated communities of Chignik Lake and Perryville for the fiscal year ending June 30, 1990.

* Sec. 38. The sum of \$46,000 is appropriated from the general fund to the Department of Community and Regional Affairs, Local Boundary Commission, for the optimum boundaries map project for the fiscal year ending June 30, 1990.

* Sec. 39. The sum of \$1,600,000 is appropriated from the general fund to the Department of Corrections for additional major medical expenses for the fiscal year ending June 30, 1990.

* Sec. 40. The sum of \$250,000 is appropriated from the general fund to the Department of Corrections to cover funding shortfalls at the Maniilaq Social Rehabilitation Center for the fiscal year ending June 30, 1990.

* Sec. 41. The sum of \$25,300 is appropriated from the general fund to the Department of Corrections to pay outstanding fiscal years 1989 and 1990 costs and attorney fees for an arbitration settlement with employees of the Southcentral region probation office.

* Sec. 42. The sum of \$56,397 is appropriated from the general fund to the Commission on Judicial Conduct for additional operating costs for the fiscal year ending June 30, 1990.

* Sec. 43. The sum of \$108,825 is appropriated from the general fund to the following agencies for the fiscal year ending June 30, 1990, to pay miscellaneous claims and stale-dated warrants:

Governor	\$ 699
Administration	31,759
Health and Social Services	37,327
Commerce and Economic Development	5,824
Military and Veterans' Affairs	4,577

Fish and Game	67
Public Safety	492
Transportation and Public Facilities	24,752
Corrections	2,735
Legislature	593

* Sec. 44. The sum of \$99,000 is appropriated from the dividend fund (AS 43.23.045) to the Department of Revenue, permanent fund dividend division, for increased operating costs for the fiscal year ending June 30, 1990.

* Sec. 45. The sum of \$1,090,502 is appropriated from the general fund to the Department of Education for the school debt retirement program for fiscal year ending June 30, 1990, and is allocated in the amounts listed below to the following municipalities:

Kodiak Island Borough	\$982,117
City and Borough of Sitka	108,385

* Sec. 46. The sum of \$80,300 is appropriated from the oil and hazardous substance release response fund in the general fund to the Department of Natural Resources, division of geological and geophysical surveys, to analyze the potential for flood hazards to the Drift River tank farm as a result of the eruptions of the Redoubt Volcano for the fiscal year ending June 30, 1990.

* Sec. 47. The sum of \$298,000 is appropriated from general fund program receipts to the Department of Fish and Game, division of fisheries rehabilitation, enhancement, and development, for payment as a grant under AS 37.05.316 to the Prince William Sound Aquaculture Corporation for construction of an adult sockeye salmon fish ladder and maturation pond at the Main Bay Hatchery for the fiscal year ending June 30, 1990.

* Sec. 48. The sum of \$340,900 is appropriated from federal receipts to the Department of Health and Social Services, Alaska work program, to pay SCS CSHB 428(Fin)

for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990.

* Sec. 49. The sum of \$606,902 is appropriated from the general fund to the Department of Education for the underpayments due to P.L. 81-874 for the public school foundation program for the fiscal year ending June 30, 1988.

* Sec. 50. The sum of \$397,102 is appropriated from the general fund to the Department of Education for the underpayments due to P.L. 81-874 for the public school foundation program for the fiscal year ending June 30, 1989.

* Sec. 51. The sum of \$27,000 is appropriated from the general fund to the Department of Education for the boarding home program for full year funding for the fiscal year ending June 30, 1990.

* Sec. 52. The sum of \$40,000 is appropriated from the general fund to the Department of Education to implement ch. 7, SLA 1990, relating to background checks for teacher certification applicants for the fiscal year ending June 30, 1990.

* Sec. 53. The sum of \$3,312,568 is appropriated from the general fund to the disaster relief fund (AS 44.19.048) for the following purposes:

Statewide spring flood disaster - 1989	\$1,011,888
Anchorage flood disaster - 1989	805,100
Kenai Peninsula Borough flood disaster - 1989	495,580
Bering Straits School District, Stebbins School fire disaster - 1989	1,000,000

* Sec. 54. The sum of \$90,000 is appropriated from the general fund to the Department of Administration, public defender agency, for extraordinary felony cases for the fiscal year ending June 30, 1990.

* Sec. 55. The sum of \$173,900 is appropriated from the international airports revenue fund to the Department of Transportation and Public

Facilities, Anchorage International Airport, for costs associated with the University of Alaska, Geophysical Institute monitoring of the Mount Redoubt Volcano for the period February 1, 1990, through June 30, 1990.

* Sec. 56. The sum of \$30,000 is appropriated from the general fund to the Department of Corrections for payment of the Cleary Monitor for the fiscal year ending June 30, 1990.

* Sec. 57. The sum of \$13,630 is appropriated from the general fund to the Department of Revenue to refund additional aviation fuel revenue to the Municipality of Anchorage under AS 43.40.010 for the fiscal year ending June 30, 1989.

* Sec. 58. The sum of \$426,290 is appropriated from the general fund to the Department of Education for repayment to the federal government for fiscal year 1987 audit exceptions.

* Sec. 59. The sum of \$76,290 is appropriated from the dividend fund (AS 43.23.045) to the Department of Revenue, permanent fund dividend division, to implement the provisions of the stipulation associated with Lindley v. Malone (3AN-90-2586 Civ.).

* Sec. 60. The sum of \$148,600 is appropriated from the general fund to the Alaska Court System for extraordinary expenses resulting from State. v. Amerada Hess, et al. (1JU-77-847 Civ.) for the fiscal year ending June 30, 1990.

* Sec. 61. The unobligated and unappropriated balance in the mental health trust income account on June 30, 1990, (AS 37.14.011 and 37.14.021) is transferred to the unreserved portion of the general fund on July 1, 1990.

* Sec. 62. The sum of \$200,000 is appropriated from the general fund to the Department of Fish and Game, division of wildlife conservation, for moose habitat enhancement, improvement of access to browse for moose, and research, development, and implementation of proposals to reduce moose

mortality, including railroad related mortality, in Southcentral Alaska.

* Sec. 63. The sum of \$100,000 is appropriated from the general fund to the Office of the Governor for transportation and other costs of Team Alaska.

* Sec. 64. The sum of \$25,000 is appropriated from the general fund to the Office of the Governor for dues for the Arctic Winter Games.

* Sec. 65. The sum of \$200,000 is appropriated from the general fund to the Department of Community and Regional Affairs to fully fund the property tax equivalency payment program (AS 29.45.040) for the fiscal year ending June 30, 1990.

* Sec. 66. The sum of \$2,197,800 is appropriated from the general fund to the Department of Education for payment as grants for operating expenses for single-site school districts for the fiscal year ending June 30, 1990, as allocated to the following school districts in the amounts listed:

Bristol Bay Borough Schools	\$ 133,200
Cordova City Schools	66,600
Craig City Schools	108,000
Dillingham City Schools	76,200
Galena City Schools	156,000
Haines Borough Schools	94,800
Hoonah City Schools	113,400
Hydaburg City Schools	123,600
Kake City Schools	123,600
Klawock City Schools	108,000
Nenana City Schools	144,000
Pelican City Schools	129,600
Petersburg City Schools	60,000
St. Mary's School District	156,000
Skagway City Schools	126,000

Tanana City Schools	156,000
Unalaska City Schools	133,200
Wrangell City Schools	60,000
Yakutat City Schools	129,600

* Sec. 67. The sum of \$400,000 is appropriated from the general fund to the Department of Transportation and Public Facilities for reconstruction work on the Naknek/King Salmon highway for the fiscal year ending June 30, 1990.

* Sec. 68. The sum of \$670,000 is appropriated from the general fund to the Department of Natural Resources for the division of forestry to build fire breaks and for prescribed burning operations in the Cooper Landing vicinity of the Kenai Peninsula and on other state land to control the fire hazard created by the bark beetle infestation for the fiscal year ending June 30, 1990.

* Sec. 69. The sum of \$100,000 is appropriated from the general fund to the Department of Natural Resources for the division of forestry to identify and develop a public consensus on how to treat state land in order to control the fire hazard created by the bark beetle infestation for the fiscal year ending June 30, 1990.

* Sec. 70. The sum of \$90,000 is appropriated from the general fund to the Department of Natural Resources for payment as a grant under AS 37.05.-316 for the fiscal year ending June 30, 1990 to the Copper River Native Association to build fire breaks and conduct prescribed burning operations in the Glennallen area.

* Sec. 71. The sum of \$120,000 is appropriated from the general fund to the Department of Natural Resources, division of forestry, in McGrath to develop a system to control the fire hazard created by the bark beetle infestation and to protect state property for the fiscal year ending June 30, 1990.

1 * Sec. 72. The sum of \$17,000 is appropriated from the general fund to
2 the University of Alaska for the World Trade Center export trading consor-
3 tium for the fiscal year ending June 30, 1990.

4 * Sec. 73. The sum of \$990,000 is appropriated from the general fund to
5 the Department of Natural Resources for submerged lands recalculation for
6 the fiscal year ending June 30, 1990.

7 * Sec. 74. The unexpended and unobligated balances of the appropria-
8 tions made by secs. 63 and 64 of this Act lapse into the general fund
9 June 30, 1992.

10 * Sec. 75. The unexpended and unobligated balance of the appropriation
11 made by sec. 59 lapses into the dividend fund (AS 43.23.045) June 30, 1991.

12 * Sec. 76. The appropriations made by secs. 47, 62, and 67 of this Act
13 are for capital projects and are subject to AS 37.25.020.

14 * Sec. 77. This Act takes effect immediately under AS 01.10.070(c).
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 19, 1990

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making miscellaneous supplemental appropriations. It is explained in more detail in material being furnished by my division of budget review to the finance committees.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the typed name.

Steve Cowper
Governor

5FC-90
1/25/90

STATE OF ALASKA
OFFICE OF MANAGEMENT & BUDGET
DIVISION OF BUDGET REVIEW

DATE: 04/20/90
TIME: 13:42:52
PROG: F90SUPL2

Page 1 of GOVERNOR'S FY '90 SUPPLEMENTAL REQUESTS, BY BILL SECTION

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
0	Y	DCED	Purchase of Locomotives and Rolling Stock	9,000,000	0	9,000,000	
	Y	DEC	VSW: Kotzebue Repairs to Water System/1990 Winter Freeze-up	2,826,700	0	2,826,700	
	Y	DFG	Main Bay Hatchery Brood Stock Maturation Facility Constructn	298,000	0	298,000	
	Y	DHSS	Alaska Work Programs: Family Support Act (Welfare Reform)	0	340,900	340,900	
	Y	DMVA	Disaster Relief Fund: 1986 Southcentral Flood Disaster	1,074,530	0	1,074,530	
	Y	DMVA	Disaster Relief Fund: 1989 Spring Flood Disaster (Statewide)	1,011,888	0	1,011,888	
	Y	DMVA	Disaster Relief Fund: 1989 Anchorage Flood Disaster	805,100	0	805,100	
	Y	DMVA	Disaster Relief Fund: 1989 Kenai Peninsula Flood Disaster	495,580	0	495,580	
	Y	DMVA	Mt. Redoubt Volcano Monitoring 02/01/90 - 06/30/90	173,900	0	173,900	
	Y	DNR	Redoubt Volcano/Drift River Study	80,300	0	80,300	
	Y	DOA	Public Defender: Extraordinary Felony Cases	90,000	0	90,000	
	Y	DOC	Clery Monitor	30,000	0	30,000	
	Y	DOE	Debt Retirement: Kodiak and Sitka FY90	1,090,500	0	1,090,500	
	Y	DOE	K-12 Boarding Home Program FY90 Full Cost	27,000	0	27,000	
	Y	DOE	Implementation of HB 52, FY90 Fiscal Impact	40,000	0	40,000	
	Y	DOE	FY '87 Audit Exception Payments to Federal Government	426,290	0	426,290	
	Y	REV	Permanent Fund Dividend Division FY '90 Operating Costs	0	99,000	99,000	
	Y	REV	Anchorage FY '89 Aviation Fuel Revenue Refund	13,630	0	13,630	
	Y	REV	Implement PFD Stipulation Provisions of Lindley v. Malone	0	295,290	295,290	
				18,283,418	735,190	19,018,608	Sum
1	Y	DOA	Longevity Bonus: Grants (6758.0 in Ch. 17)	7,400,000	0	7,400,000	
				7,400,000	0	7,400,000	Sum
2	Y	DOA	Office of Public Advocacy: FY89 (Funded Ch. 17)	249,200	0	249,200	
				249,200	0	249,200	Sum
3	Y	DOA	Office of Public Advocacy: FY90 (Funded Ch. 17)	950,000	0	950,000	
				950,000	0	950,000	Sum
4		DOA	Labor Relations Agency: Amend Legal/Administrative Contracts	25,000	0	25,000	

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
				25,000	0	25,000	Sum
5		DOA	Pioneers' Homes: Increased Salaries and Operations Costs	738,300	0	738,300	
				738,300	0	738,300	Sum
6		DOA	Older Alaskans Commission: Arbitration Award	38,700	0	38,700	
				38,700	0	38,700	Sum
7	Y	DOA	Public Defender: Attorneys' LWOP	193,600	0	193,600	
				193,600	0	193,600	Sum
8		DOA	Alaska Public Offices Commission: Elections Report Data	130,000	0	130,000	
				130,000	0	130,000	Sum
9		DOA	1988 Columbus Day Arbitration Award	370,900	0	370,900	
				370,900	0	370,900	Sum
10	Y	LAW	Judgements and Claims	267,167	0	267,167	
				267,167	0	267,167	Sum
11	Y	LAW	Attorney General's Office: Weiss v. State	267,000	0	267,000	
				267,000	0	267,000	Sum
12	Y	LAW	Reimburse Gov. Sheffield's Legal Expenses (Funded Ch. 17)	302,653	0	302,653	
				302,653	0	302,653	Sum
13		REV	Shared Taxes: Electric and Telephone Cooperative Tax FY89	32,774	0	32,774	
				32,774	0	32,774	Sum
14		REV	Child Support Enforcement Division: (Gramm-Rudman-Hollings)	54,500	0	54,500	

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
				54,500	0	54,500	Sum
15		DOE	Foundation Funding: Increased Enrollment	17,858,100	0	17,858,100	
	Y	DOE	Foundation Funding: Underpayments Due to PL81-874 for FY88	606,902	0	606,902	
	Y	DOE	Foundation Funding: Underpayments Due to PL81-874 for FY89	397,102	0	397,102	
	Y	DOE	Foundation Funding: FY90 Student Count Adjustment PL 81-874	637,400	0	637,400	
				19,499,504	0	19,499,504	Sum
16		DOE	Debt Retirement: Juneau/Sitka/North Slope FY89	1,753,300	0	1,753,300	
				1,753,300	0	1,753,300	Sum
18	Y	DHSS	Medical Assistance: Medicaid Non-Facility Shortfall	2,319,600	2,319,500	4,639,100	
				2,319,600	2,319,500	4,639,100	Sum
19	Y	DHSS	Medical Assistance: Medicaid Facilities Shortfall	5,252,500	5,252,400	10,504,900	
				5,252,500	5,252,400	10,504,900	Sum
20		DHSS	Medical Assistance: Indian Health Services Shortfall	0	3,446,200	3,446,200	
				0	3,446,200	3,446,200	Sum
21		DHSS	Medical Assistance: State Programs Shortfall	0	882,000	882,000	
				0	882,000	882,000	Sum
22		DHSS	Medical Assistance Central Administration: Legal Costs	50,000	50,000	100,000	
				50,000	50,000	100,000	Sum
23	Y	DHSS	Medical Assistance Admin: Claims Processing Shortfall	202,400	336,600	539,000	
				202,400	336,600	539,000	Sum
24		DHSS	State Health Services: Nursing Position Reclassification	354,400	0	354,400	
				354,400	0	354,400	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
25		DHSS	Institutions & Administration: API Nursing Position Reclass	266,800	0	266,800	
				266,800	0	266,800	Sum
30		DMVA	Veterans Death Gratuity: Program Underfunding	90,000	0	90,000	
				90,000	0	90,000	Sum
31	Y	DMVA	Disaster Relief Fund: FY90 (Funded Ch. 17)	2,000,000	0	2,000,000	
				2,000,000	0	2,000,000	Sum
32		DNR	Division of Forest Management: Fire Suppression	663,200	0	663,200	
				663,200	0	663,200	Sum
33		DNR	Division of Forest Management: Emergency Fire Fighters	100,000	400,000	500,000	
				100,000	400,000	500,000	Sum
34		DNR	Alaska Historical Commission: Alaska at War	5,400	0	5,400	
				5,400	0	5,400	Sum
35		DFG	Division of Boards Reorganization	384,000	0	384,000	
				384,000	0	384,000	Sum
36		DPS	Municipal Jail Contracts: Request for Additional Funding	440,400	0	440,400	
				440,400	0	440,400	Sum
37		DPS	Laboratory Services: Crime Lab Request for Funding	83,100	0	83,100	
				83,100	0	83,100	Sum
38		DPS	Law Enforcement Support: Information Systems	58,100	0	58,100	
				58,100	0	58,100	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
39		DPS	Law Enforcement Support: Crime Information Systems	137,900	0	137,900	
				137,900	0	137,900	Sum
40		DPS	Motor Vehicles: Veterans License Plates	21,800	0	21,800	
				21,800	0	21,800	Sum
41			Permanent Fund Dividend Fund Reimbursement	1,500,000	0	1,500,000	
				1,500,000	0	1,500,000	Sum
42		DOT	Alaska Marine Highway System: FY89 Unpaid Bills	238,293	0	238,293	
				238,293	0	238,293	Sum
43	Y	DOT	Alaska Marine Highway System: FY89 Level (Funded Ch. 17)	3,250,000	0	3,250,000	
				3,250,000	0	3,250,000	Sum
44	Y	DOT	Western Highways & Aviation: Airport Maintenance Contracts	50,000	0	50,000	
				50,000	0	50,000	Sum
45		DOT	Spring Creek Prison Claim	2,325,000	0	2,325,000	
				2,325,000	0	2,325,000	Sum
46	Y	DOT	Snow and Ice Control/Spring Break-up Maintenance	6,630,300	878,700	7,509,000	
				6,630,300	878,700	7,509,000	Sum
47		DOT	City and Borough of Juneau	136,000	0	136,000	
				136,000	0	136,000	Sum
48	Y	DCRA	family Support Act: Implement Child Care Benefits - April 1	341,000	340,900	681,900	
				341,000	340,900	681,900	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
49		DCRA	Coffman Cove Incorporation Grant of \$50,000	50,000	0	50,000	
				50,000	0	50,000	Sum
50		DCRA	State Revenue Sharing Aid to Unincorporated Community Grants	24,660	0	24,660	
				24,660	0	24,660	Sum
51		DCRA	Local Boundary Commission: Optimum Boundaries Map Project	46,000	0	46,000	
				46,000	0	46,000	Sum
52		DOC	Major Medical: Full Funding	1,600,000	0	1,600,000	
				1,600,000	0	1,600,000	Sum
53		DOC	Statewide Programs: Manillaq Rehabilitation Center	250,000	0	250,000	
				250,000	0	250,000	Sum
54		DOC	Southcentral Probation: Arbitration Settlement	25,300	0	25,300	
				25,300	0	25,300	Sum
55	Y	ACS	Alaska Commission on Judicial Conduct: Proceedings	56,397	0	56,397	
				56,397	0	56,397	Sum
56		DCED	Miscellaneous Claims	5,824	0	5,824	
		DFG	Miscellaneous Claims	67	0	67	
		DHSS	Miscellaneous Claims	37,327	0	37,327	
	Y	DMVA	Miscellaneous Claims	4,577	0	4,577	
	Y	DOA	Miscellaneous Claims and State-Dated Warrants	31,759	0	31,759	
	Y	DOC	Miscellaneous Claims	2,735	0	2,735	
	Y	DOT	Miscellaneous Claims	24,752	0	24,752	
		DPS	Division of Administrative Services: Miscellaneous Claims	492	0	492	
		GOV	Human Rights Commission: Miscellaneous Claims	699	0	699	
		LEG	Legislative Affairs Agency: Miscellaneous Claims	593	0	593	

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
				108,825	0	108,825	Sum
				79,617,391	14,641,490	94,258,881	Sum

STATE OF ALASKA

DEPARTMENT OF EDUCATION

OFFICE OF THE COMMISSIONER

April 2, 1990

4/23/90
JD
STEVE COWPER, GOVERNOR

GOLDBELT PLACE
801 WEST 10TH STREET
P.O. BOX F
JUNEAU, ALASKA 99811-0500

The Honorable Ron Larson
Alaska State House of Representatives
P.O. Box V
Juneau, Alaska 99811

Dear Representative Larson:

Your staff has requested updated information on the FY91 cost estimate for the School Construction Debt Retirement Program. It is my understanding that a number of questions regarding the Department's estimate have been raised, particularly in light of the Fairbanks voters' decision. Although the voters of Fairbanks have turned down a bond proposition which reduces the Fairbank's projected entitlement included in our previous FY91 entitlement estimate, a number of other variables affect the overall cost of the debt retirement program, and generally offset this projected savings.

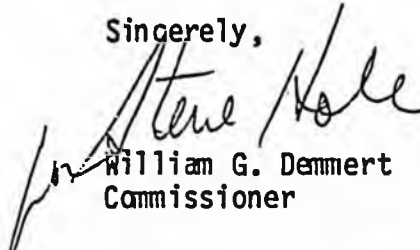
Below is the Department's best estimate based upon all data available as of this date. Outstanding bond issues which may increase the cost to the program in FY91 are listed separately and reflect Department speculation about municipal actions which may occur. These numbers are in thousands.

FY91 Base estimate of cost	\$126,356.0
Payments on Anchorage & Juneau outstanding authorization (Fall 1989)	\$2,500.0
Payments on Valdez outstanding authorization (1976)	\$ 200.0
Payments on Aleutians East voter authorization (March 1990)	\$ 200.0
CIP Overhead	\$ 398.0
Total	\$129,654.0

As you are aware, a number of outstanding variables, such as interest rates and refinancing of issues could also impact this estimate.

Please contact John Anttonen at 465-2865 or Mary Hakala at 465-2800 if additional information is needed.

Sincerely,


William G. Demmert
Commissioner

cc: Alison Elgee, OMB

1 ALASKA PUBLIC SCHOOL FOUNDATION FUNDING PROGRAM
 2 FY90 AT 100% OF ENTITLEMENT (COLUMN 2)
 3 LESS CURRENT FUNDING LEVEL (COLUMN 3)
 4 PREPARED 4/3/90

5	6	7	8	9
		AT \$60,000	AT \$58,239.31	COLUMN 3
		FY90	FY90	MINUS
		STATE AID	STATE AID	COLUMN 2
10				
11	ADAK	\$2,154,483	\$2,028,170	(\$126,313)
12	ALASKA GATEWAY	\$4,267,612	\$4,128,668	(\$138,944)
13	ALEUTIAN EAST	\$3,324,914	\$3,214,209	(\$110,705)
14	ALEUTIAN REGION	\$653,518	\$631,867	(\$21,651)
15	ANCHORAGE	\$145,657,453	\$140,097,119	(\$5,560,334)
16	ANNETTE ISLAND	\$1,319,535	\$1,245,632	(\$73,903)
17	BERING STRAIT	\$12,508,105	\$12,033,418	(\$474,687)
18	BRISTOL BAY	\$1,622,327	\$1,555,524	(\$66,803)
19	CHATHAM	\$2,548,357	\$2,450,618	(\$97,739)
20	CHUGACH	\$1,421,262	\$1,375,018	(\$46,244)
21	COPPER RIVER	\$5,338,389	\$4,932,515	(\$155,874)
22	CORDOVA	\$2,217,965	\$2,138,759	(\$79,206)
23	CRAIG	\$1,430,612	\$1,382,800	(\$47,812)
24	DELTA GREELY	\$4,232,901	\$4,082,012	(\$150,889)
25	DILLINGHAM	\$2,849,957	\$2,745,330	(\$104,627)
26	FAIRBANKS	\$53,278,011	\$51,280,624	(\$1,997,387)
27	GALENA	\$1,195,319	\$1,154,025	(\$41,294)
28	HAINES	\$2,002,559	\$1,930,400	(\$72,159)
29	HOONAH	\$1,500,185	\$1,449,554	(\$50,631)
30	HYDABURG	\$908,269	\$879,694	(\$28,575)
31	IDITAROD	\$4,591,549	\$4,435,287	(\$156,262)
32	JUNEAU	\$18,768,931	\$18,058,265	(\$710,666)
33	KAKE	\$1,019,349	\$981,596	(\$37,753)
34	KASHUNAMIUT	\$1,200,330	\$1,150,650	(\$49,680)
35	KENAI	\$32,952,328	\$31,567,094	(\$1,385,234)
36	KETCHIKAN	\$9,489,563	\$9,112,790	(\$376,773)
37	KLAWOCK	\$1,339,238	\$1,296,517	(\$42,721)
38	KODIAK	\$11,572,609	\$11,154,172	(\$418,437)
39	KUSPUK	\$4,643,042	\$4,492,083	(\$150,959)
40	LAKE & PENINSULA	\$5,147,611	\$4,968,359	(\$179,252)
41	LOWER KUSKOKWIM	\$26,790,144	\$25,847,834	(\$942,310)
42	LOWER YUKON	\$10,009,881	\$9,606,507	(\$403,374)
43	MAT-SU	\$33,881,829	\$32,617,323	(\$1,264,506)
44	NENANA	\$1,530,226	\$1,483,189	(\$47,037)
45	NOME	\$4,718,390	\$4,563,132	(\$155,258)
46	NORTH SLOPE	\$7,780,980	\$7,417,297	(\$363,683)
47	NORTHWEST ARCTIC	\$13,128,010	\$12,637,908	(\$490,102)
48	PELICAN	\$581,379	\$563,057	(\$18,322)
49	PETERSBURG	\$2,960,639	\$2,852,506	(\$108,133)
50	PRIBILOF	\$1,423,249	\$1,369,148	(\$54,101)
51	RAILBELT	\$3,059,920	\$2,968,893	(\$91,027)
52	SITKA	\$6,216,073	\$5,975,602	(\$240,471)
53	SKAGWAY	\$906,669	\$873,532	(\$33,137)
54	SOUTHEAST ISLAND	\$5,149,771	\$4,976,808	(\$172,963)
55	SOUTHWEST REGION	\$4,292,800	\$4,122,832	(\$169,968)
56	ST. MARY'S	\$1,286,091	\$1,246,559	(\$39,532)
57	TANANA	\$977,289	\$944,469	(\$32,820)
58	UNALASKA	\$1,428,831	\$1,375,469	(\$53,362)
59	VALDEZ	\$2,830,221	\$2,707,326	(\$122,895)
60	WRANGELL	\$2,577,818	\$2,489,716	(\$88,102)
61	YAKUTAT	\$1,047,022	\$1,013,109	(\$33,913)
62	YUKON FLATS	\$4,166,505	\$4,017,589	(\$148,916)
63	YUKON-KOYUKUK	\$5,588,154	\$5,389,242	(\$198,912)
64	YUPIIT	\$3,581,736	\$3,451,177	(\$130,559)
65				
66				
67				
68				
69				
70	TOTALS	\$486,819,910	\$468,462,993	(\$18,356,917)
71				
72				
73	STATE CORR STUDY ---->>>	\$3,423,030	\$3,322,525	(\$100,505)
74	VALDEZ CONTRACT ---->>>	\$600,000	\$600,000	\$0
75	MT. EDGEUMBE ---->>>	\$1,428,801	\$1,390,678	(\$38,123)
76	PL874 PASS THRU ---->>>	\$1,486,000	\$1,486,000	\$0
77	UNREALIZED PL874 ---->>>	\$260,000	\$260,000	\$0
78				
79	TOTAL STATE AID ---->>>	\$494,017,741	\$475,522,196	(\$18,495,545)

Alaska Department of Education
FY90 Foundation Estimate
FY90 First and Second Student Counts (3/30/90)
April 3, 1990

Foundation Est. Cost	\$493,757.7
Plus unrealized PL81-874 Revenue	260.0
Net	<u>\$494,017.7</u>
Versus FY90 CC Authorization	\$475,522.2
Difference	(\$18,495.5)

1 DEPARTMENT OF EDUCATION
 2 FY90 FOUNDATION REPORTS
 3 ADM & UNITS BY CATEGORY
 4 PREPARED 1/8/90 UPDATED 3/30/90

K-12 UNITS FY90
 AS 16.17.031(b)

6	ACTUAL	FY90	FY89	FY89 UNITS	GREATER OF	FY90	FY90	FY90	FY90
7 SCHOOL	FY90	K-12	K-12	AT	COLUMN 3 OR	BIL./BIC.	SPEC. ED.	VOC. ED.	TOTAL
8 DISTRICT	ADM	UNITS	UNITS	908	COLUMN 5	UNITS	UNITS	UNITS	UNITS
11 ADAK	696.65	50.67	48.20	43.38	50.67	1.00	3.79	1.00	56.44
12 ALASKA GATEWAY	482.95	37.98	56.64	50.98	57.98	1.00	6.16	1.14	66.28
13 ALEUTIAN EAST	341.05	43.33	0.00	0.00	43.33	0.00	3.64	1.00	47.97
14 ALEUTIAN REGION	28.00	6.38	0.00	0.00	6.38	1.00	1.00	1.00	9.38
15 ANCHORAGE	39,236.27	2,626.14	2,590.21	2,331.19	2,626.14	48.74	453.62	27.75	3,156.25
16 ANNETTE ISLAND	404.70	32.98	34.58	31.12	32.98	1.00	5.75	1.00	40.73
17 BERING STRAIT	1,326.75	165.04	157.42	141.68	165.04	11.85	14.81	2.15	193.85
18 BRISTOL BAY	245.35	24.89	24.73	22.26	24.89	1.00	2.97	1.00	29.86
19 CHATHAM	352.45	48.42	43.90	39.51	48.42	0.00	4.44	1.00	53.86
20 CHUGACH	106.00	18.76	17.45	15.1	18.76	1.00	2.27	1.00	23.03
21 COPPER RIVER	583.47	69.20	69.65	62.69	69.20	1.00	6.41	1.00	77.61
22 CORDOVA	428.00	34.53	34.53	31.08	34.53	0.00	4.97	1.00	40.50
23 CRAIG	255.00	23.31	20.51	18.46	23.31	0.00	2.04	1.00	26.35
24 DELTA GREELY	857.20	62.08	64.84	58.36	62.08	0.00	10.76	1.00	73.84
25 DILLINGHAM	449.45	35.96	35.95	33.26	35.96	1.00	8.80	1.00	46.76
26 FAIRBANKS	13,538.40	927.03	906.00	815.40	927.03	4.51	142.84	15.80	1,090.18
27 GALENA	135.50	15.03	15.79	14.21	15.03	1.00	1.00	1.00	18.03
28 HAINES	397.00	34.89	33.30	29.97	34.89	1.00	2.12	1.00	39.01
29 HOONAH	257.65	23.18	22.76	20.48	23.18	0.00	2.43	1.00	26.61
30 HYDABURG	101.95	12.50	12.83	11.55	12.50	1.00	1.25	1.00	15.75
31 IDITAROD	421.00	57.99	55.77	50.19	57.99	1.00	6.70	1.00	66.69
32 JUNEAU	4,890.00	329.25	309.86	278.87	329.25	2.13	68.66	3.36	403.40
33 KAXE	166.00	17.07	18.07	16.26	17.07	0.00	2.74	1.00	20.81
34 KASHUNANUT	154.00	16.27	17.00	15.30	16.27	1.08	2.85	1.00	21.20
35 KENAI	8,486.36	671.54	654.64	589.19	671.54	12.89	92.18	9.70	786.31
36 KETCHIKAN	2,617.50	181.76	173.17	155.85	181.76	1.37	26.88	3.86	213.87
37 KILMOCK	208.85	19.92	18.35	16.52	19.92	0.00	2.62	1.00	23.54
38 KODIAK	2,321.14	186.79	183.75	165.38	186.79	2.51	25.82	2.79	217.91
39 KUSPUK	413.40	56.90	54.96	49.66	56.90	1.00	5.53	1.00	64.43
40 LAKE & PENINSULA	407.35	69.84	62.44	56.20	69.84	1.00	5.73	1.10	77.67
41 LOMER KUSKOKWIM	2,685.73	288.04	284.75	256.28	288.04	51.72	33.71	3.21	376.68
42 LOMER YUKON	1,301.57	145.53	144.55	130.10	145.53	6.78	15.32	1.98	169.61
43 MAT-SU	8,824.00	614.01	589.99	530.99	614.01	5.35	87.72	10.70	717.78
44 NEMANA	165.50	18.37	18.99	17.09	18.37	1.00	1.88	1.00	22.25
45 NOPE	754.00	55.80	55.75	50.18	55.80	1.13	7.82	1.02	65.77
46 NORTH SLOPE	1,301.80	126.10	121.23	109.11	126.10	6.66	7.96	1.65	142.37
47 NORTHWEST ARCTIC	1,645.75	165.13	164.17	147.75	165.13	3.58	21.14	2.01	191.86
48 PELICAN	49.00	7.63	6.91	6.22	7.63	0.00	1.00	1.00	9.63
49 PETERSBURG	685.10	51.26	49.63	44.67	51.26	1.00	8.06	1.06	61.38
50 PRIBILOF	149.55	19.43	19.37	17.43	19.43	1.00	2.19	1.00	23.62
51 RAILBELT	347.50	38.26	37.74	33.97	38.26	0.00	2.75	1.00	42.01
52 SITKA	1,670.18	116.56	115.30	103.77	116.56	1.00	17.30	1.64	136.50
53 SKAGWAY	145.15	15.68	15.62	14.06	15.68	0.00	1.23	1.00	17.91
54 SOUTHEAST ISLAND	555.10	87.61	82.96	74.66	87.61	0.00	5.67	1.12	94.40
55 SOUTHWEST REGION	455.60	58.06	64.98	58.48	58.68	9.05	5.12	1.00	73.65
56 ST. MARY'S	111.40	13.28	13.24	11.92	13.28	1.00	1.98	1.00	17.26
57 TASHUMI	88.00	11.33	11.83	10.65	11.33	1.00	1.00	1.00	14.33
58 UNALASKA	204.20	19.61	18.55	16.70	19.61	1.00	2.24	1.00	23.85
59 VALDEZ	762.60	56.95	51.60	46.44	56.95	0.00	4.90	1.00	62.85
60 WRANGELL	508.70	39.51	40.22	36.20	39.51	0.00	9.50	1.00	50.01
61 YAKUTAT	132.35	14.82	14.75	13.28	14.82	1.00	1.00	1.00	17.82
62 YUKON FLATS	339.00	50.58	52.54	47.30	50.58	1.15	5.17	1.00	57.90
63 YUKON-KOYUKUK	529.25	73.56	71.24	64.12	73.56	1.58	8.12	1.00	84.26
64 YUPIIT	315.00	38.00	37.25	33.53	38.00	8.86	4.70	1.00	52.56
65									
66									
67									
68 TOTALS	104,035.22	8,044.74	7,821.50	7,039.41	8,045.16	202.94	1,178.26	128.04	9,554.40
69									
70									

71 THE FOLLOWING DISTRICT SUBMITTED OPTIONAL COUNTS:
 72 HYDABURG, UNALASKA, BRISTOL BAY, PELICAN, SITKA, NOPE, CRAIG

1 DEPARTMENT OF EDUCATION
 2 FL874 FOR FY90 FUNDATION
 3 PREPARED 1/8/90
 4 REVISED 3/12/90

INDIAN &
 SPEC. ED.

5				
6	TOTAL AMOUNT	AMOUNT	AMOUNT	
7	RECIEVED FROM	DISTRICT	ELIGIBLE FOR	
8	FY89 & PRIOR	KEEPS	FOUNDATION	
9				
10				
11	ADAK	\$2,461,367.90	\$75,237.98	\$2,386,129.92
12	ALASKA GATEWAY	\$736,621.40	\$220,412.73	\$516,208.67
13	ALEUTIAN EAST	\$674,531.37	\$179,547.03	\$494,984.34
14	ALEUTIAN REGION	\$130,272.11	\$37,069.39	\$93,202.72
15	ANCHORAGE	\$771,164.58	\$136,004.00	\$635,160.58
16	ANNETTE ISLAND	\$1,835,220.05	\$504,703.48	\$1,330,516.57
17	BERING STRAIT	\$5,595,725.33	\$1,530,286.97	\$4,065,438.36
18	BRISTOL BAY	\$393,443.07	\$92,255.48	\$301,187.59
19	CHATHAM	\$1,195,696.81	\$328,537.89	\$867,158.92
20	CHUGACH	\$221,406.13	\$50,586.16	\$170,819.97
21	COPPER RIVER	\$315,258.21	\$70,356.81	\$244,901.40
22	CORDOVA	\$32,706.18	\$9,689.34	\$23,016.84
23	CRAIG	\$58,677.24	\$11,284.59	\$47,392.65
24	DELTA GREELY	\$1,130,408.30	\$123,631.68	\$1,006,776.62
25	DILLINGHAM	\$424,322.58	\$81,456.10	\$342,866.48
26	FAIRBANKS	\$112,236.18	\$0.00	\$112,236.18
27	GALENA	\$517,367.78	\$102,837.36	\$414,530.42
28	HAINES	\$11,257.43	\$1,132.30	\$10,125.13
29	HOONAH	\$203,841.52	\$53,337.62	\$150,503.90
30	HYDABURG	\$54,074.84	\$7,238.77	\$46,836.07
31	IDITAROD	\$1,095,032.98	\$283,420.96	\$811,612.02
32	JUNEAU	\$50,768.43	\$4,647.70	\$46,120.73
33	KAKE	\$514,570.46	\$149,496.54	\$365,073.92
34	KASHUNAMIUT	\$783,809.21	\$237,509.17	\$546,300.04
35	KENAI	\$400,089.39	\$136,796.25	\$263,293.14
36	KETCHIKAN	\$27,996.34	\$7,364.16	\$20,632.18
37	KLAWOCK	\$486,958.90	\$153,060.53	\$333,898.37
38	KODIAK	\$444,247.33	\$91,000.70	\$353,246.63
39	KUSPUK	\$770,381.20	\$216,649.64	\$553,731.56
40	LAKE & PENINSULA	\$1,458,188.73	\$394,422.63	\$1,063,766.10
41	LOWER KUSKOKWIM	\$7,858,605.64	\$1,966,098.80	\$5,892,506.84
42	LOWER YUKON	\$5,653,147.22	\$1,510,570.38	\$4,142,576.84
43	MAT-SU	\$60,952.63	\$11,250.21	\$49,702.42
44	NENANA	\$14,494.26	\$3,247.01	\$11,247.25
45	NOME	\$13,778.42	\$0.00	\$13,778.42
46	NORTH SLOPE	\$3,160,433.25	\$775,699.75	\$2,384,733.50
47	NORTHWEST ARCTIC	\$4,357,127.52	\$1,099,565.82	\$3,257,561.70
48	PELICAN	\$0.00	\$0.00	\$0.00
49	PETERSBURG	\$35,097.44	\$0.00	\$35,097.44
50	PRIBILOF	\$646,552.89	\$180,607.54	\$465,945.35
51	RAILBELT	\$45,684.79	\$929.35	\$44,755.44
52	SITKA	\$202,252.84	\$51,272.78	\$150,980.06
53	SKAGWAY	\$112.07	\$0.00	\$112.07
54	SOUTHEAST ISLAND	\$916,648.20	\$93,282.39	\$823,365.81
55	SOUTHWEST REGION	\$2,162,207.48	\$499,984.77	\$1,662,222.71
56	ST. MARY'S	\$302,860.73	\$78,008.33	\$224,852.40
57	TANANA	\$341,660.09	\$86,349.10	\$255,310.99
58	UNALASKA	\$18,875.95	\$15,354.42	\$3,521.53
59	VALDEZ	\$57,290.04	\$7,326.32	\$49,963.72
60	WRANGELL	\$10,943.33	\$454.19	\$10,489.14
61	YAKUTAT	\$106,826.19	\$36,008.76	\$70,817.43
62	YUKON FLATS	\$1,374,357.39	\$368,474.39	\$1,005,883.00
63	YUKON-KOYUKUK	\$1,803,683.02	\$485,409.76	\$1,318,273.26
64	YUPIIT	\$1,297,527.32	\$336,567.76	\$960,959.56
65				
66				
67				
68	TOTALS	\$53,348,760.69	\$12,896,435.79	\$40,452,324.90
69				
70				

MEMORANDUM

State of Alaska

\$2,826.7

TO: The Honorable Steve Cowper
Governor of Alaska

DATE: March 15, 1990

THRU: Garrey Peska
Chief of Staff

FILE NO:

THRU: Mike Irwin
Special Assistant

TELEPHONE NO: 376-2337

FROM: Ervin Paul Martin, ^{Ervin} Director
Division of Emergency Services
Department of Military
and Veterans Affairs

SUBJECT: Kotzebue/Northwest
Arctic Borough
water/sewer freeze-up

I. BACKGROUND:

Beginning in late January and continuing through early February 1990, a number of communities within the Northwest Arctic Borough experienced freeze-up of their water and sewer systems. Specific communities that requested disaster assistance were: Kotzebue, Kiana, Noorvik, Ambler, Shungnak and Kobuk. The water and sewer system in Uotak also froze; however, the community did not formally request assistance from the State. As a result of these requests, the Alaska Division of Emergency Services (ADES) recommended, and the Governor approved, the formation of a Task Group to investigate the causes for the reoccurring water/sewer problems within the region and determine immediate, short term and long term needs. The Task Group was composed of representatives from ADES, DEC/Village Safe Water, U.S. Public Health Services, Alaska Energy Authority, and Gary Eddy, P.E., a consulting engineer, who was hired to serve as Team Chief for the group. The Governor further requested that a report of the Task Group's finding and recommendations be forwarded to him not later than March 16, 1990. A copy of the final report, which was developed by Gary Eddy and coordinated with the Task Group members, is enclosed. A summary of our findings and recommendations follows:

II. SUMMARY OF REPORT:

A. HISTORY: The problems with water and sewer systems within the Northwest Arctic Borough are long-standing. Since 1984, Kotzebue has experienced four major failures of their system.

1984 - \$ 662,800 (State Disaster Fund)
1987 - \$1,228,069 (State Disaster Fund)
1989 - \$ 654,203 (State/Federal Disaster Funds)

Estimate 1990 - \$ 862,000 (Immediate emergency needs)
\$1,925,000 (Add'l work required in 1990 to bring system up to pre-disaster condition and to lessen chance of freeze-up next year).

Other communities within the Borough received approximately \$400,000 in State and Federal Disaster Funds for water/sewer freeze-up problems in 1989.

B. PROBABLE CAUSE: Although the region experienced very cold temperatures during January and February, they were not what could be truly termed abnormal or record setting for the Arctic. No single cause could be identified as the primary reason for systems failure. Rather a combination of factors contributed to their demise. The most common problems include:

1. Failure to maintain water temperatures in distribution loop.
2. Water leaks in distribution lines.
3. Piecemeal design of system expansion.
4. Lack of preventative maintenance.
5. Poorly trained or inattentive operators.
6. Electrical, mechanical or heating malfunctions in the systems.
7. Low level of community commitment and support has resulted in low expectations of what's expected from the local water/sewer utility.
8. Inability or unwillingness of communities to raise and collect water/sewer service fees.

Most of these problems were observed to some degree in each of the communities visited. The exact impact of each was impossible to measure. The Task Group felt that every item must be addressed if real progress is to be made and the cycle of chronic freeze-ups broken. Merely spending money is not the answer.

One potential cause that should be firmly and finally put to rest is the often stated excuse that the problems are due to the age of the systems, their poor original design and the supposed fact that they were experimental. This is simply not the case. The systems were designed and installed, for the most part, during the 1960-70 time frame and used state-of-the-art technology. Similar systems have been installed and successfully operated in other Arctic communities with relatively few problems. Nor does the age of the system really have a bearing on the problem. The City of Nome, as an example, has a system with sections that literally go back to the "Gold Rush" era, yet they seldom experience freeze-up

situations. To use age or poor design as an excuse is not only inaccurate but detracts from the multitude of real problems that do exist.

- C. **FINDINGS:** Specific findings regarding each community are contained in the enclosed report. The Task Group met in Anchorage on March 1, 1990, to review the findings developed during the visitations to the affected communities. A representative from the Governor's Office was in attendance. After considering all factors, the group concluded that the immediate emergencies that exist in the communities of Kiana, Noorvik, Ambler, Shungnak, Kobuk and Noatak could be adequately addressed through community effort, technical assistance from VSW and PHS, and through pre-existing water and sewer grant funds that were believed to be available in several of the communities. The mayors of each village have been so notified and copies of the notification letters are on file in the Governor's Office. It should be noted that some of the villagers responded admirably after the freeze-up occurred. In particular, the response of the plant operators in Kiana and Noorvik resulted in a more rapid restoration of services.

In Kotzebue, the uptown loop was frozen affecting approximately 250 services. 150 services were saved by the City by-passing the frozen area, 50 services are being thawed and 55 services need to be provided with either a temporary system or water/sewer haul service until the frozen pipe is replaced. Factors that contributed to the failure include:

1. Failure to add heat to the water supply or its distribution system.
2. "No-Flow" alarms on distribution system had been disconnected.
3. Temperature gauges were giving erroneous readings (City was aware of the problem).
4. No temperature alarms on the water distribution system.
5. Distribution loops are too long. (The system just grew).
6. Waste heat system has been abandoned.
7. Water system pressure is too low.
8. The City cannot supply and process enough water to meet existing demand.
9. Water/sewer revenues are too low to ensure proper maintenance/operation of the system.

- D. **RECOMMENDATIONS:** See Executive Summary in the Report for a complete listing of all recommendations. Basically, these can be summarized as follows:

1. Training/certification of operators (absolutely essential).
2. Addition of heat to water systems.
3. Maintain monitoring and alarm systems.
4. Raise (and collect) water/sewer rates to handle future problems.
5. The State Disaster Assistance Program takes away any incentive to properly operate and maintain systems. (It is being used as a crutch).

The immediate emergency needs for the City of Kotzebue are estimated to be \$862,000. This is for work that was accomplished during the emergency phase plus purchasing and installation of temporary pipe to portions of the City still without water/sewer services. Allocation of these funds must be closely verified for authorized or allowable expenditures. An additional \$1,925,000 is also required this year in order to restore services to its pre-disaster condition and, more importantly, lessen the chance of system failure next year. Long term needs are estimated to be approximately \$19,000,000; much of which would be devoted to a new water supply system.

III. CONCLUSION:

In summary, there are a host of problems associated with the water and sewer systems within the Northwest Arctic Borough, not all of which are the fault or within the control of the various local government bodies. Nevertheless, it is the consensus of the Task Group that this is a disaster that need not have occurred. Proper maintenance and operations of the various systems could have precluded much of the damage that was incurred. Key to proper maintenance and operations is the training and certification of local plant operators. In general, the communities within the Borough have shown a singular lack of interest in participating in the training/certification program offered by DEC. In fact, last year's FEMA Mitigation Report recommended certification for local operators. However, DEC's efforts have been frustrated and certification and other mitigation measures have not been implemented throughout the region. Until these issues are fully addressed and resolved, the State can expect to have continuing water/sewer problems in this region. Continued use of Disaster Funds is not the answer.

cc: MG John W. Schaeffer

IV.

COMMUNITIES INVESTIGATED

A. Kotzebue

Findings:

1. The City does not add heat to the water supply or its water distribution systems. The Kotzebue system originally had the capability to add heat at the Vortac boiler house, the water treatment plant and to one of the circulating water loops as it passed by the electric power plant. The City indicated that all these systems were removed/disabled and never repaired or upgraded.
2. "No-flow" alarms on distribution system were disconnected because the operator got tired of answering the alarm. The cause of the alarm condition is no flow or low flows that give an intermittent alarm.
3. Temperature gauges do not read actual water distribution temperatures. The City was in the process of changing the temperature gauges. There are hose bibs on each return loop where the water temperature can be monitored. Monitoring the water temperature has not been a high priority in the operation of the Water Treatment Plant.
4. No temperature alarms on the water distribution systems.
5. Water distribution loops are too long. The KEA and uptown loops have been expanded with no upgrading in the water treatment plant to handle increased water flows and heating requirements.
6. Current water/sewer revenues are approximately \$500,000/year. A 1986 rate study for the City indicated the City needs \$1.2 million/year in revenues to operate and maintain their water and sewer system.
7. Waste heat systems have been abandoned. The City could not give any reason for this. They did state the heat was low grade (90 degrees - 120 degrees F.).
8. Standby power is inadequate. The City was in the

process of replacing the existing generator. The City stated it would complete the installation after the current problems are repaired and put back into service.

9. Dual pumping per loop converted to common header.
10. Water system pressure too low for proper circulation. 20 psi.
11. No chlorination at source.
12. The City cannot supply and process enough water to meet existing demand. The City has lowered the operating pressure (20 psi) to reduce the demand.
13. The City could have lost two distribution loops (approx. 500 services). The uptown loop froze-up (approx. 250 services). 150 services were saved by the City by-passing the frozen area, 50 services are being thawed, and 55 temporary services need to be installed or a haul system must be provided until the frozen PVC portion is replaced.
14. City requested \$996,750 in Disaster Aid.

Immediate (Emergency) Recommendations:

1. Add heat to distribution loops and raise water temperature to 45 degrees F. City has a temporary boiler adding heat.
2. Increase the production of the Water Treatment Plant to meet current demand, (300 gpm). City is in the process of doing this.
3. Raise water system line pressure to 35 psi, after the storage tank has been filled and the water processing has been increased (300 gpm).
4. By-pass frozen PVC mainline, thaw HDPE mains, thaw frozen services, provide haul system for water and sewer. Install temporary service for frozen area. Estimated Cost: Personnel \$325,000; Materials and temporary service \$497,000; Equipment \$40,000 for a total of \$862,000.

Short Term (1990 Work) Recommendations:

1. Develop operation and maintenance plan. Est. Cost

of \$25,000.

2. Put boiler plant at the water source back in service and replace boiler in the Water Treatment Plant. Raise water temperature in KEA loop (70 degrees F.) by re-activating the waste heat system at the KEA power plant. Estimated cost \$300,000.
3. Complete installation of new stand-by power for the Water Treatment Plant. City has funds to complete the installation.
4. Develop Water and Sewer Master Plan. Estimated cost of \$100,000.
5. Split Uptown loop and replace damaged PVC pipe. Estimated Cost \$500,000.
6. Increase ability to process water (500 gpm). Expand Water Treatment Plant to handle additional water treatment and boiler heating systems. Estimated Cost of \$1.0 Million.

Long-Term Recommendations:

1. Split KEA loop into two loops. Replace 4" PVC pipe with HDPE pipe. Estimated Cost \$1.0 Million.
2. Complete design of waste heat system. Add heat to water supply and water storage tank. Estimated Cost \$1.15 Million.
3. Increase water storage capacity. Estimated Cost \$1.6 Million.
4. Build dam on June Creek, intake structure, boiler plant and water transmission line. Estimated Cost \$15.0 Million.

4/23/90

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

HOUSE BILL NO. 428, SECTION 46, SNOW AND ICE SUPPLEMENTAL

BRU/COMPONENT	HB 428 1/19 ORIGINAL (GOVERNOR'S)	HB 428 2/22 AMENDMENT (GOV'S AMENDED)	HB 428 TOTAL	PROPOSED 3/21 AMENDMENT SNOW & ICE	PROPOSED 3/21 AMENDMENT SPRING BREAKUP	HB 428 REVISED TOTAL
Interior Hwys & Aviation	250.0		250.0	100.0	300.0	650.0
Interior Facilities		75.0	75.0	45.0		120.0
Dalton Hwys & Aviation	250.0		250.0	50.0	300.0	600.0
Southcentral Hwys & Avtn	308.0	299.9	607.9	226.9	330.0	1164.8
Southcentral Facilities		92.0	92.0	47.5	95.0	234.5
Western Hwys & Aviation	250.0		250.0			250.0
Central Hwys & Aviation	300.0	440.0	740.0	892.0	1720.0	3352.0
Central Facilities		27.0	27.0			27.0
Southeast Hwys & Aviation		232.0	232.0			232.0
<hr/>						
GENERAL FUND TOTAL	1358.0	1165.9	2523.9	1361.4	2745.0	6630.3
<hr/>						
Central State Equip Fleet (HWCF)		262.4	262.4	616.3		878.7
<hr/>						
ALL FUNDS TOTAL	1358.0	1428.3	2786.3	1977.7	2745.0	7509.0

INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)
FY90 Judgments Supplemental - Second Amended Request

AGENCY CONTACT/PHONE NUMBER:

Ronald W. Lorensen, Deputy Attorney General / 465-3600

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

This is to request that the amount of the supplemental appropriation to pay judgments against the state be increased to \$267,167.44. This increase is requested in order to pay four new judgments that have been received since the Department of Law's last request of March 15, 1990. A revised listing of the current pending judgments is attached.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.	267.2	
800	Miscellaneous		
TOTAL			
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	267.2	
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION		PFT	
		PPT	
		Non Permanent	
		Staff Months	
<input type="checkbox"/> Enhance Existing Service <input type="checkbox"/> Compared to FY 90 <input type="checkbox"/> New Service Compared to FY 90 <input type="checkbox"/> Continuation of FY 90 <input type="checkbox"/> Service Level		<input type="checkbox"/> Formula Program <input type="checkbox"/> New Facility Oper.	
IMPACT FROM CAPITAL PROJECT (NAME) Chapter _____ SLA _____ Page/Line _____			

**C5 INCREMENT/
DECREMENT
REQUEST**

Agency Priority _____ of _____

AGENCY Department of Law

BRU Legal Services

COMPONENT Operations

PROJECT _____

FY 91

Page 1 of 4

Revised Date: 04/20/90

Department of Law
FY90
Supplemental Judgements

<u>Judgement</u>	<u>Date of Judgement</u>	<u>Amount</u>	<u>Interest thru 06/30/90 Anticipated</u>	<u>Total</u>	<u>Cumulative Total</u>
1) AK Legal Svcs Arkanakyak v. State	07/20/88	1,000.00	135.04	1,135.04	1,135.04
2) Peter Mysing Thorne v. State	06/26/89	1,177.29	51.62	1,228.91	2,363.95
3) Donald Logan Swenson v. State	09/21/89	135.00	N/A	135.00	2,498.95
4) City of Wasilla Wasilla v. State	08/15/90	69,276.88	N/A	69,276.88	71,775.83
5) Timothy Porter Porter v. State	08/01/89	1,500.00	146.13	1,646.13	73,421.96
6) Phillip Volland Cleary v. State (1)	05/04/89	21,678.72	2,674.61		
Cleary v. State (2)	01/03/90	31,281.31	1,633.17		
Cleary v. State (3)	05/01/89	4,587.95	570.05	62,425.81	135,847.77
7) AK Legal Svcs Green v. State	05/04/89	3,000.00	370.13	3,370.13	139,217.90
8) Our Lady Comp. CC State v. L. Bulen	05/09/87	8,000.00	2,678.64	10,678.64	149,896.54

C5

**ADDITIONAL
EXPLANATION
FORM**

AGENCY Department of Law

BRU Legal Services

COMPONENT Operations

FY 91

Page 2 of 4

Revised Date: 04/20/90

Department of Law
FY90
Supplemental Judgements

<u>Judgement</u>	<u>Date of Judgement</u>	<u>Amount</u>	<u>Interest thru 06/30/90 Anticipated</u>	<u>Total</u>	<u>Cumulative Total</u>
9) J. R. Luffberry Anderson v. State	04/28/89	1,147.90	143.63	1,291.53	151,188.07
10) H. Wassink Wassink v. State	11/04/88	1,176.25	150.61	1,328.92	152,516.99
11) Paul Craig Craig v. State	09/25/89	5,000.00	406.85	5,406.85	157,923.84
12) Trustees for AK Miners Advoc. v. State	09/12/89	16,784.75	1,429.39	18,214.14	176,137.98
13) H. Chambers Chambers, et al. v. State	07/05/89	31,252.60	3,290.59	34,543.19	210,681.17
14) K. Kirk Warner v. State	09/11/89	351.50	13.12	364.62	211,045.79
15) T. E. Meacham Urling v. State	07/31/89	10,277.00	1,004.06	11,281.06	222,326.85
16) N.L. Mark State v. Ayarza	01/24/90	500.00	N/A	500.00	222,826.85

CS

**ADDITIONAL
EXPLANATION
FORM**

AGENCY Department of Law
BRU Legal Services
COMPONENT Operations

FY 91

Page 3 of 4

Revised Date: 04/20/90

Department of Law
FY90
Supplemental Judgements

<u>Judgement</u>	<u>Date of Judgement</u>	<u>Amount</u>	<u>Interest thru 06/30/90 Anticipated</u>	<u>Total</u>	<u>Cumulative Total</u>
17) McKeen/Matson Matson v. State	02/02/90	1,100.00	N/A	1,000.00	224,188.01
18) AK Petroleum Johnson v. State	02/01/90	3,000.00	131.25	3,131.25	227,319.26
19) C. Jacobus McDowell v. State	03/06/90	13,020.40	444.33	13,464.73	240,783.99
20) A. Robinson Carney v. State	02/21/90	5,164.80	195.88	5,360.63	240,090.97
21) Phillip Volland Cleary v. State	04/11/90	15,199.08	359.08	15,558.16	255,649.13
22) J.W. Sedwick Enserch v. Alaska	02/23/90	1,429.40	53.36	1,482.76	263,185.54
23) J.W. Sedwick Osborne v. State	04/20/90	3,900.00	81.90	3,981.90	267,167.44
Total		251,201.99	15,965.45	267,167.44	

C5

ADDITIONAL
EXPLANATION
FORM

AGENCY Department of Law
BRU Legal Services
COMPONENT Operations

FY 91

Page 4 of 4

Revised Date: 04/20/90

THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
FILE

The City of Kotzebue

Kotzebue, Alaska

Response to the Governor's Task Force Report

April 1990

JMM James M. Montgomery
Consulting Engineers Inc.



Executive Summary

JMM James M. Montgomery
Consulting Engineers Inc.



EXECUTIVE SUMMARY

The City of Kotzebue declared a state of emergency due to freeze up of a water main on February 10, 1990. The City requested funds from the Governor's office to assist with restoring water service to the affected area. The Governor formed a Task Force with representatives from Alaska Division of Emergency Services, Department of Environmental Conservation - Village Safe Water, the U.S. Public Health Service, Alaska Energy Authority, and Gary Eddy, P.E., Gary Eddy Company. Between February 22 and February 27, 1990, the task force visited Kotzebue and other Northwest Villages having similar problems. The Task Force then presented a report of their findings and recommendations to the Governor, on March 16, 1990.

The report provided a general analysis of freeze-up causes and specific findings at Kotzebue and other communities in the region. Following their evaluation, the Task Force provided various recommendations for improvements in the facilities and operations that would prevent future emergencies. This report on the behalf of the City of Kotzebue addresses these recommendations.

In general, the City of Kotzebue agrees with recommendations of the Task Force. The City is strongly committed to accomplishing the recommendations; improving the operation, maintenance, and physical plant of the water system to prevent recurrences of the February 1990 emergency.

The City of Kotzebue's commitment includes:

- Provide heat to the water distribution system
- Upgrade and repair water lines to reduce leaks
- Integrate designs through utility Master Planning
 - 1) Provide a 20 year Master Plan
 - 2) Provide a 5 year improvement plan
 - 3) Provide an annual review and update of the plan
- Provide better preventive maintenance through:
 - 1) Creation of a utility procedures manual
 - 2) Updating of the 1980 Operation and Maintenance Manuals
 - 3) Continuous review of operators' performance

- Advance operators' skill level:
 - 1) Continued training of operators
 - 2) Operator participation in certification exams
 - 3) Continued incentive and recognition programs
- Reduce equipment failure through operator training and an aggressive preventive maintenance program
- Raise the level of community expectations by providing improved utility service
- Match utility revenues to actual operation and maintenance costs, provide for amortization of capital/replacement expenditures through funded depreciation, and establish a reserve fund for possible future emergencies

The estimated cost of 10 million dollars to fund these improvements is based on current estimates provided by the Task Force and several other sources. In addition to financial assistance from the State and Federal Governments, the City of Kotzebue is prepared to commit to a three million dollar FmHA (Farmer's Home Administration) loan to accomplish these recommendations. Consequently, for the first time the City will be making a major financial contribution to its utility improvements and the three million dollar obligation represents the largest increment of funding from any single agency.

The following response to the Task Force Report addresses the City's current efforts and future commitment to implementing the Task Force recommendations for water system improvements. In addition, the City will be improving its sewer and solid waste facilities.

Introduction

JM James M. Montgomery
Consulting Engineers Inc.



INTRODUCTION

The City of Kotzebue declared a state of emergency on February 10, 1990 due to the freeze-up of the Uptown Loop water main. An estimated 18,000 feet of main (approximately 250 services) could have been lost. Extraordinary efforts by the City saved approximately 10,000 feet of water main within the first 72 hours of the emergency. During the following weeks, thawing operations recovered another 5200 feet of main. A total of 3100 feet of water main was lost due to freezing which shattered the PVC pipe material.

The City requested State of Alaska assistance through the Division of Emergency Services. A Governor's Task Force was then formed to investigate the causes of the declarations of emergency in Kotzebue and several other communities and to provide recommendations for prevention of future utility freeze-ups.

The Task Force conducted its investigation from February 22 through February 27, 1990, and submitted a report to the governor dated March 16, 1990.

The City of Kotzebue commissioned James M. Montgomery, Consulting Engineers, Inc. (JMM) on April 2, 1990, to respond to the Task Force Report, addressing the City's position on the recommendations and other issues in the report.

In general, the City agrees with the findings, conclusions, and recommendations of the Governor's Task Force. Many of the recommendations were being accomplished prior to the Task Force investigation of the state of emergency. As shown in the following response, the remaining items are being actively pursued for implementation.

The City of Kotzebue is firmly committed to assuring that this type of emergency will not happen again. The City's commitment includes securing a 3 million dollar loan from the Farmer's Home Administration (FmHA), which combined with State and Federal funding will meet the 10 million dollar goal needed to achieve the Task Force Report recommendations. In addition, the City plans to correct existing problems with the Wastewater Collection System and the Solid Waste Disposal facility.

The estimates for these projects are based on best available information including the Task Force Report cost estimates for water system improvements. R&M Engineers provided estimates on the water source, R&J Services provided the sewer system rehabilitation estimates, and the Department of Environmental Conservation provided estimates for the Solid Waste Disposal System.

The break down of costs are as follows:

- Water System: \$7,612,000
- Sewer System \$2,500,000
- Solid Waste \$750,000
- Total: \$10,862,000

Response

JM James M. Montgomery
Consulting Engineers Inc.



RESPONSE

The following response addresses the Executive Summary, the Findings, and the Recommendations in the Task Force Report including immediate, short-term and long-term recommendations. The responses to the Report indicate a strong commitment by the City to correcting problems which caused the February, 1990, emergency and preventing a reoccurrence.

Task Force Executive Summary:

The Executive Summary of the Task Force Report addresses general aspects common to all communities investigated in the Northwest Arctic Borough area. The responses below are relevant to the City of Kotzebue, and the bold-faced statements are direct quotes from the Task Force Report Executive Summary.

A. Cities need trained and State certified water/sewer operators.

- 1) The City is committed to hiring a Level 3 operator for the water treatment and distribution facilities.
- 2) During the past year, the City has been actively training existing operators as well as providing the opportunity for certification examinations. The Plant Supervisor currently holds a Level 1 System Operator's certificate and an Operator In Training (OIT) certificate for the plant. He is currently eligible to take the Level 1 Plant Operator examination and is also qualified to take the Level 2 System Operator examination. The other two plant operators are currently eligible to take the OIT examination. The freeze-up emergency prevented the operators from participating in the last certification examination. Administration of the certification examination is scheduled for June or July, 1990.
- 3) The City is currently producing a procedures manual. The manual will stipulate specific activities for the operators on a daily, weekly, monthly, quarterly, and an annual basis. The manual will be designed to deal with the "attentiveness" problem. The operators' performance will be periodically reviewed by management to assure compliance with the requirements of the procedures manual.
- 4) The Public Works management and City Administration are committed to continuing the advancement of training and skill levels of the operators by providing time for training, merit awards for outstanding service, and encouraging personal initiative to excel in job performance.

B. City, State, and Federal governments need to encourage the construction of waste heat systems for the electrical generating systems.

- 1) The local power authority, Kotzebue Electric Association (KEA), is currently evaluating the requirements necessary to extend a waste heat line to the Water Treatment Plant by up-sizing and extending a planned waste heat line from the power plant to the proposed new hospital. This line to the water plant will provide a good solution to utilization of waste heat. Approximately 2.3 million BTU's per hour of firm waste heat is available. Funding for this extension should be directed to the KEA utility which is independent of the City government. The City is committed to connecting the water distribution system to the waste heat system as a part of the water treatment expansion.

C. Cities need to raise the water supply temperature (45 °F) to provide safe operating limits via boiler or waste heat.

- 1) Prior to freeze-up the City was in the process of rehabilitating the boilers at the boiler house near Vortac Lake. The City will continue the rehabilitation and connect the boilers to the water supply line. The project will provide heat to the incoming plant water, enhance water treatment, and raise the temperature in the water storage tank.
- 2) In January, 1990, RSA Engineering completed a design to provide two new boilers in the Water Treatment Plant. One of the two original boilers was removed to accommodate a waste heat facility. The second boiler is on its last leg. A new boiler will be installed capable of providing building heat, and heating the distribution system enabling an outgoing loop temperature of 45 °F to be maintained. A second boiler will be installed to provide back up to the first.
- 3) As a short-term solution, the existing KEA water loop will be connected at the power plant to a heat exchanger. The heated return water from the KEA loop will be mixed with other flow in the common return manifold. While this is not the most efficient use of the energy available, it is a quick, easy, short-term solution. This project is planned for the summer of 1990.

- D. Cities need to improve operations and maintenance, raise and collect water/sewer rates, and create a water and sewer reserve account to handle future problems with their water/sewer systems.

This statement requires a two part response dealing first with operation and maintenance, and secondly with user rates and reserve accounts.

1) Improvement of operation and maintenance.

- a) The City is in the process of writing a procedure manual which will provide a daily, weekly, monthly, quarterly and annual schedule for the operators.
- b) Identification and correction of deficiencies in operation and maintenance manuals will be completed. The existing O&M manuals were written in 1980 and need to be updated.
- c) The City will provide a firm commitment by management and administration to support good operation and preventive maintenance of the water and sewer system.

2) User rates and reserve accounts.

- a) In March of 1989, the City commissioned Honchen & Uhlenkott, Inc. (H&U), a Public Utility Consultant, to update their December 1986 Kotzebue Municipal Utilities Service Rate Analysis. Due to a reduction in operation costs and user rate increases of 24% since 1987, H&U reported that the user rates were matching actual operation costs. At the recommendation of H&U, the City increased user rates by another 5% in order to start building a reserve for capital facilities replacement.
- b) The City is aggressively pursuing utility operation, maintenance, and amortization funding to meet the true requirements to operate and maintain the Water, Sewer, and Solid Waste facilities.
- c) The City will also establish a reserve account with adequate funding to deal with possible future emergency situations.

E. Cities need to maintain monitoring and alarm systems on their water/sewer systems.

1) Flow alarms:

- a) The existing distribution system is designed for inflow and outflow via a common pump manifold. This design allows backflow into the various loops for severe demand situations such as a fire. In the past, the demand on the system was more closely matched to the supply and the alarms would rarely activate due to no-flow or reverse-flow. As the demands on the distribution system increased, brief periods of low-flow, no-flow, or reverse-flow became more and more frequent. Rather than change the existing alarms to new time-delay alarms or upgrade the circulation pumps to meet demands, the old alarms were simply disconnected.
- b) As an immediate solution, all the flow switches will be changed to differentiate between a no-flow or reverse-flow condition. Further, the flow switches will have a time-delay to allow transient changes in flow (such as reversals) to occur without triggering the alarms. The City retained Motorola during the summer of 1989 to investigate the flow alarm situation in preparation for changing the alarms pending availability of funding.
- c) As a long range solution, the proposed Master Plan should address the sizing of the distribution pumps in relation to the draw on the distribution system. This will help eliminate the alarm problems.

2) Temperature alarms:

- a) Currently there are no low temperature alarms in the plant, however there are thermometers on the supply manifold and on the return lines. In lieu of an alarm system, the operators are required to read both the thermometers and the flow meters daily. Since the thermometers are not mounted in-line with the flow, water has to be bled off past the thermometer probe to accurately measure the temperature. Otherwise, the probes indicates the temperature of stagnant water which approximates room temperature. Records indicate that the bleed-off procedure has not been used.

- b) To improve plant operations in-line thermocouples should be installed providing an audible and visible low temperature alarm. This system can also provide direct readout for the operators, however periodic calibration will be required to ensure reliability.

F. State Disaster Program takes away incentive to properly operate and maintain the City's water/sewer systems.

Comment on this item by the City of Kotzebue is not appropriate.

G. The following is a summary of immediate, short-term, and long-term monetary needs in the communities investigated.

- 1) The funding level for the immediate recommendation for the City of Kotzebue is appropriate. However, this response will indicate that two of the long-term recommended needs are not appropriate for the City of Kotzebue. They are the 15 million dollar development of June Creek and the \$1.15 million development of KEA waste heat system.

TASK FORCE REPORT SECTION IV. COMMUNITIES INVESTIGATED, SUB-SECTION A. KOTZEBUE - FINDINGS:

1. The City does not add heat to the water supply or its water distribution systems. The Kotzebue system originally had the capability to add heat at the Vortac boiler house, the Water Treatment Plant, and to one of the circulating water loops as it passed by the electric power plant. The City indicated that all these systems were removed/disabled and never repaired or upgraded.

Item C.3, page 6 of this response addresses the actions planned by the City of Kotzebue to resolve this problem.

2. "No-flow" alarms on distribution system were disconnected because the operator got tired of answering the alarm. The cause of the alarm condition is no-flow or low flows that give an intermittent alarm.

Item E.1, page 8 of this response addresses the actions planned by the City of Kotzebue to resolve this problem.

3. Temperature gauges do not read actual water distribution temperatures. The City was in the process of changing the temperature gauges. There are hose bibs on each return loop where the water temperature can be monitored. Monitoring the water temperature has not been a high priority in the operation of the operation of the Water Treatment Plant.

Item E.2, page 8 of this response addresses the actions proposed by the City of Kotzebue to resolve this issue.

4. **No temperature alarms on the water distribution systems.**

Item E. 2, page 8 of this response addresses the actions planned by the City of Kotzebue to resolve this problem.

5. **Water distribution loops are too long. The KEA and Uptown loops have been expanded with no upgrading in the Water Treatment Plant to handle increased water flows and heating requirements.**

- a) The design for splitting the Uptown Loop into two loops has been completed. Some parts of this project have already been implemented. Due to the freeze-up there will be some modifications to the design. The end of the original Uptown Loop is being replaced with new 6" HDPE pipe and will be added to the new Swan Lake Loop system.

- b) It is obvious that the KEA Loop is in need of splitting, however this should be done only after long-range planning has been completed. The planning should incorporate consideration of additional storage and future development in the area served by the KEA/Front Street Loops. This evaluation will be accomplished in the Master Plan.

- c) An evaluation of the capacity of each water loop must be done to provide an accurate evaluation of the capacity of the loop to provide for additional services. This planning should be done immediately, but could be done as a part of the Master Planning effort. The sewer system should also be included in this study.

6. **Current water/sewer revenues are approximately \$500,000/year. A 1986 rate study for the City indicated the City needs \$1.2 million/year in revenues to operate and maintain their water and sewer system.**

- a) The annual financial report covering the fiscal year July 1, 1988 to June 30, 1989 indicates that the water, sewer, and refuse utilities received revenues of \$1,195,231. The operating and maintenance expenses including general and administrative allocations were \$786,459. The depreciation expense was \$1,337,399 resulting in a total expense of \$2,123,858. While the utility operations were able to meet their current requirements (\$786,459) through user charges, the utilities were underfunded by \$928,627 to meet all funding requirements.

- b) Refer item D.2, page 7 of this response to clarify the user rate issue.
7. **Waste heat systems have been abandoned. The City could not give any reason for this. They did state the heat was low grade (90 degrees - 120 degrees F).**
- a) The original KEA waste heat system installed by the Public Health Service (PHS) in the early 1970's was disconnected when a new waste heat line was installed.
- b) Following the installation of the new waste heat line, the City experienced problems with the waste heat system due to low temperatures. John Herring, Engineer for KEA, reviewed the entire waste heat system and found it not only deficient, but a liability to the City. He recommended disconnecting the system, based on this recommendation the City did disconnect the system.
- c) The remediation to this problem is addressed in paragraph C, page 6 of this response.
8. **Standby power is inadequate. The City was in the process of replacing the existing generator. The City stated it would complete the installation after the current problems are repaired and put back into service.**
- a) The new standby generator was ordered prior to the freeze-up and arrived in Kotzebue approximately February 20, 1990. The freeze-up caused a delay in installation, and the installation is now scheduled for April 16, 1990.
9. **Dual pumping per loop converted to common header.**
- a) One pump serves as a backup to the second in case of failure. The common header serves to unify the system in the event of a major demand on any one of the loops such as a fire. This was the purpose of the original system design by PHS.
- b) Pacific Management and Engineering modified the original common header, converting the 4-inch pipe to 6-inch pipe on the suction side of the circulation pumps.

10. **Water system pressure is too low for proper circulation. 20 psi.**
- a) The common return and supply manifold for the circulation pumps operates at 20 psi. A design operating pressure of 20 to 25 psi for the manifold was established by PHS as indicated in their operation and maintenance manual. This is also the suction side pressure for the circulation pumps. The circulation loop pumps also provide pressure to each loop. Actual exit pressures on each of the loops vary between 50 and 65 psi based on the circulation pump sizes and demand on the loops.
 - b) The pressure in the common manifold could be raised. However as the residual pressure is raised, more water leaks from the system. This is particularly true in the older PVC piping. The Water Treatment Plant cannot keep up with the artificial demand created by the leaks. This problem affects the total water supply issue as well since there is a finite amount of water available at the source. Until replacement of the older water distribution system is accomplished, suction side pressure on the circulation pumps cannot be increased.
 - c) Another approach would be to isolate the loops from each other. However, this would void the ability of the system to react to fire-flows by backflow through the common manifold.
11. **No Chlorination at source.**
- a) The practice of chlorination at the source to eliminate the formation of organic growth in the water supply line was common in earlier days. It has been shown that chlorination of "tundra water" forms trihalomethanes which are undesirable in domestic water. A more appropriate solution to the problem would be to provide pig-ports in the supply line so that the line could be periodically cleaned by pigging.
12. **The City cannot supply and process enough water to meet existing demand. The City has lowered the operating pressure (20 psi) to reduce the demand.**
- a) Refer to paragraph 10 above regarding the 20 psi issue.
 - b) Expansion of the Water Treatment Plant has been under consideration since the existing plant began operating at full capacity. During the winter, there are times when treatment cannot keep up with the demand and still meet recommended drinking water standards. This was clearly illustrated by the freeze-up during February, 1990.

13. The City could have lost two distribution loops (approx. 500 services). The Uptown loop froze-up (approx. 250 services). 150 services were saved by the City by-passing the frozen area, 55 temporary services need to be installed or a haul system must be provided until the frozen PVC portion is replaced.
- a) There were 55 services lost when the PVC line froze. Of these services 11 were reconnected to other areas of the Uptown Loop. The remaining 44 services are currently being supplied water by truck haul until a temporary above-ground line is constructed. These services will then be connected to the temporary line. Construction on the above-ground line started the week of April 2, 1990.
 - b) When funding is available, this temporary line will be replaced by a permanent buried line which will become a part of the new Swan Lake loop.

The following responses are related to the recommendation portion of the Task Force Report and follow the report format of Immediate (Emergency) Recommendations, Short-term (1990) Recommendations, and Long-term Recommendations.

IMMEDIATE (EMERGENCY) RECOMMENDATIONS:

1. **Add heat to distribution loops and raise water temperature to 45° F. City is (sic) has a temporary boiler adding heat.**
 - a) Initial efforts were made to tie the water plant boiler and the boilers of the Public Works building into the existing heat exchangers, the heat exchangers were found to be unusable.
 - b) A new PVI hot water heater had been scheduled for installation in the City Recreation Center. This instead was installed in the Water Treatment Plant as a temporary measure and used achieve a return temperature into the Plant of 36° F for two of the loops.
 - c) A new temporary heat exchanger was installed to supply building heat to the Water Treatment Plant in case the existing boiler failed. This provides the required redundancy to prevent freezing in the Water Treatment Plant. A more permanent solution will be installed with the new boilers in the plant.

2. Increase the production of the Water Treatment Plant to meet current demand, (300 gpm). City is in the process of doing this.
 - a) The maximum production rate for the Water Treatment Plant to achieve desired treated water quality during winter months when the raw water quality is at the lowest level, is 170 gpm. The maximum raw water feed rate is 260 gpm. Increasing the raw water feed rate in the winter above 170 gpm results in inadequate treated water.
 - b) We concur with this recommendation. Attention is directed to comment 12, page 12 of this response regarding the need for expanding the treatment plant.

3. Raise water system line pressure to 35 psi, after the storage tank has been filled and the water processing rate has been increased (300 gpm).
 - a) See paragraph 10, page 12 of this response.

4. By-Pass frozen PVC mainline, Thaw HDPE mains, Thaw frozen services, provide haul system for water and sewer. Install temporary service for frozen areas. Estimated Cost: Personnel \$325,000; Material and temporary service \$497,000; Equipment \$40,000 for a total of \$862,000.
 - a) All of these recommendations have been accomplished and many were in progress while the task force was in the process of conducting their investigation.
 - b) Actual costs:

1) Labor	\$420,000
2) Equipment	\$150,000
3) Materials	<u>\$640,000</u>
Total	\$1,210,000

SHORT-TERM (1990 WORK) RECOMMENDATIONS:

1. Develop operation and maintenance plan.
 - a) We concur with this recommendation. This issue is addressed in paragraph D.1 , page 7 of this response.

2. **Put boiler plant at the water source back in service and replace boiler in the Water Treatment Plant. Raise water temperature in KEA loop (70 degrees F.) by reactivating the waste heat system at the KEA power plant. Estimated cost \$300,000.**
 - a) We concur with this recommendation. Attention is directed to paragraph C, page 6 of this response.
3. **Complete installation of new stand-by power for the Water Treatment Plant. City has funds to complete the installation.**
 - a) This item is addressed in paragraph 8, page 11 of this response.
4. **Develop Water and Sewer Master Plan. Estimated cost of \$100,000.**
 - a) We concur with this recommendation. The City is committed to preparing a Master Plan for the development of the water, wastewater and solid waste systems for the community. This Plan should address at least a 20 year planning horizon with a definitive 5 year plan that should be updated annually. The Master Plan should be used as the guide for water and wastewater expansion projects that are proposed to the City. If unexpected developments occur, the City should evaluate these developments against the Master Plan.
5. **Split Uptown loop and replace damaged PVC pipe. Estimated Cost \$500,000.**
 - a) We concur with this recommendation. Attention is directed to paragraphs 5.a, page 10, and 13.b, page 13 of this response.
6. **Increase ability to process water (500 gpm). Expand Water treatment Plant to handle additional water treatment and boiler heating systems. Estimated Cost of \$1.0 Million.**
 - a) We concur with this recommendation. Attention is directed to paragraph 12.b, page 12 in this response regarding the expansion of the Water Treatment Plant.
 - b) It is important to note that the City aggressively sought State funding to accomplish this exact recommendation in 1989, but the effort was unsuccessful.

UNDER LONG-TERM RECOMMENDATIONS:

1. **Split KEA loop into two loops. Replace 4"PVC pipe with HDPE pipe. Estimated Cost \$1.0 Million.**
 - a) Concurrence with the recommendation is in order. However, the recommendation of where and when should be an issue addressed in the proposed "Water and Sewer Master Plan."
2. **Complete design of waste heat system. Add heat to the water supply and water storage tank. Estimated Cost \$1.15 Million.**
 - a) It is the opinion of the City that KEA should take the lead in development of this project. Accordingly, KEA would provide for the funding, design, and construction of the facility. The City would coordinate with KEA and take responsibility for the in-plant improvements in the Water Treatment Plant necessary to complete the project. KEA will have responsibility for operating the waste heat system including the heat exchanger. The City would interface at the heat exchanger and be responsible for the operation and maintenance of the in-plant improvements.
3. **Increase water storage capacity. Estimated cost \$1.6 Million.**
 - a) We concur with this recommendation. It should be carefully coordinated with the Water and Sewer Master Plan Update.
4. **Build a dam on June Creek, intake structure, boiler plant and water transmission line. Estimated cost of \$15.0 Million**
 - a) Dredging of Devil's Lake captures the essence of the June Creek drainage area. Past studies indicate that on a high development/usage range the Devil's Lake supply will last until the year 2010. Under a low use scenario this water source will last until the year 2030. Consequently, we do not concur with this recommendation.

In addition to the Task Force Report there was a Memorandum to Governor Cowper from Mr. Ervin Paul Martin, thru Mike Irwin, thru Garrey Peska, dated March 15, 1990. This memo appears to be a cover memo to the Governor providing a synopsis of the Task Force Report. There are a number of issues in this Memo that are not line-items in the Task Force Report which require response. These items begin under the Memorandum to the Governor, Section B "Probable Cause".

II Summary of Report: Paragraph B. Probable Cause: As in the response to the Task Force Report the line-by-line items will be addressed. The boldfaced type is a verbatim quote from the memo.

1. Failure to maintain water temperature in the distribution loops.

- a) Prior to the February freeze-up, the City was investigating rehabilitation of boilers at the boiler house near Vortac Lake and the possibility of connecting them to the water supply line. One of the boilers requires a major overhaul. The second boiler is operable, but attempting to bring it online during the winter will be a high risk project. Connecting the boiler would provide heat to the incoming plant water, enhancing treatment, and raising the water temperature in the water storage tank. The boiler will be connected during the summer of 1990.
- b) Before the freeze-up, the City had commissioned RSA Engineering to look into installing new boilers in the Water Treatment Plant. One of the original boilers was removed after allowing waste heat into the buildings, and the second boiler is on it's last leg. Two new boilers will be installed and will provide building heat. The new boilers would also heat the distribution system, maintain an outgoing loop temperature of 42°F to 45°F, and a return temperature of at least 40°F. The system will operate on one boiler, the second boiler will serve as a back up to the first.
- c) Another solution is to connect the existing KEA water loop to a heat exchanger at the power plant to obtain waste heat and mix it into the common return manifold. This would be a quick, easy, short-term solution. This project is scheduled for the summer of 1990.
- d) On a long-term basis, the City water system should be permanently connected to the Kotzebue Power Plant utilizing supplemental waste heat necessary to achieve the desired temperatures. A waste heat supply line from the power plant to the new hospital is being planned. An extension of the hospital line to the water plant is a good solution to utilization of waste heat. A firm 2.3 million BTU's per hour of waste heat is available. This project should be done by the KEA.

2. Water leaks in the distribution lines.

- a) During the freeze-up recovery period there was considerable effort made to repair leaks in the water line as they were discovered. Most leaks appear at house service connections or in the older PVC section of the main lines. One procedure for discovering leaks is to increase the manifold pressure on the suction side of the

distribution pumps. However, forcing leaks may overburden the treatment plant's ability to accommodate water losses due to the limited treatment and storage capacity.

- b) Plans must be considered for eventual replacement of the older PVC water mains with PE pipe. This will provide a tighter system and facilitate recovery in the event of freeze-up.
- c) Expansion of the Water Treatment Plant is necessary. The existing plant is often operating at capacity. The demand sometimes exceeds the treatment capacity of the plant for several days. If leaks, water line breaks, or necessary water wastage occurs the plant has difficulty keeping up with the flow. This problem was clearly illustrated during the February, 1990, freeze-up.

3. Piecemeal design of system expansions.

- a) The piecemeal design is a very real problem and warrants discussion. The problem begins with piecemeal funding that causes limitations on what can be designed and built. There have been a number of expansions on the water system, along with additions of service, without consideration of the impact on connections. During the design phase of expansions, there is often pressure to compromise and provide more services rather meet other design criteria.
- b) Suggested solutions to this problem:
 - 1) Prepare a Master Plan for the development of community water and wastewater systems. The Master Plan should address at least a 20 year planning horizon, and include a definitive 5 year plan to be updated annually. This Master Plan should be used as a "bible" for proposed water and wastewater expansion projects. If unexpected developments occur, the City should evaluate these developments in comparison with the Master Plan.
 - 2) Loop capacity study - the existing supply and capacity of the water loops should be evaluated. A degree of certainty needs to be achieved regarding how many additional services can be connected without causing failure of the loop. This should be done immediately, but may be delayed until the Master Plan effort. The project should extend into the sewer system as well.

- 3) The City intends to retain a single engineering firm through established procurement procedures to provide the necessary engineering, design, and construction support services necessary to implement all of the improvements discussed in this response. Having one "Engineer of Record" will ensure continuity and a single point of responsibility for the entire program.
 - c) The City is in the process of hiring a City Engineer. The position will provide the City with plan review capacity, continuity in planning efforts, and consistency with City Utility Systems design requirements. A City Engineer will also provide the City with construction management capability providing higher quality assurance on projects.
4. Lack of preventive maintenance.
 - a) The City is in the process of producing a procedures manual that will provide a daily, weekly, monthly, quarterly, and annual schedule for the operators.
 - b) Additionally, any deficiencies in operation and maintenance should be identified and corrected. This can be accomplished through a review process of existing operations and the existing operations and maintenance manuals.
 - c) The City will provide the commitment of management to support proper operation and preventive maintenance of the system.
5. Poorly trained or inattentive operators.
 - a) The City is committed to hiring a Level 3 operator for the water treatment and distribution facilities.
 - b) The City has been very active during the past year in securing training for the current plant operators, in addition to providing the opportunity for certification examinations. The Plant Supervisor currently holds a Level 1 System Operator's certificate and an Operator In Training (OIT) Certificate for water treatment. He is also eligible to take the Level 1 Plant Operator examination and the Level 2 System Operator examination. The other two plant operators are currently eligible to take the OIT plant examination. The freeze-up emergency prevented the operators from participating in the last certification examination.

- c) As previously indicated, the City is committed to providing a procedures manual which will stipulate specific activities for the operators on a daily, weekly, monthly, quarterly, and annual basis. The manual will be designed to deal with the "attentiveness" problem. The operators will be periodically reviewed by management to assure compliance with the requirements of the procedures manual.
 - d) The Public Works management and City Administration is committed to continuing the advancement of training and skill levels of the operators by providing time for training, merit awards, and encouraging personal initiative to excel on the job.
6. **Electrical, mechanical or heating malfunctions in the system.**
- a) The City Public Works Department and the City Administration is Committed to providing an aggressive preventive maintenance program as indicated in the procedures manual discussion above.
 - b) Training and certification of the operators will emphasize the importance of recognizing and repairing malfunctioning equipment and getting it online as quickly as practical.
7. **Low level of community commitment and support has resulted in low expectations of what is expected from the local water and sewer utility.**
- a) The City Administration and the Public Works is committed to raising the level of service for the community. This will raise the level of community expectation for the utilities and create a demand for better service.
 - b) The City Administration and Public Works Management is committed to raising the Public Works Employees' level of pride in their work by promoting initiative and continued recognition of outstanding work.
8. **Inability or unwillingness of communities to raise and collect water/sewer service fees.**

This issue was addressed in paragraph D.2., page 7 of this response.

The remainder of the "transmittal" memorandum has been addressed in previous responses to the Task Force Report. However, there are two issues not addressed in the Task Force Report that will be presented here. They are the Sewer system, and the Solid Waste Disposal Facilities.

Sewer System:

During the summer of 1989, the City retained a contractor to inspect the sewer system with a video camera. The results indicated a major repair and rehabilitation program were in order. The Sewer Rehabilitation Project is currently in the City's capital improvement program. The estimated cost of repair, rehabilitation, and upgrading is \$2.5 million.

Solid Waste Disposal:

A report completed under the auspices of the Alaska Department of Environmental Conservation (ADEC) on the City's Refuse Disposal facility recommends that the existing site be closed and a new Sanitary Landfill be established. The estimated cost for the project is \$750,000.

Conclusion:

Based on the responses in this document it is clear that the City of Kotzebue is committed to preventing recurrences of the February 1990 freeze-up emergency. Many of the activities recommended by the Task Force were already in progress or awaiting funding for implementation. The City is aggressively committed to closing the gaps in the areas of deficiency pointed out by the Task Force Report as funding permits. The City of Kotzebue's most significant commitment is the \$3 million loan from the Farmer's Home Administration (FmHA) which combined with FmHA matching funds, State appropriations, and grant funding from the Federal Government will allow the City financial means to accomplish the recommendations and prevent further recurrences of the February 1990, event.