

**HB**

**562**

**HFIN**

**FILE**

# ALASKA STATE HOUSE OF REPRESENTATIVES

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## HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Representative Carl Morgan, Chair

### INTERIOR RIVERS PORT AUTHORITY ACT

The Interior Rivers region of Alaska is one of the more economically depressed areas of our state, yet it is a region that also has tremendous potential. What has been missing is the regional transportation and energy infrastructure that would lead to self-sufficiency. Currently the region cannot carry the financial burden of establishing a municipal government. A regional port authority can provide the regional focus and development authority that local government normally provides, until the region is prosperous enough to justify formation of a sustainable local government structure.

The region contains mineral deposits that could provide local employment opportunities, similar to the Red Dog Mine, if sufficient transportation and energy infrastructure can be provided through tax-exempt bonding. The area could also benefit from the leverage of regional bulk fuel purchase agreements, electrical interties, and in the long run providing gas to the region through a spur line or barge system to deliver North Slope gas from an Alaskan gas pipeline.

The region also contains opportunities for developing river tourism experiences that could stimulate local employment and revenues. Development of tourism facilities and experiences along with coordinated marketing programs are necessary for this opportunity to be realized.

Regional landfill solutions can also provide cost efficient solutions to solid waste management and help resolve health issues associated with uncovered landfills.

The Interior Rivers Port Authority is structured to provide representation from the major land owning and economic development organizations in the region. The authority has the power to accept private, municipal, state and federal funds, to issue tax-exempt revenue bonds, to enter into land leases and acquisitions, and to contract for the provision of management services for authority facilities and operations.

The Interior Rivers Port Authority empowers the local people to determine their own development strategy and gives them the tools to implement it. Funding organizations will be more likely to provide funding because they will be able to see a coordinated program that has a strong likelihood of success with a minimum of duplication of services. They will view their contributions in the authority as investments in the self-sufficiency of the region.

Private sector business will also want to invest in the region because the authority will provide a source of stability and access to tax exempt bonding for necessary infrastructure.

23-LS1951\Q  
Utermohle  
5/6/04

**CS FOR HOUSE BILL NO. 562( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-THIRD LEGISLATURE - SECOND SESSION**

**BY**

**Offered;**  
**Referred:**

**Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**A BILL**  
**FOR AN ACT ENTITLED**

1 **"An Act relating to the establishment of the Interior Rivers Port Authority; and**  
2 **providing for an effective date."**

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

4 **\* Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 **FINDINGS AND PURPOSE.** (a) The Alaska State Legislature finds that

7 (1) certain communities and residents on the Yukon River, Kuskokwim River,  
8 and Tanana River desire the establishment of a port authority to provide an organization for  
9 economic development, transportation system infrastructure development, natural resource  
10 marketing, and promotion of efficient energy development and distribution;

11 (2) since many of the communities in the region are not organized  
12 municipalities, those communities cannot form a port authority under the Municipal Port  
13 Authority Act (AS 29.35.600 - 29.35.730);

14 (3) it is in the best interest of the state to establish a state port authority for the

1 Interior Rivers region of the state to promote economic self-sufficiency in the region.

2 (b) The purpose of this Act is to establish the Interior Rivers Port Authority to provide  
3 an organization that residents and communities in the region encompassing portions of the  
4 Yukon, Kuskokwim, and Tanana Rivers may use to finance and manage transportation,  
5 energy, and economic development infrastructure projects that will improve economic  
6 conditions in the region and promote resource development and visitor industry opportunities  
7 in the region.

8 \* Sec. 2. AS 30 is amended by adding a new chapter to read:

9 **Chapter 21. Interior Rivers Port Authority.**

10 **Article 1. Creation and Organization.**

11 **Sec. 30.21.010. Interior Rivers Port Authority.** (a) The Interior Rivers Port  
12 Authority is established as a public corporation of the state. The corporation is an  
13 instrumentality of the state in the Department of Community and Economic  
14 Development but has a legal existence independent of and separate from the state and  
15 has continuing succession until its existence is terminated by law.

16 (b) The powers of the authority are vested in the board of directors of the  
17 authority.

18 (c) The purpose of the authority is to improve, establish, and develop facilities  
19 and operations to provide transportation, energy, regional waste disposal, and other  
20 infrastructure services and economic development in the operating area of the  
21 authority.

22 **Sec. 30.21.020. Board of directors.** (a) The board of directors of the  
23 authority consists of eleven voting members.

24 (b) The governor shall appoint nine persons to serve on the board. The  
25 governor shall solicit nominations for persons to be appointed to the board from  
26 private persons and public and private entities, including: the Kuskokwim  
27 Corporation, Calista Corporation, Kuskokwim Native Association, Tanana Chiefs  
28 Conference, MTNT Limited, Doyon, Limited, and Gana-A'Yoo, Limited. Six of the  
29 appointed members of the board shall be officers, directors, or employees of private  
30 entities that have a physical presence within the area of operation of the authority.

31 (c) The commissioner of community and economic development and the

1 commissioner of transportation and public facilities are voting members of the board.  
2 Each commissioner may designate a person to serve on the board in the  
3 commissioner's absence.

4 (d) The appointed members of the board serve for staggered terms of three  
5 years. The terms of the appointed members begin on January 1.

6 **Sec. 30.21.030. Removal and replacement of members.** The members of  
7 the board serve at the pleasure of the governor. A person appointed to fill a vacancy  
8 on the board shall serve for the balance of the unexpired term.

9 **Sec. 30.21.040. Per diem and travel expenses.** A member of the board may  
10 receive per diem and travel expenses authorized for boards and commissions under  
11 AS 39.20.180.

12 **Sec. 30.21.050. Meetings.** (a) The board shall hold at least four regular  
13 meetings each year. The board shall set the schedule and locations for meetings of the  
14 board.

15 (b) The board may hold special meetings at the call of the chair or at the  
16 request of three members of the board.

17 **Sec. 30.21.060. Officers and quorum.** (a) The board shall elect a chair and a  
18 vice-chair from among its members.

19 (b) The board shall elect a secretary, who need not be a member of the board.  
20 The secretary serves at the pleasure of the board.

21 (c) Six members of the board constitute a quorum. Action may be taken and  
22 motions and resolutions adopted by the board at a meeting by the affirmative vote of at  
23 least six members. Members may not vote by proxy. A vacancy in the membership of  
24 the board does not impair the right of a quorum to exercise all the powers and perform  
25 all the duties of the board.

26 (d) Members may participate in meetings of the board by electronic means.

27 **Sec. 30.21.070. Staff; legal advisor.** (a) The board shall employ officers and  
28 employees as necessary for the efficient operation of the authority.

29 (b) The board may employ executive, administrative, and fiscal officers and  
30 employees as the board considers necessary for the efficient management of the  
31 authority.

1 (c) The attorney general is the legal counsel for the authority. The attorney  
2 general shall advise the authority in legal matters and represent the authority in suits.

3 **Sec. 30.21.080. Operating area of the authority.** The authority is authorized  
4 to operate within the contiguous area enclosed by a line that is at all points 10 miles  
5 inland of the mean high water line of the shore that is generally the northern bank of  
6 the main channel of the Yukon River from the municipality of Russian Mission to a  
7 point 10 miles north of the E. L. Patton Bridge; a line from a point 10 miles north of  
8 the E. L. Patton Bridge to a point 10 miles south of the E. L. Patton Bridge; a line  
9 from a point 10 miles south of the E. L. Patton Bridge to the easternmost point of the  
10 boundary of the municipality of Nenana that crosses the Tanana River; a line from the  
11 easternmost point of the boundary of the municipality of Nenana that crosses the  
12 Tanana River to the nearest point of the drainage of the North Fork of the Kuskokwim  
13 River and then southerly and westerly along the boundary of the drainage of the North  
14 Fork of the Kuskokwim River to a point 10 miles south of the mean high water line of  
15 the southern bank of the main channel of the North Fork of the Kuskokwim River at  
16 the community of Medfra; a line that is at all points 10 miles south of the mean high  
17 water line of the southern bank of the main channel of the North Fork of the  
18 Kuskokwim River and the main channel of the Kuskokwim River between the  
19 community of Medfra and the municipality of Lower Kalskag; a line between a point  
20 10 miles south of the mean high water line of the southern bank of the main channel of  
21 the Kuskokwim River at the municipality of Lower Kalskag and a point 10 miles  
22 inland of the mean high water line of the shore that is generally the southern bank of  
23 the main channel of the Yukon River at the municipality of Russian Mission; a line  
24 that is at all points 10 miles inland from the mean high water line of the shore that is  
25 generally the southern bank of the main channel of the Yukon River between the  
26 municipality of Russian Mission and the municipality of Marshall; a line from a point  
27 10 miles inland from the mean high water line of the shore that is generally the  
28 southern bank of the main channel of the Yukon River at the municipality of Marshall  
29 and a point 10 miles inland of the mean high water line of the shore that is generally  
30 the northern bank of the main channel of the Yukon River at the municipality of  
31 Marshall; and a line that is at all points 10 miles inland from the mean high water line

1 of the shore that is generally the northern bank of the main channel of the Yukon  
2 River between the municipality of Marshall and the municipality of Russian Mission.

3 **Sec. 30.21.090. Regulations.** The board may adopt regulations under  
4 AS 44.62 to carry out its functions and the purposes of this chapter, including rules to  
5 safeguard property owned by the authority and to protect employees and persons using  
6 the authority's property or services.

7 **Article 2. Powers and Duties.**

8 **Sec. 30.21.100. Powers and duties of authority.** (a) In addition to other  
9 powers granted in this chapter, the authority may

- 10 (1) sue and be sued;
- 11 (2) adopt and alter an official seal;
- 12 (3) maintain an office in the state;
- 13 (4) acquire, hold, use, and dispose of its money, subject to  
14 appropriation by the legislature;
- 15 (5) acquire, hold, use, lease, rent, construct, and dispose of property for  
16 its purposes;
- 17 (6) exercise the power of eminent domain within the operating area of  
18 the authority;
- 19 (7) issue revenue bonds under AS 30.21.200 - 30.21.320 to provide  
20 financing for projects;
- 21 (8) enter into agreements to provide transportation, energy, regional  
22 waste disposal, marketing, facilities and services, and to provide coordinated training  
23 in association with authority facilities and operations;
- 24 (9) enter into contracts or other transactions with any federal, state,  
25 municipal, or other agency, or instrumentality, private organization, or person  
26 consistent with the exercise of any powers of the authority under this chapter;
- 27 (10) charge and collect those rents, rates, fees, or other charges that are  
28 necessary to pay for capital, maintenance, and operating costs of the services and  
29 facilities and operations of the authority, for the establishment of reserves to secure  
30 payment of bonds or notes or interest on bonds or notes, and for repairs,  
31 improvements, storage, and care of personal property made or furnished by the

1 authority in connection with the facilities and operations of the authority;

2 (11) accept money, gifts, loans, or grants from any federal, state,  
3 municipal, or other agency or instrumentality, private organization, or other person;  
4 and

5 (12) do all acts necessary to carry out this chapter that are not  
6 expressly prohibited by law.

7 (b) The authority shall

8 (1) operate, manage, plan, improve, market, construct, and maintain  
9 the facilities and operations of the authority; and

10 (2) adopt and enforce

11 (A) bylaws of the authority;

12 (B) regulations for the conduct of its business and for the use of  
13 its facilities, operations, and services;

14 (C) personnel rules necessary to establish a system of personnel  
15 administration.

16 (c) The resources of the authority may not be used to finance or influence  
17 political activities.

18 **Sec. 30.21.110. Public nature of authority activities.** The planning,  
19 construction, improvement, maintenance, and operation of a facility or operation,  
20 whether by the authority separately or jointly with a federal, state, or municipal agency  
21 or a private entity, and the exercise of other powers granted to the authority are public  
22 and governmental functions exercised for a public purpose and matters of public  
23 necessity. Land and other property and privileges acquired and used by or on behalf  
24 of the authority for the purposes enumerated in this chapter are acquired and used for  
25 public and governmental purposes and as a matter of public necessity.

26 **Sec. 30.21.120. Acquisition of land and easements.** Within the operating  
27 area of the authority, the authority may acquire by purchase, gift, grant, or exchange  
28 land in fee simple or easements, either temporary or permanent, that the authority  
29 considers necessary for present or future public use authorized under this chapter. By  
30 the same means, the authority may obtain material, including clay, gravel, sand,  
31 timber, rock, or other material, and the land necessary to obtain the material. When

1 the authority declares that it is in the best public interest of the state to do so, the  
2 authority may acquire by purchase, gift, grant, or exchange land or an interest in land  
3 for the purpose of exchanging the land or interest in land for land or an interest in land  
4 that the authority is authorized by law to acquire.

5 **Sec. 30.21.130. Eminent domain.** (a) The authority may exercise the power  
6 of eminent domain under AS 09.55.240 - 09.55.460 to acquire private or public land  
7 or an interest in private or public land within the operating area of the authority for  
8 facilities or operations consistent with this chapter. Notwithstanding AS 09.55.250,  
9 the authority may acquire a fee simple title whenever, in the judgment of the authority,  
10 ownership of a fee simple title is necessary to carry out the purposes of this chapter.

11 (b) The authority may file a declaration of taking in the manner provided for  
12 the state under AS 09.55.420.

13 (c) The power of eminent domain conferred under this section includes the  
14 power to obtain clay, gravel, sand, timber, rock, or other material for the projects of  
15 the authority, the land necessary to obtain the material, and access to the land and  
16 material.

17 (d) The exercise of the power of eminent domain requires the prior approval  
18 of the governor.

19 **Sec. 30.21.140. Indemnification.** (a) If the person acted in good faith on  
20 behalf of the authority and within the scope of the person's official duties or powers,  
21 the authority may defend and indemnify a current or former member of the board,  
22 employee, or agent of the authority against all costs, expenses, judgments, and  
23 liabilities, including attorney fees, incurred by or imposed upon that person in  
24 connection with a civil or criminal action in which the person is involved by affiliation  
25 with the authority.

26 (b) The authority may purchase insurance to protect and hold personally  
27 harmless its board members, employees, and agents from an action, claim, or  
28 proceeding arising out of the performance, purported performance, or failure of  
29 performance, in good faith, of duties for, or employment with, the authority and to  
30 hold them harmless from expenses connected with the defense, settlement, or  
31 monetary judgments from that action, claim, or proceeding. The purchase of

1 insurance is discretionary with the board, and insurance is not considered to be  
2 compensation to the insured person.

3 **Sec. 30.21.150. Insurance.** Except as provided in AS 30.21.140(b), the  
4 authority shall protect its assets, services, and employees by purchasing insurance or  
5 providing for certain self-insurance retentions. The authority shall also maintain  
6 casualty, property, and other insurance in amounts reasonably calculated to cover  
7 potential claims against the authority or state for bodily injury, death, or disability and  
8 property damage that may arise from or be related to authority operations and  
9 activities.

10 **Sec. 30.21.160. Fidelity bond.** The authority shall obtain a fidelity bond in an  
11 amount determined by the board for members of the board and for each executive  
12 officer responsible for accounts and finances. A bond must be in effect during the  
13 entire tenure in office of the bonded person.

#### 14 **Article 3. Revenue Bonds and Notes.**

15 **Sec. 30.21.200. Bonds and notes of the authority.** (a) The authority, by  
16 resolution, may issue revenue bonds and bond anticipation notes in order to finance  
17 projects under this chapter. Before issuing bonds for a project under this chapter, the  
18 authority must find, on the basis of all information reasonably available to the  
19 authority, that

20 (1) the project and its development under this chapter will be  
21 economically advantageous to the state and the region and the general public welfare  
22 and will contribute to the economic growth of the state and the region within which  
23 the authority operates;

24 (2) the project is financially sound and can be expected to produce  
25 revenue adequate to repay the bonds with which it is financed; and

26 (3) the scope of the project is sufficient to provide a reasonable  
27 expectation of a benefit to the region and the economy of the state.

28 (b) The principal and interest on the revenue bonds or bond anticipation notes  
29 authorized and issued under (a) of this section are payable from authority funds. Bond  
30 anticipation notes may be payable from the proceeds of the sale of bonds or from the  
31 proceeds of the sale of other bond anticipation notes or, in the event bond or bond

1 anticipation note proceeds are not available, the notes may be paid from other funds or  
2 assets of the authority.

3 (c) Bonds or bond anticipation notes may be additionally secured by a pledge  
4 of a grant or contribution from the federal government, or a corporation, association,  
5 institution, or person, or a pledge of money, income, or revenue of the authority from  
6 any source.

7 (d) Bonds or bond anticipation notes of the authority may be issued in one or  
8 more series and shall be dated, bear interest at the rate or rates a year or within the  
9 maximum rate, be in the denomination, be in the form, carry the conversion or  
10 registration provisions, have the rank or priority, be executed in the manner and form,  
11 be payable at the times, from the sources, and in the medium of payment and place or  
12 places within or outside the state, be subject to authentication by a trustee or fiscal  
13 agent, and be subject to the terms of redemption with or without premium, as the  
14 resolution of the authority may provide. Bond anticipation notes shall mature at the  
15 time or times that are determined by the authority. Bonds shall mature at a time not  
16 exceeding a number of years from their date that is determined by the authority.  
17 Before the preparation of bonds or bond anticipation notes, the authority may issue  
18 interim receipts or temporary bonds or bond anticipation notes exchangeable for bonds  
19 or bond anticipation notes when these bonds or bond anticipation notes have been  
20 executed and are available for delivery.

21 (e) Bonds or bond anticipation notes may be sold in the manner and on the  
22 terms the authority determines.

23 (f) If an officer whose signature or a facsimile of whose signature appears on a  
24 bond or note ceases to be an officer before the delivery of the bond or note, the  
25 signature or facsimile is valid to the same extent as if the officer had remained in  
26 office until delivery.

27 **Sec. 30.21.210. Covenants.** In a resolution of the authority authorizing or  
28 relating to the issuance of bonds or bond anticipation notes, the authority has power by  
29 provisions in the resolution that will constitute covenants of the authority and  
30 contracts with the holders of the bonds or bond anticipation notes to

31 (1) pledge to a payment or purpose all or a part of its revenue to which

1 its right then exists or may thereafter come into existence, and the money derived from  
2 the revenue, and the proceeds of bonds or notes;

3 (2) covenant as to the use and disposition of payments of principal or  
4 interest received by the authority on loans or other investments held by the authority;

5 (3) covenant as to establishment of reserves or sinking funds and the  
6 making of provision for and the regulation and disposition of the reserves or sinking  
7 funds;

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

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

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

16 (7) covenant as to the payment of the principal of or interest on the  
17 bonds or notes, as to the sources and methods of the payment, as to the rank or priority  
18 of the bonds or notes with respect to a lien or security, or as to the acceleration of the  
19 maturity of the bonds or notes;

20 (8) provide for the replacement of lost, stolen, destroyed, or mutilated  
21 bonds or notes;

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

24 (10) covenant to create or authorize the creation of special funds of  
25 money to be held in pledge or otherwise for operating expenses, payment or  
26 redemption of bonds or notes, reserves, or other purposes;

27 (11) establish the procedure, if any, by which the terms of a contract or  
28 covenant with or for the benefit of the holders of bonds or notes may be amended or  
29 abrogated, the amount of bonds or notes the holders of which must consent to  
30 amendment or gation, and the manner in which the consent may be given;

31 (12) covenant as to the custody of property or investments, their

1 safekeeping and insurance, and the use and disposition of insurance money;

2 (13) agree with a corporate trustee that may be a trust company or  
3 bank having the powers of a trust company within or outside the state as to the  
4 pledging or assigning of revenue or funds to which or in which the authority has rights  
5 or an interest; the agreement may further provide for other rights and remedies  
6 exercisable by the trustee as may be proper for the protection of the holders of a bond  
7 or note of the authority and not otherwise in violation of law and may provide for the  
8 restriction of the rights of an individual holder of bonds or notes of the authority;

9 (14) appoint and provide for the duties and obligations of a paying  
10 agent or paying agents or other fiduciaries as the resolution may provide within or  
11 outside the state;

12 (15) limit the rights of the holders of a bond or note to enforce a pledge  
13 or covenant securing the bonds or notes;

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

21 **Sec. 30.21.220. Limitations of issuance of bonds.** (a) The authority may  
22 issue bonds in an amount greater than \$25,000,000 to assist in the financing of a  
23 capital improvement under this chapter only with the prior approval of the legislature  
24 by law.

25 (b) This section does not apply to the issuance by the authority of refunding  
26 bonds under AS 30.21.290.

27 **Sec. 30.21.230. Independent financial advisor.** In negotiating the sale of  
28 bonds or bond anticipation notes to an underwriter, the authority may retain a financial  
29 advisor. A financial advisor retained under this section must be independent from the  
30 underwriter.

31 **Sec. 30.21.240. Validity of pledge.** (a) The pledge of assets or revenue of the

1 authority to the payment of the principal of or interest on an obligation of the authority  
2 is valid and binding from the time the pledge is made, and the assets or revenue  
3 become immediately subject to the lien of the pledge without physical delivery or  
4 further act. The lien of a pledge is valid and binding against all parties having claims  
5 in tort, contract, or otherwise against the authority, irrespective of whether those  
6 parties have notice of the lien of the pledge.

7 (b) This section does not prohibit the authority from selling assets subject to a  
8 pledge, except that a sale may be restricted by the trust agreement or resolution  
9 providing for the issuance of the obligations.

10 **Sec. 30.21.250. Capital reserve funds.** (a) For the purpose of securing one  
11 or more issues of its obligations, the authority may establish one or more special  
12 funds, called "capital reserve funds," and shall pay into those capital reserve funds (1)  
13 money appropriated and made available by the state for the purpose of those funds, (2)  
14 proceeds of the sale of its obligations, to the extent provided in the resolution or  
15 resolutions of the authority authorizing their issuance, and (3) other money that may  
16 be made available to the authority for the purpose of those funds from another source.  
17 All money held in a capital reserve fund, except as provided in this section, shall,  
18 subject to appropriation, be used as required solely for the payment of the principal of  
19 obligations or of the sinking fund payments with respect to those obligations, the  
20 purchase or redemption of obligations, the payment of interest on obligations, or the  
21 payment of a redemption premium required to be paid when those obligations are  
22 redeemed before maturity. However, money in a fund may not be withdrawn from  
23 that fund at any time in an amount that would reduce the amount of that fund to less  
24 than the capital reserve requirement set out in (b) of this section, except for the  
25 purpose of making, with respect to those obligations, payment, when due, of principal,  
26 interest, redemption premiums, and the sinking fund payments for the payment of  
27 which other money of the authority is not available. Income or interest earned by, or  
28 increment to, a capital reserve fund due to the investment of the fund or other amounts  
29 in it may be transferred by the authority to other funds or accounts of the authority to  
30 the extent that the transfer does not reduce the amount of the capital reserve fund  
31 below the capital reserve fund requirement.

1 (b) If the authority decides to issue obligations secured by a capital reserve  
2 fund, the obligations may not be issued if the amount in the capital reserve fund is less  
3 than a percent, not exceeding 10 percent, of the principal amount of all of those  
4 obligations secured by that capital reserve fund then to be issued and then outstanding  
5 in accordance with their terms, as may be established by resolution of the authority,  
6 called the "capital reserve fund requirement." unless the authority, at the time of  
7 issuance of the obligations, deposits in the capital reserve fund from the proceeds of  
8 the obligations to be issued or from other sources an amount that, together with the  
9 amount then in the fund, will not be less than the capital reserve fund requirement.

10 (c) In computing the amount of a capital reserve fund for the purpose of this  
11 section, securities in which all or a portion of the funds are invested shall be valued at  
12 par or, if purchased at less than par, at amortized costs as the term is defined by  
13 resolution of the authority authorizing the issue of the obligations or by some other  
14 reasonable method established by the authority by resolution. Valuation on a  
15 particular date must include the amount of interest earned or accrued to that date.

16 (d) To assure the continued operation and solvency of the authority for the  
17 carrying out of its corporate purposes, provision is made in (a) of this section for the  
18 accumulation in capital reserve funds of an amount equal to their capital reserve fund  
19 requirement.

20 (e) This section does not create a debt or liability of the state.

21 **Sec. 30.21.260. Remedies.** A holder of obligations issued under the  
22 provisions of this chapter, and a trustee under a trust agreement or resolution  
23 authorizing the issuance of the obligations, except as restricted by a trust agreement or  
24 resolution, either at law or in equity, may enforce all rights granted hereunder or under  
25 the trust agreement or resolution, or under another contract executed by the authority  
26 under this chapter, and may enforce and compel the performance of all duties required  
27 by this chapter or by the trust agreement or resolution to be performed by the authority  
28 or by an officer of the authority.

29 **Sec. 30.21.270. Negotiable instruments.** All obligations are negotiable  
30 instruments under the laws of this state, subject only to applicable provisions for  
31 registration.

1           **Sec. 30.21.280. Obligations eligible for investment.** Obligations issued  
2 under the provisions of this chapter are securities in which all public officers and  
3 public bodies of the state and its political subdivisions, all insurance companies, trust  
4 companies, banking associations, investment companies, executors, administrators,  
5 trustees, and other fiduciaries may properly and legally invest funds, including capital  
6 in their control or belonging to them. These obligations may be deposited with a state  
7 or municipal officer of an agency or political subdivision of the state for a purpose for  
8 which the deposit of bonds, notes, or obligations of the state is authorized by law.

9           **Sec. 30.21.290. Refunding bonds.** (a) The authority may provide for the  
10 issuance of refunding bonds for the purpose of refunding an obligation then  
11 outstanding that has been issued under the provisions of this chapter, including the  
12 payment of redemption premium on them and interest accrued or to accrue to the date  
13 of redemption of the obligations. The issuance of the bonds, the maturities and other  
14 details of them, the rights of the holders of them, and the rights, duties, and obligations  
15 of the authority in respect of them are governed by the provisions of this chapter that  
16 relate to the issuance of obligations insofar as those provisions may be appropriate.

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

31           **Sec. 30.21.300. Credit of state not pledged.** (a) Obligations issued under

1 the provisions of this chapter do not constitute a debt, liability, or obligation of the  
2 state or of a political subdivision of the state or a pledge of the faith and credit of the  
3 state or of a political subdivision of the state but are payable solely from the revenue  
4 or assets of the authority. Each obligation issued under this chapter must contain on  
5 its face a statement that the authority is not obligated to pay the obligation or the  
6 interest on the obligation except from the revenue or assets of the authority and that  
7 neither the faith and credit nor the taxing power of the state or of a political  
8 subdivision of the state is pledged to the payment of the principal of or the interest on  
9 the obligation.

10 (b) Expenses incurred by the authority in carrying out the provisions of this  
11 chapter are payable from funds provided under this chapter, and liability may not be  
12 incurred by the authority in excess of these funds.

13 **Sec. 30.21.310. Officers not liable.** A member or other officer of the  
14 authority is not subject to personal liability or accountability by reason of having  
15 executed or issued an obligation.

16 **Sec. 30.21.320. Tax exemption.** All obligations issued under this chapter are  
17 declared to be issued by a body corporate and public of the state and for an essential  
18 public and governmental purpose, and the obligations, and the interest and income on  
19 and from the obligations, and all fees, charges, funds, revenue, income, and other  
20 money pledged or available to pay or secure the payment of the obligations, or interest  
21 on the obligations, are exempt from state taxation except for transfer, inheritance, and  
22 estate taxes.

#### 23 **Article 4. Fiscal Procedures.**

24 **Sec. 30.21.350. Authority program and financial plan.** (a) The authority  
25 shall assure the development of a system of results-based operation designed to  
26 increase efficiency and effectiveness of facilities, operations, programs, and services  
27 of the authority. Toward that end, the authority shall, on an annual basis, identify  
28 results-based measures that have been used to work toward achievement of the  
29 mission statement and desired results issued by the legislature and of other goals of the  
30 authority, and set out the results as measured. The authority shall also prepare a public  
31 report that shall be published by January 2 of each year. The report must

- 1 (1) identify the mission of the authority.
- 2 (2) identify the goals and objectives the authority will use to achieve
- 3 the legislature's mission and desired results;
- 4 (3) include written, defined methods of measuring results that apply to
- 5 the responsibilities, products, and services of the authority;
- 6 (4) identify surveys or other methods of gathering user-group opinions
- 7 that have been used by the authority to identify ways to improve its programs;
- 8 (5) identify methods of measuring performance when the mission
- 9 statement and desired results of the authority involve cooperation with other public or
- 10 private agencies and make recommendations to eliminate duplication of government
- 11 functions and waste;
- 12 (6) include the budget requested to carry out the authority's proposed
- 13 plans in the succeeding fiscal year, including information reflecting the expenditures
- 14 during the last fiscal year, the expenditures authorized for the current fiscal year, the
- 15 expenditures proposed for the succeeding fiscal year, an explanation of the services to
- 16 be provided, the total number of positions for all persons employed or under contract
- 17 by the agency for personal services, including those rendered for capital improvement
- 18 projects, the need for the services, and the cost of the services;
- 19 (7) include a report of receipts of the authority during the last fiscal
- 20 year, an estimate of receipts during the current fiscal year, and an estimate of receipts
- 21 for the succeeding fiscal year;
- 22 (8) identify legislation required to implement the proposed programs
- 23 and financial plans;
- 24 (9) include an evaluation of the advantages and disadvantages of
- 25 specific alternatives to existing or proposed activities or administrative methods of the
- 26 authority.
- 27 (b) The report prepared under (a) of this section must describe the relationship
- 28 of the services provided by the authority to those services provided by other
- 29 government agencies and nongovernmental organizations.
- 30 (c) All goals and objectives, plans, programs, estimates, budgets, and other
- 31 documents forwarded to the governor by the authority under this section are public

1 information on and after the date they are forwarded.

2 **Sec. 30.21.360. Program execution.** The authority has power to administer  
3 its programs and is responsible for the proper management of its facilities and  
4 operations.

5 **Sec. 30.21.370. Annual report.** By January 2 of each year, the authority shall  
6 prepare a concise report describing the operations, income, and expenditures for the  
7 preceding fiscal year. The report must contain information substantially similar to that  
8 required by the United States Securities and Exchange Commission Form 10-K. The  
9 report must also include financial statements audited by an independent outside  
10 auditor.

11 **Sec. 30.21.380. Annual audit.** The authority shall have a certified audit of its  
12 financial records prepared annually by an independent certified public accountant.

#### 13 **Article 5. General Provisions.**

14 **Sec. 30.21.400. Authority employees.** Employees of the authority are not  
15 employees of the state.

16 **Sec. 30.21.410. Application of existing laws.** (a) Except as provided under  
17 this chapter, or unless those provisions of law conflict with the provisions of this  
18 chapter, the authority is subject to those provisions of law generally applicable to  
19 public corporations of the state and to

20 (1) AS 40.25;

21 (2) AS 44.62.310 and 44.62.312.

22 (b) The provisions of AS 37.07 (Executive Budget Act)

23 (1) apply to the operating and capital budgets of the authority;

24 (2) do not apply to activities of the authority under this chapter that  
25 relate to the authority's borrowing of money as provided in this chapter, including the  
26 issuing of its obligations or evidence of that borrowing and the repayment of the debt  
27 obligation.

28 (c) Unless specifically provided otherwise in this chapter, the following laws  
29 do not apply to the operations of the authority:

30 (1) AS 36.30, except as provided in that chapter;

31 (2) AS 39.

1           **Sec. 30.21.490. Definitions.** In this chapter, unless the context requires  
2 otherwise,

3                   (1) "authority" means the Interior Rivers Port Authority;

4                   (2) "board" means the board of directors of the authority;

5                   (3) "bonds" means the bonds issued by the authority under this  
6 chapter;

7                   (4) "capital improvement" means a project for the construction,  
8 rehabilitation, rebuilding, enlarging, or improving of a facility or operation, as  
9 determined by the authority to be necessary or desirable for efficient management of  
10 the facility or operation by the authority and to best serve the public;

11                   (5) "facility or operation" means a facility or operation necessary for  
12 the authority to carry out its mission.

13           **Sec. 30.21.495. Short title.** This chapter may be cited as the Interior Rivers  
14 Port Authority Act.

15 \* **Sec. 3.** AS 30.15.010 is amended to read:

16           **Sec. 30.15.010. State grants for port facilities construction.** To the extent  
17 funds are appropriated by the legislature, or from the proceeds from the sale of bonds,  
18 the state may make grants to municipalities and regional port authorities to finance a  
19 portion of the cost of constructing local, regional, or state port facilities. The state  
20 shall participate only in those projects approved by the governor on recommendation  
21 of the commissioner.

22 \* **Sec. 4.** AS 30.15.020 is amended to read:

23           **Sec. 30.15.020. Criteria for establishing eligibility.** (a) Before a grant may  
24 be awarded under this chapter, the commissioner shall determine that

25                   (1) the grant is for a feasible project;

26                   (2) the project is endorsed by resolution of the board of directors of  
27 the regional port authority or of the governing body of the sponsoring municipality  
28 on its own behalf, or on behalf of a service area in an organized borough if a service  
29 area is established to finance and construct port facilities and operate and maintain  
30 them once constructed; and

31                   (3) the regional port authority or the municipality can clearly

1 demonstrate its ability to finance the local share of project costs.

2 (b) A grant may not be awarded under this chapter for a port facility  
3 development project until a study of its feasibility is conducted and submitted with the  
4 application for the grant. The project also must be justifiable on the basis of public  
5 convenience and necessity. The study shall be conducted by consultants, engineers, or  
6 other technical experts, who may be officers or employees of the regional port  
7 authority or the municipality [IN] making application for a grant.

8 \* Sec. 5. AS 30.15.030 is amended to read:

9 Sec. 30.15.030. **Limitation on grants.** Grants to municipalities for the  
10 development of port facilities may not exceed

11 (1) 90 per cent of project costs for municipalities under 5,000  
12 population;

13 (2) 80 per cent of project costs for municipalities 5,000 population and  
14 over.

15 \* Sec. 6. AS 30.15.070 is amended by adding a new paragraph to read:

16 (5) "regional port authority" includes the Interior Rivers Port Authority  
17 authorized under AS 30.21.

18 \* Sec. 7. AS 36.30.015(e) is amended to read:

19 (e) The board of directors of the Alaska Railroad Corporation, the board of  
20 directors of the Interior Rivers Port Authority, and the board of directors of the  
21 Alaska Aerospace Development Corporation shall adopt procedures to govern the  
22 procurement of supplies, services, professional services, and construction. The  
23 procedures must be substantially equivalent to the procedures prescribed in this  
24 chapter and in regulations adopted under this chapter. Notwithstanding the other  
25 provisions of this subsection, the Alaska Railroad Corporation, the Interior Rivers  
26 Port Authority, and the Alaska Aerospace Development Corporation shall comply  
27 with AS 36.30.170(b), and, when the Department of Transportation and Public  
28 Facilities authorizes the Alaska Railroad Corporation to perform construction work  
29 instead of the Department of Transportation and Public Facilities, the Alaska Railroad  
30 Corporation shall use competitive sealed bidding or competitive sealed proposals  
31 under AS 36.30.100 - 36.30.270 to procure the supplies, services, professional

1 services, and construction services necessary for the work and, to ensure the state  
2 obtains the lowest cost for the project, may submit a bid or proposal for the work.

3 \* **Sec. 8.** AS 36.30.050(c) is amended to read:

4 (c) The lists may be used by the chief procurement officer or an agency when  
5 issuing invitations to bid or requests for proposals under this chapter. The lists may be  
6 used by the legislative council, the court system, the Interior Rivers Port Authority,  
7 and the Alaska Railroad Corporation.

8 \* **Sec. 9.** AS 36.30.990(1) is amended to read:

9 (1) "agency"

10 (A) means a department, institution, board, commission,  
11 division, authority, public corporation, the Alaska Pioneers' Home, or other  
12 administrative unit of the executive branch of state government;

13 (B) does not include

14 (i) the University of Alaska;

15 (ii) the Alaska Railroad Corporation;

16 (iii) the Alaska Housing Finance Corporation;

17 (iv) a regional Native housing authority created under  
18 AS 18.55.996 or a regional electrical authority created under  
19 AS 18.57.020;

20 (v) the Department of Transportation and Public  
21 Facilities, in regard to the repair, maintenance, and reconstruction of  
22 vessels, docking facilities, and passenger and vehicle transfer facilities  
23 of the Alaska marine highway system;

24 (vi) the Alaska Aerospace Development Corporation;

25 (vii) the Alaska State Pension Investment Board;

26 (viii) the Alaska Seafood Marketing Institute;

27 (ix) the Interior Rivers Port Authority;

28 \* **Sec. 10.** AS 37.05 is amended by adding a new section to article 1 to read:

29 **Sec. 37.05.055. Delegation to the Interior Rivers Port Authority.** The  
30 commissioner of administration may delegate the performance of the functions under  
31 this chapter as they relate to the Interior Rivers Port Authority to the authority and set

1 the criteria and guidelines that shall be followed.

2 \* Sec. 11. AS 39.50.200(b) is amended by adding a new paragraph to read:

3 (58) board of directors of the Interior Rivers Port Authority  
4 (AS 30.21.020).

5 \* Sec. 12. AS 39.52.960(2) is amended to read:

6 (2) "agency" means a department, the office of the governor, or an  
7 entity in the executive branch, including but not limited to the University of Alaska,  
8 public or quasi-public corporations, boards or commissions, [AND] the Alaska  
9 Railroad Corporation, and the Interior Rivers Port Authority;

10 \* Sec. 13. AS 39.52.960(4) is amended to read:

11 (4) "board or commission" means a board, commission, authority, or  
12 board of directors of a public or quasi-public corporation, established by statute in the  
13 executive branch, including the Alaska Railroad Corporation and the Interior  
14 Rivers Port Authority, but excluding members of a negotiated regulation making  
15 committee under AS 44.62.710 - 44.62.800;

16 \* Sec. 14. AS 39.52.960(12) is amended to read:

17 (12) "instrumentality of the state" means a state agency or  
18 administrative unit, whether in the legislative, judicial, or executive branch, including  
19 such entities as the University of Alaska, the Alaska Railroad Corporation, the  
20 Interior Rivers Port Authority, and any public or quasi-public corporations, boards,  
21 or commissions; the term includes municipalities;

22 \* Sec. 15. AS 44.42.020(a) is amended to read:

23 (a) The department shall

24 (1) plan, design, construct, and maintain all state modes of  
25 transportation and transportation facilities and all docks, floats, breakwaters, buildings,  
26 and similar facilities;

27 (2) study existing transportation modes and facilities in the state to  
28 determine how they might be improved or whether they should continue to be  
29 maintained;

30 (3) study alternative means of improving transportation in the state  
31 with regard to the economic costs of each alternative and its environmental and social

1 effects;

2 (4) develop a comprehensive, long-range intermodal transportation  
3 plan for the state;

4 (5) study alternatives to existing modes of transportation in urban areas  
5 and develop plans to improve urban transportation;

6 (6) cooperate and coordinate with and enter into agreements with  
7 federal, state, and local government agencies and private organizations and persons in  
8 exercising its powers and duties;

9 (7) manage, operate, and maintain state transportation facilities and all  
10 docks, floats, breakwaters, and buildings, including all state highways, vessels,  
11 railroads, pipelines, and airports [,] and aviation facilities other than ports and port  
12 related transportation facilities and operations managed, operated, and  
13 maintained by the Interior Rivers Port Authority under AS 30.21:

14 (8) study alternative means of transportation in the state, considering  
15 the economic, social, and environmental effects of each alternative;

16 (9) coordinate and develop state and regional transportation systems,  
17 considering deletions, additions, and the absence of alterations;

18 (10) develop facility program plans for transportation and state  
19 buildings, docks, and breakwaters required to implement the duties set out in this  
20 section, including but not limited to functional performance criteria and schedules for  
21 completion;

22 (11) supervise and maintain all state automotive and mechanical  
23 equipment, aircraft, and vessels, except vessels and aircraft used by the Department of  
24 Fish and Game or the Department of Public Safety; for state vehicles maintained by  
25 the department, the department shall annually evaluate the cost, efficiency, and  
26 commercial availability of natural gas for automotive purposes, and the purpose for  
27 which the vehicles are intended to be used, and convert or purchase vehicles to utilize  
28 natural gas whenever practicable; the department may participate in joint ventures  
29 with public or private partners that will foster the availability of natural gas for all  
30 automotive fuel consumers;

31 (12) supervise aeronautics inside the state, under AS 02.10;

1 (13) complete and maintain a current inventory of public facilities,  
2 including a projection of the serviceability of the facilities and projections of  
3 replacements and additions to facilities needed to provide the level of services  
4 programmed by the various user agencies, for municipalities with populations of less  
5 than 12,000 and for unincorporated communities, and perform those duties on a  
6 cooperative basis with larger municipalities;

7 (14) adopt energy performance standards for public facilities of the  
8 state, the construction of which begins after July 1, 1980; the standards shall be based  
9 on thermal and lighting energy standards established by the American Society of  
10 Heating, Refrigeration and Air Conditioning Engineers as adapted for application in  
11 high latitude, cold climate environs;

12 (15) provide planning assistance, including but not limited to energy  
13 audits and related technical services, to school districts and regional educational  
14 attendance areas to develop and implement

15 (A) standards for the design, construction, and operation of  
16 rural educational facilities; and

17 (B) energy conservation measures for rural educational  
18 facilities;

19 (16) implement the safety and financial responsibility requirements for  
20 air carriers under AS 02.40;

21 (17) inspect weights and measures.

22 \* Sec. 16. The uncodified law of the State of Alaska is amended by adding a new section to  
23 read:

24 REGIONAL DEVELOPMENT PLAN. Within one year from the first meeting of the  
25 board of directors of the Interior Rivers Port Authority, the board shall prepare and publish a  
26 development plan for promoting economic self-sufficiency in the region in which the  
27 authority operates. The development plan must include a description of the transportation,  
28 energy, regional waste disposal, and tourism infrastructure needs of the region that are  
29 necessary to promote regional economic self-sufficiency. The plan must also identify  
30 opportunities for private resource development in the region, training programs that are  
31 necessary to take advantage of current and future economic opportunities in the region,

1 tourism marketing strategies for the region, and sources of funding for operations and projects  
2 of the authority.

3 \* Sec. 17. The uncodified law of the State of Alaska is amended by adding a new section to  
4 read:

5 INITIAL APPOINTMENTS. Notwithstanding AS 30.21.020, as added by sec. 2 of  
6 this Act, and AS 39.05.055, the governor shall appoint the initial appointed members of the  
7 board of directors of the Interior Rivers Port Authority to terms as follows:

- 8 (1) three members to terms of one year;  
9 (2) three members to terms of two years;  
10 (3) three members to terms of three years.

11 \* Sec. 18. This Act takes effect July 1, 2004.

23-LS1951Q  
Utermohle  
5/6/04

2/6  
adopted 5-7-04

**CS FOR HOUSE BILL NO. 562( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - SECOND SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the establishment of the Interior Rivers Port Authority; and**  
2 **providing for an effective date."**

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

4 **\* Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 **FINDINGS AND PURPOSE.** (a) The Alaska State Legislature finds that

7 (1) certain communities and residents on the Yukon River, Kuskokwim River,  
8 and Tanana River desire the establishment of a port authority to provide an organization for  
9 economic development, transportation system infrastructure development, natural resource  
10 marketing, and promotion of efficient energy development and distribution;

11 (2) since many of the communities in the region are not organized  
12 municipalities, those communities cannot form a port authority under the Municipal Port  
13 Authority Act (AS 29.35.600 - 29.35.730);

14 (3) it is in the best interest of the state to establish a state port authority for the

1 Interior Rivers region of the state to promote economic self-sufficiency in the region.

2 (b) The purpose of this Act is to establish the Interior Rivers Port Authority to provide  
3 an organization that residents and communities in the region encompassing portions of the  
4 Yukon, Kuskokwim, and Tanana Rivers may use to finance and manage transportation,  
5 energy, and economic development infrastructure projects that will improve economic  
6 conditions in the region and promote resource development and visitor industry opportunities  
7 in the region.

8 \* Sec. 2. AS 30 is amended by adding a new chapter to read:

9 **Chapter 21. Interior Rivers Port Authority.**

10 **Article 1. Creation and Organization.**

11 **Sec. 30.21.010. Interior Rivers Port Authority.** (a) The Interior Rivers Port  
12 Authority is established as a public corporation of the state. The corporation is an  
13 instrumentality of the state in the Department of Community and Economic  
14 Development but has a legal existence independent of and separate from the state and  
15 has continuing succession until its existence is terminated by law.

16 (b) The powers of the authority are vested in the board of directors of the  
17 authority.

18 (c) The purpose of the authority is to improve, establish, and develop facilities  
19 and operations to provide transportation, energy, regional waste disposal, and other  
20 infrastructure services and economic development in the operating area of the  
21 authority.

22 **Sec. 30.21.020. Board of directors.** (a) The board of directors of the  
23 authority consists of eleven voting members.

24 (b) The governor shall appoint nine persons to serve on the board. The  
25 governor shall solicit nominations for persons to be appointed to the board from  
26 private persons and public and private entities, including: the Kuskokwim  
27 Corporation, Calista Corporation, Kuskokwim Native Association, Tanana Chiefs  
28 Conference, MTNT Limited, Doyon, Limited, and Gana-A'Yoc, Limited. Six of the  
29 appointed members of the board shall be officers, directors, or employees of private  
30 entities that have a physical presence within the area of operation of the authority.

31 (c) The commissioner of community and economic development and the

1 commissioner of transportation and public facilities are voting members of the board.  
2 Each commissioner may designate a person to serve on the board in the  
3 commissioner's absence.

4 (d) The appointed members of the board serve for staggered terms of three  
5 years. The terms of the appointed members begin on January 1.

6 **Sec. 30.21.030. Removal and replacement of members.** The members of  
7 the board serve at the pleasure of the governor. A person appointed to fill a vacancy  
8 on the board shall serve for the balance of the unexpired term.

9 **Sec. 30.21.040. Per diem and travel expenses.** A member of the board may  
10 receive per diem and travel expenses authorized for boards and commissions under  
11 AS 39.20.180.

12 **Sec. 30.21.050. Meetings.** (a) The board shall hold at least four regular  
13 meetings each year. The board shall set the schedule and locations for meetings of the  
14 board.

15 (b) The board may hold special meetings at the call of the chair or at the  
16 request of three members of the board.

17 **Sec. 30.21.060. Officers and quorum.** (a) The board shall elect a chair and a  
18 vice-chair from among its members.

19 (b) The board shall elect a secretary, who need not be a member of the board.  
20 The secretary serves at the pleasure of the board.

21 (c) Six members of the board constitute a quorum. Action may be taken and  
22 motions and resolutions adopted by the board at a meeting by the affirmative vote of at  
23 least six members. Members may not vote by proxy. A vacancy in the membership of  
24 the board does not impair the right of a quorum to exercise all the powers and perform  
25 all the duties of the board.

26 (d) Members may participate in meetings of the board by electronic means.

27 **Sec. 30.21.070. Staff; legal advisor.** (a) The board shall employ officers and  
28 employees as necessary for the efficient operation of the authority.

29 (b) The board may employ executive, administrative, and fiscal officers and  
30 employees as the board considers necessary for the efficient management of the  
31 authority.

1 (c) The attorney general is the legal counsel for the authority. The attorney  
2 general shall advise the authority in legal matters and represent the authority in suits.

3 **Sec. 30.21.080. Operating area of the authority.** The authority is authorized  
4 to operate within the contiguous area enclosed by a line that is at all points 10 miles  
5 inland of the mean high water line of the shore that is generally the northern bank of  
6 the main channel of the Yukon River from the municipality of Russian Mission to a  
7 point 10 miles north of the E. L. Patton Bridge; a line from a point 10 miles north of  
8 the E. L. Patton Bridge to a point 10 miles south of the E. L. Patton Bridge; a line  
9 from a point 10 miles south of the E. L. Patton Bridge to the easternmost point of the  
10 boundary of the municipality of Nenana that crosses the Tanana River; a line from the  
11 easternmost point of the boundary of the municipality of Nenana that crosses the  
12 Tanana River to the nearest point of the drainage of the North Fork of the Kuskokwim  
13 River and then southerly and westerly along the boundary of the drainage of the North  
14 Fork of the Kuskokwim River to a point 10 miles south of the mean high water line of  
15 the southern bank of the main channel of the North Fork of the Kuskokwim River at  
16 the community of Medfra; a line that is at all points 10 miles south of the mean high  
17 water line of the southern bank of the main channel of the North Fork of the  
18 Kuskokwim River and the main channel of the Kuskokwim River between the  
19 community of Medfra and the municipality of Lower Kalskag; a line between a point  
20 10 miles south of the mean high water line of the southern bank of the main channel of  
21 the Kuskokwim River at the municipality of Lower Kalskag and a point 10 miles  
22 inland of the mean high water line of the shore that is generally the southern bank of  
23 the main channel of the Yukon River at the municipality of Russian Mission; a line  
24 that is at all points 10 miles inland from the mean high water line of the shore that is  
25 generally the southern bank of the main channel of the Yukon River between the  
26 municipality of Russian Mission and the municipality of Marshall; a line from a point  
27 10 miles inland from the mean high water line of the shore that is generally the  
28 southern bank of the main channel of the Yukon River at the municipality of Marshall  
29 and a point 10 miles inland of the mean high water line of the shore that is generally  
30 the northern bank of the main channel of the Yukon River at the municipality of  
31 Marshall; and a line that is at all points 10 miles inland from the mean high water line

1 of the shore that is generally the northern bank of the main channel of the Yukon  
2 River between the municipality of Marshall and the municipality of Russian Mission.

3 **Sec. 30.21.090. Regulations.** The board may adopt regulations under  
4 AS 44.62 to carry out its functions and the purposes of this chapter, including rules to  
5 safeguard property owned by the authority and to protect employees and persons using  
6 the authority's property or services.

7 **Article 2. Powers and Duties.**

8 **Sec. 30.21.100. Powers and duties of authority.** (a) In addition to other  
9 powers granted in this chapter, the authority may

- 10 (1) sue and be sued;
- 11 (2) adopt and alter an official seal;
- 12 (3) maintain an office in the state;
- 13 (4) acquire, hold, use, and dispose of its money, subject to  
14 appropriation by the legislature;
- 15 (5) acquire, hold, use, lease, rent, construct, and dispose of property for  
16 its purposes;
- 17 (6) exercise the power of eminent domain within the operating area of  
18 the authority;
- 19 (7) issue revenue bonds under AS 30.21.200 - 30.21.320 to provide  
20 financing for projects;
- 21 (8) enter into agreements to provide transportation, energy, regional  
22 waste disposal, marketing, facilities and services, and to provide coordinated training  
23 in association with authority facilities and operations;
- 24 (9) enter into contracts or other transactions with any federal, state,  
25 municipal, or other agency, or instrumentality, private organization, or person  
26 consistent with the exercise of any powers of the authority under this chapter;
- 27 (10) charge and collect those rents, rates, fees, or other charges that are  
28 necessary to pay for capital, maintenance, and operating costs of the services and  
29 facilities and operations of the authority, for the establishment of reserves to secure  
30 payment of bonds or notes or interest on bonds or notes, and for repairs,  
31 improvements, storage, and care of personal property made or furnished by the

1 authority in connection with the facilities and operations of the authority;

2 (11) accept money, gifts, loans, or grants from any federal, state,  
3 municipal, or other agency or instrumentality, private organization, or other person;  
4 and

5 (12) do all acts necessary to carry out this chapter that are not  
6 expressly prohibited by law.

7 (b) The authority shall

8 (1) operate, manage, plan, improve, market, construct, and maintain  
9 the facilities and operations of the authority; and

10 (2) adopt and enforce

11 (A) bylaws of the authority;

12 (B) regulations for the conduct of its business and for the use of  
13 its facilities, operations, and services;

14 (C) personnel rules necessary to establish a system of personnel  
15 administration.

16 (c) The resources of the authority may not be used to finance or influence  
17 political activities.

18 **Sec. 30.21.110. Public nature of authority activities.** The planning,  
19 construction, improvement, maintenance, and operation of a facility or operation,  
20 whether by the authority separately or jointly with a federal, state, or municipal agency  
21 or a private entity, and the exercise of other powers granted to the authority are public  
22 and governmental functions exercised for a public purpose and matters of public  
23 necessity. Land and other property and privileges acquired and used by or on behalf  
24 of the authority for the purposes enumerated in this chapter are acquired and used for  
25 public and governmental purposes and as a matter of public necessity.

26 **Sec. 30.21.120. Acquisition of land and easements.** Within the operating  
27 area of the authority, the authority may acquire by purchase, gift, grant, or exchange  
28 land in fee simple or easements, either temporary or permanent, that the authority  
29 considers necessary for present or future public use authorized under this chapter. By  
30 the same means, the authority may obtain material, including clay, gravel, sand,  
31 timber, rock, or other material, and the land necessary to obtain the material. When

1 the authority declares that it is in the best public interest of the state to do so, the  
2 authority may acquire by purchase, gift, grant, or exchange land or an interest in land  
3 for the purpose of exchanging the land or interest in land for land or an interest in land  
4 that the authority is authorized by law to acquire.

5 **Sec. 30.21.130. Eminent domain.** (a) The authority may exercise the power  
6 of eminent domain under AS 09.55.240 - 09.55.460 to acquire private or public land  
7 or an interest in private or public land within the operating area of the authority for  
8 facilities or operations consistent with this chapter. Notwithstanding AS 09.55.250,  
9 the authority may acquire a fee simple title whenever, in the judgment of the authority,  
10 ownership of a fee simple title is necessary to carry out the purposes of this chapter.

11 (b) The authority may file a declaration of taking in the manner provided for  
12 the state under AS 09.55.420.

13 (c) The power of eminent domain conferred under this section includes the  
14 power to obtain clay, gravel, sand, timber, rock, or other material for the projects of  
15 the authority, the land necessary to obtain the material, and access to the land and  
16 material.

17 (d) The exercise of the power of eminent domain requires the prior approval  
18 of the governor.

19 **Sec. 30.21.140. Indemnification.** (a) If the person acted in good faith on  
20 behalf of the authority and within the scope of the person's official duties or powers,  
21 the authority may defend and indemnify a current or former member of the board,  
22 employee, or agent of the authority against all costs, expenses, judgments, and  
23 liabilities, including attorney fees, incurred by or imposed upon that person in  
24 connection with a civil or criminal action in which the person is involved by affiliation  
25 with the authority.

26 (b) The authority may purchase insurance to protect and hold personally  
27 harmless its board members, employees, and agents from an action, claim, or  
28 proceeding arising out of the performance, purported performance, or failure of  
29 performance, in good faith, of duties for, or employment with, the authority and to  
30 hold them harmless from expenses connected with the defense, settlement, or  
31 monetary judgments from that action, claim, or proceeding. The purchase of

1 insurance is discretionary with the board, and insurance is not considered to be  
2 compensation to the insured person.

3 **Sec. 30.21.150. Insurance.** Except as provided in AS 30.21.140(b), the  
4 authority shall protect its assets, services, and employees by purchasing insurance or  
5 providing for certain self-insurance retentions. The authority shall also maintain  
6 casualty, property, and other insurance in amounts reasonably calculated to cover  
7 potential claims against the authority or state for bodily injury, death, or disability and  
8 property damage that may arise from or be related to authority operations and  
9 activities.

10 **Sec. 30.21.160. Fidelity bond.** The authority shall obtain a fidelity bond in an  
11 amount determined by the board for members of the board and for each executive  
12 officer responsible for accounts and finances. A bond must be in effect during the  
13 entire tenure in office of the bonded person.

#### 14 **Article 3. Revenue Bonds and Notes.**

15 **Sec. 30.21.200. Bonds and notes of the authority.** (a) The authority, by  
16 resolution, may issue revenue bonds and bond anticipation notes in order to finance  
17 projects under this chapter. Before issuing bonds for a project under this chapter, the  
18 authority must find, on the basis of all information reasonably available to the  
19 authority, that

20 (1) the project and its development under this chapter will be  
21 economically advantageous to the state and the region and the general public welfare  
22 and will contribute to the economic growth of the state and the region within which  
23 the authority operates;

24 (2) the project is financially sound and can be expected to produce  
25 revenue adequate to repay the bonds with which it is financed; and

26 (3) the scope of the project is sufficient to provide a reasonable  
27 expectation of a benefit to the region and the economy of the state.

28 (b) The principal and interest on the revenue bonds or bond anticipation notes  
29 authorized and issued under (a) of this section are payable from authority funds. Bond  
30 anticipation notes may be payable from the proceeds of the sale of bonds or from the  
31 proceeds of the sale of other bond anticipation notes or, in the event bond or bond

1 anticipation note proceeds are not available, the notes may be paid from other funds or  
2 assets of the authority.

3 (c) Bonds or bond anticipation notes may be additionally secured by a pledge  
4 of a grant or contribution from the federal government, or a corporation, association,  
5 institution, or person, or a pledge of money, income, or revenue of the authority from  
6 any source.

7 (d) Bonds or bond anticipation notes of the authority may be issued in one or  
8 more series and shall be dated, bear interest at the rate or rates a year or within the  
9 maximum rate, be in the denomination, be in the form, carry the conversion or  
10 registration provisions, have the rank or priority, be executed in the manner and form,  
11 be payable at the times, from the sources, and in the medium of payment and place or  
12 places within or outside the state, be subject to authentication by a trustee or fiscal  
13 agent, and be subject to the terms of redemption with or without premium, as the  
14 resolution of the authority may provide. Bond anticipation notes shall mature at the  
15 time or times that are determined by the authority. Bonds shall mature at a time not  
16 exceeding a number of years from their date that is determined by the authority.  
17 Before the preparation of bonds or bond anticipation notes, the authority may issue  
18 interim receipts or temporary bonds or bond anticipation notes exchangeable for bonds  
19 or bond anticipation notes when these bonds or bond anticipation notes have been  
20 executed and are available for delivery.

21 (e) Bonds or bond anticipation notes may be sold in the manner and on the  
22 terms the authority determines.

23 (f) If an officer whose signature or a facsimile of whose signature appears on a  
24 bond or note ceases to be an officer before the delivery of the bond or note, the  
25 signature or facsimile is valid to the same extent as if the officer had remained in  
26 office until delivery.

27 **Sec. 30.21.210. Covenants.** In a resolution of the authority authorizing or  
28 relating to the issuance of bonds or bond anticipation notes, the authority has power by  
29 provisions in the resolution that will constitute covenants of the authority and  
30 contracts with the holders of the bonds or bond anticipation notes to

31 (1) pledge to a payment or purpose all or a part of its revenue to which

1 its right then exists or may thereafter come into existence, and the money derived from  
2 the revenue, and the proceeds of bonds or notes;

3 (2) covenant as to the use and disposition of payments of principal or  
4 interest received by the authority on loans or other investments held by the authority;

5 (3) covenant as to establishment of reserves or sinking funds and the  
6 making of provision for and the regulation and disposition of the reserves or sinking  
7 funds;

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

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

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

16 (7) covenant as to the payment of the principal of or interest on the  
17 bonds or notes, as to the sources and methods of the payment, as to the rank or priority  
18 of the bonds or notes with respect to a lien or security, or as to the acceleration of the  
19 maturity of the bonds or notes;

20 (8) provide for the replacement of lost, stolen, destroyed, or mutilated  
21 bonds or notes;

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

24 (10) covenant to create or authorize the creation of special funds of  
25 money to be held in pledge or otherwise for operating expenses, payment or  
26 redemption of bonds or notes, reserves, or other purposes;

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

31 (12) covenant as to the custody of property or investments, their

1 safekeeping and insurance, and the use and disposition of insurance money;

2 (13) agree with a corporate trustee that may be a trust company or  
3 bank having the powers of a trust company within or outside the state as to the  
4 pledging or assigning of revenue or funds to which or in which the authority has rights  
5 or an interest; the agreement may further provide for other rights and remedies  
6 exercisable by the trustee as may be proper for the protection of the holders of a bond  
7 or note of the authority and not otherwise in violation of law and may provide for the  
8 restriction of the rights of an individual holder of bonds or notes of the authority;

9 (14) appoint and provide for the duties and obligations of a paying  
10 agent or paying agents or other fiduciaries as the resolution may provide within or  
11 outside the state;

12 (15) limit the rights of the holders of a bond or note to enforce a pledge  
13 or covenant securing the bonds or notes;

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

21 **Sec. 30.21.220. Limitations of issuance of bonds.** (a) The authority may  
22 issue bonds in an amount greater than \$25,000,000 to assist in the financing of a  
23 capital improvement under this chapter only with the prior approval of the legislature  
24 by law.

25 (b) This section does not apply to the issuance by the authority of refunding  
26 bonds under AS 30.21.290.

27 **Sec. 30.21.230. Independent financial advisor.** In negotiating the sale of  
28 bonds or bond anticipation notes to an underwriter, the authority may retain a financial  
29 advisor. A financial advisor retained under this section must be independent from the  
30 underwriter.

31 **Sec. 30.21.240. Validity of pledge.** (a) The pledge of assets or revenue of the

1 authority to the payment of the principal of or interest on an obligation of the authority  
2 is valid and binding from the time the pledge is made, and the assets or revenue  
3 become immediately subject to the lien of the pledge without physical delivery or  
4 further act. The lien of a pledge is valid and binding against all parties having claims  
5 in tort, contract, or otherwise against the authority, irrespective of whether those  
6 parties have notice of the lien of the pledge.

7 (b) This section does not prohibit the authority from selling assets subject to a  
8 pledge, except that a sale may be restricted by the trust agreement or resolution  
9 providing for the issuance of the obligations.

10 **Sec. 30.21.250. Capital reserve funds.** (a) For the purpose of securing one  
11 or more issues of its obligations, the authority may establish one or more special  
12 funds, called "capital reserve funds," and shall pay into those capital reserve funds (1)  
13 money appropriated and made available by the state for the purpose of those funds, (2)  
14 proceeds of the sale of its obligations, to the extent provided in the resolution or  
15 resolutions of the authority authorizing their issuance, and (3) other money that may  
16 be made available to the authority for the purpose of those funds from another source.  
17 All money held in a capital reserve fund, except as provided in this section, shall,  
18 subject to appropriation, be used as required solely for the payment of the principal of  
19 obligations or of the sinking fund payments with respect to those obligations, the  
20 purchase or redemption of obligations, the payment of interest on obligations, or the  
21 payment of a redemption premium required to be paid when those obligations are  
22 redeemed before maturity. However, money in a fund may not be withdrawn from  
23 that fund at any time in an amount that would reduce the amount of that fund to less  
24 than the capital reserve requirement set out in (b) of this section, except for the  
25 purpose of making, with respect to those obligations, payment, when due, of principal,  
26 interest, redemption premiums, and the sinking fund payments for the payment of  
27 which other money of the authority is not available. Income or interest earned by, or  
28 increment to, a capital reserve fund due to the investment of the fund or other amounts  
29 in it may be transferred by the authority to other funds or accounts of the authority to  
30 the extent that the transfer does not reduce the amount of the capital reserve fund  
31 below the capital reserve fund requirement.

1 (b) If the authority decides to issue obligations secured by a capital reserve  
2 fund, the obligations may not be issued if the amount in the capital reserve fund is less  
3 than a percent, not exceeding 10 percent, of the principal amount of all of those  
4 obligations secured by that capital reserve fund then to be issued and then outstanding  
5 in accordance with their terms, as may be established by resolution of the authority,  
6 called the "capital reserve fund requirement," unless the authority, at the time of  
7 issuance of the obligations, deposits in the capital reserve fund from the proceeds of  
8 the obligations to be issued or from other sources an amount that, together with the  
9 amount then in the fund, will not be less than the capital reserve fund requirement.

10 (c) In computing the amount of a capital reserve fund for the purpose of this  
11 section, securities in which all or a portion of the funds are invested shall be valued at  
12 par or, if purchased at less than par, at amortized costs as the term is defined by  
13 resolution of the authority authorizing the issue of the obligations or by some other  
14 reasonable method established by the authority by resolution. Valuation on a  
15 particular date must include the amount of interest earned or accrued to that date.

16 (d) To assure the continued operation and solvency of the authority for the  
17 carrying out of its corporate purposes, provision is made in (a) of this section for the  
18 accumulation in capital reserve funds of an amount equal to their capital reserve fund  
19 requirement.

20 (e) This section does not create a debt or liability of the state.

21 **Sec. 30.21.260. Remedies.** A holder of obligations issued under the  
22 provisions of this chapter, and a trustee under a trust agreement or resolution  
23 authorizing the issuance of the obligations, except as restricted by a trust agreement or  
24 resolution, either at law or in equity, may enforce all rights granted hereunder or under  
25 the trust agreement or resolution, or under another contract executed by the authority  
26 under this chapter, and may enforce and compel the performance of all duties required  
27 by this chapter or by the trust agreement or resolution to be performed by the authority  
28 or by an officer of the authority.

29 **Sec. 30.21.270. Negotiable instruments.** All obligations are negotiable  
30 instruments under the laws of this state, subject only to applicable provisions for  
31 registration.

1           **Sec. 30.21.280. Obligations eligible for investment.** Obligations issued  
2 under the provisions of this chapter are securities in which all public officers and  
3 public bodies of the state and its political subdivisions, all insurance companies, trust  
4 companies, banking associations, investment companies, executors, administrators,  
5 trustees, and other fiduciaries may properly and legally invest funds, including capital  
6 in their control or belonging to them. These obligations may be deposited with a state  
7 or municipal officer of an agency or political subdivision of the state for a purpose for  
8 which the deposit of bonds, notes, or obligations of the state is authorized by law.

9           **Sec. 30.21.290. Refunding bonds.** (a) The authority may provide for the  
10 issuance of refunding bonds for the purpose of refunding an obligation then  
11 outstanding that has been issued under the provisions of this chapter, including the  
12 payment of redemption premium on them and interest accrued or to accrue to the date  
13 of redemption of the obligations. The issuance of the bonds, the maturities and other  
14 details of them, the rights of the holders of them, and the rights, duties, and obligations  
15 of the authority in respect of them are governed by the provisions of this chapter that  
16 relate to the issuance of obligations insofar as those provisions may be appropriate.

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

31           **Sec. 30.21.300. Credit of state not pledged.** (a) Obligations issued under

1 the provisions of this chapter do not constitute a debt, liability, or obligation of the  
2 state or of a political subdivision of the state or a pledge of the faith and credit of the  
3 state or of a political subdivision of the state but are payable solely from the revenue  
4 or assets of the authority. Each obligation issued under this chapter must contain on  
5 its face a statement that the authority is not obligated to pay the obligation or the  
6 interest on the obligation except from the revenue or assets of the authority and that  
7 neither the faith and credit nor the taxing power of the state or of a political  
8 subdivision of the state is pledged to the payment of the principal of or the interest on  
9 the obligation.

10 (b) Expenses incurred by the authority in carrying out the provisions of this  
11 chapter are payable from funds provided under this chapter, and liability may not be  
12 incurred by the authority in excess of these funds.

13 **Sec. 30.21.310. Officers not liable.** A member or other officer of the  
14 authority is not subject to personal liability or accountability by reason of having  
15 executed or issued an obligation.

16 **Sec. 30.21.320. Tax exemption.** All obligations issued under this chapter are  
17 declared to be issued by a body corporate and public of the state and for an essential  
18 public and governmental purpose, and the obligations, and the interest and income on  
19 and from the obligations, and all fees, charges, funds, revenue, income, and other  
20 money pledged or available to pay or secure the payment of the obligations, or interest  
21 on the obligations, are exempt from state taxation except for transfer, inheritance, and  
22 estate taxes.

#### 23 **Article 4. Fiscal Procedures.**

24 **Sec. 30.21.350. Authority program and financial plan.** (a) The authority  
25 shall assure the development of a system of results-based operation designed to  
26 increase efficiency and effectiveness of facilities, operations, programs, and services  
27 of the authority. Toward that end, the authority shall, on an annual basis, identify  
28 results-based measures that have been used to work toward achievement of the  
29 mission statement and desired results issued by the legislature and of other goals of the  
30 authority, and set out the results as measured. The authority shall also prepare a public  
31 report that shall be published by January 2 of each year. The report must

- 1 (1) identify the mission of the authority;
- 2 (2) identify the goals and objectives the authority will use to achieve
- 3 the legislature's mission and desired results;
- 4 (3) include written, defined methods of measuring results that apply to
- 5 the responsibilities, products, and services of the authority;
- 6 (4) identify surveys or other methods of gathering user-group opinions
- 7 that have been used by the authority to identify ways to improve its programs;
- 8 (5) identify methods of measuring performance when the mission
- 9 statement and desired results of the authority involve cooperation with other public or
- 10 private agencies and make recommendations to eliminate duplication of government
- 11 functions and waste;
- 12 (6) include the budget requested to carry out the authority's proposed
- 13 plans in the succeeding fiscal year, including information reflecting the expenditures
- 14 during the last fiscal year, the expenditures authorized for the current fiscal year, the
- 15 expenditures proposed for the succeeding fiscal year, an explanation of the services to
- 16 be provided, the total number of positions for all persons employed or under contract
- 17 by the agency for personal services, including those rendered for capital improvement
- 18 projects, the need for the services, and the cost of the services;
- 19 (7) include a report of receipts of the authority during the last fiscal
- 20 year, an estimate of receipts during the current fiscal year, and an estimate of receipts
- 21 for the succeeding fiscal year;
- 22 (8) identify legislation required to implement the proposed programs
- 23 and financial plans;
- 24 (9) include an evaluation of the advantages and disadvantages of
- 25 specific alternatives to existing or proposed activities or administrative methods of the
- 26 authority.
- 27 (b) The report prepared under (a) of this section must describe the relationship
- 28 of the services provided by the authority to those services provided by other
- 29 government agencies and nongovernmental organizations.
- 30 (c) All goals and objectives, plans, programs, estimates, budgets, and other
- 31 documents forwarded to the governor by the authority under this section are public

1 information on and after the date they are forwarded.

2 **Sec. 30.21.360. Program execution.** The authority has power to administer  
3 its programs and is responsible for the proper management of its facilities and  
4 operations.

5 **Sec. 30.21.370. Annual report.** By January 2 of each year, the authority shall  
6 prepare a concise report describing the operations, income, and expenditures for the  
7 preceding fiscal year. The report must contain information substantially similar to that  
8 required by the United States Securities and Exchange Commission Form 10-K. The  
9 report must also include financial statements audited by an independent outside  
10 auditor.

11 **Sec. 30.21.380. Annual audit.** The authority shall have a certified audit of its  
12 financial records prepared annually by an independent certified public accountant.

#### 13 **Article 5. General Provisions.**

14 **Sec. 30.21.400. Authority employees.** Employees of the authority are not  
15 employees of the state.

16 **Sec. 30.21.410. Application of existing laws.** (a) Except as provided under  
17 this chapter, or unless those provisions of law conflict with the provisions of this  
18 chapter, the authority is subject to those provisions of law generally applicable to  
19 public corporations of the state and to

20 (1) AS 40.25;

21 (2) AS 44.62.310 and 44.62.312.

22 (b) The provisions of AS 37.07 (Executive Budget Act)

23 (1) apply to the operating and capital budgets of the authority;

24 (2) do not apply to activities of the authority under this chapter that  
25 relate to the authority's borrowing of money as provided in this chapter, including the  
26 issuing of its obligations or evidence of that borrowing and the repayment of the debt  
27 obligation.

28 (c) Unless specifically provided otherwise in this chapter, the following laws  
29 do not apply to the operations of the authority:

30 (1) AS 36.30, except as provided in that chapter;

31 (2) AS 39.

1           **Sec. 30.21.490. Definitions.** In this chapter, unless the context requires  
2 otherwise,

3           (1) "authority" means the Interior Rivers Port Authority;

4           (2) "board" means the board of directors of the authority;

5           (3) "bonds" means the bonds issued by the authority under this  
6 chapter;

7           (4) "capital improvement" means a project for the construction,  
8 rehabilitation, rebuilding, enlarging, or improving of a facility or operation, as  
9 determined by the authority to be necessary or desirable for efficient management of  
10 the facility or operation by the authority and to best serve the public;

11           (5) "facility or operation" means a facility or operation necessary for  
12 the authority to carry out its mission.

13           **Sec. 30.21.495. Short title.** This chapter may be cited as the Interior Rivers  
14 Port Authority Act.

15 \* **Sec. 3.** AS 30.15.010 is amended to read:

16           **Sec. 30.15.010. State grants for port facilities construction.** To the extent  
17 funds are appropriated by the legislature, or from the proceeds from the sale of bonds,  
18 the state may make grants to municipalities and regional port authorities to finance a  
19 portion of the cost of constructing local, regional, or state port facilities. The state  
20 shall participate only in those projects approved by the governor on recommendation  
21 of the commissioner.

22 \* **Sec. 4.** AS 30.15.020 is amended to read:

23           **Sec. 30.15.020. Criteria for establishing eligibility.** (a) Before a grant may  
24 be awarded under this chapter, the commissioner shall determine that

25           (1) the grant is for a feasible project;

26           (2) the project is endorsed by resolution of the board of directors of  
27 the regional port authority or of the governing body of the sponsoring municipality  
28 on its own behalf, or on behalf of a service area in an organized borough if a service  
29 area is established to finance and construct port facilities and operate and maintain  
30 them once constructed; and

31           (3) the regional port authority or the municipality can clearly

1 demonstrate its ability to finance the local share of project costs.

2 (b) A grant may not be awarded under this chapter for a port facility  
3 development project until a study of its feasibility is conducted and submitted with the  
4 application for the grant. The project also must be justifiable on the basis of public  
5 convenience and necessity. The study shall be conducted by consultants, engineers, or  
6 other technical experts, who may be officers or employees of the regional port  
7 authority or the municipality [IN] making application for a grant.

8 \* Sec. 5. AS 30.15.030 is amended to read:

9 **Sec. 30.15.030. Limitation on grants.** Grants to municipalities for the  
10 development of port facilities may not exceed

11 (1) 90 per cent of project costs for municipalities under 5,000  
12 population;

13 (2) 80 per cent of project costs for municipalities 5,000 population and  
14 over.

15 \* Sec. 6. AS 30.15.070 is amended by adding a new paragraph to read:

16 (5) "regional port authority" includes the Interior Rivers Port Authority  
17 authorized under AS 30.21.

18 \* Sec. 7. AS 36.30.015(e) is amended to read:

19 (e) The board of directors of the Alaska Railroad Corporation, the board of  
20 directors of the Interior Rivers Port Authority, and the board of directors of the  
21 Alaska Aerospace Development Corporation shall adopt procedures to govern the  
22 procurement of supplies, services, professional services, and construction. The  
23 procedures must be substantially equivalent to the procedures prescribed in this  
24 chapter and in regulations adopted under this chapter. Notwithstanding the other  
25 provisions of this subsection, the Alaska Railroad Corporation, the Interior Rivers  
26 Port Authority, and the Alaska Aerospace Development Corporation shall comply  
27 with AS 36.30.170(b), and, when the Department of Transportation and Public  
28 Facilities authorizes the Alaska Railroad Corporation to perform construction work  
29 instead of the Department of Transportation and Public Facilities, the Alaska Railroad  
30 Corporation shall use competitive sealed bidding or competitive sealed proposals  
31 under AS 36.30.100 - 36.30.270 to procure the supplies, services, professional

1 services, and construction services necessary for the work and, to ensure the state  
2 obtains the lowest cost for the project, may submit a bid or proposal for the work.

3 \* **Sec. 8.** AS 36.30.050(c) is amended to read:

4 (c) The lists may be used by the chief procurement officer or an agency when  
5 issuing invitations to bid or requests for proposals under this chapter. The lists may be  
6 used by the legislative council, the court system, the Interior Rivers Port Authority,  
7 and the Alaska Railroad Corporation.

8 \* **Sec. 9.** AS 36.30.990(1) is amended to read:

9 (1) "agency"

10 (A) means a department, institution, board, commission,  
11 division, authority, public corporation, the Alaska Pioneers' Home, or other  
12 administrative unit of the executive branch of state government;

13 (B) does not include

14 (i) the University of Alaska;

15 (ii) the Alaska Railroad Corporation;

16 (iii) the Alaska Housing Finance Corporation;

17 (iv) a regional Native housing authority created under  
18 AS 18.55.996 or a regional electrical authority created under  
19 AS 18.57.020;

20 (v) the Department of Transportation and Public  
21 Facilities, in regard to the repair, maintenance, and reconstruction of  
22 vessels, docking facilities, and passenger and vehicle transfer facilities  
23 of the Alaska marine highway system;

24 (vi) the Alaska Aerospace Development Corporation;

25 (vii) the Alaska State Pension Investment Board;

26 (viii) the Alaska Seafood Marketing Institute;

27 (ix) the Interior Rivers Port Authority;

28 \* **Sec. 10.** AS 37.05 is amended by adding a new section to article 1 to read:

29 **Sec. 37.05.055. Delegation to the Interior Rivers Port Authority.** The  
30 commissioner of administration may delegate the performance of the functions under  
31 this chapter as they relate to the Interior Rivers Port Authority to the authority and set

1 the criteria and guidelines that shall be followed.

2 \* **Sec. 11.** AS 39.50.200(b) is amended by adding a new paragraph to read:

3 (58) board of directors of the Interior Rivers Port Authority  
4 (AS 30.21.020).

5 \* **Sec. 12.** AS 39.52.960(2) is amended to read:

6 (2) "agency" means a department, ~~the~~ office of the governor, or an  
7 entity in the executive branch, including but not limited to the University of Alaska,  
8 public or quasi-public corporations, boards or commissions, [AND] the Alaska  
9 Railroad Corporation, and the Interior Rivers Port Authority;

10 \* **Sec. 13.** AS 39.52.960(4) is amended to read:

11 (4) "board or commission" means a board, commission, authority, or  
12 board of directors of a public or quasi-public corporation, established by statute in the  
13 executive branch, including the Alaska Railroad Corporation and the Interior  
14 Rivers Port Authority, but excluding members of a negotiated regulation making  
15 committee under AS 44.62.710 - 44.62.800;

16 \* **Sec. 14.** AS 39.52.960(12) is amended to read:

17 (12) "instrumentality of the state" means a state agency or  
18 administrative unit, whether in the legislative, judicial, or executive branch, including  
19 such entities as the University of Alaska, the Alaska Railroad Corporation, the  
20 Interior Rivers Port Authority, and any public or quasi-public corporations, boards,  
21 or commissions; the term includes municipalities;

22 \* **Sec. 15.** AS 44.42.020(a) is amended to read:

23 (a) The department shall

24 (1) plan, design, construct, and maintain all state modes of  
25 transportation and transportation facilities and all docks, floats, breakwaters, buildings,  
26 and similar facilities;

27 (2) study existing transportation modes and facilities in the state to  
28 determine how they might be improved or whether they should continue to be  
29 maintained;

30 (3) study alternative means of improving transportation in the state  
31 with regard to the economic costs of each alternative and its environmental and social

1 effects;

2 (4) develop a comprehensive, long-range intermodal transportation  
3 plan for the state;

4 (5) study alternatives to existing modes of transportation in urban areas  
5 and develop plans to improve urban transportation;

6 (6) cooperate and coordinate with and enter into agreements with  
7 federal, state, and local government agencies and private organizations and persons in  
8 exercising its powers and duties;

9 (7) manage, operate, and maintain state transportation facilities and all  
10 docks, floats, breakwaters, and buildings, including all state highways, vessels,  
11 railroads, pipelines, and airports [,] and aviation facilities other than ports and port  
12 related transportation facilities and operations managed, operated, and  
13 maintained by the Interior Rivers Port Authority under AS 30.21:

14 (8) study alternative means of transportation in the state, considering  
15 the economic, social, and environmental effects of each alternative;

16 (9) coordinate and develop state and regional transportation systems,  
17 considering deletions, additions, and the absence of alterations;

18 (10) develop facility program plans for transportation and state  
19 buildings, docks, and breakwaters required to implement the duties set out in this  
20 section, including but not limited to functional performance criteria and schedules for  
21 completion;

22 (11) supervise and maintain all state automotive and mechanical  
23 equipment, aircraft, and vessels, except vessels and aircraft used by the Department of  
24 Fish and Game or the Department of Public Safety; for state vehicles maintained by  
25 the department, the department shall annually evaluate the cost, efficiency, and  
26 commercial availability of natural gas for automotive purposes, and the purpose for  
27 which the vehicles are intended to be used, and convert or purchase vehicles to utilize  
28 natural gas whenever practicable; the department may participate in joint ventures  
29 with public or private partners that will foster the availability of natural gas for all  
30 automotive fuel consumers;

31 (12) supervise aeronautics inside the state, under AS 02.10;

1 (13) complete and maintain a current inventory of public facilities,  
2 including a projection of the serviceability of the facilities and projections of  
3 replacements and additions to facilities needed to provide the level of services  
4 programmed by the various user agencies, for municipalities with populations of less  
5 than 12,000 and for unincorporated communities, and perform those duties on a  
6 cooperative basis with larger municipalities;

7 (14) adopt energy performance standards for public facilities of the  
8 state, the construction of which begins after July 1, 1980; the standards shall be based  
9 on thermal and lighting energy standards established by the American Society of  
10 Heating, Refrigeration and Air Conditioning Engineers as adapted for application in  
11 high latitude, cold climate environs;

12 (15) provide planning assistance, including but not limited to energy  
13 audits and related technical services, to school districts and regional educational  
14 attendance areas to develop and implement

15 (A) standards for the design, construction, and operation of  
16 rural educational facilities; and

17 (B) energy conservation measures for rural educational  
18 facilities;

19 (16) implement the safety and financial responsibility requirements for  
20 air carriers under AS 02.40;

21 (17) inspect weights and measures.

22 \* Sec. 16. The uncodified law of the State of Alaska is amended by adding a new section to  
23 read:

24 REGIONAL DEVELOPMENT PLAN. Within one year from the first meeting of the  
25 board of directors of the Interior Rivers Port Authority, the board shall prepare and publish a  
26 development plan for promoting economic self-sufficiency in the region in which the  
27 authority operates. The development plan must include a description of the transportation,  
28 energy, regional waste disposal, and tourism infrastructure needs of the region that are  
29 necessary to promote regional economic self-sufficiency. The plan must also identify  
30 opportunities for private resource development in the region, training programs that are  
31 necessary to take advantage of current and future economic opportunities in the region,

1 tourism marketing strategies for the region, and sources of funding for operations and projects  
2 of the authority.

3 \* **Sec. 17.** The uncodified law of the State of Alaska is amended by adding a new section to  
4 read:

5 INITIAL APPOINTMENTS. Notwithstanding AS 30.21.020, as added by sec. 2 of  
6 this Act, and AS 39.05.055, the governor shall appoint the initial appointed members of the  
7 board of directors of the Interior Rivers Port Authority to terms as follows:

8 (1) three members to terms of one year;

9 (2) three members to terms of two years;

10 (3) three members to terms of three years.

11 \* **Sec. 18.** This Act takes effect July 1, 2004.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
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STATE OF ALASKA

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Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

May 1, 2004

**SUBJECT:** Sectional Summary of HB 562; An Act relating to the establishment of the Interior Rivers Port Authority (Work Order No. 23-LS1951/H)

**TO:** Representative Carl Morgan  
Attn: Lori Nottingham

**FROM:** George Utermohle   
Legislative Counsel

You have requested a sectional summary of HB 562; An Act relating to the establishment of the Interior Rivers Port Authority.

As a preliminary matter, note that a sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill sets out the findings and purpose of the legislature in regard to the establishment of the Interior Rivers Port Authority.

Section 2 of the bill adds a new chapter to AS 30 to provide for the establishment and operation of the Interior Rivers Port Authority.

### **Article 1. Creation and Organization.**

Sec. 30.21.010 establishes the Interior Rivers Port Authority as a public corporation of the state within the Department of Community and Economic Development.

Sec. 30.21.020 establishes the board of directors of the authority, consisting of nine voting members appointed by the governor. Seven members are to be appointed from lists of nominees submitted by certain corporations in the area of operation of the authority. One member is to be a person employed by a company that has a physical presence in the operation of the authority. One member is a public member. The commissioners of transportation and public facilities and of community and economic development are non-voting members of the board.

Sec. 30.21.030 provides for the removal and replacement of members of the board.

**Sec. 30.21.040** provides that the members of the board may receive compensation, per diem, and travel expenses for participation in board meetings.

**Sec. 30.21.050** provides that the board shall hold at least four regular meetings each year and that the board may also hold special meetings at the call of the chair of the board or of three members of the board.

**Sec. 30.21.060** provides for the election of officers of the board and sets the quorum and certain voting procedures for meetings of the board.

**Sec. 30.21.070** provides that the board may employ officers and employees of the authority as necessary for operation of the authority.

**Sec. 30.21.080** describes the operating area of the authority.

**Sec. 30.21.090** provides that the board of the authority may adopt regulations to carry out its functions.

## **Article 2. Powers and Duties.**

**Sec. 30.21.100** sets out the powers and duties of the authority.

**Sec. 30.21.110** provides that the activities of the authority are public and governmental functions exercised for a public purpose and are matters of public necessity.

**Sec. 30.21.120** provides that the authority may acquire, by purchase, lease, or gift, upon terms that the authority considers proper, land, structures, real or personal property rights, rights-of-way, franchises, easements, and other interests in land.

**Sec. 30.21.130** provides that the authority may acquire land and easements by purchase, gift, grant, exchange, or eminent domain.

**Sec. 30.21.140** provides that the authority may acquire publicly or privately owned land, easements, and material for purposes of exchange by purchase, gift, grant, exchange, or eminent domain.

**Sec. 30.21.150** provides that the authority has the power of eminent domain.

**Sec. 30.21.160** provides that the authority may defend and indemnify a current or former member of the board, employee, or agent of the authority against all costs, expenses, judgments, and liabilities incurred by or imposed upon that person in connection with a civil or criminal action in which the person is involved by affiliation with the authority. The authority may also purchase insurance to protect and hold

personally harmless its board members, employees, and agents from an action, claim, or proceeding arising out of the performance, purported performance, or failure of performance, in good faith, of duties for, or employment with, the authority.

Sec. 30.21.170 provides that the authority shall protect its assets, services, and employees by purchasing insurance or providing for certain self-insurance retentions. The authority shall also maintain casualty, property, and other insurance in amounts reasonably calculated to cover potential claims against the authority or state related to authority operations and activities.

Sec. 30.21.180 provides that the authority shall obtain a fidelity bond in an amount determined by the board for members of the board and for each executive officer responsible for accounts and finances.

### **Article 3. Revenue Bonds and Notes.**

Secs. 30.21.200 - 30.21.320 set out the powers and duties of the authority in regard to the issuance of revenue bonds. Under sec. 30.21.300, the credit of the state is not pledged to the repayment of debts, liabilities, or obligations of the authority. The authority is solely responsible for payment of its debts, liabilities, or obligations from the revenue of the authority.

### **Article 4. Fiscal Procedures.**

Sec. 30.21.350 sets out the requirement of the authority to assure the development of a system of results-based operation designed to increase efficiency and effectiveness of facilities, operations, programs, and services of the authority. The authority shall annually prepare a detailed report of the mission, goals, operations, and performance of the authority.

Sec. 30.21.360 provides that the authority has power to administer its programs and is responsible for the proper management of its facilities and operations.

Sec. 30.21.370 provides that the authority shall prepare an annual report of its operations, income, and expenditures for the preceding fiscal year.

Sec. 30.21.380 provides that the authority shall have a certified audit of its financial records prepared annually by an independent certified public accountant.

### **Article 5. General Provisions.**

Sec. 30.21.400 provides that the employees of the authority are not state employees.

Sec. 30.21.410 provides that the authority is not subject to the State Procurement

Representative Carl Morgan  
May 1, 2004  
Page 4

Code (AS 36.30) except as specifically provided in this bill or to the statutes governing public officers and employees in AS 39.

Sec. 30.21.490 sets out the definitions of terms used in the bill.

Sec. 30.21.495 provides that this chapter may be cited as the Interior Rivers Port Authority Act.

Sections 3 - 6 of the bill amend provisions of AS 30.15 to provide that the Interior Rivers Port Authority would be eligible for grants, if any, that are made for port facility construction under that chapter.

Section 7 of the bill amends AS 36.30.015(e) to provide that the board of directors of the Interior Rivers Port Authority is to adopt procedures to govern the procurement of supplies, services, professional services, and construction that are substantially equivalent to the procedures prescribed in the State Procurement Code (AS 36.30).

Section 8 of the bill amends AS 36.30.050 to provide that the board of directors of the Interior Rivers Port Authority may use the lists of contractors prepared by the commissioner of administration when issuing invitations to bid or requests for proposals.

Section 9 of the bill amends AS 36.30.990(1) to exclude the Interior Rivers Port Authority from the agencies that are subject to the State Procurement Code (AS 36.30).

Section 10 of the bill amends AS 37.05 by adding a new sec. 37.05.055 to provide that the commissioner of administration may delegate functions under the Fiscal Procedures Act (AS 37.05) to the board of directors of the Interior Rivers Port Authority.

Section 11 of the bill amends AS 39.50.200(b) to add the board of directors of the Interior Rivers Port Authority to the list of boards and commissions whose members are subject to public official financial disclosure under AS 39.50.

Sections 12 - 14 of the bill amend AS 39.52.960(2), (4), and (12), respectively, to provide that the board of directors of the Interior Rivers Port Authority is subject to the Executive Branch Ethics Act (AS 39.52).

Section 15 of the bill amends AS 44.42.020(a) to provide that the Department of Transportation and Public Facilities is not responsible for management, operation, or maintenance of ports and port related facilities and operations managed, operated, and maintained by the Interior Rivers Port Authority.

Section 16 of the bill provides that the board of directors of the Interior Rivers Port Authority shall, within one year from the first meeting of the board, prepare and publish a development plan for promoting economic self-sufficiency in the region in which the authority operates.

Representative Carl Morgan  
May 1, 2004  
Page 5

Section 17 of the bill establishes the length of the terms of the persons initially appointed to board of directors of the Interior Rivers Port Authority in order to establish a system of staggered appointments.

Section 18 of the bill provides that the bill takes effect July 1, 2004.

If I may be of further assistance, please advise.

GU:med  
04-489.med

Adopted

AMENDMENT |

OFFERED IN THE HOUSE  
FINANCE COMMITTEE  
TO: HB 562

By: Rep. Hawker

Page 11 line 22

Delete [\$25,000,000] and insert \$10,000,000

**HB 562 Amendment #1 Rational**

This amendment is being offered to bring the amount of bonding authority into line with that of ADEA/AEA which is \$10,000,000. The result is the port authority will need legislative approval for any bonds exceeding \$10 million.

**Why did the bill originally have \$25 million?**

When the bill was being drafted they were looking at the amounts that might be needed in the future for large projects.

# LEGAL SERVICES

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## MEMORANDUM

May 7, 2004

**SUBJECT:** Summary of changes to HB 562 that are contained in CSHB 562( ), draft version Q (Work Order No. 23-LS1951\Q)

**TO:** Representative Carl Morgan  
Attn: Mary Siroky

**FROM:** George Utermohle   
Legislative Counsel

The memorandum summarizes the changes made to HB 562, as introduced, that are contained in CSHB 562( ), draft version Q.

In sec. 2 of the bill [sec. 30.21.020, pages 2 - 3], the provisions relating to the board of directors of the Interior Rivers Port Authority have been changes as follows:

- one ; the size of the board has been increased to eleven voting members;
- two; nine members of the board are appointed by the governor; names of nominees are to be solicited from private individuals and public and private entities, including seven corporations specifically mentioned in the bill;
- three; the requirement that seven members of the board be selected from nominees proposed by seven corporations operating in the area of the authority has been deleted;
- four; six of the persons appointed to the board are to be officers, directors, or employees of private entities that have a physical presence in the area of operation of the authority;
- five; the commissioner of transportation and public facilities and the commissioner of community and economic development are now voting members of the authority.

In sec. 2 of the bill [sec. 30.21.040, page 3], the provision of the bill relating to compensation for board members is changed to provide that board members serve without compensation but are entitled to per diem and travel expenses.

In sec. 2 of the bill [sec. 30.21.060, page 3], the provision relating to the quorum of the board of directors is change to provide that the quorum is six members because the size of the board was increased to 11 voting members.

In sec. 2 of the bill [sec. 30.21.070, pages 3 - 4], the attorney general is designated as the legal counsel for the authority.

In sec. 2 of the bill [sec. 30.21.090, page 5], the provision relating to the adoption of regulations by the board is amended to expressly provide that the regulations are subject to AS 44.62 (Administrative Procedure Act).

In sec. 2 of the bill [sec. 30.21.100, page 5, lines 17 - 18], a provision is added to the powers of the authority to reference that the authority has the power of eminent domain within the operating area of the authority.

In sec. 2 of the bill [sec. 30.21.120, pages 6 - 7], a couple of sections relating to the acquisition of land and interests in land by the authority have been combined into a single section to simplify the language and to eliminate redundancy. Also, the power of the authority to acquire land for purposes of exchange has been deleted.

In sec. 2 of the bill [sec. 30.21.130, page 7], the provisions relating to eminent domain have been amended to provide:

one; the authority may exercise the power of eminent domain only with the prior approval of the governor;

two; the authority may exercise the power of eminent domain only within the operating area of the authority;

three; the authority may exercise the power of eminent domain over public and private land;

four; the power of eminent domain includes the power to obtain gravel, clay, sand, timber, rock, and other materials necessary for projects of the authority.

In sec 2 of the bill [secs. 30.21.200 - 30.21.320, pages 8 - 15], all references to coupons attached to bonds are deleted because coupons are not used any more.

In sec. 2 of the bill [sec. 30.21.220, page 11], the power of the authority to issue bonds is amended to require prior legislative approval if the authority intends to issue more than \$25,000,000 in bonds for a capital improvement. Legislative approval is not required if the authority is issuing refunding bonds.

In sec. 2 of the bill [sec. 30.21.230, page 11], the reference to the private sale of bonds is deleted.

In sec. 2 of the bill [sec. 30.21.250, pages 12 - 13], a provision requiring that the authority report to the governor and legislature regarding the amount that might be necessary to restore a capital reserve fund balance to the required amount and authorizing the legislature to make an appropriation to restore the capital reserve fund balance to the required amount, was deleted so as to avoid the creation of a moral obligation of the state to pay for the debts of the authority.

In sec. 2 of the bill [sec. 30.21.410, page 17 - 18], provisions are added to provide that the authority is subject to laws generally applicable to public corporations of the state,

**Representative Carl Morgan**  
**May 7, 2004**  
**Page 3**

including public records and public meeting statutes. The Executive Budget Act (AS 37.07) is made applicable to the operating and capital budgets of the authority but not to the borrowing activities of the authority.

In sec. 16 of the bill [page 23], the requirements for the contents of the regional development plan to be prepared by the Interior Rivers Port Authority is amended to delete a reference to water and waste water management and to insert a reference to regional waste disposal.

If I may be of further assistance, please advise.

GU:mdr  
04-226.mdr

**Arctic Pacific Enterprises, LLC**

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Anchorage, Alaska 99524-2912  
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Facsimile: (907) 277-6443



May 3, 2004

The Honorable Carl Morgan  
Alaska State Representative  
State Capitol Room 408  
Juneau, Alaska 99801-4527

**Subject: Support for House Bill Number 562  
for an Interior Rivers Port Authority**

Dear Representative Morgan:

I wish to express my enthusiastic support of the proposed Interior Rivers Port Authority. I also urge passage of House Bill Number 562 which would establish such a port authority for the Yukon River, Kuskokwim River and several of their tributaries.

I offer my endorsement of this bill based on my many years of experience as a participant in economic and infrastructure development throughout Alaska and especially rural Alaska. My experience includes:

Arctic Pacific Enterprises, LLC: I founded Arctic Pacific in 2000 to develop infrastructure projects in rural Alaska. This includes roads and harbors, health facilities, community centers and other community buildings, bulk fuel storage systems, rural energy facilities, alternative energy systems, water and waste water systems, roads and harbors, among others.

State of Alaska: As the Executive Director for the Division of Energy, State of Alaska, I was responsible for constructing bulk fuel tanks farms, powerhouses and electrical distribution systems, and alternative energy projects, as well as rural energy emergency response and technical assistance. We also worked on utility regionalization, cooperative fuel-buying arrangements, fuel spill prevention and an overall Energy Plan for rural Alaska. During my tenure, I administered a budget totaling \$497 million, including three loan programs and the Power Cost Equalization (PCE) program.

Sealaska Corporation: I developed economic and employment programs to enhance benefits for residents in Southeast Alaska, including instituting a regional job bank, establishing stronger relationships between educational and training organizations and the private sector, and worked with non-profit corporations, state agencies and private companies to implement a Statewide Native hire program.

**Haida Corporation and City of Hydaburg:** During my work for the City of Hydaburg and the Haida Corporation, I developed policies and plans and identified lands for reconveyance under 14C(3) of the Alaska Native Claims Settlement Act and initiated a land exchange with the United States Government. I was instrumental in reorganizing Haida Seafoods, developing a timber operation and establishing Haida Oil Products as a wholly-owned subsidiary of Haida Corporation.

The experience of Arctic Pacific covers virtually all forms of infrastructure required in rural Alaska and is especially strong in construction management and civil and structural engineering. The senior staff employees of Arctic Pacific each have at least 14 years experience in project management in Alaska and the Lower 48 States.

Our expertise begins in the development phase, including the public process, feasibility studies and business planning. This is carried through to project completion including procurement, logistics, construction management and financial reporting. The project development and support experience of our staff includes managing more than \$52 million in construction funding with a portfolio of up to 120 active projects on an annual basis at the Division of Energy.

Most of these projects involved a public process. In many instances we made special trips to the community or communities involved to conduct public meetings. Where necessary, we assisted communities in drafting resolutions of support for a project. We went took extra steps to search out all organizations and interest groups that might be affected by the project were included and not overlooked.

As a result, we are well-versed in adhering to a rigorous public process for all projects. This not only includes public notice, public involvement and public comment. It also includes adhering to all permitting requirements and the attendant need for public input. We pride ourselves in taking a pro-active approach to the public process. This is based on our belief that adherence to strong public process guidelines will ultimately result in a better project.

**Current and Recent Projects:** The following are representative examples of projects underway or under development by Arctic Pacific Enterprises, LLC:

- University of Alaska Anchorage: Arctic Pacific has a current term contract for engineering and architectural services for university projects.
- Marshall: Design and construct a new Community Center including a road to the new subdivision where the center will be located (construction begins spring of 2004).
- Hensel Phelps Construction Co.: Arctic Pacific is a prime contractor to HPC on a U.S. Department of Defense Pentagon renovation project.
- Bureau of Indian Affairs Indian Reservation Roads (IRR) Program: Completed road inventories for Port Graham, Chignik Bay, Chignik Lake, Ivanof Bay and King Salmon tribal governments.

- Chignik Lake: Federal Emergency Management Agency (FEMA) contract for repair of road damaged by high water. Work includes road reconstruction at the barge landing area and the fuel storage pad.
- Consulting work on a proposed road to link the communities of Chignik Lake, Chignik Lagoon and Chignik Bay.
- Road and shallow gas development with Alaska Peninsula Corporation and Becharof Corporation.
- Angoon: Thayer Creek Hydroelectric Project development including penstock and powerline access roads.
- Yakutat: Develop wind power generation project with access roads.
- Clarks Point: Bristol Bay Economic Development Corporation (BBEDC) washeteria application; application process for new health clinic.
- Old Harbor: Complete preliminary design for construction of a new small boat harbor.
- 8A Status For Village Corporations. Bay View Inc. (Ivanof Bay); Pedro Bay Corporation and Chignik Lake: We also are assisting Bay View in developing a protégé relationship with a mentor company.

A strong and determined effort is underway by the State of Alaska and its citizens to produce natural gas from our North Slope oil fields for export to the Lower 48 States and abroad. Making natural gas available to Alaska markets is part of the justification for the State's support of the gas pipeline project.

The gas pipeline project offers a unique opportunity to research and develop plans to provide natural gas along the Yukon and Kuskokwim rivers and their tributaries to promote economic development and enhance the standard of living. This can be a key element to future self-sufficiency of the region encompassed by the proposed Interior Rivers Port Authority and should be a part of the overall port authority mission.

Please call me if you would like to discuss this further. I would be pleased to assist you in making the Interior Rivers Port Authority a reality.

Sincerely,

Percy Frisby  
Chief Executive Officer

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**PLACER DOME U.S. INC.**

730 I Street, Suite 100  
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Fax (907) 273-0301

May 3, 2004

Representative Carl Morgan, Jr.  
State Capital Building  
Suite 406  
Juneau, AK 99801-1182  
via facsimile: 907-485-2187

**RE: Bill to Establish the Interior Rivers Port Authority**

Dear Representative Morgan:

Thank you for the opportunity to comment on the work draft of the Bill to establish the Interior Rivers Port Authority. It is Placer Dome U.S.' understanding that the intent of the Bill is to create an Authority that will facilitate the development of transportation, energy and other infrastructure and services needed for economic development in the region. As you know, Placer Dome is keenly interested in the timely development of infrastructure that would be needed for the Donlin Creek Mine. This includes an economic source of power and improvements to land and river transportation systems.

To the extent the creation of the Authority would provide a better vehicle for the state and region to provide the needed infrastructure in a timely and cost-effective way, this would be consistent with our needs. We believe it would be critical, if the Authority is formed, that it have the technical resources to timely and efficiently run, construct and manage the projects it undertakes. It would also be important that the Authority have the same or better ability as the Alaska Industrial Development and Export Authority to issue bonds for public projects, or that AIDEA be able to issue bonds for projects undertaken by the Authority.

Sincerely,  
Placer Dome U.S., Inc.



Gregg Bush, General Manager  
Donlin Creek Joint Venture

# **Calista Corporation**

301 Calista Court, Suite A • Anchorage, Alaska 99518-3028 • (907) 279-5516 • Facsimile (907) 272-5060 • Website: [www.calistacorp.com](http://www.calistacorp.com)

April 27, 2004

*Office of the President*

The Honorable Carl Morgan  
Alaska State Legislature  
State Capital  
Juneau, Alaska 99811

Re: Proposed Interior Rivers Port Authority

Dear Carl:

Calista Corporation favors the development of an Interior Rivers Port Authority within the unorganized borough to facilitate economic development. Specifying such a port authority is the first of its kind in Alaska and we applaud your efforts. There is a need to facilitate economic development of our resources, and the Donlin Creek project provides an important impetus to begin the process of sustainable long term development for both river systems. The Donlin Creek project has the potential of transforming the third world conditions of our regions. The project will never happen however, without federal and state support. As you know, Calista Corporation has completed the Donlin Creek Mine Power Supply Feasibility Study which, after more than two years of analysis of all available options, demonstrates that the lowest cost alternative that provides power to Donlin Creek and the villages in the region is for a power plant at Bethel and a transmission line to Donlin Creek. If the proposed bill is approved, the Interior Rivers Port Authority can help finance the infrastructure to make Donlin Creek a reality.

The energy and transportation needs for the Donlin Creek project is massive and will need to include a large part of the Kuskokwim and the Yukon Rivers. The large service area identified in this bill could certainly address both the transportation and energy infrastructure necessary to support the Donlin Creek project and other potential mineralized areas over the long term. We look forward to the formation of the Interior Rivers Port Authority.

Sincerely,

**CALISTA CORPORATION**



Matthew Nicolai  
President/CEO



# The Kuskokwim Corporation

Representative Carl Morgan

RE: Interior Rivers Port Authority

April 26, 2004

To Whom It May Concern:

The Kuskokwim Corporation (TKC) is in support of the Interior Rivers Port Authority researching strategies that would benefit the local people in implementation of local resources. Mainly Yupik Eskimo and Athabaskan Indian descendants populate the Kuskokwim River region of Alaska. TKC is the merger of 10 ANCSA village corporations and has over 2,500 shareholders who either live in, or are descendants from, one of the numerous small villages along the Kuskokwim River. TKC owns over 950,000 acres of surface estate lands surrounding the 10 villages including Crooked Creek and surrounding Donlin Creek.

The Interior Rivers Port Authority an option that would provide a structure which could help represent the major land owners and economic development organizations in the region. It not only shows representation by the majority of parties involved, but also shows a commitment to work together to achieve common goals.

The region has little to no economic base, substantially high unemployment and chronically suffers from poverty and marginal education. The cost of electricity, where it is available, is very high and there are minimal to no municipal infrastructures. A number of village residents are without sewer and water, yet it is a region that has great economic development potential. The regional transportation and energy infrastructure would help lead the region to self-sufficiency. The concept of the regional port authority could be the beginning of providing this regional focus.

It is in the best interest of the state to move forward and research establishing a port authority for the Interior Rivers region so long that it protects the regions interest in development for our area.

Sincerely,

Maver E. Carey  
TKC President/CEO

Anchorage Office:  
4300 B St., Suite 207  
Anchorage, Alaska 99503  
Phone: (907) 243-2944  
Fax: (907) 243-2984

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## **Doyon, Limited**

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Fairbanks, Alaska 99701-2941  
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Sent via fax: (907) 465-2197

April 30, 2004

Representative Carl Morgan  
Alaska Legislature  
State Capitol, Room 408  
Juneau, AK 99801-1182

RE: Possible legislation on Interior Rivers Port Authority

Dear Rep. Morgan:

Thank you once again for the opportunity to review draft legislation that would create an Interior Rivers Port Authority. Additional thanks for the prompt response to my inquiry regarding the relationship this new port authority likely would have with the Alaska Industrial Development and Export Authority. An IRPA could be very beneficial, if not critical, to development projects within the operating area of the authority, and for that reason I support your efforts.

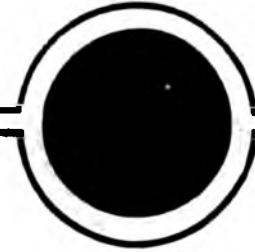
I look forward to further discussion with you and your staff.

Very truly yours,

*for*  
Orie Williams  
President and CEO

# ALASKA RAILROAD CORPORATION

---



Corporate Address: P.O. Box 107500, Anchorage, Alaska 99510  
327 W. Ship Creek Avenue, Anchorage, Alaska 99501

May 1, 2004

Representative Carl Morgan  
State Capitol  
M/S 3100  
Juneau, Alaska  
99801-1182

Re: Interior Rivers Port Authority

Honorable Representative Morgan:

The Alaska Railroad Corporation is pleased to support the endeavor of forming an Interior Rivers Port Authority.

This initiative would greatly enhance the interior's opportunity for economic growth by paving the way for infrastructure development. Specifically, it would contribute to the state's overall transportation system and provide an important link, through the City of Nenana, with the Alaska Railroad.

Best regards,

Wendy Lindskoog  
Director, External Affairs  
Alaska Railroad Corporation



**Yukon Fuel Company**

**Locations**

- Aniak
- Bethel
- Ft. Yukon
- Galena
- Hoonah
- Kasil
- McGrath
- Nainana
- St. Mary's
- St. Michael
- Yukon Services

**Representative Carl Morgan  
State Capitol Building rm 408  
Juneau, AK 99801-1182**

**May 5, 2004**

**Re: Proposed Interior Rivers Port Authority**

**Representative Morgan,**

**Yukon Fuel Company provides water transportation services to all areas in the proposed Interior Rivers Port Authority. As a carrier we are faced with uncharted waters, absolutely no aids to navigation, undeveloped landing sites, lack of shore-based infrastructure, and often multiple fuel offload locations. Any concerted effort to improve ports on the Yukon and Kuakokwim rivers has our enthusiastic support.**

**It is a common theme in rural communities that basic services are expensive. Transportation infrastructure development can help. Any improvement that creates better efficiencies for transporters results in lower costs. Development of facilities also provides a safer place for fuel and freight transfers.**

**There are many other potential benefits of developed ports and landings to be considered. Such as scheduled transport services, extension of the Alaska Marine Highway, and a way to better serve small subsistence and commercial marine traffic. And of course any large scale resource development projects must be supported with adequate facilities.**

**Yukon Fuel Company looks forward to assisting in the development of Interior River Ports.**

**Sincerely,**

**Mark Smith  
President**



**City of Nenana**  
PO Box 70, Nenana, Alaska 99760  
907-832-5501, 907-832-5503-fax  
<http://www.nenana.org>



Rep. Carl Morgan  
State Capitol  
M/S 3100  
Juneau, Alaska  
99801-1182

28-Apr-04

**Re: Interior Rivers Port Authority**

**Honorable Representative Morgan,**

**It gives me great pleasure to voice the City of Nenana's support for an Interior Rivers Port Authority.**

**As Nenana is the primary port for the communities in this area, we have first hand experience with the difficulties in transportation and the needs that exist.**

**There is a tremendous need to provide a vehicle for these issues to be addressed and the Port Authority concept is an excellent way to accomplish this.**

**The Interior region of Alaska has been studied many times in the past identifying untapped mineral resources and natural gas resources. Unfortunately there was no appropriate mechanism to organize the affected communities.**

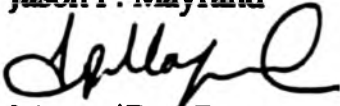
**It is clear that the region currently does not have the economic infrastructure to operate as an organized governmental area however the Port Authority will allow the communities to be organized as a whole to pursue the establishment and enhancement of the transportation infrastructure.**

**Formation of the Port Authority will also allow the entity to bond, enter into leases, and apply for state and federal funding and management of facilities and operations. In addition to the added cooperation between entities along the river, the Port Authority would have the ability to coordinate bulk purchases for products and services thereby lowering the overall costs to communities.**

**Development of energy infrastructure, expanded tourism opportunity, economic development, and the establishment of a regional landfill to address village health concerns can all be a possibility through the Port Authority.**

In short, this is the perfect solution to many problems that plague the Interior river communities and would greatly enhance the economic future of the area as well as provide the means to help them coordinate with each other to pursue economic development projects that enable these areas to be more self-sufficient.

Sincerely,  
Jason P. Mayrand



Mayor/Port Director  
City of Nenana  
Nenana Port Authority

# Alaska State Legislature

SENIOR/INTERIM OFFICE  
State Capitol Building  
Juneau, Alaska 99801-1182  
Phone: 907-465-4537  
Fax: 907-465-2197  
Toll Free: 800-491-4537



INTERIM DISTRICT OFFICE  
P.O. Box 798  
Tel. Alaska 99780  
Phone: 907-883-2669  
Fax: 907-883-2670

**Representative Carl M. Morgan, Jr.  
District 6**

April 28, 2004

**Mr. Orie Williams, President and CEO  
Doyon, Limited  
1 Doyon Place, Suite 300  
Fairbanks, AK 99701-2941**

Dear Orie,

Thanks for your letter regarding the relationship of the Interior Rivers Port Authority (IRPA) and Alaska Industrial Development and Export Authority (AIDEA). We foresee IRPA having a cooperative relationship with AIDEA. The IRPA will provide the focus for involvement of the river communities in regional transportation, energy and water and waste disposal issues. Although, this legislation provides IRPA its own bonding authority we assume major bonding would go through AIDEA. AIDEA is established in the bond market with high bond ratings resulting in lower interest rates. Ron Miller, Executive Director of AIDEA does not see any conflict between the two organizations. He expressed optimism in the synergy that could result between IRPA and AIDEA..

The IRPA's value is in examining the economies of scale for large projects, such as the Donlin Creek Mine, and the benefit to the local people within the region. The IRPA will be the focus for electrical interties, group purchase of fuel, and transportation services which lower the cost of bringing in food and other necessary consumer goods.

The IRPA is a real opportunity to bring the interior rivers region together for the good of the people with an emphasis on economic development and self-sufficiency. The most important thing at this point is to provide employment and training opportunities to local people and to help facilitate the resource development projects that will "lift up" our whole region.

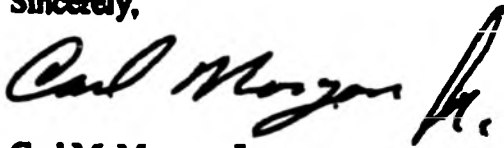
**Page Two**

**Letter to Orin Williams, President & CEO**

**As a state agency, IRPA will be able to facilitate rights of way and permits necessary for these projects and to inform local people of the benefits of resource development projects.**

**I hope Doyon will support these efforts. I look forward to working together with you on this important legislation.**

**Sincerely,**

A handwritten signature in cursive script, appearing to read "Carl Morgan Jr.", written in black ink.

**Carl M. Morgan, Jr.  
Alaska State Representative**

**Cc: Ron Miller, Executive Director of AIDEA.**

**THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
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ORIGINAL  
COPIES**



# Deyon, Limited

1 Depon Place, Suite 300  
Fairbanks, Alaska 99701-3041  
(907) 488-3000  
info@deyon.com

Sent via fax: (907) 465-2197

April 28, 2004

Representative Carl Morgan  
Alaska Legislature  
State Capitol, Room 408  
Juneau, AK 99801-1182

RE: Possible legislation on Interior Rivers Port Authority

Dear Rep. Morgan,

Thank you for the opportunity to review draft legislation that would create an Interior Rivers Port Authority. The purpose for the authority would be to assist in development of mineral deposits and economic opportunities through tax exempt bonding that could be used to help provide needed transportation and energy infrastructure. This goal is a worthy one that I support. I do have one reservation, however. I would like to have a better understanding of what roles and responsibilities this new entity would have in relation to the Alaska Industrial Development and Export Authority. Frankly, I had assumed that most if not all of the functions the new entity were similar to the AID&EA charter. I look forward to further discussion with you and your staff.

Very truly yours,

  
Chris Williams  
President and CEO



**G Y L**

Gana-A'Yoo, Ltd.  
3000 A Street, Suite 417, Anchorage, Alaska 99503 • phone: (907) 569-9599 • fax: (907) 569-9699 • www.ganayoo.com

April 29, 2004

Representative Carl M. Morgan, Jr  
State Capitol Building, Suite 408  
Juneau, AK 99801-1182

Re: Interior Rivers Port Authority

Dear Representative Morgan,

Gana-A'Yoo, Limited supports an Interior Rivers Port Authority (IRPA). This authority will provide the focus for involvement of the river communities in regional transportation, energy and water and waste disposal issues. It provides a real opportunity to bring the interior rivers region together for the good of the people with an emphasis on economic development and self-sufficiency.

The most important thing at this point is to provide employment and training opportunities to local people and to help facilitate the resource development projects that will "lift up" our whole region.

The IRPA will provide an opportunity for our region to have a voice in directing our own future.

We look forward to working with you on this important piece of legislation.

Sincerely,

Michael Stickman  
President  
Gana-A'Yoo, Limited

**Subject: HB 562**

**Date: Mon, 3 May 2004 16:05:22 -0700**

**From: "Michael Scott" <Michael.Scott@NANASERVICES.COM>**

**To: <Representative\_Reggie\_Joule@legis.state.ak.us>,  
<Representative\_Richard\_Foster@legis.state.ak.us>,  
<Representative\_Carl\_Moses@legis.state.ak.us>**

**CC: <Representative\_Carl\_Morgan@legis.state.ak.us>**

Please support passage of HB 562 the Interior Rivers Port Authority bill. If successful, this model could serve as a template for other authorities throughout rural Alaska. As the former regional director for the state Department of Transportation and a municipal manager, HB 562 is a big step forward in bringing financing and decisions to the local level.

Thank you.

Mike Scott

**Subject: Request for name and copy of Bill**

**Date: Fri, 30 Apr 2004 16:41:00 -0800 (AKDT)**

**From: "George Owletuck" <gowletuck@starband.net>**

**To: <Representative\_Carl\_Morgan@legis.state.ak.us>**

Representative Carl Morgan,  
State Capitol, Room 408  
Juneau, AK 99801-1182

April 30, 2004

Dear Representative Morgan:

I've been informed by Mr. Bob Charles, VP of Government Relations at Calista Corporation that you have submitted a bill to create a port authority and Marshall is included?

Thank you for including Marshall. Would your staff kindly let me know what the name of the bill is and email me a copy if possible?

Otherwise, my mailing address is:

George Owletuck  
PO Box 124  
Marshall, AK 99585

Thank you for your consideration.

George Owletuck

# Fairbanks Daily News-Miner

## Bill would create Interior port authority

By TOM MORAN

Tuesday, May 04, 2004 - News-Miner Juneau Bureau

JUNEAU—A new organization charged with spurring economic development in a large swath of the rural Interior would be created by a bill moving through the state House of Representatives.

House Bill 562 would create the "Interior Rivers Port Authority," an organization representing an area roughly bordered by the Kuskokwim, Tanana and Yukon rivers. The authority would have the ability to plan, finance and run projects to improve the economy through transportation and energy improvements and other means.

"I wanted to get the idea out there and wake up people and say, 'You know, we've got to start doing something differently,'" said Rep. Carl Morgan, R-Aniak, who introduced the bill via the House Community and Regional Affairs Committee. "We can't keep studying. Bush Alaska is the most studied place and we don't get anyplace."

The port authority would have a variety of powers, among them: to accept private, municipal, state and federal funding; to pay for projects by issuing revenue bonds; to acquire and lease land; and to enter into agreements and contracts with other entities. Within a year after its first meeting, the board of directors of the authority would be required to create a development plan for the region.

Morgan touts the authority as a way of getting the roughly 5,500 residents of the thinly populated region organized into a coherent unit that could put together projects involving what he calls "the three R's:" roads, railroads and rivers. With central organization and bonding powers, he argued, the authority could plan and finance projects like a road to the Donlin Creek mineral deposit, which would bring jobs to the region.

"If you look at the logistics of it, (the population is) just so scattered," Morgan said. "We get one entity to work for that region."

He said regional cooperation also could help to secure savings and lower the cost of living through bulk fuel purchase agreements, electrical interties and arrangements on the transport of goods. Also, the port authority could be used to work to procure natural gas for the region via a spur pipeline or barge system linked to an Alaska natural gas pipeline. The port authority also could facilitate river tourism and help to improve waste management, Morgan noted in his sponsor statement.

Under Morgan's bill, the authority would be managed by a nine-member board, with seven members appointed by the governor off a list put together by seven Native corporations and groups, including Doyon Ltd. and the Tanana Chiefs Conference. There also would be one public member and one representing a private corporation, both picked by the governor.

The authority would roughly encompass an area with a northern border 10 miles north of the Yukon River and a southern border mostly 10 miles south of the Kuskokwim, a western border running from Russian Mission to Lower Kalskag and an eastern border running from Nenana north to the Yukon River crossing on the Dalton Highway.

Morgan introduced the bill Saturday and it was moved out of his committee that day. But the bill still has to clear the House Finance Committee and the entire Senate before the Legislature adjourns on May 11. Morgan says he doesn't expect the bill to get passed this year.

"It doesn't look like it, but you know, stranger things happen," Morgan said.

Morgan said if the bill doesn't pass this year, he will reintroduce it if voters return him to the Legislature.

Reporter Tom Moran can be reached at [tmoran@newsminer.com](mailto:tmoran@newsminer.com) or (907) 463-4893.

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: May 3, 2004

FURTHER REFERRALS:

Date of Committee Action: 5-9-04

The FINANCE Committee considered:

HB 562

HOUSE BILL NO. 562

INTERIOR RIVERS PORT AUTHORITY

"An Act relating to the establishment of the Interior Rivers Port Authority; and providing for an effective date."


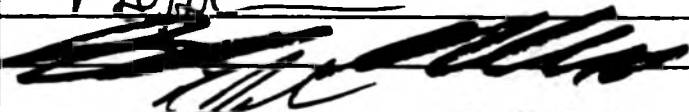
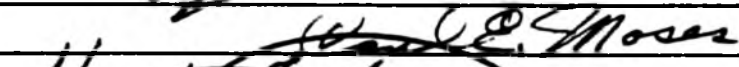
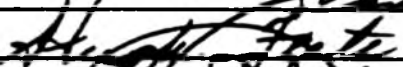
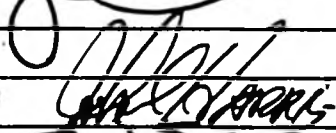
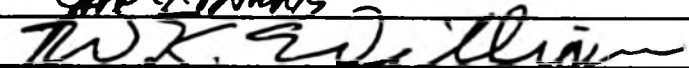
Recommends it be replaced with  HCS or  CS for (FIN)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 HSS  
 LEG  
 LAW  
 LWF  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
CED			*	

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Houk	X			
	SEALY			X	
	MOSES	X			
	FOSTER	X			
	HARRIS			X	
	Williams	X			

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: HB562  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title Interior Rivers Port Authority RDU Interior Rivers Port Authority  
 Component Interior Rivers Port Authority  
 Sponsor House Community & Regional Affairs Component No. New  
 Requester House Finance

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	.	.	.	.	.	.

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	.	.	.	.	.	.

Estimate of any current year (FY2004) cost: 0.0  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation establishes the Interior Rivers Port Authority as a public corporation of the state and an instrumentality of the department. It establishes an 11 member board (including the commissioner of community and economic development) to oversee the planning, construction, improvement, maintenance and operations of facilities to provide transportation, energy, regional waste disposal and other infrastructure services and economic development in a specific operating area. The authority may receive funding subject to appropriation by the legislature.

Prepared by: Albert H. Clough, Deputy Commissioner Phone 907.465.2500  
 Division: Office of the Commissioner Date/Time 5/7/04 12:13 PM  
 Approved by: Edgar Blatchford, Commissioner Date 5/7/2004  
 Agency: Department of Community & Economic Development

Adopted  
5.9.04

no obj.

AMENDMENT |

OFFERED IN THE HOUSE  
FINANCE COMMITTEE  
TO: HB 562

By: Rep. Hawker

Page 11 line 22

Delete [\$25,000,000] and insert \$10,000,000

**HB 562 Amendment #1 Rational**

This amendment is being offered to bring the amount of bonding authority into line with that of ADEA/AEA which is \$10,000,000. The result is the port authority will need legislative approval for any bonds exceeding \$10 million.

**Why did the bill originally have \$25 million?**

When the bill was being drafted they were looking at the amounts that might be needed in the future for large projects.

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 562  
 (H) Publish Date: 5/3/2004

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title Interior Rivers Port Authority Act BRU \_\_\_\_\_  
 Component \_\_\_\_\_  
 Sponsor House CRA  
 Requester House CRA Component No. \_\_\_\_\_

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	.	.	.	.	.	.

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
<b>TOTAL</b>	.	.	.	.	.	.

Estimate of any current year (FY2004) cost: 0.0  
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**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The Interior Rivers Port Authority is structured to provide representation from major land owning and economic development organizations in areas of interior Alaska between and along the waterways of the Tanana, Yukon and Kuskokwim Rivers. The authority's board contains nine members. Additionally two ex officio members will represent the Department of Community and Economic Development and the Department of Transportation and Public Facilities. This authority will oversee economic and infrastructure development and promote self-sufficiency in the resource rich interior of Alaska. The authority may receive funding subject to appropriation by the legislature.

Prepared by: House Community and Regional Affairs Committee Phone \_\_\_\_\_  
 Division \_\_\_\_\_ Date/Time 5/1/04 7:29 PM  
 Approved by: Representative Morgan, Chair Date 5/1/2004  
 Agency House Community and Regional Affairs Committee



**INTERIOR RIVERS PORT AUTHORITY  
COMMUNITY POPULATIONS**

<b>Yukon River Communities</b>	<b>Population</b>	<b>Kuskokwim River Communities</b>	<b>Population</b>
Marshall	368	Upper Kalskag	231
Russian Mission	310	Aniak	551
Holy Cross	209	Cuathbaluk	102
Anvik	108	Crooked Creek	146
Grayling	166	Georgetown	3
Shageluk	146	Red Devel	41
Kaltag	229	Sleetmute	72
Nusato	342	Stony River	49
Koyukuk	111	Takotna	63
Gaiana	763	McGrath	415
Ruby	169	<b>TOTAL</b>	<b>1673</b>
Tanana	290		
Maley Hot Springs	73		
Rampart	21		
Nenana	519		
<b>TOTAL</b>	<b>3824</b>		
 <b>TOTAL AREA POPULATION</b>	 <b>5497</b>		

# FISCAL NOTE

**STATE OF ALASKA  
2004 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: HB 562  
 (H) Publish Date: 5/3/2004

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
 Title Interior Rivers Port Authority Act BRU \_\_\_\_\_  
 Component \_\_\_\_\_  
 Sponsor House CRA  
 Requester House CRA Component No. \_\_\_\_\_

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

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Personal Services						
Travel						
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Equipment						
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Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	.	.	.	.	.	.

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	.	.	.	.	.	.

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**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

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Prepared by: House Community and Regional Affairs Committee Phone \_\_\_\_\_  
 Division \_\_\_\_\_ Date/Time 5/1/04 7:29 PM  
 Approved by: Representative Morgan, Chair Date 5/1/2004  
 Agency House Community and Regional Affairs Committee