

SJR

27

FISCAL NOTE

STATE OF ALASKA

BILL NO. SJR27

1995 LEGISLATIVE SESSION

Revision Date: Original Dept Affected: Natural Resources
 Title: Endorsing development of the Falls Creek BRU: Resource Development
hydropower project Component: Land Development
 Sponsor: Senator Zharoff
 Requestor: Senate Resources Component Serial No. 431

Expenditures/Revenues		(Thousands of Dollars)					
OPERATING EXPENDITURES	FY96	FY97	FY98	FY99	FY00	FY01	
PERSONAL SERVICES							
TRAVEL							
CONTRACTUAL							
SUPPLIES							
EQUIPMENT							
LAND & STRUCTURES							
GRANTS, CLAIMS							
MISCELLANEOUS							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	

FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1006 GF/MHTIA							
Other							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	

Estimate of any current year (FY95) cost: \$ None

POSITIONS		FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME		0	0	0	0	0	0
PART-TIME		0	0	0	0	0	0
TEMPORARY		0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

There is no anticipated fiscal impact associated with passage of this resolution.

Prepared by: Ron Swanson, Director Phone: 762-2692
 Division: Land Date: 25-Apr-95
 Approved by Commissioner: John Shurey by Jim Burt Date: 4-25-95
 Agency: Natural Resources

PREPARER TO PROVIDE
For further
NOR'S LEGISLATIVE OFFICE
Legislative Office

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 4/25/95

FURTHER:

Date of 5-Day Notice: 24-Hour Note
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 4-26-95

Resources Committee considered SJR 27

Endorsing development of the Falls Creek hydropower project.

and recommends:

- be replaced with _____ CS SJR 27 (RES)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:
- same title
 - new title
- House Bill:
- same title
 - technical title
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<u>1 new technical</u>	✓				
<u>Ann Hoff</u>					
<u>Alvin H. Taylor</u>	✓				
<u>Rick Helford</u>	✓				
<u>Shirley</u>	✓				
CHAIR: <u>Loren D. Leman</u>	✓				

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
<u>DNR</u>	<u>4/25</u>	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

9-LS1110G ✓
Cramer
4/26/95

**CS FOR SENATE JOINT RESOLUTION NO. 27(RES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - FIRST SESSION**

BY THE SENATE RESOURCES COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATOR ZHAROFF

A RESOLUTION

1 **Endorsing development of the Fall Creek hydroelectric project near Gustavus.**

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

3 **WHEREAS** electricity used in Glacier Bay National Park and Gustavus is provided
4 by diesel generation; and

5 **WHEREAS** power consumption in this area is projected to increase; and

6 **WHEREAS** a small hydroelectric project at Fall Creek could satisfy the needs of
7 Glacier Bay National Park and the community of Gustavus well into the 21st century; and

8 **WHEREAS** hydroelectric generation at Fall Creek could result in fuel savings,
9 reduced operating and maintenance costs, and reduced capital expenditures for improvements
10 and upgrades to the existing power system to meet demand, and thereby reduce power costs
11 to consumers; and

12 **WHEREAS** the Fall Creek hydroelectric project is intended to be financed solely by
13 private capital; and

14 **WHEREAS** issues related to Glacier Bay National Park are frequently contentious, but
15 the community of Gustavus and the National Park Service agree that the Fall Creek
16 hydroelectric project could be environmentally sound and economically advantageous; and

17 **WHEREAS** the community of Gustavus recently reaffirmed support of the Fall Creek

1 hydroelectric project in a unanimous vote; and

2 **WHEREAS**, because the site of the proposed hydroelectric project is within the
3 boundaries of Glacier Bay National Park and Preserve, an Act of Congress will be needed to
4 change designation of the land status;

5 **BE IT RESOLVED** that the Alaska State Legislature endorses private development
6 of the Fall Creek hydroelectric project and encourages the Congress to enact appropriate
7 measures to redesignate the land status; and be it

8 **FURTHER RESOLVED** that the Alaska State Legislature urges the National Park
9 Service and other federal agencies to cooperate with the project developer and state agencies
10 for expeditious permitting for the Fall Creek hydroelectric project.

11 **COPIES** of this resolution shall be sent to the Honorable Bruce Babbitt, Secretary of
12 the U.S. Department of the Interior; Roger G. Kennedy, Director, National Park Service, U.S.
13 Department of the Interior; Robert Barbee, Alaska Regional Director, National Park Service,
14 U.S. Department of the Interior; and to the Honorable Ted Stevens and the Honorable Frank
15 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of
16 the Alaska delegation in Congress.



Alaska State Legislature

Session:
State Capitol
Juneau AK 99801-1182

Interim:
716 W. 4th Avenue
Anchorage AK 99501-2133

MEMO

TO: Terry Cramer, Attorney
Legal Services
via fax: 2029 1 page

FROM: Annette E. Kreitzer, Aide to
Senate Resources Committee

DATE: April 26, 1995

RE: Senate Resources CS for SJR 27 (LS1110NF) 4/26/95

Please make these additional changes to SJR 27 (Fall Creek resolution).

- 1) Page 1, Line 10: DELETE [could]
- 2) Page 1, Line 16: Insert new Whereas

WHEREAS the community of Gustavus recently reaffirmed support of the Fall Creek hydroelectric project in a unanimous vote; and

- 3) Page 2, line 5: [.] : and BE IT FURTHER RESOLVED that the National Park Service and other federal agencies cooperate with the project developer and State agencies for expeditious permitting for the Fall Creek hydroelectric project.

9-LS1110F ✓

Cramer

4/26/95

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NINETEENTH LEGISLATURE - FIRST SESSION

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13 private capital; and

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15 the community of Gustavus and the National Park Service agree that the Fall Creek
16 hydroelectric project could be environmentally sound and economically advantageous; and

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2 change designation of the land status;

3 **BE IT RESOLVED** that the Alaska State Legislature endorses private development
4 of the Fall Creek hydroelectric project and encourages the Congress to enact appropriate
5 measures to redesignate the land status; *and*

6 *↗* **COPIES** of this resolution shall be sent to the Honorable Bruce Babbitt, Secretary of
7 the U.S. Department of the Interior; Roger G. Kennedy, Director, National Park Service, U.S.
8 Department of the Interior; Robert Barbee, Alaska Regional Director, National Park Service,
9 U.S. Department of the Interior; and to the Honorable Ted Stevens and the Honorable Frank
10 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of
11 the Alaska delegation in Congress.

*BE IT FURTHER RESOLVED that the National Park Service
and other federal agencies cooperate with the project
developer and State agencies for expeditions permitting for
the Fall Creek hydroelectric project.*

9-LS1110\F ✓
Cramer
4/26/95

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10 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of
11 the Alaska delegation in Congress.



Alaska State Legislature

Session:
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Juneau AK 99801-1182

MEMO

Interim:
716 W 4th Avenue
Anchorage AK 99501-2133

TO: Terry Cramer, Attorney
Legal Services
via fax 2029 (3 pages)

FROM: Annette E. Kreitzer, Aide to
Senate Resources Committee

DATE: April 25, 1995

RE: CS for SJR 27, Endorsing Fall Creek Project

Please draft a Resources Committee substitute for SJR 27 using the attached marked up draft (LS1110C). Please note the area was incorrectly noted the as Falls Creek in the C version of this resolution. It is apparently Fall Creek.

This resolution is scheduled for the Senate Resources hearing April 26. It is necessary to have the work draft by 10:00 a.m..

Thanks for your assistance. If there are any problems reading the faxed material, please call. The marks were made with red pencil, but I don't think that affects the quality of the fax on your end.

2

WHEREAS the Community of Gustavus recently reaffirmed support of the Fall Creek proposal in a unanimous vote;

WHEREAS the Community of Gustavus wishes to reduce air pollution, the risk of oil spills, and rate increases with the State's eventual elimination of the Power Cost Equalization subsidy which would occur with the much lower rates from the Fall Creek system and substantially reduced storage systems at the National Park Service in Glacier Bay;

WHEREAS the Community of Gustavus is experiencing increased tourist related activities and transfers to National Park facilities in Bartlett Cove which will result in significant expenditures to upgrade the National Park Service electrical system which otherwise could be diverted as contributions to the lower rates of the Fall Creek system thereby reducing the State's contribution;

WHEREAS, national organizations have opposed declassification from wilderness of the Fall Creek area which is not pure wilderness having been logged twice, contains an old logging road and fish trap, and two inholdings;

WHEREAS, local interests are becoming usurped by national interests;

WHEREAS the Fall Creek system will open the door to cooperation by the Federal government and reflect local and State reasons being favored as opposed to National interests;

Gustavus Electric Co.
P.O. Box 102
Gustavus, Alaska 99826

April 26, 1995

FAXLETTER

Pages 2

Honorable Loren Leman
Chairman
Senate Resources Committee
ALASKA STATE LEGISLATURE

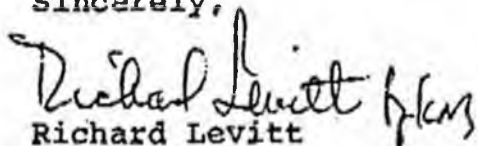
Dear Senator Leman:

We understand a committee substitute version will be offered for SJR 27. We respectfully request your consideration for incorporating the attached language. We strongly feel the Fall Creek proposal breaks down to a National versus local and State issue. Consequently, we feel it is very important to send a clear message to our Congressional delegation that local and State reasons to support the Fall Creek proposal should prevail.

Thank you very much for your consideration.

However, we do not favor incorporating this language if it could prevent a Resolution of support from passing this legislative session.

Sincerely,

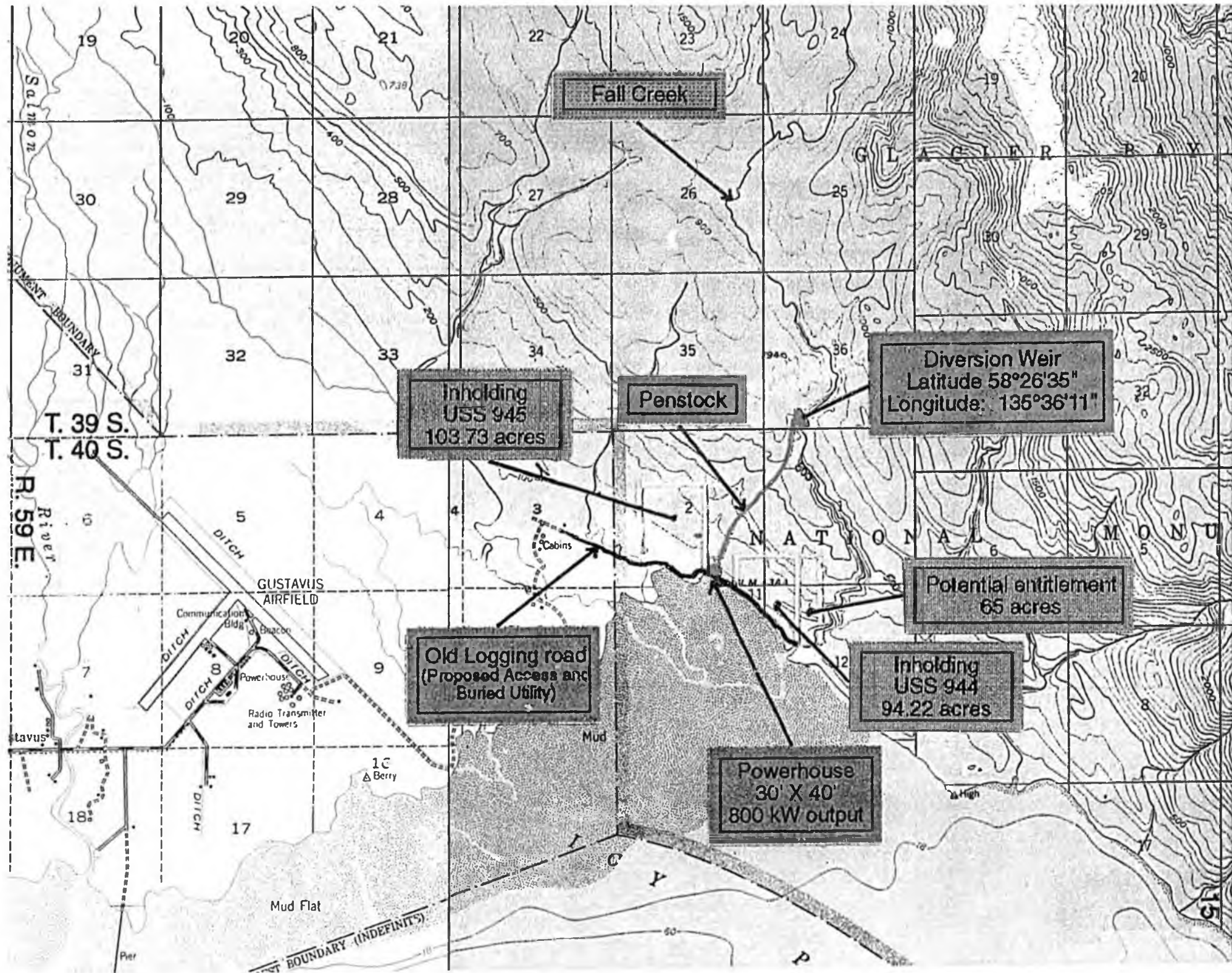


Richard Levitt
President
Gustavus Electric Company

Juneau Contact: Kellus Sewell - Tel 907 586 3333 or 790 4477

586-4444 FAX

cc Senator Zharoff
Senator Robin Taylor



Fall Creek

GLACIER BAY

Penstock

Diversion Weir
Latitude 58°26'35"
Longitude: 135°36'11"

Inholding
USS 945
103.73 acres

Potential entitlement
65 acres

Powerhouse
30' X 40'
800 kW output

Old Logging road
(Proposed Access and
Buried Utility)

Inholding
USS 944
94.22 acres

GUSTAVUS
AIRFIELD

NATIONAL MONUMENT

Mud Flat

SALMON

R. 59 E.

T. 39 S.
T. 40 S.

DITCH

Communication Bldg

Beacon

Powerhouse

Radio Transmitter
and Towers

Cabin

Mud

1C
Berry

High

Pier

BOUNDARY (INDEFINITE)



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99615 (607) 486-5259 (FAX ALSO)

DURING SESSION:

STATE CAPITOL, JUNEAU, ALASKA 99801-1182 • (907) 465-3473 • FAX: (907) 463-3043

DISTRICT C

KODIAK ISLAND • RURAL SOUTHEAST • SOUTH KENAI PENINSULA

Sponsor's Statement

SJR 27

SJR 27 has been introduced to help address the long term energy needs of Gustavus and the Glacier Bay area. There is a stream and waterfall close to the town - Fall Creek - that lends itself to harnessing for power generation. It is located within the boundary of Glacier Bay National Park, and therefore it will take Congressional action to change the land designation. Our Congressional delegation in Washington plans to address this issue soon, and they have indicated that strong state endorsement would aid them.

At present, there are two separate diesel power-generating plants - one for the town, and one for Park Headquarters. Each requires the maintenance of a dock, distribution system, and storage tanks. Neither generating facility is adequate to meet the long term needs of the area.

Fall Creek has been identified as a site that could be developed to meet the needs of the growing community and Glacier Bay National Park with relatively small impact on the surrounding area. The hydropower project would result in significant cost savings to the state and lower power costs to the users, and I believe it is good public policy to encourage this type of development.

Gustavus Community Association



Post Office Box 62
Gustavus, Alaska 99826

4-24-95

DICK LEVITT
P.O. BOX
GUSTAVUS AK
99826

DEAR MR. LEVITT

THE GUSTAVUS COMMUNITY ASSOC. HAD AN ADVISORY VOTE FROM THE GENERAL MEMBERSHIP. THE VOTE APPROVING THE PROPOSED HYDRO ELECTRIC PROJECT IS AS FOLLOWS; 29 IN FAVOR, 0 AGAINST.

THANK YOU

A handwritten signature in cursive script, appearing to read "Tom Morrow", is centered on the page. The signature is fluid and somewhat stylized.

TO MORROW
PRESIDENT G.C.A.

Support Letter

BEAR TRACK MERCANTILE
BOX 259
GUSTAVUS, AK. 99826
907-697-2358

Senator F. Zharoff
Alaska State Senate
Juneau, Ak. 99811
April 25, 1995

Subject: Hydro Electric power

Dear Sen. Zharoff:

I have been asked by Dick Levitt of the Gustavus Electric Company to supply a short note to your office concerning the Hydro. Project that Dick has been working on for years. I would like to add our names to the list of supporters for this project. The majority of existing commerce within Gustavus has been developed since the inception of the Gustavus Electric Company. Hydro. power is a clean, and for most of the year, a dependable source of electricity. The continued growth of Gustavus will benefit from this type of power generation.

We ask that you help garner support for this proposal during this legislative session. Thank you for your time and consideration.

Sincerely;

Bruce Tedtsen -- John Nixon

(HI !!! Sandy)

Senator Zharoff m



This letter is in support of
the Fall Creek Hydroelectric project as
proposed by Gudavus Electric Company.
Please do everything in your power to
see that congressional action proceeds
to make this project possible.

Thank you, I am
Aimée M. Johnson
OWNER

THE SALMON RIVER SMOKEHOUSE

SHOOTING STAR LANE • BOX 40 • GUSTAVUS, ALASKA 99826 • (907) 697-2311

Gusto Building Supply

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(907) 697-2297 FAX (907) 697-2291

Senator Zharoff

My husband and myself
are in strong support
of The Electric Company's
effort to develop Falls Creek
as a hydro power project.

Please accept this letter as
our endorsement

Deeise L Healy
Jim Healey

Paul Berry
PO Box 143
Gustavus

Thursday, April 20th, 1995

Dick Levitt
Gustavus

Hello Dick:

I appreciated your presentation at the GCA meeting tonight and I wanted to express my support for the Falls creek Hydro project. I'm an environmentalist / preservationist by nature but I'm also a user of electricity.

I appreciate your efforts to involve and inform the community about all this as well as your apparent respect for the various views in regards to land swaps. I'm left with the impression that you've thought things through and have asked some questions.

Changing the status of NPS Wilderness lands or the Dude Creek Crane Refuge is a loaded issue. I'd rather see the Fall Creek Wilderness acres swapped with other non-wilderness NPS acres. Also as Rita Wilson mentioned there are lands within the Dude Creek Refuge that are potential sites for Gustavus's future Landfill / Septage facility, and transferring them to the NPS would probably eliminate that.

I donno, as I'm sure you've realized this project has or will have a life of it's own especially in the hands of our Congressional deligation.

Thanks again for keeping the community informed,



*TRI Bed & Breakfast
P. O. Box 214
Gustavus, Ak 99826
(907) 697-2425*

April 25, 1995

Senator Fred Zharoff
Capitol, Room 121
Juneau, AK 99801

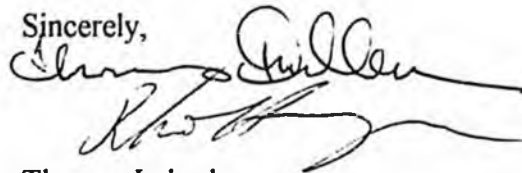
Dear Senator Zharoff:

We are writing this letter in support of the Gustavus Electric Company's proposed hydroelectric project at Falls Creek, Gustavus, Alaska. We believe this project will be of benefit to the citizens of Gustavus and the citizens of Alaska.

We request support from the Alaskan State Legislature for this project and convey this support to our congressional delegation in Washington, D.C.

Thank you for your support.

Sincerely,

Handwritten signatures of Thomas Imboden and Rhio Imboden Harper. The signature of Thomas Imboden is on top, and the signature of Rhio Imboden Harper is below it.

Thomas Imboden
Rhio Imboden Harper