HB

252

HFIN

FILE

Representative Jim Holm

Alaska State Legislature

District 9

Session
Capitol Building, Room 110
Juneau, AK 99801
Phone: (907) 465-3466
Fax: (907) 465-2937

Interim
119 N. Cushman St.
Fairbanks, AK 99701
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SPONSOR STATEMENT
HB 252

04/06/05

"An Act providing for a sport fishing facility surcharge on sport fishing licenses; providing for the construction and renovation of state sport fishing facilities and for other projects beneficial to the sport fish resources of the state as a public enterprise; and authorizing the issuance of revenue bonds to finance those projects."

Alaska's only sport fish hatcheries are located at Ft. Richardson and Elmendorf A.F.B. Both are more than 30 years old and nearing the end of their useful life. Alaska has an ever-growing demand for fish stocks. More people want to fish. Resident populations are growing. Tourist demand for recreational opportunity is increasing. At the same time, sport fish production is decreasing.

Hatcheries require warm water to enhance growth in baby fish. Waste heat from the Ft. Richardson and Elmendorf power plants has provided that energy for many years, but both power plants will be shutting down hot water production in October. Doing nothing is not an acceptable option for it only leads to substantially reduced fish stocks in our lakes and streams, but we can fix this problem and plan for years to come.

House Bill 252 provides for renovation and expansion of the Ft. Richardson and Elmendorf facilities to meet South Central needs. It also provides for a new hatchery in Fairbanks to meet the demands of Interior Alaska.

Federal funds have been procured to meet increased demand due to military expansion. Other capital costs will be met by a revenue bond package of no more than $69 million. A modest "fishery enhancement fee" will be added to the price of a fishing license until the bonds are paid off. The combined price of a fishing license and the enhancement fee will still be a bargain, especially when it ensures that a person buying a license can actually expect to catch fish!

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 252
(H) Publish Date: 4/13/05

Revision Date/Time (Note if correction)
Dept. Affected: Fish and Game
Title: Sport Fishing Facility Revenue Bonds
RDU: Sport Fisheries
Component: Sport Fisheries
Sponsor: Representative Holm
Requester: House Fisheries Committee
Component No. 464

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING						
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1024)	1,553.4	6,213.5	6,213.5	6,213.5	6,213.5	6,213.5

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)						
TOTAL						

Estimate of any current year (FY2005) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: [ ]

POSITIONS

Full-time						
Part-time						
Temporary						

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

This legislation creates and authorizes the Sport Fishing Facility Revenue Bond sale for up to $69 million in revenue bonds to finance the building of a new hatchery in Fairbanks, rebuilding of the Fort Richardson hatchery in Anchorage, and hatchery-related needs in Southeast Alaska.

Passage of this legislation will establish a framework that will allow ADF&G to (1) issue revenue bonds for the construction/enhancement of sport fish hatcheries; and (2) establish a new sport fishing facility surcharge.

(Continued on Page 2)

Prepared by: Tom Lawson, Director
Phone 465-5999
Division: Division of Administrative Services
Date/Time 4/12/05 6:20 PM
Approved by: McKie Campbell, Commissioner
Date 4/12/2005
Agency: Alaska Department of Fish and Game

FISCAL NOTE #2

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. HB 252

ANALYSIS CONTINUATION

Upon passage of this legislation, the State of Alaska's State Bond Committee will issue revenue bonds on behalf of ADF&G's Division of Sport Fish. The Committee will issue up to $69 million in revenue bonds to fund the construction/enhancement of the hatcheries. Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The annual debt service on the bond is shown in a separate fiscal note submitted by the Department of Revenue.

ADF&G has submitted a one-time CIP funding request that will allow the Division of Sport Fish to use bond funds for construction of a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska.

Sport fishing license surcharges established in the legislation have been structured so as to generate roughly $6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt issued by the State Bond Committee. The surcharge will be terminated by regulation when the ADF&G Commissioner determines that the surcharge is no longer necessary to fund sport fishery enhancement facilities or to repay revenue bonds issued for construction or renovation of sport fishery enhancement facilities. The department expects to implement the surcharges on January 1, 2006, which allows the department to collect 25 percent of the net surcharges in FY2006, but the full net amount in FY2007 and beyond.

License Category	# Sold CY 2003	Proposed Fee	Potential SF Revenue Increase
Resident Sport Fishing	115,197	$8.50	$979,175
Resident Sport Fishing/Hunting	44,153	$8.50	$375,301
Resident Fishing/Hunting/Trapping	6,068	$8.50	$51,578
Nonresident Military Sport Fishing	4,210	$8.50	$35,785
Nonresident Military Fishing/Small Game	254	$8.50	$2,159
Nonresident 1-day Sport Fishing	109,622	$8.50	$ 787
Nonresident 3-day Sport Fishing	52,933	$15.00	$7 ,
Nonresident 7-day Sport Fishing	84,314	$25.00	$2. 7,8
Nonresident 14-day Sport Fishing	23,491	$30.00	$704,730
Nonresident Annual Sport Fishing	12,403	$45.00	$558,135
Revenue Provided by Resident Anglers			**$1,406,053**
Revenue Provided by Non-Resident Anglers			**$5,134,441**
Potential Gross Revenue Generated			**$6,540,494**
Adjust new revenues for vendor payments (-5%)			**$6,213,469**

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STATE OF ALASKA

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FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM April 8, 2005

SUBJECT: Sectional summary of HB 252, an Act providing for a sport fishing facility surcharge on sport fishing licenses; providing for the construction and renovation of state sport fishing facilities and for other projects beneficial to the sport fish resources of the state as a public enterprise; and authorizing the issuance of revenue bonds to finance those projects (Work Order No. 24-LS0850\A)

TO: Representative Jim Holm
Attn: Barbara Cotting

FROM: George Utermohle
Legislative Counsel

You have requested a sectional summary of HB 252, an Act providing for a sport fishing facility surcharge on sport fishing licenses, providing for the construction and renovation of state sport fishing facilities and for other projects beneficial to the sport fish resources of the state as a public enterprise, and authorizing the issuance of revenue bonds to finance those projects.

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 amends AS 16.05.100 by adding a new paragraph to provide that the fish and game fund may be used to pay principal and interest on sport fishing facility revenue bonds to finance the construction and renovation of projects that benefit sport fishing.

Section 2 of the bill amends AS 16.05.130 by adding new subsections.

Subsection (e) provides that the proceeds of the sport fishing facility surcharge is to be deposited into the Alaska sport fishing enterprise account in the fish and game fund and may be used to pay principal and interest on sport fishing facility revenue bonds.

Subsection (f) provides that, except for the amount used to pay the cost of administration and issuance of bonds and the amount deposited into the bond reserve account, the proceeds from the sale of bonds shall be deposited into the Alaska sport fishing construction account in the fish and game fund.

Section 3 of the bill amends AS 16.05.340(i), relating to the cost of sport fishing licenses for residents of Yukon, Canada, to make a technical change to conform to provisions of sec. 4 of the bill.

Section 4 of the bill amends AS 16.05.340 by adding a new subsection that establishes the sport fishing facility surcharge and sets out the amount of the surcharge to be paid on each sport fishing license.

Section 5 of the bill amends AS 37.15 by adding new sections relating to the issuance of sport fishing facility revenue bonds.

Article 5A. Sport Fishing Facility Revenue Bonds.

Sec. 37.15.765 authorizes the issuance of revenue bonds to construct and renovate sport fishing facilities under AS 16.05.092. The state bond committee may issue a maximum of $69,000,000 in revenue bonds for sport fishing facilities.

Sec. 37.15.770 establishes the Alaska fish and game revenue bond redemption fund to be used to pay the principal and interest on sport fishing facility revenue bonds.

Sec. 37.15.773 sets out the terms under which the sport fishing facility revenue bonds will be issued and sold.

Sec. 37.15.777 provides that the state bond committee shall authorize the issuance of sport fishing facility revenue bonds by resolution.

Sec. 37.15.780 pledges that the state will not limit or impair the rights and powers of the state bond committee or the rights and remedies of bond holders.

Sec. 37.15.783 provides that the state bond committee shall certify the amounts to be paid out of the Alaska sport fishing enterprise account for payment of the revenue bonds and to maintain reserves.

Sec. 37.15.787 provides that the proceeds of the revenue bonds may be used for the purposes described in AS 16.05.092 and that the bonds may not be issued unless the state bond committee finds that revenue dedicated to the Alaska sport fishing enterprise account, together with other money, will be sufficient to comply with the covenants of the bond resolutions

Sec. 37.15.790 provides for the refunding of the bonds and the issuances of refunding bonds.

Sec. 37.15.793 provides that sport fishing facility revenue bonds are legal investments for banks, insurance companies, other financial institutions, and executors, trustees, and other fiduciaries. The bonds may be accepted as security for deposits of all money of the state and its political subdivisions.

Sec. 37.15.799 sets out the definitions of important terms used in AS 37.15.765 - 37.15.799.

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Proposed Southeast Alaska Hatchery Enhancements

Goal: To Expand recreational fishing opportunities in both Northern and Southern Southeast Alaska by enhancing private Non-profit hatchery production facilities.

Projects:

I. **Crystal Lake Hatchery- (Wrangell/Petersburg)**
   a) Provide $193,000 (200,000) for the next 10 years for operational costs. This will offset the loss of Southeast Alaska Sustainable Salmon Fund money.
   b) Provide, One-time $500,000 capital funds for Deferred Maintenance.

   TOTAL = $2,500,000

II. **NSRAA Hatchery (Sitka/Haines)**
   a) Provide $140,000 for the next 10 years for King Salmon smolt. This will provide smolt for the Northern Southeast Alaska.
   b) Provide, One-time $150,000 for Deferred Maintenance for Sitka Hatchery.

   TOTAL = $1,550,000

III. **Skagway Hatchery (New)**
   a) Provide $160,000 for the next 10 years for stocking of King Salmon smolt.
   -or-
   b) Provide, One-time $1,500,000 capital funding to construct a new hatchery.

   TOTAL = $1,600,000

SOUTHEAST ALASKA TOTAL ALLOCATION OF FUNDS = $5,500,000

STATE OF ALASKA

FRANK H. MURKOWSKI
GOVERNOR

DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

P.O. BOX 25526
JUNEAU, AK 99802-5526
PHONE: (907) 465-4100
FAX: (907) 465-2332

April 12, 2005

The Honorable Jim Holm
Alaska State Legislature
Room 513, State Capitol
Juneau, AK 99801

Dear Representative Holm:

As the new Commissioner for the Alaska Department of Fish and Game (ADF&G), I want to assure you that the department will continue to support the enhancement programs that we currently conduct in Southeast Alaska, and pledge that we will expand these efforts if your sport fishing license surcharge legislation, H.B. 252, is passed.

ADF&G currently spends $931,800 a year on fish stocking projects in cooperation with the Douglas Island Pink and Chum hatchery, Crystal Lake hatchery, and Southern Southeast Regional Aquaculture Association. These stocking projects are paid with funds from the Fish and Game Fund (generated by revenues from the sale of sport fish licenses and king salmon tags), Federal Aid Funds (federal excise taxes on fishing equipment and fuel), and the Southeast Sustainable Salmon Fund (federal funds).

Each year, these funds are used to produce 3.2 million king salmon smolt, 110,000 coho salmon smolt, and 12,000 catchable sized king and coho salmon. These fish are released at 12 different locations around Juneau, Petersburg, and Ketchikan to improve sport fishing opportunities in these locations.

Additional enhancement projects have been discussed during this legislative session in conjunction with the sport fishing license surcharge legislation. If this legislation is passed, I am committed to funding additional enhancement projects that will further increase sport fishing opportunities in the Haines and Skagway areas and ensure the continued operation of the Crystal Lake hatchery programs for the Petersburg and Ketchikan areas.

My staff have been working with the City of Skagway on ways to increase king salmon sport fishing opportunities in the Skagway area. At this time, two options have been identified for enhancing king salmon fishing at Skagway. If the city decides that they would like to build and operate a king salmon hatchery in Skagway, I commit to including $1.5 million in the eventual hatchery bond for construction of this hatchery. If the city decides that hatchery operation costs are too high, we will instead fund the current king salmon brood stock development and smolt release programs at $160,000 per year until the brood stock development is completed in approximately 10 years. I

pledge that ADF&G will work closely with the City of Skagway and will fund whichever stocking option they decide upon, as described above.

My staff are also working with the Northern Southeast Regional Aquaculture Association to produce approximately 250,000 king salmon smolt that would be released in the Haines area to increase king salmon fishing opportunity for this area. Although the project details have yet to be worked out, it appears that this stocking project would cost approximately $140,000 for the one-time purchase of equipment and supplies and $150,000 annual operational costs associated with producing and stocking 250,000 king salmon smolt. ADF&G will fund this project if the afore-mentioned license surcharge legislation is passed.

Approximately $193,000 of the annual operating costs at the Crystal Lake hatchery comes from the Southeast Sustainable Salmon Fund. This federal funding source will expire this year. ADF&G also provides $193,000 each year to fund Crystal Lake hatchery operating costs. We will increase our funding for Crystal Lake by $193,000 per year for the next 10 years to cover the loss of Southeast Sustainable Salmon funds. We also plan to spend an additional $500,000 for deferred maintenance work at the Crystal Lake hatchery. This adds up to additional funding of $2.5 million to the Crystal Lake hatchery over the next 10 years.

In combination, I believe all three of these enhancement projects will maintain and increase king salmon sport fishing opportunities and will directly benefit Southeast residents. I am firmly committed to funding these projects if the license surcharge legislation is enacted. ADF&G is planning to spend approximately $15 million over the next 10 years to fund the current and proposed Southeast Alaska enhancement projects

Please feel free to contact me or my staff if you have questions or would like additional information regarding this issue.

Sincerely,

McKie Campbell
Commissioner

Fairbanks North Star Borough
Office of the Mayor
809 Pioneer Road P.O. Box 71267 Fairbanks, Alaska 99707-1126
907/459-1300
Fax 907/459-1102
Email mayor@co.fairbanks.ak.us

April 12, 2005

Via Facsimile 907-465-5241

The Honorable Ralph Seekins
State Capitol
Juneau, Alaska

Via Facsimile 907-465-2937

The Honorable Jim Holm
State Capitol
Juneau, Alaska

Dear Senator Seekins and Representative Holm:

It has been forwarded that HB 252 and/or SB 147 may be unnecessarily and perhaps detrimentally amended unless assurance is forthcoming from the Fairbanks North Star Borough that the location of the proposed State sport fish hatchery will not interfere with scheduled recreational or league baseball games on FNSB parklands which may or many not be the site of the proposed hatchery.

Please consider this letter as assurance to that end: no disruption or interference to scheduled recreational or league games will occur if a decision is made to site the fish hatchery at or in proximity to FNSB parklands.

Sincerely,

Jim Whitaker, Mayor

Fairbanks North Star Borough
Office of the Mayor
809 Pioneer Road P.O. Box 71267 Fairbanks, Alaska 99707-1267
907/459-1300
Fax 907/459-1102
Email mayor@co.fairbanks.ak.us

April 13, 2005

Via Facsimile 907-465-5241

The Honorable Ralph Seekins
State Capitol
Juneau, Alaska

Via Facsimile 907-465-2937

The Honorable Jim Holm
State Capitol
Juneau, Alaska

Dear Senator Seekins and Representative Holm:

To further clarify the Fairbanks North Star Borough's position regarding the placement of the proposed State sport fish hatchery, the fish hatchery will not be sited on the existing little league complex., The two alternatives currently being considered are:

- within Pioneer Park, or
- the current site of the City snow dump.

Sincerely,

Jim Whitaker, Mayor

APR-13-2005 12:52 FROM:FNSB MAYOR 9074591102 TO:81907465207B P:1/1

AURORA
ENERGY, LLC
Keeping Fairbanks Warm

April 12, 2005

Representative Jim Holm
Alaska House of Representatives
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Regarding: House Bill 252

Dear Representative Holm:

Thank you for your leadership in introducing legislation to make it possible to fund the new fish hatchery in Interior Alaska. As you know, a key element of the hatchery is its proximity to the Aurora Energy power plant. This is important because Aurora has agreed to work with the Department of Fish and Game by providing heat we can recover from the outflow of the cooling water used in power production at the plant. This is a low grade heat, not usable for our traditional customer base, but ideally suited for raising fish. In addition, we hope to connect the hatchery to our District Heat system, so we can provide any additional heat needed for the hatchery offices, etc.

We have been asked to consider a fifteen year commitment to provide heat to the hatchery, which we are more than happy to do. Aurora Energy has every intention to be producing heat and electricity well beyond fifteen years.

Once the legislation is passed providing funding for the hatchery, Aurora Energy is prepared to negotiate a long term agreement to provide heat to the hatchery, primarily from the waste heat currently being discharged during the cooling process, but also from our traditional District Heat system. Aurora would anticipate such an arrangement should be for a minimum of fifteen years.

If we can be of any assistance in this matter, please do not hesitate to contact me.

Sincerely,

A. L. Buki Wright Jr.

100 Cushman Street, Suite 310 • Fairbanks, AK 99701-4680 • Phone: (907) 452-8707 Fax: (907) 451-6638

CITY OF SKAGWAY

GATEWAY TO THE GOLD RUSH OF "98"
P.O. BOX 415, SKAGWAY, ALASKA 99840
(PHONE) (907) 983-2297
(FAX) (907) 983-2151

April 14, 2005

Representative Jim Holm
State Capitol, Room 513
Juneau, Alaska 99801-1182

Re: HB 252

Dear Representative Holm:

I am writing on behalf of the City of Skagway in support of HB252. We have a long and enduring commitment to salmon enhancement in the Taiya Inlet. This legislation cements that commitment provides the resources to ensure healthy salmon stocks into the future. We sincerely appreciate your efforts to secure this funding.

As you may know, we are currently working under a four party agreement that will continue to support and enhance king salmon stocks in Taiya Inlet and, over time, meet Fish and Game's desire to shift DIPAC king salmon brood stock to Tahini River stock.

This agreement requires that we either continue to pay DIPAC to rear these growing numbers of Skagway king salmon for approximately 10 years, or build our own production hatchery here for a more permanent enhancement program.

Both options can be considered within your legislation. We appreciate that flexibility, and again, appreciate your efforts to gain passage of this legislation.

Sincerely,

Robert W. Ward Jr.,
City Manager

Cc: Representative Bill Thomas
Mayor and Council

Alaska Sport Fish Hatchery Comparison....Now and projected 2008

Facility/Year			Elmendorf 2005	Fairbanks 2008*
	Line item			
	100		$385,700.00	$385,700.00
	200		$5,000.00	$7,500.00
	300		$98,000.00	$611,800.00
	400		$119,700.00	$121,500.00
	500		$0.00	$0.00
	Totals		$608,400.00	$1,126,500.00

	Anc Program Now	Hatch program 2008	*Increased cost 2008*
100	$1,080,800.00	$1,080,800.00	
200	$12,600.00	$22,700.00	*$10,100.00*
300	$549,000.00	$1,381,800.00	*$832,800.00*
400	$277,900.00	$389,700.00	*$111,800.00*
500	$0.00	$0.00	*$0.00*
Totals	$1,920,300.00	$2,875,000.00	*$954,700.00*

Sport Fishery Enhancement Proposal

News Media Briefing Packet

Alaska Department of Fish and Game
and
Alaska Department of Revenue

March 18, 2005

Sport Fishery Enhancement Surcharge Proposal

The Division of Sport Fish is seeking to sustain and enhance the opportunities and the social and economic benefits that recreational fisheries provide. Hatchery production is key to meeting these objectives. However, our hatchery facilities are aging and are unable to meet current or future demands. In order to rebuild and refurbish the state's hatchery infrastructure, and thereby ensure sport fishing opportunity, ADF&G is proposing a sport fishery enhancement surcharge on sport fishing licenses. Without the revenues generated by this surcharge, sport fishing opportunity will be in jeopardy.

Sport Fishing Opportunities are at Stake

With many of our wild stocks already fully utilized, hatcheries play an important role in Alaska by providing additional stocks for angling by sport fishermen.

Production from our hatcheries:

- Generates roughly $45 million annually for Alaska's economy.
- Accounts for between 10-15% of all the angling effort in Alaska.
- Reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks.

Hatchery operations are essential and must continue. Without an increase in revenues, we will be forced to reprioritize our expenditures in order to address our aging hatchery infrastructure. This reprioritization will result in reduced expenditures on other programs that are essential, such as our:

- Ability to monitor wild stocks and fisheries statewide.
  ⇒ Resulting in more conservative management and potential lost fishing opportunity.
- Ability to assess and restore damaged habitats statewide.
  ⇒ Resulting ultimately in reduced production and associated loss of sport fishing opportunity.
- Ability to support management activities statewide.
  ⇒ Resulting in reduced public outreach.

Invest Now to Protect Current and Future Opportunities

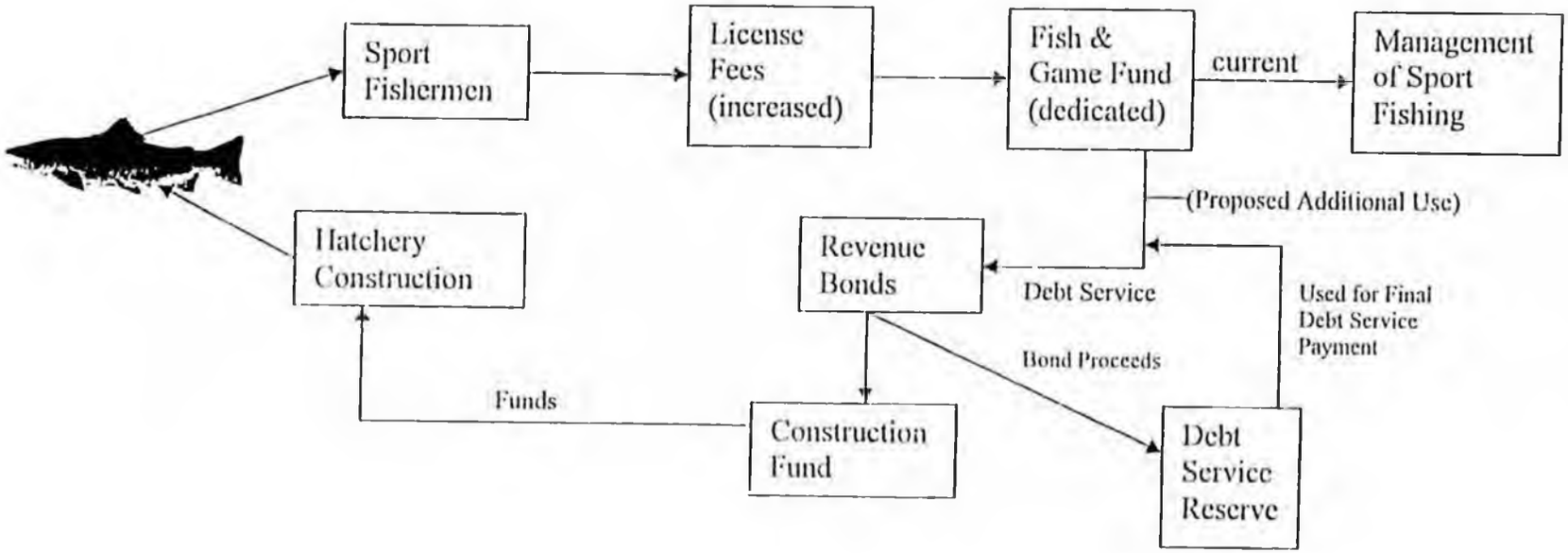
We estimate that we will need $6 million in additional revenues annually to adequately address our aging hatchery infrastructure. To generate this revenue, we propose a modest surcharge on both non-resident and resident sport fishing license fees. These funds will be used to leverage other federal funds to meet the needs.

Failure to address this problem in a timely manner will demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

Funding Construction with Revenue Bonds

As the Fish and Game Fund is dedicated per federal law, and the enhancement of fishing opportunity spurs license fee collection, the use of revenue bonds is an appropriate financing tool. The sport fish portion of the Fish and Game Fund is a discreet component that will be pledged to repayment of the bonds that will be used to fund construction. The direct benefactors of the fish raised at these hatcheries over the coming decades will be paying a portion of the hatcheries' cost through a surcharge on licensing fees.

SPORT FISH REVENUE BONDS



Sport Fishery Enhancement Surcharge Proposal

The Division of Sport Fish is seeking to sustain and enhance the opportunities and the social and economic benefits that recreational fisheries provide. Hatchery production is key to meeting these objectives. However, our hatchery facilities are aging and are unable to meet current and future demands. In order to rebuild and refurbish the state's hatchery infrastructure, and thereby ensure sport fishing opportunity, ADF&G is proposing a sport fishery enhancement surcharge on sport fishing licenses. Without the revenues generated by this surcharge, sport fishing opportunity will be in jeopardy.

We need $6.0 million in additional revenues annually to adequately address our aging hatchery infrastructure. Revenues generated by the enhancement surcharge will be used to build a new hatchery in Fairbanks, rebuild the Fort Richardson hatchery in Anchorage, and address hatchery-related needs in Southeast Alaska. To generate this revenue, we propose a modest surcharge on both non-resident and resident sport fishing licenses. These funds will be used to leverage other federal funds to meet the needs.

Before an enhancement surcharge can be imposed on sport fishing license holders, the Alaska Legislature must first pass legislation establishing a surcharge and authorizing the Commissioner of the Alaska Department of Fish and Game (ADF&G) to implement the surcharge by regulation. Simultaneously, the Legislature must also pass legislation giving the Division of Sport Fish the authority to bond for the construction of new hatcheries. Revenues generated by the enhancement surcharge will be used in combination with federal funds for annual debt service on the bond. The surcharge will be terminated by regulation when the ADF&G Commissioner determines that the surcharge is no longer necessary to fund sport fishery enhancement facilities or to repay revenue bonds issued for construction or renovation of sport fishery enhancement facilities.

Enhancement Surcharge Rates Necessary to Meet Annual $6.0M Bond Payment:

License Category	Number Sold in CY 2003	Proposed Fee	Potential SF Revenue-Increase
Resident Sport Fishing	115,197	$8.50	$979,175
Resident Sport Fishing/Hunting	44,153	$8.50	$375,301
Resident Fishing/Hunting/Trapping	6,068	$8.50	$51,578
Nonresident Military Sport Fishing	4,210	$8.50	$35,785
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Nonresident 3-day Sport Fishing	52,933	$15.00	$793,995
Nonresident 7-day Sport Fishing	84,314	$25.00	$2,107,850
Nonresident 14-day Sport Fishing	23,491	$30.00	$704,730
Nonresident Annual Sport Fishing	12,403	$45.00	$558,135
Revenue Provided by Resident Anglers			**$1,406,053**
Revenue Provided by Non-Resident Anglers			**$5,134,441**
Potential Revenue Generated			**$6,540,494**
Adjust New Revenues for Vendor Payments (-5%)			**$6,213,469**

Sport Fishery Enhancement Surcharge FAQ's

Why are hatcheries important?

The Alaska Department of Fish and Game (ADF&G) Division of Sport Fish currently owns and operates two hatcheries in Anchorage. These hatcheries produce sport fish that are stocked in creeks and lakes from Kodiak and Southcentral Alaska all the way up into Alaska's Interior. Production from these hatcheries contributes roughly $45 million annually to Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks.

Why does the State of Alaska need to build/refurbish its hatcheries?

The two existing hatcheries (one at Fort Richardson and one at Elmendorf Air Force Base) are over 30 years old and have deteriorated to the point where they can no longer meet current, let alone future projected production demand. Failure to address these infrastructure issues will result in significant loss of hatchery production, and as a result, sport fishing opportunity.

How does ADF&G's Division of Sport Fish propose to address this problem?

ADF&G proposes building a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska. The new hatcheries in Fairbanks and Anchorage will be designed to meet projected demand in Southcentral and Interior Alaska over the next 25 years.

How much will it cost and where will the money come from?

Various funding sources will be used to finance this package. ADF&G has already received some federal funds for the new hatchery in Fairbanks and anticipates additional federal funds in the future. In addition to the federal funding, ADF&G estimates that it will cost roughly $63 million to build these new hatcheries and make hatchery-related improvements in Southeast Alaska. These funds will be generated by the issuance of revenue bonds.

Who will issue the revenue bonds?

The State of Alaska's State Bond Committee will issue revenue bonds on behalf of ADF&G's Division of Sport Fish. The Committee will issue up to $69 million in revenue bonds to fund the construction of the hatcheries.

How come the revenue bond authorization is greater than the construction cost?

Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The debt service reserve account is a security feature found on nearly all revenue bonds whereby an amount equal to one year's worth of payments is deposited in a pledged account to ensure bond purchasers they would have at least a

one year window to seek remedy if a given revenue system failed. This money is then used to make the final payment on the bond issue.

How will the revenue bonds be paid back?

In order to meet the $6 million annual debt payments on the bond, ADF&G proposes a new sport fish enhancement surcharge on sport fishing licenses. The proposed surcharge has been structured so that it will generate roughly $6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt.

Why won't these revenue bonds impact the State's credit?

These bonds will be limited obligations of the State with a pledge of the sport fish portion of the dedicated Fish and Game Fund. The only source of repayment for purchasers of these bonds will be the sport fish portion of the Fish and Game Fund, and no commitment or pledge of the State's General Fund will be made. This same type of bond is used by the State for the Alaska International Airports System ($427.1 million outstanding) and by many municipalities for a variety of enterprise fund activity ($513.8 million outstanding).

Is it worth the cost?

Production from the Division's hatchery program contributes roughly $45 million annually to Alaska's economy. Over the life of this bond issue, this translates into roughly $1 billion. When you compare the $69 million cost to the $1 billion return, this is a good deal.

How will ADF&G pay for the additional increase in operating costs?

ADF&G already spends $1.9 million annually to fund the operation of our two sport fish hatcheries in Anchorage and estimates that it will cost an additional $1 million annually to operate these new facilities. We will use available federal aid and surcharge fees to finance these additional costs.

How will different regions of Alaska benefit from this proposal?

This is a statewide proposal that is a win-win situation for everyone. Sport anglers in Southcentral and the Interior will benefit directly because they will have two new hatcheries designed to meet current and future demands tailored to meet their specific stocking needs.

ADF&G currently spends $750,000 annually in Southeast to support private non-profit hatcheries that produce fish and provide sport fishing opportunities. ADF&G plans to spend $200,000 annually for the next 20 years from the revenues generated by the enhancement surcharge to further expand sport fishing opportunities in Southeast - bringing our total annual expenditure to roughly $1 million.

Residents from rural Alaska will also benefit. When anglers are fishing in stocked lakes and creeks, they are fishing on hatchery-produced fish. If the hatchery fish are no longer available or ceased to exist, then sport fishing pressure would shift to wild stocks, many of which are located in rural

areas. This could result in increased harvest and eventually more restrictive harvest limits. Subsistence fishermen are not required to purchase a sport fishing license.

How many of the hatchery fish will be harvested by commercial fishermen?

Our stocking program is designed to minimize commercial harvest. As a result, a very low percentage of the stocked fish are commercially harvested. In Cook Inlet, for example, sport and personal use fishermen caught 96% (53,600) of all kings harvested that were released from ADF&G hatcheries. Commercial fishermen caught 4% (2,153). The main reason the commercial harvest is so low is that the vast majority of adult kings have entered fresh water drainages by the time the major commercial fisheries begin, and are unavailable for harvest by this user group.

What impact will this surcharge have on charter operators or sport fish guides?

Imposing an enhancement surcharge on non-residents will not have a negative impact on Alaska's charter boat/sport fish guide industry. ADF&G has increased license and tag fees several times over the last two decades, and license/tag sales and guided sport fish efforts have continued to grow despite these increases. There is no correlation between changes in license/tag fees and the number of licenses/tags sold, or in the number of angler days of fishing effort with guides. Therefore, ADF&G is confident that this surcharge will not result in a significant decline in the number of licenses/tags sold or in the number of anglers that pay to fish with a guide.

Proposed Fairbanks Hatchery

Goal: To construct a hatchery in Fairbanks to meet the expected stocking needs of Interior Alaska beyond 2008.

Estimated capital cost: $25 million. This will be paid for using a combination of federal and state funds. State funds will primarily support the hatchery production facilities ($15 million) and will come from a bond repaid using the Fish and Game fund via a proposed license fee surcharge. The visitors/education and research center facilities ($10 million) will come from federal funds.

Hatchery Design: State-of-the-art water re-circulation round tank design. Includes visitors/education and research center in an architecturally pleasing building.

Location: In Fairbanks on the Chena River adjacent to Pioneer Park.

Estimated production capacity:

Rainbow Trout	Catchable	200,000
	Fingerling	210,000
Grayling	Catchable	40,000
	Fingerling	10,000
Coho salmon	Fingerling	40,000
Chinook salmon	Catchable	74,000
Arctic Char	Catchable	48,000
	Sub-catchable	19,000
	Fingerling	1,500
		642,500

Timeline: Construction to be completed in 2007. First production in 2008.

Proposed Anchorage Hatcheries

Goal: To expand hatchery production facilities in Anchorage to meet the expected stocking needs of southcentral Alaska beyond 2008.

Estimated capital cost: $45 million. This will be paid for using state funds that will come from a bond repaid using the Fish and Game Fund via a proposed license fee surcharge.

Hatchery Design: State-of-the-art water re-circulation round tank design.

Location: The hatchery will be located in Anchorage at the current Fort Richardson Hatchery location. A separate education/information/visitors center will be located at the existing Elmendorf Hatchery location.

Estimated production capacity:

Rainbow Trout	Catchable	290,000
	Fingerling	1,500,000
Grayling	Catchable	37,500
	Fingerling	75,000
Coho salmon	Fingerling	300,000
	Smolt	1,410,000
Chinook salmon	Catchable	135,000
	Smolt	2,550,000
Arctic Char	Catchable	40,000
	Fingerling	75,500
		6,413,000

Timeline: Construction to be completed in 2007. First production in 2008.

Proposed Southeast Alaska Hatchery Supplements

Goal: To expand recreational fishing opportunities in southeast Alaska by enhancing private non-profit hatchery production facilities.

Projects:

- Address deferred maintenance issues at the Crystal Lake Hatchery: Cost $500,000
- Provide $200,000 a year for the next 10 years for operational costs at the Crystal Lake Hatchery to offset the loss of Southeast Alaska Sustainable Salmon Fund money. This will allow the hatchery to maintain current king salmon stocking programs.
- Provide $500,000 to Skagway to support increased king salmon production aimed at increasing king salmon fishing opportunities around Skagway.

Estimated cost: $3.0 million. This will be paid for using state funds. State funds will come from a bond repaid using the Fish and Game fund via a proposed license fee increase. This will bring our total support to southeast Alaska hatchery program to about $1 million annually.

Anchorge Area and Fairbanks Area Production Comparison - Present and Future with

Species	Production Stage	Size Grams	Anc. Area Current Production #'s Fish [1]	Fbks Area Current Production #'s Fish [1]	Anc. Area Proposed Increase #'s Fish [2]	Fbks Area Proposed Increase #'s Fish [2]	Anchorage Area Proposed Biomass Increase Kgs Fish [3]	Fairbanks Area Proposed Biomass Increase Kgs Fish [3]
Arctic Char	Catchable	120	40,000	24,000	40,000	48,000	4,800	5,760
	Fingerling	4	50,000		75,000	1,500	300	6
	Subcatchable	40		30,000		19,000		760
							0	
							0	
							0	
							0	
Arctic Char Total			90,000	54,000	115,000	68,500	5,100	6,526
Chinook Salmon	Catchable	120	100,000	40,000	135,000	74,000	16,200	8,880
	Smolt	13	1,700,000		2,550,000		33,150	
Chinook Salmon Total			1,800,000	40,000	2,685,000	74,000	49,350	8,880
Coho Salmon	Fingerling	4	200,000	220,000	300,000	40,000	1,200	160
	Smolt	23	940,000		1,410,000		32,430	
Coho Salmon Total			1,140,000	220,000	1,710,000	40,000	33,630	160
Grayling	Catchable	120	25,000	25,000	37,500	40,000	4,500	4,800
	Fingerling	4	50,000	40,000	75,000	10,000	300	40
Grayling Total			75,000	65,000	112,500	50,000	4,800	4,840
Lake Trout	Catchable	120	0	0	0		0	
	Subcatchable	40	0	0	0		0	
Lake Trout Total			0	0	0		0	
Rainbow Trout							0	
							0	
							0	
	Catchable	120	200,000	100,000	290,000	200,000	34,800	24,000
	Fingerling	4	1,000,000	600,000	1,500,000	210,000	6,000	840
Rainbow Trout Total			1,200,000	700,000	1,790,000	410,000	40,800	24,840
Grand Total			4,305,000	1,079,000	6,412,500	642,500	133,680	45,246

Notes:

(1) Current annual production goals by area, numbers of fish-**best case but not achievable**

(2) Proposed annual production goals by area, numbers of fish - **new facilities**

(3) Proposed annual production goals by area in kilograms (kgs x 2.2 = lbs) fish - **new facilities**

(4) Current production goals by area in kilograms (kgs x 2.2 = lbs) fish - **not presently achievable w/o heat**

(5) Proposed production goals by area in kilograms (kgs x 2.2 = lbs) fish-**to show % increase**

(6) Current production goal statewide in kilograms (kgs x 2.2 = lbs) fish-**showing % distribution**

(7) Proposed production goal statewide in kilograms (kgs x 2.2 = lbs) fish-**showing % distribution**

Current Biomass Goal	81,655 kgs [4]	Current Biomass Goal	22,534 kgs [4]
Anchorage Area		Fairbanks Area	
Increase Biomass to	133,680 kgs [5]	Increase Biomass to	45,246 kgs [5]
Percentage Increase	151%	Percentage Increase	201%

2004-08 Target Biomass Kgs [6]	111,189	2008 - Target Biomass Kgs [7]	178,926
% Anc.	80%	% Anc.	75%
% Fairbanks	20%	% Fairbanks	25%

Anchorage Daily News

Michael J. Sexton, President and Publisher
Patrick Dougherty, Senior Vice President & Editor
Steve Lindbeck, Associate Editor

Founded in 1946 by Norman C. Brown
Fuller A. Cowell, Publisher, 1993-1999
Gerald E. Gilly, Publisher, 1984-1993
Katherine Fanning, Editor and Publisher, 1971-1983
Lawrence Fanning, Editor and Publisher, 1967-1971

OUR VIEW

A little more to hunt, fish

Higher fees are fair investment

The Alaska Department of Fish and Game figures it needs $9 million more to build and improve fish hatcheries, manage wildlife, control predators, run shooting ranges and provide the public with information. Alaska and nonresident hunters and anglers are fair game to provide the millions — and so are nonconsumptive wildlife viewers.

The proposal would raise the price of a resident fishing license from $15 to $20, a hunting license from $25 to $50, a combined fishing and hunting license from $39 to $65. Non residents would pay more for licenses and big-game tags, ponying up about three-fourths of the $3.5 million the wildlife conservation division stands to gain with the increases.

Wildlife division spokesman Bruce Bartley points out that license fees haven't been raised since 1993. Without more money, the state would be forced to cut back on field work that provides the basis for management decisions, forcing a more conservative approach that could cut seasons and bag limits. Without more money, the division might have to curtail operations at indoor shooting ranges in Fairbanks and Juneau — ranges the Legislature told the division to operate without funding to cover the costs.

Even with the increases, the cost of hunting and fishing licenses in Alaska compares well with other Western states.

"What you're going to see is a steady erosion of hunting opportunity," Mr. Bartley said, a reversal of the policy to increase hunting opportunity.

And while traditionally hunters and fishers have provided much of the funding for fish and game management, it's fair for wildlife photographers and viewers to contribute as well. Nonconsumptive users rightly claim a stake in wildlife decisions, so it's only fair they share in the expense. The question is how to collect their share.

Alaskans also should think hard about having nonresident hunters and fishers pick up more of the tab. Alaska's mystique and unrivaled opportunities are resources for which we should draw full value. Outside sportsmen and

Nobody enjoys paying more for the right to hunt, fish and trap in Alaska. The protest at increased fees is particularly understandable in cash-poor parts of the Bush. But as Mr. Bartley points out, the department has no plans to change the $5 low-income license that allows a bearer to hunt, fish and trap. Anyone who made less than $8,200 the previous year or who has received public assistance within the last six months qualifies for that license.

For those who don't qualify, Mr. Bartley points out that even with the increases, Alaska still compares well with other Western states. A hunter who would pay $50 in Alaska still has a shot at a better return on the license dollar in caribou and moose than a hunter who pays a little more than that to take one antelope and one deer in Wyoming. "For $25, you can kill a lot of meat. ... Even if we double the price, we think it's still a bargain compared to other states."

The Legislature will decide on the hunting and fishing license fees. The only immediate alternative to increased fees would be an appropriation from the state's general fund. That's possible with a budget surplus, but as Mr. Bartley points out, oil price volatility takes fish and game management off a steady course, while license and tag fees and federal taxes provide a more predictable source of income and more consistent management.

"We're not saying this is the only way to do it," Mr. Bartley said. The Legislature may decide to revise the license and fee schedule, but this proposal is a fair start. Like everything else, the costs of the hunt and the cast are going up.

■ **BOTTOM LINE:** Hunters, fishermen and viewers should all bear increased costs of fish and game management.

Fairbanks Daily News-Miner

Worth the price

Wednesday, November 24, 2004 - Twenty-five bucks and a claim to Alaska residency will buy a local hunter a chance at one of the largest wild game species on the continent, the Alaska-Yukon moose.

Would it be a bargain at twice the price?

We think so.

It's been more than a decade since hunting, fishing and trapping license fees have seen an increase. License and tag fee sales, matched by federal funds, provide the fuel for the Alaska Department of Fish and Game. Its most recent annual budget figure is $140 million.

Nonresident hunters would continue to shoulder the lion's share of the Fish and Game financial burden, with a nonresident hunting license twice the price of a resident license, but the proposed percentage increase for nonresidents seems to recognize that nonresident fees are already "up there."

It's best to take the fee increases in the context that the majority of our local Fish and Game budget comes from nonresident hunters and matching federal dollars.

Our resident hunters, fishers and trappers will see the largest percentage increases, but a combined license to hunt, fish and trap in our great state still will come in at the bargain price of $100. If the hunter wishes to pursue only small game, the rate would be only $75, because a new $25 "small game" license will be made available. Rounding out the tally, resident sport-fishing licenses would increase from $15 to $20. Resident hunting licenses would double from $25 to $50 and resident trapping licenses would go from $15 to $30.

Other fees, such as drawing-permit application fees, state waterfowl stamps, Tier II application fees and registration permit stamps also will increase in price.

Hunters who travel to other states, and those who grew up or still have family elsewhere, can appreciate the relatively simple, and relatively inexpensive, licensing system in Alaska. Montana, for example, has a different fee and license to buy for each of its big-game species. If a hunter wanted the option to hunt the full variety of Montana game, the cost would be $323. While Alaskans need separate tags for species such as moose and caribou, most fees are covered under that initial hunting license expense.

Alaska's fishing license fees are on par with other states, and perhaps a little on the higher side, but a direct pay-off from this increase appears to be establishment of a fish hatchery in Fairbanks and perhaps a second in Anchorage. That makes an Alaska fishing license an easy sell at $20 a pop. That much will buy you about 2 pounds of salmon (depending on the species and the cut) at the local market about now.

The fee increases would raise an additional $3.5 million for the Division of Wildlife Conservation and $5.5 million for the Division of Sport Fish.

Fish and Game will forward the license increase proposal to the Alaska Legislature when it convenes in January.

While the increase feels like a big one, we have gone 10 years without an increase in fees and we are asking no less of Fish and Game managers. The request appears to be a reasonable one.

ALASKA BOARD OF FISHERIES

A RESOLUTION IN SUPPORT OF INCREASING RESIDENT AND NONRESIDENT SPORT FISHING LICENSE FEES AND NONRESIDENT KING SALMON STAMP FEES IN ORDER TO PROTECT AND ENHANCE THE OPPORTUNITIES AND BENEFITS PROVIDED BY RECREATIONAL FISHERIES

#2004-233-FB

WHEREAS, the Alaska Board of Fisheries and Alaska Department of Fish and Game (ADF&G) recognize sport fishing as an important Alaskan tradition and pastime; and

WHEREAS, ADF&G's Division of Sport Fish wants to sustain and enhance the opportunities and benefits that recreational fisheries provide; and

WHEREAS, a key component of this effort is maintaining and enhancing our capabilities to meet our current and future needs through hatchery production; and

WHEREAS, production from our hatcheries generates roughly $45 million annually for Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks; and

WHEREAS, existing hatchery facilities are aging and are unable to meet either current or future demands; and

WHEREAS, hatchery operations are essential and must continue; and

WHEREAS, ADF&G needs $5.3 million in additional revenues annually to adequately address this statewide problem; and

WHEREAS, ADF&G proposes an increase in resident and non-resident sport fishing license fees and non-resident king salmon stamp fees to generate this revenue; and

WHEREAS, revenues generated by the fee increase will be used to build a new hatchery in Fairbanks, refurbish and/or rebuild the hatcheries in Anchorage, and to fund hatchery production needs in Southeast Alaska; and

WHEREAS, without an increase in revenues, we will be forced to reduce expenditures on essential programs, such as our ability to monitor wild stocks and fisheries statewide; assess and restore damaged habitats statewide; and to support management activities statewide; and

WHEREAS, these reductions will result in more conservative management and potential lost fishing opportunity; and

WHEREAS, failure to address this problem in a timely manner will also demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

THEREFORE BE IT RESOLVED that the Alaska Board of Fisheries supports an increase in resident and non-resident license fees and non-resident king salmon stamp fees to enhance the state's hatchery infrastructure and help ensure a bright future for sport fishing in Alaska.

ADOPTED this 17th day of November, 2004, in Anchorage, Alaska.

Art Nelson, Chair

JUNEAU DOUGLAS FISH AND GAME ADVISORY COMMITTEE

A RESOLUTION OF THE JUNEAU DOUGLAS FISH AND GAME ADVISORY COMMITTEE IN SUPPORT OF INCREASING RESIDENT AND NON-RESIDENT SPORT FISHING LICENSE FEES AND NON-RESIDENT KING SALMON STAMP FEES IN ORDER TO PROTECT AND ENHANCE THE OPPORTUNITIES AND BENEFITS PROVIDED BY RECREATIONAL FISHERIES

WHEREAS, the Juneau Douglas Fish and Game Advisory Committee and Alaska Department of Fish and Game (ADF&G) recognize sport fishing as an important Alaskan tradition and pastime; and

WHEREAS, ADF&G's Division of Sport Fish wants to sustain and enhance the opportunities and benefits that recreational fisheries provide; and

WHEREAS, a key component of this effort is maintaining and enhancing our capabilities to meet our current and future needs through hatchery production; and

WHEREAS, production from our hatcheries generates roughly $45 million annually for Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks; and

WHEREAS, existing hatchery facilities are aging and are unable to meet either current or future demands; and

WHEREAS, hatchery operations are essential and must continue; and

WHEREAS, ADF&G needs $5.3 million in additional revenues annually to adequately address this statewide problem; and

WHEREAS, ADF&G proposes an increase in resident and non-resident sport fishing license fees and non-resident king salmon stamp fees to generate this revenue; and

WHEREAS, revenues generated by the fee increase will be used to build a new hatchery in Fairbanks, refurbish and/or rebuild the hatcheries in Anchorage, and to fund Sportfishing hatchery production needs in Southeast Alaska; and

WHEREAS, without an increase in revenues, we will be forced to reduce expenditures on essential programs, such as our ability to monitor wild stocks and fisheries statewide; assess and restore damaged habitats statewide; and to support management activities statewide; and

WHEREAS, these reductions will result in more conservative management and potential lost fishing opportunity; and

WHEREAS, failure to address this problem in a timely manner will also demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

THEREFORE BE IT RESOLVED that the Juneau Douglas Fish and Game Advisory Committee supports an increase in resident and non-resident license fees and non-resident king salmon stamp fees to enhance the state's hatchery infrastructure and help ensure a bright future for sport fishing in Alaska.

PASSED AND ADOPTED by the Juneau Douglas Fish and Game Advisory Committee on this 16th day of December, 2004.

Kathy Hansen, Chair

CC: Board Support, Office of the Governor, ADFG, Rep Beth Kerttula, Rep. Bruce Weyhrauch, Sen. Kim Elton

RECEIVED
JAN 10 2005
SPORT FISH

Paxson ADVISORY COMMITTEE

A RESOLUTION OF THE Paxson ADVISORY COMMITTEE IN SUPPORT OF INCREASING RESIDENT AND NON-RESIDENT SPORT FISHING LICENSE FEES AND NON-RESIDENT KING SALMON STAMP FEES IN ORDER TO PROTECT AND ENHANCE THE OPPORTUNITIES AND BENEFITS PROVIDED BY RECREATIONAL FISHERIES

WHEREAS, the Paxson Advisory Committee and Alaska Department of Fish and Game (ADF&G) recognize sport fishing as an important Alaskan tradition and pastime; and

WHEREAS, ADF&G's Division of Sport Fish wants to sustain and enhance the opportunities and benefits that recreational fisheries provide; and

WHEREAS, a key component of this effort is maintaining and enhancing our capabilities to meet our current and future needs through hatchery production; and

WHEREAS, production from our hatcheries generates roughly $45 million annually for Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks; and

WHEREAS, existing hatchery facilities are aging and are unable to meet either current or future demands; and

WHEREAS, hatchery operations are essential and must continue; and

WHEREAS, ADF&G needs $5.3 million in additional revenues annually to adequately address this statewide problem; and

WHEREAS, ADF&G proposes an increase in resident and non-resident sport fishing license fees and non-resident king salmon stamp fees to generate this revenue; and

WHEREAS, revenues generated by the fee increase will be used to build a new hatchery in Fairbanks, refurbish and/or rebuild the hatcheries in Anchorage, and to fund hatchery production needs in Southeast Alaska; and

WHEREAS, without an increase in revenues, we will be forced to reduce expenditures on essential programs, such as our ability to monitor wild stocks and fisheries statewide; assess and restore damaged habitats statewide; and to support management activities statewide; and

WHEREAS, these reductions will result in more conservative management and potential lost fishing opportunity; and

WHEREAS, failure to address this problem in a timely manner will also demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

THEREFORE BE IT RESOLVED that the Paxco Advisory Committee supports an increase in resident and non-resident license fees and non-resident king salmon stamp fees to enhance the state's hatchery infrastructure and help ensure a bright future for sport fishing in Alaska.

PASSED AND ADOPTED by the Paxco Advisory Committee on this 4 day of November, 2004.

RECEIVED
NOV 2 4 2004
SPORT FISH

COPPER BASIN ADVISORY COMMITTEE

A RESOLUTION OF THE COPPER BASIN ADVISORY COMMITTEE IN SUPPORT OF INCREASING RESIDENT AND NON-RESIDENT SPORT FISHING LICENSE FEES AND NON-RESIDENT KING SALMON STAMP FEES IN ORDER TO PROTECT AND ENHANCE THE OPPORTUNITIES AND BENEFITS PROVIDED BY RECREATIONAL FISHERIES

WHEREAS, the Copper Basin Advisory Committee and Alaska Department of Fish and Game (ADF&G) recognize sport fishing as an important Alaskan tradition and pastime; and

WHEREAS, ADF&G's Division of Sport Fish wants to sustain and enhance the opportunities and benefits that recreational fisheries provide; and

WHEREAS, a key component of this effort is maintaining and enhancing our capabilities to meet our current and future needs through hatchery production; and

WHEREAS, production from our hatcheries generates roughly $45 million annually for Alaska's economy; accounts for between 10-15% of all the angling effort in Alaska; and reduces pressure on our wild stocks, thereby adding to conservation for fully utilized stocks; and

WHEREAS, existing hatchery facilities are aging and are unable to meet either current or future demands; and

WHEREAS, hatchery operations are essential and must continue; and

WHEREAS, ADF&G needs $5.3 million in additional revenues annually to adequately address this statewide problem; and

WHEREAS, ADF&G proposes an increase in resident and non-resident sport fishing license fees and non-resident king salmon stamp fees to generate this revenue; and

WHEREAS, revenues generated by the fee increase will be used to build a new hatchery in Fairbanks, refurbish and/or rebuild the hatcheries in Anchorage, and to fund hatchery production needs in Southeast Alaska; and

WHEREAS, without an increase in revenues, we will be forced to reduce expenditures on essential programs, such as our ability to monitor wild stocks and fisheries statewide; assess and restore damaged habitats statewide; and to support management activities statewide; and

WHEREAS, these reductions will result in more conservative management and potential lost fishing opportunity; and

WHEREAS, failure to address this problem in a timely manner will also demand increased expenditures to maintain aging facilities; increase pressure on wild stocks (many of which are fully allocated); and increase our need to monitor and assess wild stocks and associated fisheries.

THEREFORE BE IT RESOLVED that the Copper Basin Advisory Committee supports an increase in resident and non-resident license fees and non-resident king salmon stamp fees to enhance the state's hatchery infrastructure and help ensure a bright future for sport fishing in Alaska.

PASSED AND ADOPTED by the Copper Basin Advisory Committee on this 19th day of November, 2004.

Don Horrell

Don Horrell – Chairman, Copper Basin Advisory Committee

STATE OF ALASKA

Frank H Murkowski, Governor

Matanuska Valley
Fish & Game Advisory Committee

Wayne Kubat, Chair
PO Box 874867
Wasilla, Alaska 99687
ph. & fax: 376-9568
email: args@mtaonline.net

February 2, 2005

Alaska Department of Fish and Game
Sportfish Division
333 Raspberry Road
Anchorage, Alaska 99518-1599
Attention - Kelly Hepler - Director of Sportfish

Director Hepler,

Dave Rutz, our area sport fish biologist, gave a presentation at our November 17, 2004 Advisory meeting concerning plans to increase the cost of resident and non-resident fishing licenses. The planned increases were about $5.00 for resident licenses (from $15.00 to $20.00) and about $10.00 for each of the five different classes of non-resident licenses. Dave mentioned that the increased funds would be used entirely for hatcheries and sportfish stocking programs.

A brief discussion followed, which reflected that our committee is supportive of the departments sportfish stocking efforts, and would support a fee increase to continue and improve those programs.

A motion was made to support the above mentioned increases, contingent upon their use for sportfish hatcheries and sportfish stocking programs. The motion also included a request to sunset the fee increases in the event that they didn't get used for their intended purpose.

This motion passed 12-0-0.

Sincerely,

Wayne Kubat, Chair

cc: Acting Commissioner of F&G Wayne Regelin, Senator Lyda Green, Senator Charlie Huggins, Representative Carl Gatto, Representative Vic Kohring, Representative Bill Stoltz, Representative Mark Neuman, Sherry Wright Boards Support

STATE OF ALASKA

Frank H Murkowski, Governor

Matanuska Valley
Fish & Game Advisory Committee

Wayne Kubat, Chair
PO Box 874867
Wasilla, Alaska 99687
ph. & fax: 376-9568
email: args@mtaonline.net

February 2nd, 2005

NOW, THEREFORE BE IT RESOLVED that the MATANUSKA VALLEY FISH AND GAME Advisory Committee supports an increase in resident and non-resident hunting license and tag fees, but first we would like to see the following concerns addressed:

1. The serious ungulate declines that we are experiencing in much of Alaska, started about the time of the last license fee increase. Increased hunting and trapping fees in 1993, didn't improve game management or increase hunting and trapping opportunity. What will be done differently this time to assure that the people footing the bill - hunters and trappers - will benefit from the increased cost?
2. We oppose the use of state funds for all of the management plans that seem to be coming online in rural areas. The end result of most of these plans seem to end up with reduced opportunity by excluding non locals, and especially non - residents. Since the average non-resident hunter pays about 28 times the amount of the average resident hunter, excluding them further decreases our funds and only makes matters worse. State funds obtained from hunters should be used to increase opportunity, not reduce it for the benefit of a select few.
3. We think designated funding would work better than just increased license fees across the board. Charging a fee for big game harvest tickets that would provide enough revenue to conduct surveys and predator control programs for that species statewide, makes sense to us. We don't like hunter's moneys being spent on watchable wildlife programs, that often expand at the expense of hunting opportunity. Neither do we agree with funding for insignificant research projects when there isn't enough money to conduct big game surveys.
4. Another concern we have, is how much of Fish and Games budget goes to subsistence? We don't feel hunters should pay for subsistence expenses when most hunters are excluded from participation.
5. We want to thank the department for their efforts towards enacting and defending predator control programs to increase ungulate populations. While they may not be moving as fast as we would like, we do recognize that progress is being made.

Having addressed our concerns in writing above, and hoping for a good faith effort from the department to see that some of these concerns are at least recognized and looked into. The MATANUSKA/SUSITNA Advisory Committee PASSED AND ADOPTED THIS RESOLUTION on January 19th, 2005.

Wayne Kubat Chairman
PO Box 874867
Wasilla, Alaska 99687
907-376-9568

cc: Acting Commissioner of F&G Wayne Regelin, Senate President Ben Stevens, Senator Lyda Green, Senator Charlie Huggins, Speaker of the House John Harris, Representative Carl Gatto, Representative Vic Kohring, Representative Bill Stoltz, Representative Mark Neuman, Sherry Wright Boards Support

STATE OF ALASKA

Frank H Murkowski, Governor

Matanuska/Susitna Valley
Fish & Game Advisory Committee

Wayne Kubat, Chair
PO Box 874867
Wasilla, Alaska 99687
ph. & fax: 376-9568
email: args@mtaonline.net

Alaska Department of Fish and Game
Sportfish Division
333 Raspberry Road
Anchorage, Alaska 99518-1599
Attention - Kelly Hepler - Director of Sportfish

Director Hepler,

Dave Rutz, our area sport fish biologist, gave a presentation at our November 17, 2004 Advisory meeting concerning plans to increase the cost of resident and non-resident fishing licenses. The planned increases were about $5.00 for resident licenses (from $15.00 to $20.00) and about $10.00 for each of the five different classes of non-resident licenses. Dave mentioned that the increased funds would be used entirely for hatcheries and sportfish stocking programs.

A brief discussion followed, which reflected that our committee is supportive of the departments sportfish stocking efforts, and would support a fee increase to continue and improve those programs.

A motion was made to support the above mentioned increases, contingent upon their use for hatcheries and sportfish stocking programs. The motion also included a request to sunset the fee increases in the event that they didn't get used for their intended purpose.

This motion passed 12-0-0.

Sincerely,

Wayne Kubat, Chair

Territorial Sportsmen INC.

Post Office Box 20761 • Juneau, Alaska 99802

Telephone: (907) 789-2399 • Fax: (907) 586-6020

Dr. Wayne Regelin
Acting Commissioner
Alaska Dept. of Fish & Game
P0st Office Box 25526
Juneau, Alaska 99802-5526

January 21, 2005

Dear Dr. Regelin:

The Board of Directors of the Territorial Sportsmen appreciates the staff of the Department taking the time to attend our Board meeting and present the fiscal status of the Division of Wildlife Conservation. Particular emphasis was on the condition of the Fish and Game Fund.

We are all aware of the background of the Fish and Game Fund, the requirement for the creation of the fund for federal matching and other fish and wildlife management purposes. Similarly, we are aware that the Fish and Game Fund is made up of license and other fees from resident and non-resident hunters and fishermen. Your presentation outlined clearly the status of the Fund and the fiscal crisis that is facing the Division. Most importantly, we are concerned that the fiscal situation will mean a diminishment of the services we have learned to expect from the Department.

In light of the critical funding situation and the need to maintain a quality management program, we are faced with looking for additional funding. At the last monthly meeting, the Board of Directors voted to support a hunting and sport fish license increase for both residents and non-residents. Although we did not address exactly how much of an increase we would support, we are willing to work with the Department and the legislature as this process progresses. We also think that the fees should be frozen for those 18 years and younger.

We do have one concern and caveat to propose, however. The Board expressed deep concerns about the abuse of the Fish and Game Fund and the questionable uses of these Funds. We can concur with license increases if some mechanism is developed to assure that the fish and wildlife consumptive users (i.e. the ones paying the bills) are assured of benefiting from the increases. We realize that this may be difficult to accomplish but once again, we are willing to participate in developing legislative direction that accomplishes this objective.

Again, we thank you and staff for providing our Board with the information we needed to make an informed decision.

Sincerely,

Mal Linthwaite
President

RECEIVED
JAN 2 1 2005
DEPT. OF FISH & GAME
COMMISSIONER'S OFFICE

Cc: Governor Murkowski
Representative Weyhrauch
Representative Kertulla
Senator Elton

2004 Annual Fishing license fees by state (ranked by resident)

State	Freshwater Resident	Freshwater Non-resident	Saltwater Resident	Saltwater Non-resident
Texas	$38.00	$65.00		
New Hampshire	$35.00	$53.00		
California	$32.80	$88.20		
Nevada	$29.00	$69.00		
Massachusetts	$27.50	$37.50		
Michigan	$27.00	$41.00		
Utah	$26.00	$70.00		
Oregon	$24.75	$61.50		
Idaho	$23.50	$74.50		
New Jersey	$22.50	$34.00		
Maine	$22.00	$53.00		
Washington	$21.90	$43.80	$19.71	$39.42
South Dakota	$21.00	$59.00		
Tennessee	$21.00	$51.00		
Colorado	$20.25	$40.25		
Connecticut	$20.00	$40.00		
Oklahoma	$20.00	$37.00		
Vermont	$20.00	$41.00		
Montana	$19.25	$69.25		
Kansas	$19.00	$41.00		
New York	$19.00	$40.00		
Ohio	$19.00	$40.00		
Arizona	$18.00	$51.50		
Minnesota	$18.00	$35.00		
Rhode Island	$18.00	$35.00		
Wyoming	$18.00	$75.00		
Iowa	$17.50	$39.50		
New Mexico	$17.50	$39.00		
Pennsylvania	$17.00	$35.00		
Wisconsin	$17.00	$40.00		
Alaska	$15.00	$100.00		
Kentucky	$15.00	$35.00		
Nebraska	$15.00	$45.00		
North Carolina	$15.00	$30.00		
Indiana	$14.25	$24.75		
Florida	$13.50	$31.50	$13.50	$31.50
Illinois	$13.00	$24.50		
Missouri	$12.00	$35.00		
Virginia	$12.00	$30.00	$7.50	$7.50
West Virginia	$11.00	$30.00		
Arkansas	$10.50	$32.00		
North Dakota	$10.00	$35.00		
South Carolina	$10.00	$35.00	$10.00	$35.00
Alabama	$9.50	$31.00	$16.00	$31.00
Louisiana	$9.50	$60.00	$5.50	$30.00
Georgia	$9.00	$24.00		
Maryland	$9.00	$14.00	$10.50 variable	
Delaware	$8.50	$15.00		
Mississippi	$8.00	$30.00	$4.00	$30.00
Hawaii	$5.00	$25.00		

2004 Annual Fishing license fees by state (ranked by non-resident)

State	Freshwater Resident	Freshwater Non-resident	Saltwater Resident	Saltwater Non-resident
Alaska	$15.00	$100.00		
California	$32.80	$88.20		
Wyoming	$18.00	$75.00		
Idaho	$23.50	$74.50		
Utah	$26.00	$70.00		
Montana	$19.25	$69.25		
Nevada	$29.00	$69.00		
Texas	$38.00	$65.00		
Oregon	$24.75	$61.50		
Louisiana	$9.50	$60.00	$5.50	$30.00
South Dakota	$21.00	$59.00		
New Hampshire	$35.00	$53.00		
Maine	$22.00	$53.00		
Arizona	$18.00	$51.50		
Tennessee	$21.00	$51.00		
Nebraska	$15.00	$45.00		
Washington	$21.90	$43.80	$19.71	$39.42
Michigan	$27.00	$41.00		
Vermont	$20.00	$41.00		
Kansas	$19.00	$41.00		
Colorado	$20.25	$40.25		
Connecticut	$20.00	$40.00		
New York	$19.00	$40.00		
Ohio	$19.00	$40.00		
Wisconsin	$17.00	$40.00		
Iowa	$17.50	$39.50		
New Mexico	$17.50	$39.00		
Massachusetts	$27.50	$37.50		
Oklahoma	$20.00	$37.00		
Minnesota	$18.00	$35.00		
Rhode Island	$18.00	$35.00		
Pennsylvania	$17.00	$35.00		
Kentucky	$15.00	$35.00		
Missouri	$12.00	$35.00		
North Dakota	$10.00	$35.00		
South Carolina	$10.00	$35.00	$10.00	$35.00
New Jersey	$22.50	$34.00		
Arkansas	$10.50	$32.00		
Florida	$13.50	$31.50	$13.50	$31.50
Alabama	$9.50	$31.00	$16.00	$31.00
North Carolina	$15.00	$30.00		
Virginia	$12.00	$30.00	$7.50	$7.50
West Virginia	$11.00	$30.00		
Mississippi	$8.00	$30.00	$4.00	$30.00
Hawaii	$5.00	$25.00		
Indiana	$14.25	$24.75		
Illinois	$13.00	$24.50		
Georgia	$9.00	$24.00		
Delaware	$8.50	$15.00		
Maryland	$9.00	$14.00	$10.50 variable	

Justification for Building a New Hatchery in Anchorage April 7, 2005

At one time, the Alaska Department of Fish and Game's Division of Sport Fish stocked fish produced at six state-owned hatcheries in Southcentral and Interior Alaska waters. Funding constraints closed all but two of these hatcheries and production was consolidated at the Fort Richardson and Elmendorf hatcheries. Free waste heat from power plants located on adjacent military bases allowed for quick growth and efficient hatchery operations. But as of October 2005, both of these hatcheries will lose that heat source.

The loss of heat is only one part of the larger picture. The facilities, at over 30 years old, are outdated, and are presenting an ever-growing list of problems in maintaining the Sport Fish Hatchery program:

- Concrete is crumbling, structural problems are increasing, pipes are failing, electrical systems are deteriorating;
- Facilities are inefficient, water and heat conservation systems are non-existent;
- Competition for water rights and ground water sources requires more efficient use of water;
- Open air raceways violate many state mandated fish disease prevention standards;
- Facilities were not designed for Alaska's sever climate, personnel safety issues occur during the winter; and
- Facility designs that did not anticipate multiple species production, jerry rigged accommodations have a limited life.

The loss of heat and other facility problems will result in the loss of 25% of the king salmon smolt, 10% of the rainbow trout, 90% of the arctic grayling production and 100% of the lake trout. This lost production and lost angling opportunity translates into a loss of millions of dollars of annual economic benefit to Alaska. Plus, with fewer hatchery fish available, anglers will turn towards harvesting more wild fish stocks, which in many cases, cannot withstand additional harvest pressures or are already fully allocated to various user groups.

Sport Fish staff have worked for many years to address these and other problems, but none of the remedies have addressed all of the facility problems and demands. A CH2M Hill report completed in December 2004 is a comprehensive study of the hatchery system and their recommendation is to construct a new hatchery facility rather than continuing to "Band-Aid" the existing ones. A new facility in Anchorage will: (1) fully address all of the problems that exist; (2) increase fish production by 50%; and (3) meet both current and future stocking demands. A new hatchery in Anchorage is clearly the most economically sound alternative.

The new facility will be:

- **Enclosed** to protect fish from birds and mammals, reducing direct predation and eliminating exposure to disease from outside sources to meet all state mandated disease management standards. This will also protect employees from the arctic environment.

- **Based on Recirculating Technology** to allow for conservation of water and heat. Using 90% less water would also reduce heating costs by 90%.

More Efficient automated feeding systems and facility design facilitate movement of fish for stocking and grading. Reduces costs per fish raised.

Construction of a new hatchery will all but eliminate the risk of system failure due to aging plumbing and structural decay. Simply installing large boilers, drilling more wells and repairing pipes and cement raceways will not solve the problem. The existing facilities would continue to deteriorate and remain inefficient.

Therefore, the Department of Fish and Game recommends that plans to construct a new hatchery facility in Anchorage move forward as quickly as possible.

Fairbanks Hatchery Questions

Proposed Fairbanks Hatchery – What will it look like?

ADF&G is proposing to invest up to $25 million into a new hatchery facility that will double fish production for the Fairbanks area. Attention will be given to building details that promote visual character while retaining the increased production potential. The break down of this funding amount is $3.5 million for Design and Construction Administration and $21.5 million for actual construction. The hatchery will be located at the rear entrance to Pioneer Park. A minimum of 5 acres is required for a facility with the following features:

Reuse Hatchery Facility	40-47,000sq ft
Visitor center	4,500 sq ft
Research/lab facility	1,500 sq ft.
Total building size	**51-56,000sq ft**

Other planned amenities are paved parking, well house, landscaping and lawns.

Transport Mortality- What level?

Fisheries staff in Alaska have been stocking fish throughout the State since territorial days. Over the years the techniques have been refined to virtually eliminate handling mortality. Despite the great care and attention given to the fish, some inevitably die. The term is mortality. The mortalities seen at the stocking site are almost always moribund (sick) fish or those injured during netting that do not survive the transport stress. Transport mortality to the Fairbanks area is typically less than 0.1%. Staff reports that if there are mortalities, it is 4-5 fish out of a transport lot of 2,500 or 25 fish from a transport lot of 15,000. All major mortality incidents are recorded in a separate report, smaller losses are deducted from the count of fish stocked. The largest transport loss last year was due to a combination of factors; an oxygen hose failed and this was compounded by a live fire exercise at Fort Greely that delayed access to two lakes on the base by several hours.

Production numbers Anchorage-New versus Facelift.

As part of the Anchorage hatchery study two options were examined. In Option 1, the old hatchery facilities are removed and 2 new hatchery modules are built. As with the Fairbanks facility, the Anchorage hatchery complex will utilize water recirculation technology. This reduces the heat and water needed for fish production. At a water use level of 1,600 gpm, its requirements stay within the existing water supply capabilities. Not only does this option protect existing production, but also the larger facilities are sized to increase Anchorage area production by 50% to meet demand 20 years into the future. In biomass this level of increase goes from 88,655 kgs to143,400 kgs. The cost of this option is $45 million.

Option 2 is a lower capital cost option. At $25 million it retains a substantial portion of the existing hatchery and constructs a new module for the catchable program. This option can do no more than protect existing production. It does nothing to meet increasing angler demand. Since

this plan retains older, less efficient infrastructure, the complex will require 500 gallons more of water that has yet to be identified or secured. Constructing this option keeps production for the Anchorage area flat at 88,655 kg. There are no provisions in this option to increase production that minimally meets what is necessary for the Anchorage area.

Transport Cost from Anchorage to Fairbanks Area-How much?

Fish are moved from the Elmendorf and Fort Richardson in tanker trucks within a stocking window extending from May to September. In that period 97 water bodies are stocked. In 2004 there were 27 trips to Fairbanks and 15 trips to the Delta area. The typical trip to the Fairbanks is a two-day affair with an overnight stay for one person. During a stocking trip, several lakes might be stocked with different types of fish. Last year the total transport cost for the Fairbanks area was $18,719. It is important to note that there will still be transport costs even with a Fairbanks based hatchery and those costs may not drop precipitously from what is now presently the case.

Cooperative Effort with Fairbanks- ADF&G is still negotiating.

Although ADF&G will act as the funding agency, it does not have the power to delegate construction projects to other agencies. AS 36.30.005 vests all authority to implement all Capital Improvement Projects to the Alaska Department of Transportation and Public Facilities (DOT/PF). However, DOT/PF may delegate that authority to other state agencies if they demonstrate that they have the expertise and staff to implement large construction projects. This is done on a case-by-case basis. In this instance ADF&G is acting as an intermediary to promote such a delegation. ADF&G must insure that the City of Fairbanks meets these same requirements applicable to other state agencies. To increase the possibility of project transfer ADF&G believes that showing significant costs savings, as a result of delegating the project, enhances such an action. ADF&G recently asked if Fairbanks might absorb a majority of the engineering and administrative costs. Fairbanks stated that although they cannot afford to absorb all such costs, they are willing to negotiate an administrative /engineering package that will provide costs saving as compared to DOT/PF administering the project. Negotiations are ongoing and a meeting between ADF&G and Fairbanks will be scheduled for the week beginning February 14th. ADF&G supports such a transfer but must make sure it protects its' interests in this project.

Heated water pipeline - Cost benefits? Do we need it?

Heat is critical to the hatchery process, however heating water is very expensive. Warm water can double the growth rate of fish. Without the warm water fish need an additional year or more to grow to the catchable size of 120 grams (one quarter pound). Holding fish for an additional year requires nearly twice the number of rearing containers and twice the amount to water to reach the target size. Hatcheries that produce catchable size fish are often located near an abundant and dependable heat source. If that source of heat is waste heat and therefore free, all the better. Typically free heat is available from large scale Central Heating and Power Plants (CHPP's). Both Anchorage hatcheries are located near military bases which until recently had

such facilities. The proposed Fairbanks hatchery has an opportunity to tap into the Aurora Power plant, also a CHPP. The Aurora Power plant exhausts nearly 15,000 gallons a minute of Chena River water that has cooled the power generation turbines. The effluent from the power plant water averages 63 degrees Fahrenheit. The actual effluent temperature is a function of the load demand on the turbine, more load, more fuel, more thermal energy transferred to the cooling water. For fish culture purposes, 54-56 degrees F is the optimum water temperature for growth.

The Fairbanks hatchery operational concept is based upon using water pumped up from the large underground aquifer. The temperature of that water will generally remain 36-38 degrees F year round. This is much too cold for fish culture purposes and using the waste heat from the Aurora power plant can bring the hatchery water to nearly the optimum temperature. Although the effluent water from Aurora is 63 degrees, there will be some loss of heat in the pipeline and also there is loss in the heat exchange process. The hatchery will not use the heated Chena River effluent directly because of possible disease transfer to from resident fish in the river. Instead the heated effluent will be directed to a heat exchange system through which heat is transferred to the aquifer water without the water streams coming into direct contact. Because of the loss of efficiency in a heat exchange system, it may be necessary to add heat to bring the hatchery water to its optimum temperature. ADF&G is considering 2 options for additional heat. One is buying heat from Aurora Power plant via a hot water district heat system that will be expanded coincidently with the heated water line brought to the hatchery. Another option is to generate the additional heat with boilers at the hatchery.

Free waste heat benefits the hatchery and lowers production costs. By using recirculation technology at the Fairbanks hatchery, water and heat use can be reduced by 70% to 90%. The concept design by CH2M hill hinged upon a 70% water reuse. However, recent experience gained by using a small reuse system at the Fort Richardson Hatchery, indicates that hatchery personnel can sustain production at near a 90% reuse level. The hatchery will still have the additional water and heat capabilities in case of an emergency.

A question has been posed as to what benefit the heated water effluent pipeline will provide to the hatchery and what justifies the expenditure.

Because the facility is now to be located 400 feet farther from the Aurora plant than shown in the CH2M hill report, the cost of the line has increased. However, this cost is offset because the site now considered does not require a bridge for a river crossing. The cost of this line is estimated to be $2.55 million in 2008 construction dollars. This is a stand-alone cost that includes the piping, all excavation, burial, repaving, and a pumping system to convey a waste heat water stream to the hatchery. The $1.6 million cost that has been mentioned was for a much shorter run to the Snow Storage site.

It is believed that costs savings may be realized if the heated water line installation coincides with work planned for 1st/2nd Avenue. There might be savings, at least on paper, of $0.6million if the costs of asphalt removal, road bedding and repaving were absorbed by the road project. Of course that will not be the case and the actual cost savings will be less. As a word of caution, any possible savings may evaporate if under ground conditions delay the pipeline installation and

therefore the road building. In such an instance ADF&G would be responsible for delays cost that can be very substantial.

Is the cost of the pipeline worth it? The effluent heat from the power plant is free except for the cost of pumping it after the heated water delivery system is in place. Although there will be free heat, ADF&G may have to add additional heat to get the water to 56 degrees. CH2M Hill estimated that at a 70% recirculation rate, the additional heat would cost $35,400/month. However, since ADF&G will use a higher recirculation factor, less make-up water and less heat will be required. This will drop heating costs by half. For the purposes of comparison we can use $17,700/mo, or an annual cost of $206,264 to purchase district heat.. The hatchery will need 800 gallons per minute of new water to operate the facility. This is the amount of new water needed at a 90% recirculation rate with provisions for accessory water. Heating water from 38 degrees to 56 degrees with boilers using #2 diesel, at today's price of $1.85/gal, would result in a yearly costs of $972,000. That means for the number of BTU's required ADF&G would get the equivalent of $766,000 of free heat through the heated waterline. An earlier exercise came up with a lesser amount for self generated heat. However that was based on a 95% recirculation rate and the fuel costs were significantly lower, on the order of $.25/gal less. Calculated costs then hovered at $400,000. To protect the fish stocks, ADF&G has chosen to go with the 90% recirculation rate. At the more intensive rates the water treatment systems are very temperamental. When one looks at the benefits of a $2.5 million pipeline, it appears that it will pay for itself in 3 to 4 years.

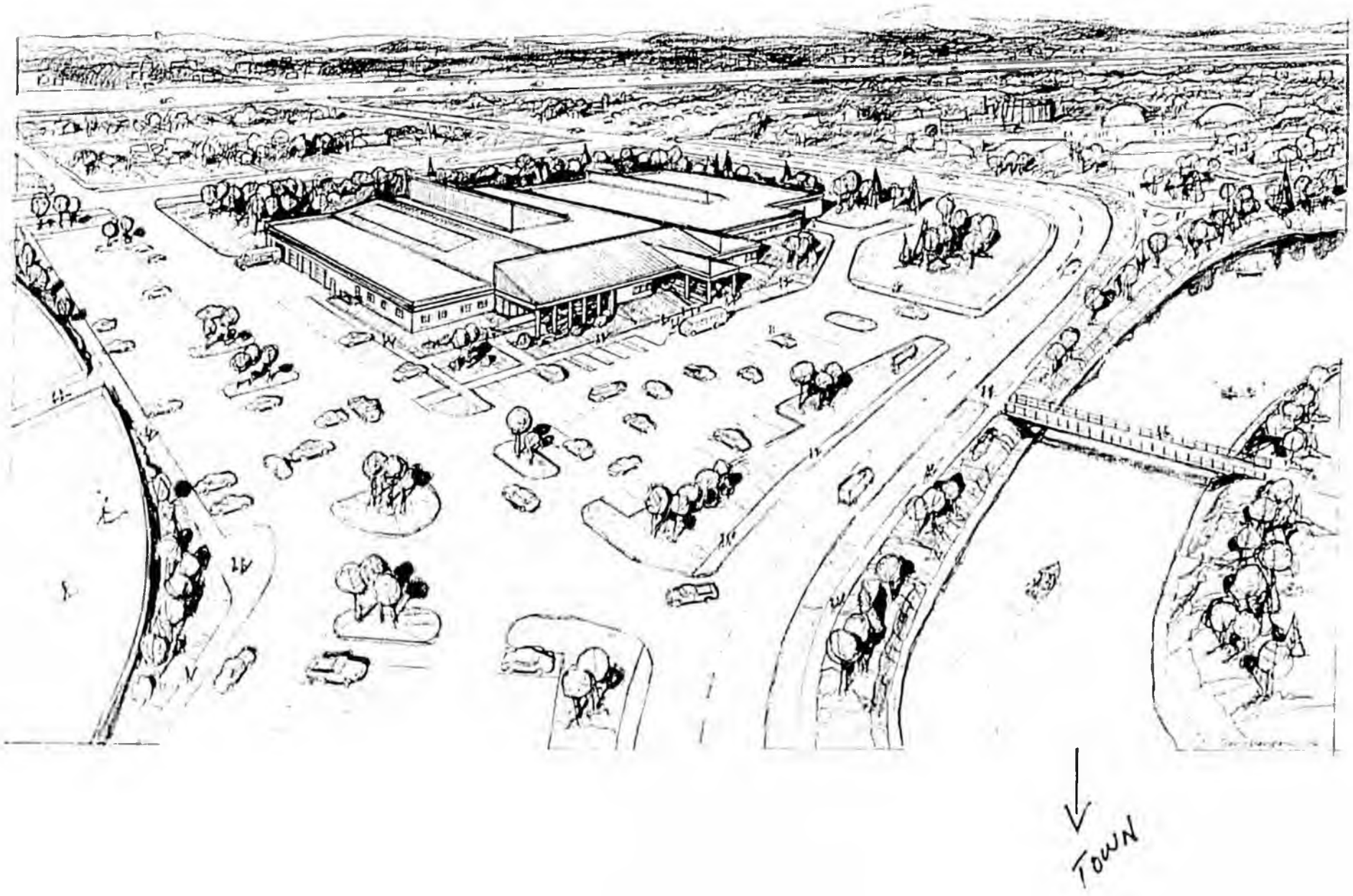
Cost Reductions

Fairbanks Fish Hatchery
Sportfish Division, ADF&G
Prepared for CH2M Hill by Estimations

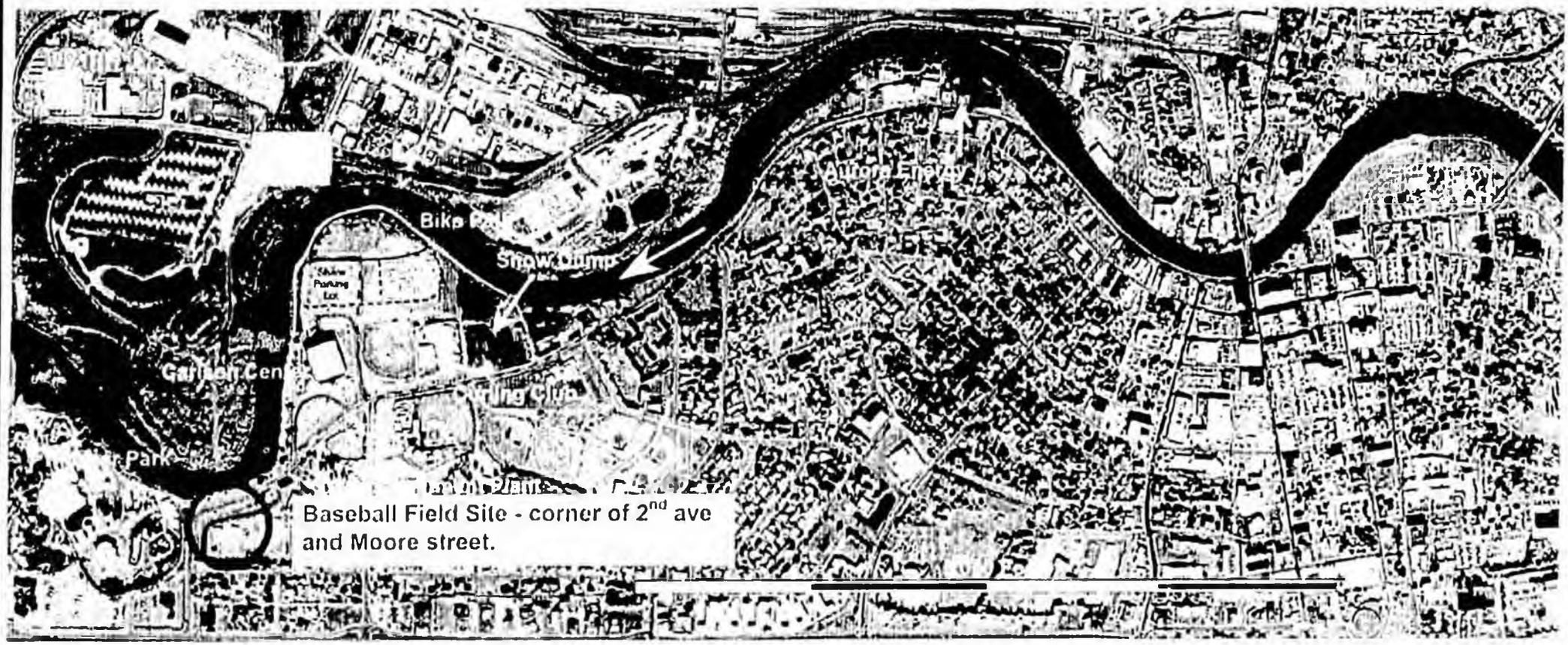
Cost Reduction Analysis
March 16, 2004

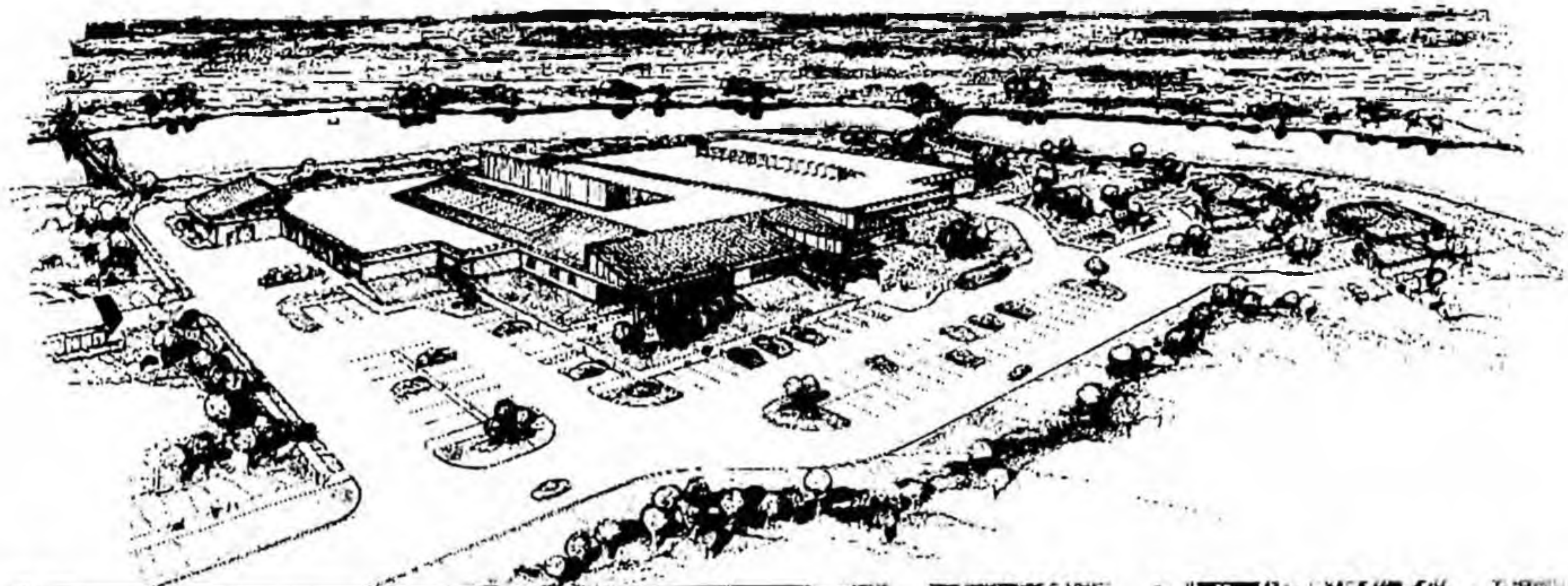
Description	Qty	Unit	Unit Cost	Reduction	Running Total
Hatchery (3/15/04 Estimate R2)	83,500	SF	$306.29		**$25,957,060**
CR1 Reductions					
1 Eliminate 2nd Floor Observatory	1,364	SF	$154.80	$211,220	$25,745,831
2 Eliminate Broodstock Tanks	2	EA	$122,300.00	$244,600	$25,501,231
3 Itaims to simplify the roof structure to a flat roof	1	LS	$362,000.00	$362,000	$25,130,231
4 Eliminates the skylights	3,180	SF	$97.03	$308,555	$24,830,676
5 Reduces overall program area by 20%	6,810	SF	$200.00	$1,362,000	$23,468,676
6 Eliminates the UAF laboratory area	1,584	SF	$230.70	$365,429	$23,103,247
7 Eliminates two truck bays	952	SF	$177.62	$169,091	$22,934,156
8 Eliminates one maintenance bay	532	SF	$168.53	$89,658	$22,844,497
9 Eliminates the cold storage area	380	SF	$156.00	$60,840	$22,783,657
10 Eliminates one truck loading area	420	SF	$177.62	$74,600	$22,709,058
11 Reduces the size of the fish handling area	1,420	SF	$136.79	$194,235	$22,514,823
12 Reduces the size of the filter trench area	2,283	SF	$136.10	$310,723	$22,204,100
13 Eliminates one row of ten foot tanks	4	EA	$16,000.00	$64,000	$22,140,100
14 Reduces the size of the incubation area	800	SF	$130.00	$111,800	$22,028,300
15 Equipment Reductions CR1	1	LS	$822,000.00	$822,000	$21,106,300
16 Earthwork	1,207	CY	$18.53	$25,138	$21,081,162
Subtotal CR1					**$21,081,162**
CR2 Reductions					
1 Visitor Center	5,200	SF	$198.80	$1,033,760	$20,047,402
2 On Site Housing	3,000	SF	$192.32	$602,360	$19,355,042
3 Site Paving	3,333	SY	$17.36	$57,861	$19,297,181
4 Site Fence	3,200	LF	$28.43	$90,968	$19,206,213
5 Landscaping	1	LS	$75,300.00	$75,300	$19,130,913
6 Move WT into the main Bldg	1	LS	$69,000.00	$69,100	$19,061,813
7 Reduce Hatchery Alarm Monitoring System	1	LS	$75,000.00	$75,000	$18,986,913
8 Remove 1 row of 20 ft tanks	3,000	SF	$138.60	$415,800	$18,571,113
9 Earthwork	15,676	CY	$19.53	$304,238	$18,266,874
10 Equipment Reductions CR2	1	LS	$573,000.00	$573,000	$17,693,874
Subtotal CR2					**$17,693,874**
CR3 Relocate Hatchery to City Snow Dump					
1 Pipeline Length Reduction	1,900	LF	$112.00	$212,800	$17,481,074
2 Bridge	200	LF	$1,159.00	$231,800	$17,249,274
Subtotal CR3					**$17,249,274**
Delete the Heated Water Line					
1 Pipeline, Pumps and Heat exchange system deleted	1	LS	$2,580,692	$2,580,692	$14,668,582
2 Add boiler system			$500,000	$500,000	$14,168,582
3 Add heat exchanger system			$100,000	$100,000	$14,268,582
4 Increase water treatment to 700 gpm			$200,000	$200,000	$15,468,582
Subtotal CR4					**$15,468,582**
1 Add visitor center					$1,033,760
Subtotal CR4					**$16,502,342**

Figure 1


TOWN

PROPOSED FAIRBANKS HATCHERY SITE



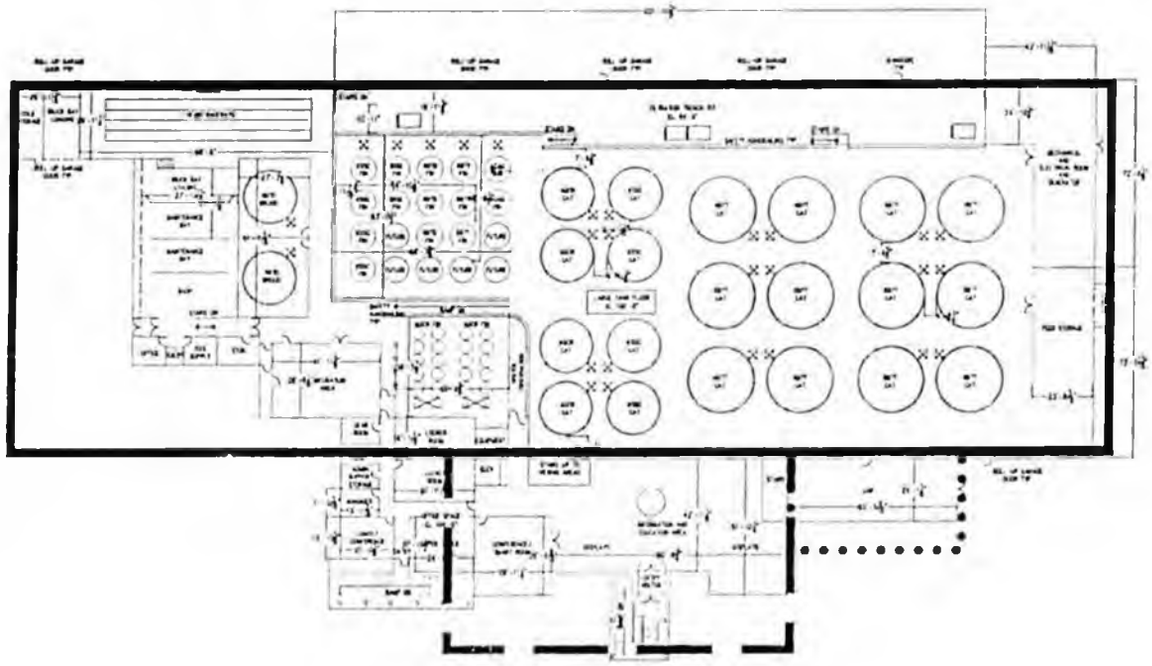


FAIRBANKS HATCHERY PROJECT
STATUS REPORT UPDATE

PRIMARY AND SECONDARY HATCHERY SITES
FAIRBANKS AREA

Figure 2

Hatchery as per CH2M Hill Design = $25 Million



150' x 400

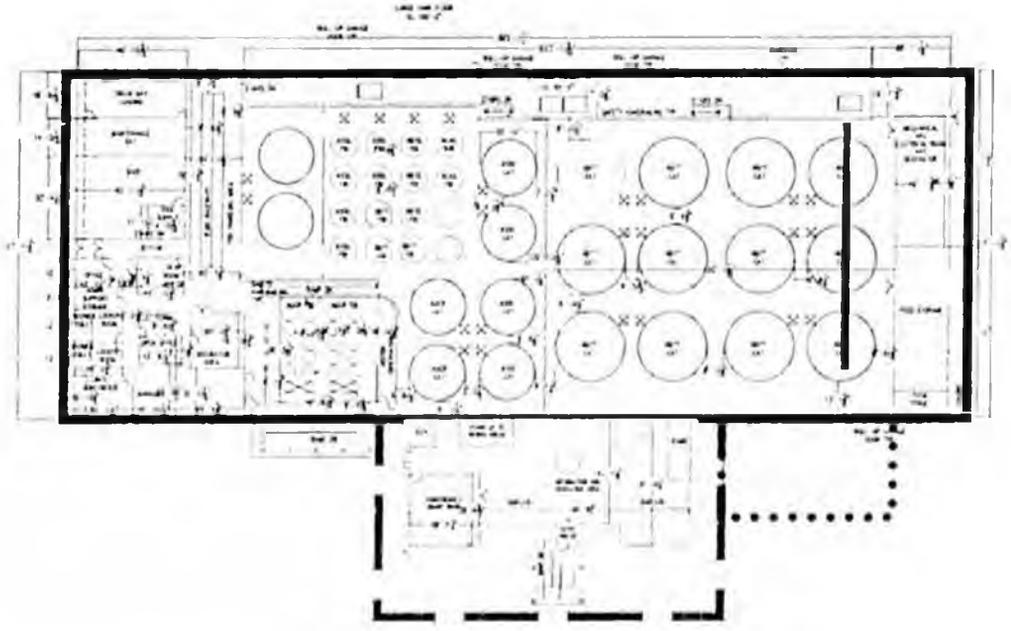
67,500

CORE HATCHERY

VISITOR I&E

UAF/ADF&G LAB

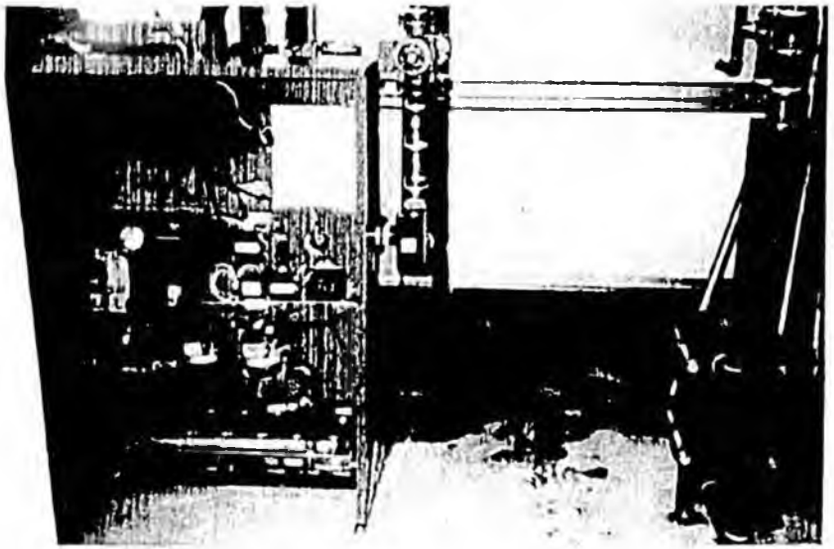
Hatchery Revised Design - $16.5 Million



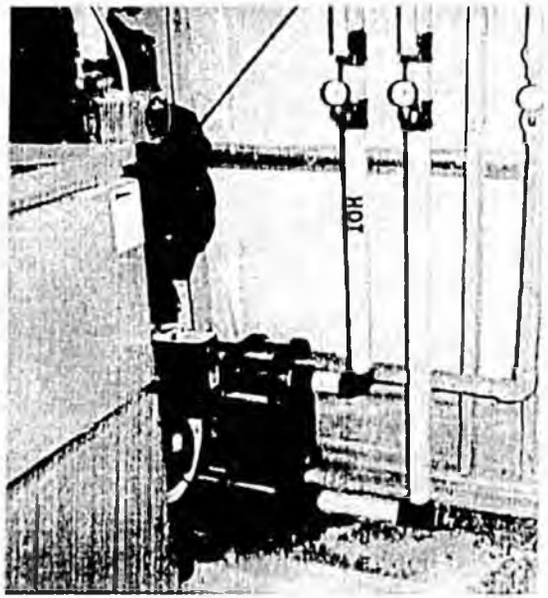
45,000

Figure 3

Equipment Comparisons-Recirculation vs Flow Through

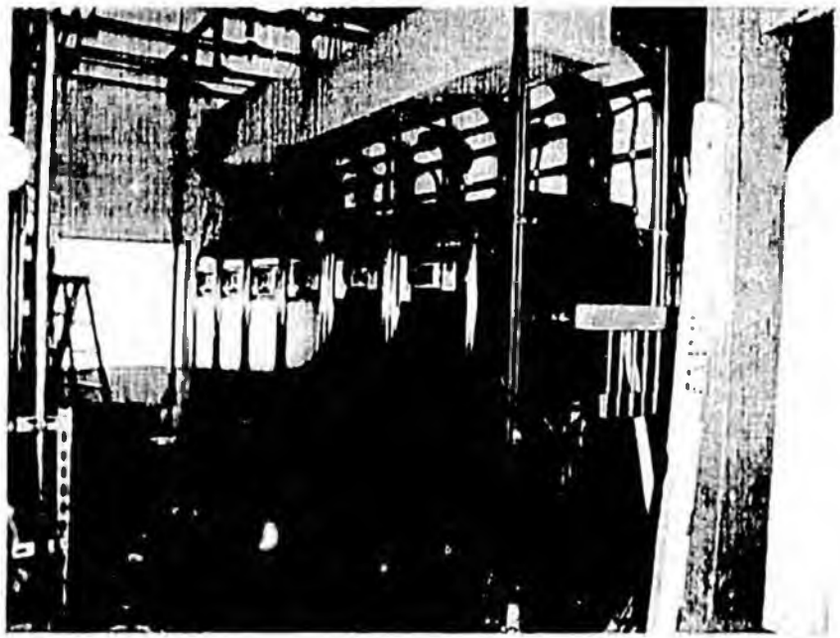


Modular propane boiler and heat exchanger system used in a 1,000 US gpm intensive recirculation system.
8°C to 14°C
British Columbia
Canada



BOILER SYSTEMS

HEAT EXCHANGE SYSTEMS



Natural Gas fired boiler and heat exchanger system used in a 1,100 US gpm flow through system
7°C to 13°C

Fort Richardson
Hatchery
Alaska

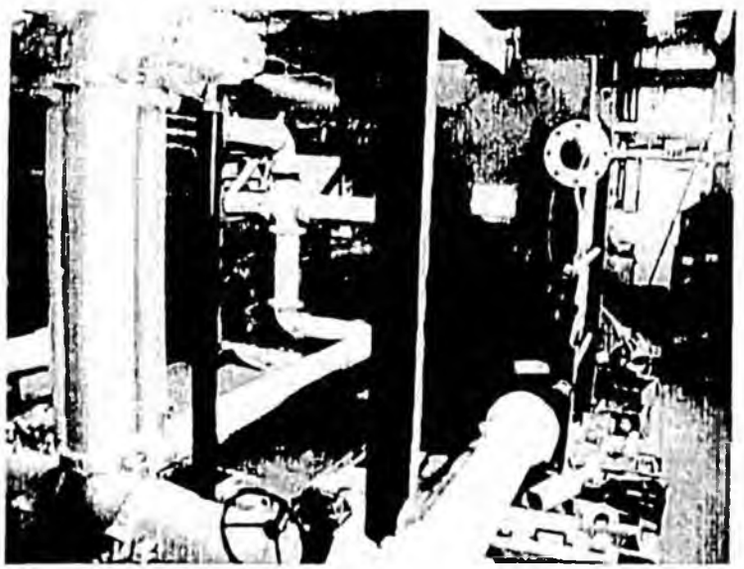


Figure 4

Comparison of Reuse & Recirculation

Reuse

- Between 50 – 75% of flow.
- Independent or centralized treatment system.
- Greater cost of heating.
- Required Processes:
  - Solids Filtration
  - CO2 Removal
  - Oxygenation

Recirculation

- Between 95 – 98% of flow.
- Independent or centralized treatment system.
- Reduced cost of heating.
- Required Processes:
  - Solids Filtration
  - Biofiltration
  - CO_2 Removal
  - Oxygenation
  - Disinfection

Why Recirculate?

- Water conservation.
- Permits high density culture in locations where space and/or water are limited.
- Minimizes volume of effluent, facilitating waste recovery.
- Reduced cost of intake water treatment.
- Reduced heating/cooling and pumping costs.
- Increased control over the culture environment.
- Easier to exclude predators from an enclosed culture system.

Figure 5

Recirculation and Reuse Flow Schematic

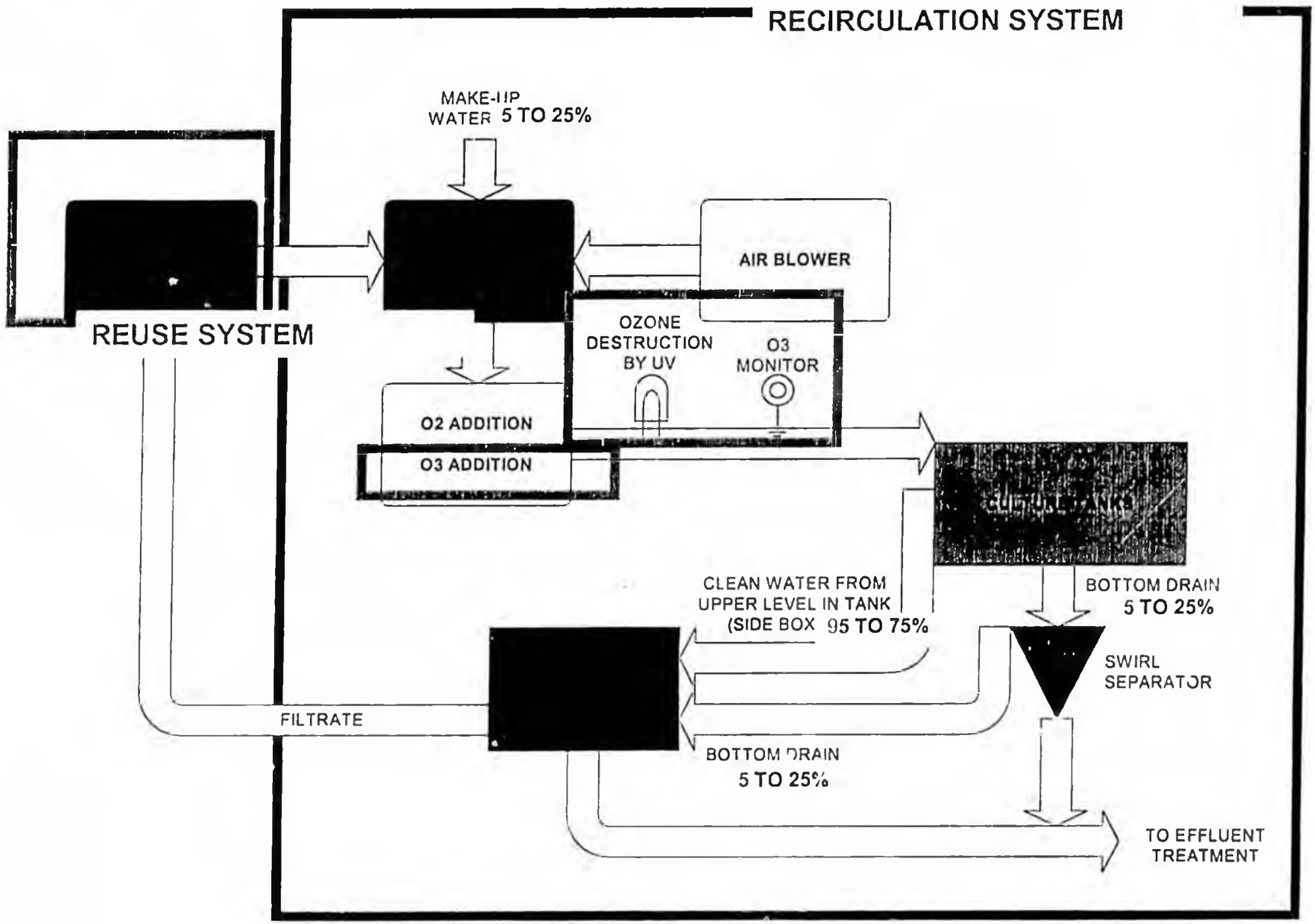


Figure 6

Filtration System

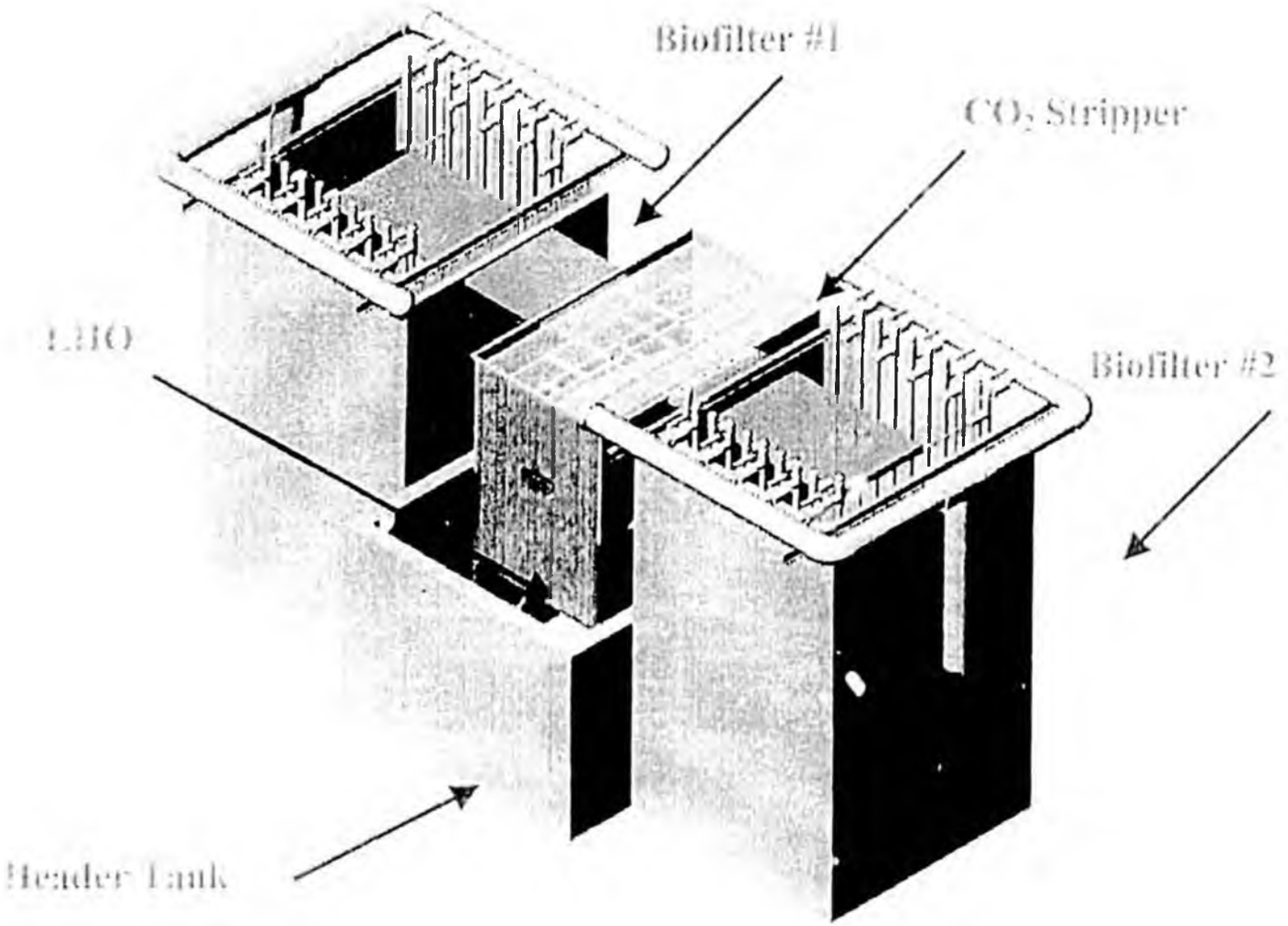


Figure 7

Major Hatchery Components

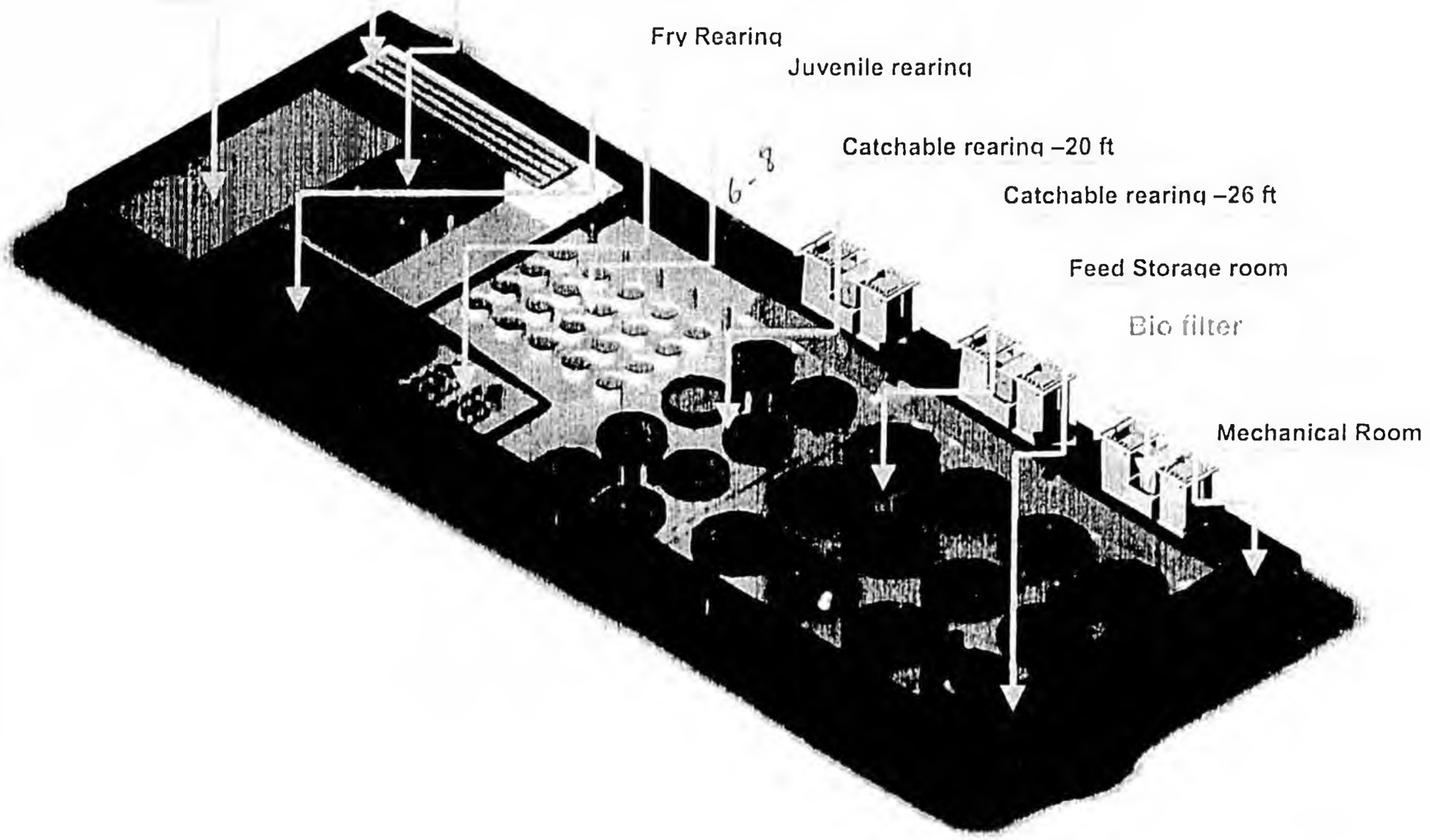


Figure 9

Anchorage Hatcheries Operating Cost Allocations 2003-2006

Fort Richardson (in 1,000's)								
		FY2003		FY 2004		FY 2005		FY 2006
100		499.0		633.7		682.4		759.0
200		12.0		9.0		8.1		8.0
300		359.4		348.0		457.2		426.2
400		155.6		166.7				
						158.7		150.3
500		0.0		0.0		0.0		0.0
Total		1,026.0		1,157.4		1,306.4		1,343.5
Elmendorf (in thousands)								
		FY2003		FY 2004		FY 2005		FY 2006
100		285.7		370.4		402.6		451.1
200		3.6		5.0		5.0		4.3
300		94.9		101.6		101.6		119.8
400		104.6		131.8		119.7		123.1
500		0.0		0.0		0.0		0.0
Total		488.8		608.8		628.9		698.3
Total hatchery program costs. Elmendorf and Fort Richardson								
Total hatchery Operati		1,514.8		1,766.2		1,935.3		2,041.8

Fort Richardson State Fish Hatchery
Sportfish Division, ADF&G
Prepared for CH2M Hill by Estimations

Construction Cost Estimate - Alternative I
Conceptual Estimate
November 3, 2004

Description	Qty	Unit	Estimated Cost	Totals	Estim ted Cost with Genl Requirements Distributed	Estimated Cost Plus Contingencies
GENERAL REQUIREMENTS	**24**	**MTHS**		**$4,821,814**		
GENERAL REQUIREMENTS			$4,821,814			
SITE DEVELOPMENT	**4**	**ACRE**		**$1,715,564**	**$1,999,007**	**$2,462,594**
SITE PREPARATION, DEMOLITION			$464,624			
SITE DEVELOPMENT			$740,772			
SITE IMPROVEMENTS			$300,774			
SITE UTILITIES			$209,394			
TROUT HATCHERY, BUILDING 1	**62,000**	**SF**		**$6,131,654**	**$7,144,718**	**$8,801,640**
CONCRETE			$925,668			
MASONRY						
METALS			$46,879			
WOOD AND PLASTIC			$5,000			
THERMAL & MOISTURE PROTECTION			$50,167			
DOORS AND WINDOWS			$132,775			
FINISHES			$233,215			
SPECIALTIES			$30,581			
EQUIPMENT			$26,093			
FURNISHINGS			$2,911			
SPECIAL CONSTRUCTION			$2,304,698			
CONVEYING			$36,112			
MECHANICAL			$1,285,382			
ELECTRICAL			$1,052,173			

Fort Richardson State Fish Hatchery
Sportfish Division, ADF&G
Prepared for CH2M Hill by Estimations

Construction Cost Estimate - Alternative I
Conceptual Estimate
November 3, 2004

Description	Qty	Unit	Estimated Cost	Totals	Estimated Cost with Genl Requirements Distributed	Estimated Cost Plus Contingencies
SALMON FACILITY (BUILDING 2), & ADMIN	**66,191**	**SF**		**$6,713,538**	**$7,822,740**	**$9,636,901**
CONCRETE			$1,054,973			
MASONRY						
METALS			$46,281			
WOOD AND PLASTIC			$5,000			
THERMAL & MOISTURE PROTECTION			$58,631			
DOORS AND WINDOWS			$173,217			
FINISHES			$363,140			
SPECIALTIES			$44,765			
EQUIPMENT			$26,093			
FURNISHINGS			$9,384			
SPECIAL CONSTRUCTION			$2,442,780			
CONVEYING			$36,112			
MECHANICAL			$1,222,277			
ELECTRICAL			$1,230,885			
EXISTING FACILITY RENOVATION & UPGRADES	**1**	**LS**		**$1,997,507**	**$2,327,532**	**$2,867,308**
Water Aeration Building			$93,475			
Well Field and Water Distribution System			$1,802,329			
Shop Complex			$67,691			
Water Filtration Building			$34,012			
EQUIPMENT	**1**	**LS**		**$12,626,179**	**$14,712,259**	**$18,124,161**
Hatchery Equipment			$12,626,179			
Subtotal:				**$34,006,256**	**$34,006,256**	**$41,892,604**
Estimating Contingency:			15.0%	$5,100,938		
Escalation For Inflation:	24 Mths	@ 3.5%	7.1%	$2,785,410		
Assumes a midpoint of 01/2007						
Total Estimated Construction Cost:				**$41,892,604**		

Fort Richardson State Fish Hatchery
Sportfish Division, ADF&G
Prepared for CH2M Hill by Estimations

Construction Cost Estimate - Alternative II
Conceptual Estimate
November 3, 2004

Description	Qty	Unit	Estimated Cost	Totals	Estimated Cost with Genl Requirements Distributed	Estimated Cost Plus Contingencies
GENERAL REQUIREMENTS	**12**	**MONTHS**		**$2,545,220**		
GENERAL REQUIREMENTS			$2,545,220			
SITE DEVELOPMENT	**4**	**ACRE**		**$1,385,092**	**$1,600,785**	**$1,972,020**
SITE PREPARATION, DEMOLITION			$440,032			
SITE DEVELOPMENT			$410,277			
SITE IMPROVEMENTS			$284,831			
SITE UTILITIES			$249,952			
NEW HATCHERY BUILDING	**47,359**	**SF**		**$4,230,825**	**$4,889,667**	**$6,023,624**
CONCRETE			$505,597			
MASONRY						
METALS			$25,869			
WOOD AND PLASTIC			$5,000			
THERMAL & MOISTURE PROTECTION			$37,365			
DOORS AND WINDOWS			$106,048			
FINISHES			$98,264			
SPECIALTIES			$17,557			
EQUIPMENT			$26,093			
FURNISHINGS			$1,019			
SPECIAL CONSTRUCTION			$1,778,452			
CONVEYING			$36,112			
MECHANICAL			$843,959			
ELECTRICAL			$749,490			

Description	Qty	Unit	Estimated Cost	Totals	Estimated Cost with Genl Requirements Distributed	Estimated Cost Plus Contingencies
NEW BUILDING OVER EXISTING RACEWAYS	**32,336**	**SF**		**$1,398,951**	**$1,616,802**	**$1,991,752**
CONCRETE			$136,291			
MASONRY						
METALS			$4,076			
WOOD AND PLASTIC						
THERMAL & MOISTURE PROTECTION			$8,328			
DOORS AND WINDOWS			$76,094			
FINISHES						
SPECIALTIES						
EQUIPMENT						
FURNISHINGS						
SPECIAL CONSTRUCTION						
CONVEYING						
MECHANICAL			$761,033			
ELECTRICAL			$413,129			
NEW BUILDING OVER BROODSTOCK RACEWAYS	**10,905**	**SF**		**$1,013,598**	**$1,171,440**	**$1,443,107**
CONCRETE			$78,466			
MASONRY						
METALS			$1,375			
WOOD AND PLASTIC						
THERMAL & MOISTURE PROTECTION			$4,128			
DOORS AND WINDOWS			$62,353			
FINISHES						
SPECIALTIES						
EQUIPMENT						
FURNISHINGS						
SPECIAL CONSTRUCTION						
CONVEYING						
MECHANICAL			$678,915			
ELECTRICAL			$188,361			

Fort Richardson State Fish Hatchery

Sportfish Division, ADF&G
Prepared for CH2M Hill by Estimations

Construction Cost Estimate - Alternative II

Conceptual Estimate
November 3, 2004

Description	Qty	Unit			Estimated Cost	Totals	Estimated Cost with Genl Requirements Distributed	Estimated Cost Plus Contingencies
EXISTING FACILITY RENOVATION & UPGRADES	**1**	**LS**				**$4,021,423**	**$4,647,656**	**$5,725,489**
Water Aeration Building					$2,117,391			
Well Field And Water Distribution System					$1,802,329			
Shop Complex					$67,691			
Water Filtration Building					$34,012			
Visitor Center					$269,306			
Incubator Building, Misc Repairs					$10,000			
EQUIPMENT	**1**	**LS**				**$4,294,507**	**$4,963,266**	**$6,114,291**
Hatchery Equipment					$4,294,507			
Subtotal:						**$18,889,616**	**$18,889,616**	**$23,270,283**
Estimating Contingency:				15.0%		$2,833,442		
Escalation For Inflation:	24 Mths	@	3.5%	7.1%		$1,547,225		
Assumes a mid point of 01/2007								
Total Estimated Construction Cost:						**$23,270,283**		

Project Number: SF-290

Project Title: Ft. Richardson Hatchery

Region: 2 Southcentral
Fishery Unit: 6 F32 Hatchery
Location: EBJ Fort Richardson
Program Element: F-2-1
Funding Level:

Ledger Code: 11222906
Component Code: 464
Component Name: Sport Fisheries
Legislative District: 0
Region Priority: 4,2,1

Species Affected:

Fishery Affected:

Project Description:
The Fort Richardson Hatchery project supports the largest Sport Fish production facility in the State of Alaska. The hatchery produces all rainbow trout, Arctic char, and Arctic grayling fry/fingerling stocked for sport fishing opportunities in the state. The hatchery also produces coho and chinook salmon smolt which are stocked to create terminal sport fisheries throughout Southcentral Alaska. This budget contains salaries for hatchery staff, facility maintenance and funding of the overhead for the facility.

Project Objectives:
Release objectives For FY06 are: 1.7 million Chinook salmon smolts, 895,000 coho salmon smolts, 80,000 Arctic char, 32,000 Arctic Grayling, and 1.5 million rainbow trout. Other objectives for FY 2006 include: Maintenance of rainbow trout and Arctic char broodstock and all female rainbow trout broodstock. Conduct research on production fish to improve hatchery performance and expand information. Provide fish for organized derbies and kids fishing days.. Employ interns each year, allow King Career Center students to experience hatchery work, and conduct tours for school groups. By producing a variety of fish to stock in different locations throughout the state this project is helping to develop a wide range of fishing opportunities, providing regulators with different management options, and enhancing fisheries to meet demands.

Budget Manager: 11-5140 Andrea Tesch

Budget Manager Title: Fish Culturist III

BUDGET DETAIL	Prior Year Allocations FY 2003	FY 2004	FY 2005	Summary FY 2006 Request
71000 Personnel Services	499.0	633.7	632.4	759.0
72000 Travel	12.0	9.0	8.1	8.0
73000 Contractual	359.4	348.1	457.2	426.2
74000 Commodities	155.6	166.7	158.7	150.3
75000 Equipment	0.0	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0	0.0
Project Totals	1,026.0	1,157.5	1,306.4	1,343.5
1002 Federal Receipts	0.0	0.0	979.8	1,007.6
1003 General Fund Match	0.0	0.0	0.0	0.0
1004 General Fund	0.0	0.0	0.0	0.0
1007 Interagency Receipts	0.0	0.0	0.0	0.0
1018 EVOS	0.0	0.0	0.0	0.0
1024 Fish and Game Fund	0.0	0.0	326.6	335.9
1036 Commercial Fisheries Loan Fund	0.0	0.0	0.0	0.0
1055 IA Oil and Hazardous Waste	0.0	0.0	0.0	0.0
1061 CIP Funds	0.0	0.0	0.0	0.0
1108 Statutory Program Receipts	0.0	0.0	0.0	0.0
1109 Test Fisheries	0.0	0.0	0.0	0.0
1156 Receipt Services	0.0	0.0	0.0	0.0
Staff Months	106.1	125.0	126.5	132.5

Project Number: SF-291

Project Title: Elmendorf Hatchery

Region: 2 Southcentral
Fishery Unit: 6 F32 Hatchery
Location: EBI Elmendorf
Program Element: F-2-3
Funding Level:

Ledger Code: 11222916
Component Code: 464
Component Name: Sport Fisheries
Legislative District: 0
Region Priority: 4,2,1

Species Affected:

Fishery Affected:

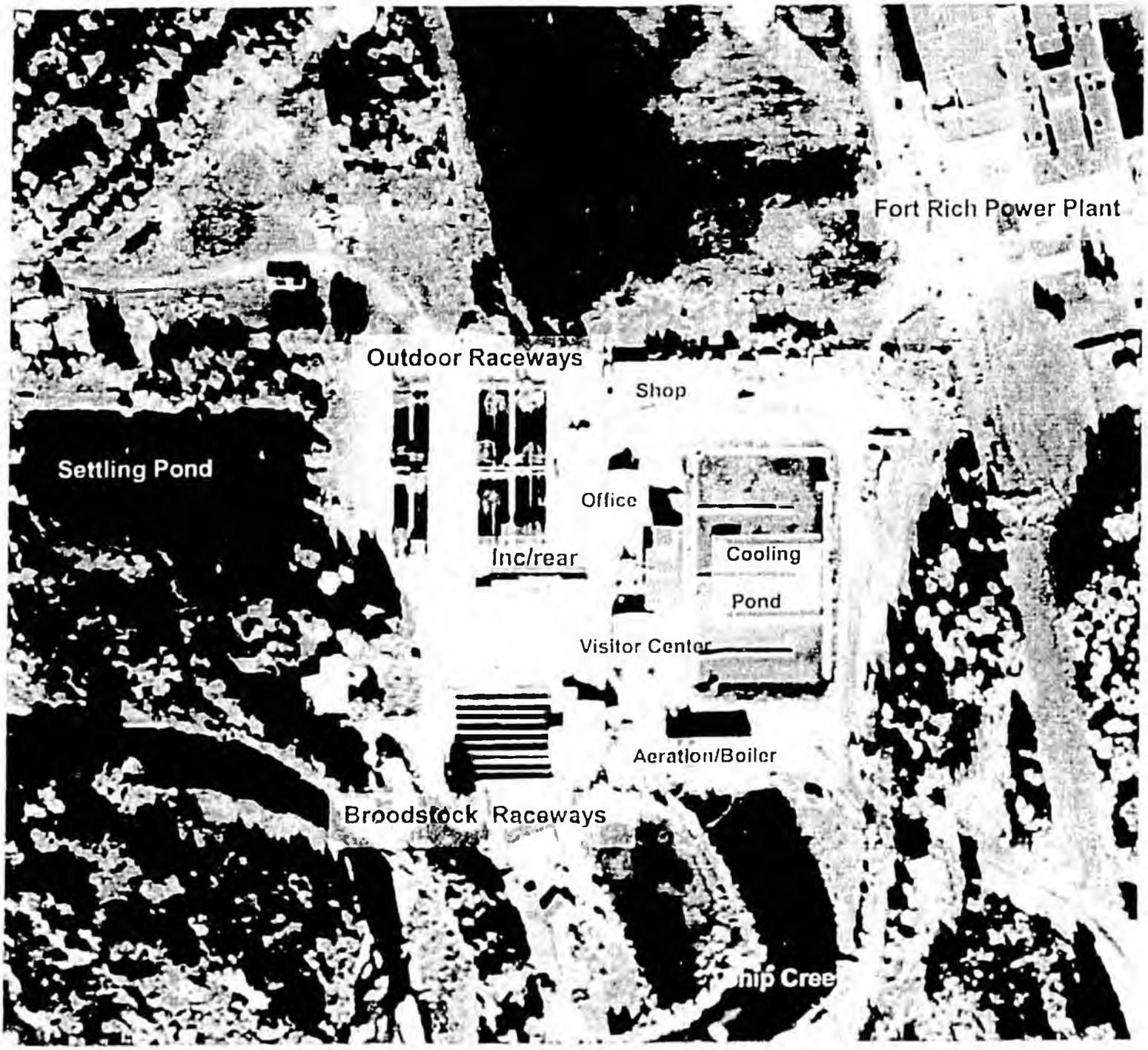
Project Description:
The Elmendorf Hatchery project assures the production of rainbow trout, arctic char and chinook salmon for stocking through out South Central and Interior Alaska. In addition to fish production the project budget supports fish stocking, facility maintenance, staff supervision and training.

Project Objectives:
Objectives for FY 2006 include; Rear 250,000 catchable Rainbow trout, 120,000 chinook and 50,000 Arctic char for stocking in South Central and Interior Alaska. Conduct egglakes for Ship Creek and Eklutna stock chinook and coho salmon. Promote better understanding of hatchery activities by conducting tours of the facility and sponsoring high school and college interns

Budget Manager: 11-5049 Darrell Keiler

Budget Manager Title: Fish Culturist III

BUDGET DETAIL	Prior Year Allocations FY 2003	FY 2004	FY 2005	Summary FY 2006 Request
71000 Personnel Services	285.7	370.4	402.6	451.1
72000 Travel	3.6	5.0	5.0	4.3
73000 Contractual	94.9	101.6	101.6	119.8
74000 Commodities	104.6	131.8	119.7	123.1
75000 Equipment	0.0	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0	0.0
Project Totals	488.8	608.8	628.9	698.3
1002 Federal Receipts	0.0	0.0	471.7	523.7
1003 General Fund Match	0.0	0.0	0.0	0.0
1004 General Fund	0.0	0.0	0.0	0.0
1007 Interagency Receipts	0.0	0.0	0.0	0.0
1018 EVOS	0.0	0.0	0.0	0.0
1024 Fish and Game Fund	0.0	0.0	157.2	174.6
1036 Commercial Fisheries Loan Fund	0.0	0.0	0.0	0.0
1055 IA Oil and Hazardous Wastes	0.0	0.0	0.0	0.0
1061 CIP Funds	0.0	0.0	0.0	0.0
1108 Statutory Program Receipts	0.0	0.0	0.0	0.0
1109 Test Fisheries	0.0	0.0	0.0	0.0
1156 Receipt Services	0.0	0.0	0.0	0.0
Staff Months	54.5	66.5	66.8	68.5



FORT RICHARDSON HATCHERY

Request for Proposals
Project IHPC-04-01

SPORT FISH DIVISION SOUTH CENTRAL REGION HATCHERY PROGRAM EVALUATION

Program and Infrastructure Evaluation Services

Proposed Statement of Services

PURPOSE

The State of Alaska, Department of Fish and Game (ADF&G), Division of Sport Fish, is seeking proposals for a consulting firm to recommend actions to implement changes in the Sport Fish Division South Central Region Hatchery Program and suggest methods to correct capacity deficiencies. The consultant will identify programmatic changes, facility upgrades or new construction to insure hatchery program viability for current and future production demands. The consultant will develop a phased approach to improving the hatchery infrastructure to meet forecasted needs for the next 20 years. Alternative developmental concepts shall be evaluated and presented to the Department to identify preferred developmental alternatives. The project will be accomplished in accordance with Part A, Attachment 1, Proposed Statement of Services. As a minimum, the consultant to perform the following services for the evaluation of :

1) ADF&G supplied 20-year fish production goals as viewed against hatchery program production goals independently derived by the consultant. The information will be presented in Excel tables that identify species, numbers, life stages and the distribution of current fish stocking activities throughout Alaska.

2) Anchorage area hatchery facilities, and proposed new hatchery sites in Anchorage and Fairbanks, to determine viability and efficiencies. The consultant will conduct site investigations of these sites

3) Hatchery fish production alternatives, proposed facility design schematics and cost estimates related to:

- Anchorage area hatchery facilities that remain unchanged
- Anchorage area hatchery facilities that undergo report driven improvements and renovations to increase production capabilities
- a new hatchery to replace the two existing facilities in the Anchorage area
- a new hatchery in the Fairbanks area that is to be considered as separate yet integral to long-term production goals
- interpretation and education (I&E) facilities that will be integrated into the appropriate hatchery options noted above.

4) NEPA requirements, national and municipal building codes, as well as regulatory and permit requirements of all other Federal agencies, State agencies and the Municipalities of Anchorage and Fairbanks that may be related to effecting changes to existing facilities and/or constructing new facilities.

BACKGROUND

The Sport Fish Division is at a crossroads as to how to determine the most effective manner in which to continue support of sport fish management, with hatchery production, in the foreseeable future. In recent years two hatcheries in Anchorage Alaska have been responsible for most of the sport fish enhancement production in the State. The Fort Richardson and Elmendorf fish hatcheries produce and out-plant fish that provide major contributions to the freshwater and marine sport fisheries of South Central and Interior Alaska. Their combined annual production of more than 5 million fish supports the mission of the Sport Fish Division to protect and improve Alaska's' recreational fisheries resources. Angler effort in Alaska is steadily on the rise. The total fishing effort in Alaska in 1999 was 2.5 million angler days. This represents fishery resource demands that are more than double the 1.2 million angler days expended in 1977. It is anticipated that in twenty years, the number of angler days will at least double again.

The Fort Richardson and Elmendorf hatcheries have been centers of salmonid production since the 1970's. Over the years, and as the Department has been forced to close other salmon hatcheries, these two facilities have absorbed fish production programs orphaned through the closure of other hatcheries with sport fish programs. For many years the fish production from hatcheries has been used to supplement existing natural production and in some cases, create new fisheries where none existed previously. The success of the States of Alaska's hatchery stocking program is undeniable. However a continued evaluation of stocked waters is needed to help refine the stocking techniques and strategies needed to keep pace with a growing population of anglers and the increased demand they bring to Alaska's sport fisheries.

Over the years, to meet the ever-increasing production demands, these hatcheries have undergone various improvements and upgrades to expand production capabilities and improve operational efficiencies. However, even with the successful integration of the improvements, both facilities still have critical deficiencies that have limited the flexibility of operations and the total fish production potential. Each facility has its own set of unique problems. However, a common and limiting factor is the availability of water in sufficient quantities to insure the disease free fish production for all life stages of incubating and rearing fish stocks. Additionally, although both facilities have historically have relied upon abundant quantities of waste heat, from the Elmendorf and Fort Richardson military steam/power plants, which is used to accelerate fish growth, the Fort Richardson Hatchery hit the upper limit of production from its source of waste heat in the early 1980's

Despite limitations of the physical plants at each hatchery, fish culture staff members at both hatcheries have continually and creatively found ways to work around these constraints. Over the years hatchery personnel have developed techniques and procedures designed to maximize production with the facilities and the water volume available. However, many of these changes require hatchery staff to operate the hatchery programs on a razors edge, continually flirting with

disaster as well as exposing the fish stocks to disease risks. Certainly the programs at both facilities could have continued to limp along, just meeting production targets or even eking out additional production. However, because the present facilities were not specifically designed to operate as anything more than pass through systems, the new and intensive fish culture methods have brought new risks and required greater vigilance in the face of diminishing heat and water resources as well as deteriorating physical plants.

In recent years the Division has been aware of a stratagem, by the Department of Defense to reduce the operational overhead at military bases in the Anchorage area by actively transitioning away from the on-site production of steam and electrical power. As a part of this strategy, both the Army and the Air Force will eventually purchase electricity from a local utility, and heat the buildings on these military installations with discrete natural gas fired heating systems. Because of these planned changes, both the Elmendorf and Fort Richardson hatcheries are faced with imminent impacts to both water supply and waste heat availability. The loss of these operational necessities will severely curtail production at both hatcheries unless long-term provisions are made. In May of 2003, ADF&G received verbal notification from the U.S Army that the steam and power production at the Fort Rich Army base will cease in September of 2003. The loss of the waste heat generation makes it critical that the Division immediately pursues viable alternatives and short-term strategies if the hatchery program is to just to survive, let alone meet ever growing demands for enhanced fisheries.

PROFESSIONAL EXPERIENCE and REGISTRATION

The consultant shall be a fisheries and aquatic resource engineering firm offering comprehensive professional engineering and scientific services ranging from planning, biological assessment and an engineering design capability that is specifically related to salmonid fish hatcheries. The individual who will be responsible for the project work shall be a professional engineer, licensed in the State of Alaska, with a minimum of three years experience in similar work within or outside of Alaska. The submitting firm will also provide a history and references of similar hatchery program assessment projects completed within the United States within the last 5 years.

SCOPE OF SERVICES

The study and recommendations shall focus on the following premise "What is the maximum production the Sport Fish Division can expect from existing and new facilities as defined by the tasks listed below? Additionally the consultant shall investigate and recommend what can be done to assure the Division can meet the 20-year production goals? As part of this process the consultant will summarize the Division's current basis of stocking hatchery production into lakes and streams throughout Southcental and the Interior of Alaska. The consultant will also evaluate the assumed effectiveness of these activities as a fisheries management tool that preserves and protects sustained yields from wild stocks. As part of developing recommendations, the consultant shall also incorporate information related to historical angler participation in the Anchorage and Fairbanks areas and make projections of future participation by looking at past instate trends and comparing the "Alaska model" to national trends. Conclusions drawn from this information will be used as a basis of comparison to the Sport Fish Division's 20-year projected production goals that will be provided to the consultant by the Division.

The work by the consultant shall be performed according to the following tasks:

1) ADF&G supplied 20-year fish production goals will be viewed against production estimates independently derived by the consultant with the purpose of fine-tuning the Division's fish production goals.

2) The consultant shall research, evaluate and make comprehensive recommendations designed to stimulate and insure the viability of the sport fish hatchery program in Southcentral and Interior Alaska for the next 20 years. The focus of the study efforts for the Anchorage area will be to investigate alternatives looking at the existing hatchery infra-structure, as well as the production potential from:

   a. The Fort Rich and Elmendorf hatcheries (which are to be treated as a single production unit for all the following scenarios) without major changes to their physical plants. The null or no change option. ADF&G will provide records of production the historical costs of operating the hatcheries.

   b. The Fort Rich and Elmendorf hatcheries with upgrades to the water well and water heating systems. Provide approximate costs for these provisions as well as operational costs.

   c. The Fort Rich and Elmendorf Hatcheries with improved heat and water systems plus repairs, renovations and new construction to both facilities to give these facilities a 20-year life expectancy.

   d. Constructing a new hatchery facility in Anchorage capable of replacing existing facilities. Provide cost for construction and operations as well as costs for the demolition of the existing Anchorage facilities.

3) Include in the assessment, production from a new hatchery in the Fairbanks area capable of meeting programmatic needs for the interior of Alaska for the next 20 years. The consultant will provide conceptual hatchery design, construction and operational costs.

4) Conduct site investigations of Anchorage area hatchery facilities and the current hatchery program to determine viability and effectiveness.

5) Prepare hatchery production alternatives.

6) NEPA, permitting and regulatory requirements related to changes to the existing facilities and/or proposed new facilities.

7) The study will examine the Divisions' mission to inform and educate (I&E) the public and identify improvements that are desired for a 20-year program. Factor the inclusion of I&E facilities into the appropriate above-mentioned scenarios. Show their costs as a component of the overall cost determinations

8) Use these ADF&G supplied design parameters as a basis for the conceptual design of a new "Fairbanks Hatchery" (may also be used as a basis for a new Anchorage hatchery).

Conceptual Facility Design Parameters (Fairbanks Hatchery)

A. Aquaculture water supply and 75% recirculation system (easily upgradeable to 95% or higher)
B. Aquaculture water heating
C. Fish rearing Units
D. Buildings
E. Site including access development
F. Aquaculture waste water
G. Electrical and HVAC
H. Visitor Interpretation and Education
I. Research lab space.
J. Feed and chemical storage
K. Office and break room
L. Bathroom, shower and locker rooms
M. Other facilities as suggested or as yet to be determined

A Aquaculture Water Supply

Item A-1 – Aquaculture Water Supply and Recirculation System

The groundwater (well) supply system will consist of the number of wells required to produce water in volumes to be determined by the fish production requirements of the facility. Additional water wells will be developed to provide redundancy, the number of back-up wells will be dependent upon actual water volume necessary to operate the facility. Potable water will be supplied by the local water utility. New wells will consist of drilling to the required depths, casing, screening, pumps, piping, pump housing, and electrical supply including back-up emergency generator. Wells should be drilled as close to the hatchery building as possible to reduce piping runs.

Water samples have been taken from an existing well in the general vicinity of the proposed Fairbanks facility. It is likely that the aquifer in the area will yield water to the hatchery having the same characteristics. Based upon the analysis of the water sample, a major concern is the fact that the analyses revealed levels of iron and manganese in that may be harmful to fish. It is anticipated that the incoming make-up water, at minimum, will require special treatment to remove the iron and manganese. The incoming well water system will be designed to provide sufficient new water capacity to maintain single pass flow through the incubators and start up tanks, as well as supplying new water to the 75% recirculation systems for the rearing tanks. The amount of additional well water capacity will be finalized through this study. The design shall maintain flow isolation within each rearing unit to allow for a mix of temperatures and species as the programs evolve. As

noted, water derived from the well system will require treatment to deal with a high iron content. Another required well water treatment will occur in aeration/degassing columns, inclusive of oxygen supplementation, that will insure up to 120 % oxygen saturation of the incoming water, as a means of controlling the nitrogen and total dissolved gas values to fish safe levels below 100%. The hatchery process water system shall have a dual piping design capable of delivering heated and ambient temperatures of water to each of the incubation and rearing devices with the ability of using either or both water sources to achieve a desired blend of water temperatures.

The water recirculation system for the 75% reuse will include recirculation pumps, valving, aeration/degassing systems, oxygen generation and supplementation systems to maintain acceptable water quality and dissolved gas values. Minimum D.O's shall be in excess of 90 mm Hg. The recirculation systems will, to the greatest extent, maintain as much isolation of the water systems of each of the rearing units to reduce disease transmission. The hatchery will also have design provisions to allow for 95% recycle with the addition of micro screening, swirl separators and bio-filters. The building will have provisions in place to seamlessly increase the building size, add plumbing and other utilities to include the additional equipment needed for a more intensive water use.

Another consideration is how to deal with the biological effluent from the facility as well as any undesirable heat component of the hatchery wastewater.

Item A-2 – Oxygenation system

Oxygen supplementation of the incoming makeup water to insure up to 120% saturation is to be a design element. Oxygen supplementation will help stabilize the gas component of the incoming heated well water and allow for intensive fish rearing conditions. Dissolved oxygen concentrations are expected to decrease due to fish respiration in the water that is recirculated. Raising dissolved oxygen levels in the recirculated water to supersaturated levels approaching 120% should allow for higher loading densities in the rearing ponds and allow for the maximum use of the available rearing volumes. Maintaining oxygen levels at or above saturation is an important consideration

The consultant will suggest a reliable and cost effective oxygen source. This may be either liquid oxygen (LOX) or a compressor driven, pressure swing adsorption (PSA) system. For either oxygen supply source, the consultant shall include all piping, flow meter, contacting chambers or other degassing devices to provide dissolved oxygen management throughout the entire hatchery.

B Aquaculture Water Heating

Item B-1 – Fish Culture Water Supply and Recirculation System Water Heating.

A part of the hatchery site criteria will be to locate the facility close to underground steam lines or near a power plant with waste heat that can be extracted from heat exchangers or cooling towers. The consultant will investigate the daily profile of the temperature source over the course of a year to insure it is reliable and constant. The consultant will also obtain records showing plant shut downs for maintenance or unforeseen circumstances for the last 5 years. A part of the design consideration will be the age of the plant equipment, proposed plant upgrades as well as proposed life expectancy of the facilities. The steam or waste heat will be used to heat the incoming well water to elevate water temperatures within the rearing units to maintain optimum growth and in the incubators to allow for thermal marking. The consultant will design the appropriate heat transfer system to extract required heat from the available heat source and transfer it to the hatchery process water system in a manner consistent with the requirements of the local utility and yet meeting a hatchery heated water constant temperature with less than 0.2 degrees Celsius change irregardless of hatchery flow. The consultant will determine the temperature ranges and size the heat transfer system to meet incubation, rearing and thermal marking needs. An important consideration is the maximum temperature required by each species. Environmental considerations of the thermal effluent released by the hatchery will be a design parameter for the conceptual design.

C Fish rearing units

Item C-1 -- Circular Rearing Tanks

The fish rearing units will be circular tanks of a type known as Cornell Dual drain culture tanks, inclusive of swirl separators, if needed. The tanks will have self-cleaning capabilities and have the ability to be easily integrated into a configuration employing 95% water recycling if necessary. The final loading densities and sizes of the fish will determine the numbers and volumes of the tanks. The fish size will be correlated with the rearing tank volume. Smaller life stage fish will not be reared in tanks over a certain size. Working distances and maintenance efficiencies will be considered for tank placements and the ease of fish culture staff to perform feeding, cleaning and fish transport loading tasks

Item C-2 – Egg Incubation

Flow through vertical Heath Tray type incubators will be used for egg incubation. The incubators and swim up raceways or ponds should be located on a level higher than the rearing tanks to facilitate transfer of the fry into larger rearing tanks below.

D Buildings

Item D-1– Hatchery Building

All hatchery functions will occur within a steel framed, foam filled insulated metal panel building. The functions to occur in this building include fish production/holding ponds, egg incubation and hatching facilities, offices, hatchery

laboratory, research laboratory, I&E center, crew support, shop function, equipment garage, feed storage, chemical storage and general storage. The building will be sized to house all of these spaces with accommodations put into place to allow future additions to the main building in the event the hatchery rearing methodology changes into an intensive biolfiltration scheme. The hatchery space within the building will have main water piping runs, utilities and mechanical systems sized to accommodate an addition to the building that will house supplementary fish culture equipment and facilities. Where practical, all hatchery systems will have stub outs to allow for the smooth integration of a building addition. Accommodations, to allow for future expansion, will be part of the base bid contract. The building will employ insulated foam filled metal panels and include all plumbing, HVAC, electrical, alarm and fire protection. The lighting in the rearing space shall have photoperiod control capabilities. The building will include an upper level sized for incubation and early rearing life stage activities. Building will also include lowered elevation parking bays to allow for transfer of fish by gravity flow from rearing units into stocking trucks to minimize manpower and stress to fish.

Item D-2 – Vehicle/Equipment storage building

These spaces will represent a considerable percentage of the building footprint. It may be attached or a separate building.

Item D-3 – Residences

A minimum of two residences will be constructed to provide 24-hour site security and emergency response. The housing will be as far removed from the main traffic corridors as practical on the site. The residences will be single-family energy efficient homes with a basement and attached 2-car garage. The floor plan will be 3 bedroom 2 baths, kitchen, dining, living room and laundry room. All plumbing HVAC and electrical systems are included in the unit cost as well as a refrigerator, stove, washer, dryer, chest freezer, wall-to-wall carpeting and window coverings.

Items D-4 and D-5 – Domestic water and wastewater

If municipal domestic water and wastewater amenities are not readily available, potable water wells and a conventional septic system will be necessary to provide domestic water and sewer.

E. Site

Item E-1 – Land acquisition

Consultant will suggest a required site foot print and tailor the site facilities to fit within an area selected by ADF&G. The consultant will ascertain that the site has an adequate ground water supply, drainage, electrical service, and right of way access. Water supply and steam line requirements will define the site feasibility. ADF&G will acquire a property parcel of the size suggested by the consultant

Item E-2 - Paved access to city street system.

The proposed hatchery siting will be in the Fairbanks area and the facility will have paved access to the local road system

Item E-3 – Security fence

Security for the facility is a consideration. The need to enclose the site with a chain link fence is to be a consideration

F. Aquaculture Wastewater

Item F-1 - Effluent Treatment

The consultant will examine requirements for effluent control. Treatment costs may include settling ponds, water control structures, piping, screening, sludge concentration and disposal.

Item F-2 - Effluent Monitoring

Discharge flow and turbidity of the aquaculture wastewater will be automatically monitored to insure it meets relevant NPDES discharge requirements

G Electrical and HVAC

Item G-1

Utility costs to include 3-phase 480-volt primary power to the site. Secondary service is part of the building costs. Three phase 480 volts will be needed for well field. Site lighting to be included as building mounted and pole mounted fixtures.

Item G-2 Emergency power

The complex will require an emergency power system with above the ground fuel storage system. Capacity shall provide for complete facility operation during loss of the public utility power through an automatic transfer switch.

Item G-3 - Instrumentation and alarm system.

The facility to be equipped with a modern, state of the art, process-monitoring system with remote communication features. Costs to include main PC, PLC processors, data wiring, and monitoring devices such as sensors, flow meters, thermometers and similar process instrumentation. System will provide complete control and monitoring of the well water system including variable speed motor control, power surge protection, and remote start stop capabilities.

Item G-4 - Telephone system

The site will be connected to the public phone system with sufficient pairs to take care of all voice and internet capabilities at the hatchery building, support areas and hatchery housing. Cables for television will also be brought to the site.

Item G-5 - HVAC system

Facility will employ the cheapest fuel source, natural gas or diesel, for the boilers to heat the building spaces. The consultant will investigate the possibility of using the nearby steam lines as a heating source. The HVAC system will incorporate heat recovery systems to efficiently heat all hatchery buildings. Air exchange within the facility will be of a sufficient volume to prevent condensation on piping as well as evacuate fumes from chemicals normally used in the course of fish culture activities.

H. Visitor Information and Education (I&E)

Item H-1 - Hatchery building – Visitor information

Visitor information and education facilities will be incorporated into the hatchery. Facilities may include aquariums, multimedia and graphic presentations of the hatchery and other resource management programs.

I. Hatchery and Research Lab Facilities

Item I-1 – Wet lab facilities

The building will include separate wet lab spaces for hatchery operations as well as accommodations for research from other public agencies or the University of Alaska, Fairbanks. The labs will include cabinets, lab grade counters, sinks, vent hoods and plumbing to supply the labs with ambient and heated hatchery process water.

J. Office and break room

Item J-1 – Office

Spaces for 4 separate offices that will be dedicated to the hatchery manager, assistant hatchery manager, maintenance person and a shared office for the fish culture staff. Rooms will be sized to hold a desk, file cabinets, book shelving and space for seated visitors.

Item J-2 – Break room

The building will include space for a break room. The room will be sized to hold kitchen having a stove, a refrigerator freezer, cabinets, counter space with sink,

and microwave. Space considerations will be given to tables and chairs. The room will at times be used for training so a black boards and space for audio-visual equipment will also be a consideration. Up to 12 employees may use this room at one time. Facilities will be designed to meet ADA requirements

K. Bathroom, showers and locker rooms

Item K-1- Bathroom facilities for staff and visitors

Separate men and women's' toilet facilities that comply with ADA.

Item K –2 – Shower facilities

Separate men and women's' shower facilities, attached to the bathrooms, that comply with ADA. Room will be large enough to hold lockers for the Hatchery personnel.

L. Other facilities as suggested or as yet to be determined.

Item L-1 – Other facilities

The consultant is encouraged to suggest other facilities or systems for the Fairbanks Hatchery that will enhance fish culture techniques or provide increased efficiencies and operational savings over a proposed 20-year life of the facility.

Task 1 Site Investigation and Operational Observations

The consultant should plan on visiting both the Fort Richardson and Elmendorf Hatcheries. The visits are to be conducted over multiple days but are not to exceed 24 hours total at each facility. During these visits the consultant will have the opportunity to conduct data gathering and observe the physical and operational parameters of each respective site. The intent is to allow the consultant to see most of the aspects of the daily hatchery fish culture operations, as well as the operation of the physical plant over an extended period of time. The visits should provide an accurate picture of hatchery operations during scheduled tasks. The consultant is encouraged to video tape the visits. ADF&G has as-built drawing information for the Fort Richardson and Elmendorf facilities, operational costs reports, as well as other records which will be made available to the consultant as requested.

A requirement of the Anchorage area visits will be an on the ground inspection of the proposed location(s) of a new Anchorage area hatchery. The consultant will also schedule a visit to Fairbanks to observe an ongoing hatchery pilot study as well as the ADF&G proposed site for a new hatchery. Visits to the proposed hatchery sites be one day visits, not including travel time

The Fairbanks hatchery conceptual design shall include an assessment of the groundwater availability, a historical data review; power plant steam line temperature profiles on a daily basis,

record of shutdowns or outages over the past 5 years, examination of existing topographic and cadastral surveys of the site; design criteria review, geotechnical investigation based on existing information, etc. The consultant may propose to add other work or to delete work tasks listed here, with ADF&G approval, if appropriate and useful in achieving the purpose of this part of the project.

Historical Data Review: For the purposes of comparing the consultants independently derived 20 year production potentials, against ADF&G supplied production goals, the consultant shall have the opportunity to review Fort Rich and Elmendorf hatchery records by species and life stage as well as archived or electronic copies of the Sport Fish Catch and Harvest survey records dating back at least 20 years. The consultant shall also independently acquire information related to national trends in hatchery enhancement production as well as freshwater and saltwater angler participation. This information will be factored into the consultant-derived projections

For those tasks related to building new hatchery facilities, the consultant shall review sources of information such as aerial photos, survey records, sewer, gas, water system electrical design records, highway construction records, etc. The consultant must make a site reconnaissance to verify information uncovered during the review. Of particular interest in this exercise is determining any potential impediments to constructing new hatchery facilities at ADF&G proposed sites. The location of the sewer, water gas and electrical lines that may be encountered must be located and verified. Consultant will also identify any NEPA documents, use agreements, permits, and right-of ways that may be required for any option requiring new construction.

Surveys: The consultant shall refer to existing topographic and cadastral surveys of areas selected for new hatchery construction. The consultant shall identify and then contact landowners before entering any private properties that may be encountered. Copies of all field notes (electronic or written) shall be provided to ADF&G.

Design Criteria Review: The consultant shall research the design criteria for well system water pumps, variable speed controllers, emergency power generation systems, heat exchangers, piping materials, control and alarm systems, fish culture tanks and systems that may be needed for constructing a new hatchery facility using 75% recirculated water. However the consultant will make design considerations to allow seamless integrations of equipment necessary for the fish culture staff to add facilities to allow 95% water recycling.

Geotechnical Investigation: The consultant shall locate and examine existing records as may be necessary to establish design criteria for the tasks related to constructing new hatcheries. ADF&G desires that the consultant, to the greatest extent possible, use existing available information for preliminary soils investigation, frost layers, well water availability, etc. as needed for the specific proposed site

Report of Findings: The product of this task shall be a report detailing the consultant's findings. Original drawings shall be sized for 22x34 inches format, though the drawings used to illustrate the report text may be sized 11x17 inches for report submission. Electronic copies of the report and drawings shall be provided on a CD-ROM disc. Drawings will be provided in AutoCAD 2000i. Six copies of the report shall be provided.

Task 2 Draft Report, Schematic Design and Cost Estimates

The consultant will provide a draft report of findings and conclusions. Also at this stage the consultant will have developed schematic designs consisting of site plans, proposed facilities, new buildings. The drawings will show plan, longitudinal and transverse sections and any other details needed to illustrate the concept. The drawings shall be scaled, single line drawings of sufficient detail to depict the major design elements.

The consultant shall plan on at least 2 coordination meetings, of 4-hour durations, in order to meet with ADF&G and other involved or interested agencies during the schematic design development process.

Schematic Design Review Conferences will be held at the ADF&G Region II office, 333 Raspberry Road, Anchorage, Alaska. It is anticipated it will take two weeks for review of the draft report by ADF&G. Contractor will provide ten copies of report including drawings, and rough cost estimates.

Contractor to provide a schedule showing design and conceptual construction schedule based the findings of the schematic report. A completed report shall be provided to ADF&G no later than March 1, 2002

Task 3 Provide ADF&G a listing of regulatory approvals needed for each option requiring construction of new facilities

The consultant shall prepare a preliminary design and cost estimate for the entire project. This plan will then be used to identify requisite permits, agreements and right -of- ways necessary to construct the project

Task 4: Prepare Final report, conceptual design and cost estimate documents

The consultant shall prepare a final report of findings and recommendations. The report will be in MS Word 2000 format. Cost estimates for operations and construction will be provided in spreadsheets using Excel format.

Included within this report will be conceptual drawings of each proposed operating condition recommended within the report. The drawings shall consist of site plans, proposed facilities, new buildings, etc. Drawings will show plan views, longitudinal and transverse sections and any other details needed to illustrate the concept. Conceptual drawings for all shall be provided AutoCAD 14 or 2000i format. The report drawings will be printed as 11X 17 sheets. Six electronic copies of the Final Report shall be provided on a CD-ROM disc.

Task 5: Presentation of final report

Concurrent with the completion of the final report, the consultant shall plan on participating in a meeting, the focus of which is for the consultant to present the recommendations of the Final Report to staff members of ADF&G. The consultant is encouraged to make the presentation in Microsoft PowerPoint and may also enlist any other graphics or presentation methods needed to convey the findings and recommendations of the report. Six electronic copies of the presentation will be recorded on CD-ROM discs and will be given to ADF&G at the end of the meeting. All other graphics, charts and other presentation materials will also be given to ADF&G at the end of the meeting. The consultant will also be prepared to answer questions about the specifics of the presentation. The consultant shall give ADF&G 2 weeks notice prior to the presentation so that ADF&G staff members can reserve meeting space at the ADF&G Region II office located at 333 Raspberry Road, Anchorage, Alaska.

SCHEDULE

It is the desire of ADF&G to have this study completed by March 1, 2004. The consultant shall prepare and follow a time schedule containing specific calendar dates for completion of identified services and work elements associated with this work.

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 252
(H) Publish Date: 4/13/05

Revision Date/Time (Note if correction):
Dept. Affected: Commerce
Title: Sport Fishing Facility Revenue Bonds
RDU: Investments (122)
Component: Investments
Sponsor: Holm
Requester: House Fisheries
Component No. 383

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHAN[illegible] IN REVENUES ( )						

[illegible]URCE (Thousands of Dollars)

[illegible]ederal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

This bill does not impact any of the programs administered by the division. The division's director does participate in meetings of the State Bond Committee that would be responsible for authorizing the sale of revenue bonds if this legislation is enacted.

Prepared by: Greg Winegar, Director
Phone 907 465-2510
Division: Investments
Date/Time 4/12/05 5:13 PM
Approved by: Edgar Blatchford, Commissioner
Date 4/12/2005
Agency: Commerce, Community, and Economic Development

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: HB 252
(H) Publish Date: 4/13/05

Revision Date/Time (Note if correction):
Dept. Affected: Revenue
Title: Sport Fishing Facility Revenue Bond
RDU: Revenue Programs & Services
Component: Treasury Management
Sponsor: Representative Holm
Requester: House Fisheries
Component No.: 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel	10.0					
Contractual	1,388.6					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Debt Service		5,821.5	5,914.7	5,916.8	5,916.8	5,914.3
TOTAL OPERATING	1,398.6	5,821.5	5,914.7	5,916.8	5,916.8	5,914.3
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Fish and Game Fund		5,821.5	5,914.7	5,916.8	5,916.8	5,914.3
Revenue Bond proceeds	1,398.6	0.0				
TOTAL	1,398.6	5,821.5	5,914.7	5,916.8	5,916.8	5,914.3

Estimate of any current year (FY2005) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

This bill creates and authorizes the Sport Fishing Facility Revenue Bond sale of up to $69 million in revenue bonds to finance construction of fisheries projects that benefit sport fishers. This fiscal note and analysis contemplates 20-year level debt service and a 5.5% interest rate/true interest cost, a negotiated sale, and credit ratings in the A category. The financing could take place 60 to 90 days after authorization became effective.

Financing assumptions include debt service beginning in FY07, interest earnings on bond proceeds of $1,561,000, a 5.5% interest rate/true interest cost, underwriting spread of $483,000, bond insurance cost of $405,621, and other costs of issuance of $500,000. Up to $6,000,000 of bond proceeds will be placed in a reserve to secure the bonds. This balance will be invested with annual earnings offsetting debt service and the principal balance used for the final payment on the bonds.

Prepared by: Deven Mitchell
Phone: 465-3750
Division: Treasury Division
Date/Time: 4/13/05 8:16 AM
Approved by: Tom Boutin, Deputy Commissioner
Date: 4/13/2005
Agency: Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: H.B. 252
() Publish Date:

Revision Date/Time (Note if correction)
Dept. Affected: Fish and Game
Title: Sport Fishing Facility Revenue Bonds
RDU: Sport Fisheries
Component: Sport Fisheries
Sponsor: Representative Jim Holm
Requester: House Finance Committee
Component No.: 464

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel			10.1	10.1	10.1	10.1
Contractual	200.0	350.0	1,182.8	1,182.8	1,182.8	1,182.8
Supplies			111.8	111.8	111.8	111.8
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	200.0	350.0	1,304.7	1,304.7	1,304.7	1,304.7
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (1024)	1,553.4	6,213.5	6,213.5	6,213.5	6,213.5	6,213.5

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	150.0	262.5	978.5	978.5	978.5	978.5
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1024 Fish and Game Fund	50.0	87.5	326.2	326.2	326.2	326.2
TOTAL	200.0	350.0	1,304.7	1,304.7	1,304.7	1,304.7

Estimate of any current year (FY2005) cost: 0.0
Check this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

This legislation creates and authorizes the Sport Fishing Facility Revenue Bond sale for up to $69 million in revenue bonds to finance the building of a new hatchery in Fairbanks, rebuilding of the Fort Richardson hatchery in Anchorage, and hatchery-related needs in Southeast Alaska.

Passage of this legislation will establish a framework that will allow ADF&G to (1) issue revenue bonds for the construction/enhancement of sport fish hatcheries; and (2) establish a new sport fishing facility surcharge.

(Continued on Page 2)

Prepared by: Tom Lawson, Director — Phone 465-5999
Division: Division of Administrative Services — Date/Time 4/20/05 7:57 AM
Approved by: McKie Campbell, Commissioner — Date 4/20/2005
Agency: Alaska Department of Fish and Game

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

BILL NO. H.B. 252

ANALYSIS CONTINUATION

Upon passage of this legislation, the State of Alaska's State Bond Committee will issue revenue bonds on behalf of ADF&G's Division of Sport Fish. The Committee will issue up to $69 million in revenue bonds to fund the construction/enhancement of the hatcheries. Bond proceeds will be used to pay for construction and also for costs of issuing bonds and providing an advance funded debt service reserve account. The annual debt service on the bond is shown in a separate fiscal note submitted by the Department of Revenue.

ADF&G has submitted a one-time CIP funding request that will allow the Division of Sport Fish to use bond funds for construction of a new hatchery in Fairbanks, rebuilding the Fort Richardson hatchery in Anchorage, and addressing additional hatchery-related needs in Southeast Alaska.

Sport fishing license surcharges established in the legislation have been structured so as to generate roughly $6 million annually – the same amount required to pay debt service on the bond. These revenues will be used, in combination with federal funds, to pay back the bond debt issued by the State Bond Committee. The surcharge will be terminated by regulation when the ADF&G Commissioner determines that the surcharge is no longer necessary to fund sport fishery enhancement facilities or to repay revenue bonds issued for construction or renovation of sport fishery enhancement facilities. The department expects to implement the surcharges on January 1, 2006, which allows the department to collect 25 percent of the net surcharges in FY2006, but the full net amount in FY2007 and beyond.

Beginning in FY06, $200,000 will be expended to replace Southeast Sustainable Salmon Fund monies, which will no longer be available to fund Crystal Lake Hatchery operations. In FY07, a new program to provide king salmon smolt for release in the Haines area will be funded at an operational cost of $150,000.

Increases to current sport fish hatchery program operational expenditures at Elmendorf and Fort Richardson hatcheries will not occur until FY08, at which time the new facilities in Fairbanks and Anchorage are scheduled to be completed and producing fish. This increased operational cost is estimated to be $954,700. No additional positions will be required as existing positions will be reassigned as needed to operate the two new facilities.

All operational funds will be 75% Federal Aid matched with 25% Fish and Game Fund.

License Category	# Sold CY 2003	Proposed Fee	Potential SF Revenue Increase
Resident Sport Fishing	115,197	$8.50	$979,175
Resident Sport Fishing/Hunting	44,153	$8.50	$375,301
Resident Fishing/Hunting/Trapping	6,068	$8.50	$51,578
Nonresident Military Sport Fishing	4,210	$8.50	$35,785
Nonresident Military Fishing/Small Game	254	$8.50	$2,159
Nonresident 1-day Sport Fishing	109,622	$8.50	$931,787
Nonresident 3-day Sport Fishing	52,933	$15.00	$793,995
Nonresident 7-day Sport Fishing	84,314	$25.00	$2,107,850
Nonresident 14-day Sport Fishing	23,491	$30.00	$704,730
Nonresident Annual Sport Fishing	12,403	$45.00	$558,135
Revenue Provided by Resident Anglers			**$1,406,053**
Revenue Provided by Non-Resident Anglers			**$5,134,441**
Potential Gross Revenue Generated			**$6,540,494**
Adjust new revenues for vendor payments (-5%)			**$6,213,469**