

leg. Finance - House & Senate Finance Comte Files (1975-76) 341  
SHB 25, HB 26

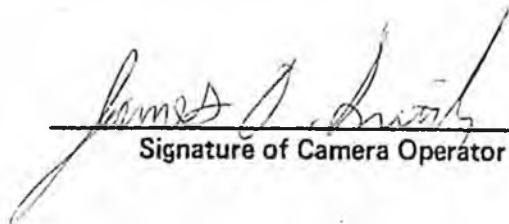


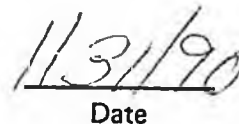
# RECORDS



# CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

  
\_\_\_\_\_  
Signature of Camera Operator

  
\_\_\_\_\_  
Date

COMMITTEE REPORT

SENATE

Mr. President:

Date 5/6/75

The Committee on FINANCE has had CSHB 25  
ESTABLISHING THE ALASKA FIRE FIGHTER TRAINING CENTER COMMISSION  
under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT  
CS FOR \_\_\_\_\_ DO PASS
- "and" recommends it BE REFERRED TO THE \_\_\_\_\_  
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

<u>Lee Kay</u>	<u>DO PASS</u>	_____
_____	_____	_____
<u>H. Pollock</u>	<u>" "</u>	_____
_____	_____	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Lee Kay Chairman

The Legislature of the State of Alaska  
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. H. B. #25

Title: Establishing the Alaska Fire Fighter Training Center Commission

Requested by: House FINANCE Committee Date: 3-12-75

Return Date Requested: ASAP

Agency: Office of the Governor Program: \_\_\_\_\_

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL	2.8	18.1				
300 CONTRACTUAL	.2	4.8				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	3.0	22.9	-0-	-0-	-0-	-0-

B. FUNDING: (Thousands of dollars)

GENERAL FUND	3.0	22.9	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Assume: 1 meeting in FY 75  
5 meetings in FY 76

See attached.

IV. ATTACHMENTS

V. DATE: 3/14/75

PREPARED BY: William A. [Signature]

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

FISCAL NOTE FOR H.B. #25 -- ANALYSIS (contd.)

200 Travel

7 Commission members x 6 meetings @ \$250	=	\$10,500	
Per Diem @ \$50/day x 3 days x 6 meetings	=	7,350	
Site examination by 2 Commission members x 4 sites x 3 days			
Travel =		\$2,000	
Per Diem =		<u>1,000</u>	
Total		<u>\$3,000</u>	
TOTAL TRAVEL	=	<u>\$21,050</u>	\$21,050

300 Contractual Services

Printing and Advertizing for community proposals	=	\$1,500	
Secretarial services	=	1,500	
Technical Assistance in site evaluation	=	<u>2,000</u>	
TOTAL CONTRACTUAL		<u>\$5,000</u>	\$5,000

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Original sponsor: Duncan

Offered: 4/26/75  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

SENATE CS FOR CS FOR HOUSE BILL NO. 25

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act establishing the Alaska Fire Fighter Training  
7 Center Commission; and providing for an effective  
8 date."

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

10 \* Section 1. The Alaska Fire Fighter Training Center Commission is  
11 established in the Office of the Governor.

12 \* Sec. 2. The commission consists of the commissioner of education or his  
13 designee, the commissioner of community and regional affairs or his designee,  
14 and five additional members appointed by the governor, to include at least one  
15 member from each judicial district. The governor shall appoint one engineer,  
16 one architect, and three persons with Alaska fire fighting experience to the  
17 commission. The commission shall select a chairman from its membership.  
18 Terms of all members end and the commission is dissolved February 1, 1976.

19 \* Sec. 3. The commission shall recommend a state plan to facilitate  
20 regional training of fire fighters. In carrying out these responsibilities  
21 the commission may:

- 22 (1) recommend sites for location of five training centers;  
23 (2) determine if the centers can be constructed in conjunction  
24 with other training facilities;  
25 (3) recommend a common physical design for the centers;  
26 (4) formulate cost estimates for implementing its recommendations.

27 \* Sec. 4. No later than January 1, 1976 the commission shall submit to  
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1 state. The commission is not limited to recommendations suggested by sec. 3  
2 of this Act.

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7 070(c).

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

9 \* Section 1. AS 18.70 is amended by adding a new section to read:

10 Sec. 18.70.015. REGIONAL TRAINING CENTERS. The Department of  
11 Public Safety is authorized to establish and operate four regional  
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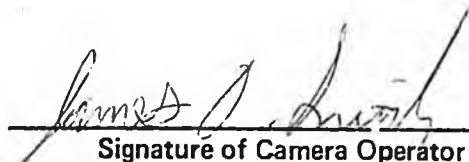
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\_\_\_\_\_  
Signature of Camera Operator

11/31/90  
\_\_\_\_\_  
Date

"An Act authorizing the creation of regional electrical authorities."

# COMMITTEE REPORT

2/19/75

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had HOUSE BILL NO. 26

under consideration. A Majority of the members of the Committee

~~recommends it DO PASS~~

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR HB 26 AND THAT

CS FOR HB 26 DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends:	<u>no recommendation</u>
_____	recommends:	
_____	recommends:	
_____	recommends:	
_____	recommends:	

[Signature] Chairman

Original sponsor: Duncan, Miller and  
Ostrosky

Offered: 3/3/75  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 26

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act authorizing the creation of regional electrical  
authorities; and providing for an effective date."

7

8

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

9

\* Section 1. AS 18 is amended by adding a new chapter to read:

10

CHAPTER 57. REGIONAL ELECTRICAL AUTHORITIES.

11

Sec. 18.57.010. FINDING AND PURPOSE. The legislature finds that

12

an acute shortage of adequate, safe, reliable electrical facilities

13

exists in the rural areas of the state and that adequate electrical

14

systems cannot be provided by the private sector due to inadequate

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projected system revenues and economic depression in certain areas. The

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legislature further finds that adequate housing, public facilities and

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economic development are heavily dependent upon adequate, safe and

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reliable electrical facilities. These conditions are inimical to the

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safety, health, welfare and prosperity of the residents of the state and

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to the sound growth of rural communities. The legislature further finds

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that a reasonable means of accomplishing the purpose of providing ade-

22

quate, safe and reliable systems is the creation of regional electrical

23

authorities. It is the purpose and intent of the legislature to provide

24

a means whereby public corporations to serve as regional electrical

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authorities may be formed.

26

Sec. 18.57.020. CREATION OF AUTHORITIES. An association authorized

27

by AS 18.55.996(a) to form a regional housing authority is given the

28

authority to form a regional electrical authority. There is created with

29

respect to each of the associations named in AS 18.55.996(a) a public

1 body corporate and politic as a political subdivision of the state to  
2 function in the operating areas of the individual associations. Each  
3 authority may exercise all powers conferred by this chapter.

4 (a) A regional electrical authority may not transact business or  
5 exercise powers granted to it until the governing body of the associa-  
6 tion has, by resolution, declared there is a need for the authority to  
7 function, given it the authority to function and appointed persons to  
8 serve as the board of commissioners of the authority. The number of  
9 members of the board of commissioners, their terms of office and the  
10 filling of vacancies in office shall be determined by resolution of the  
11 governing body of the association.

12 (b) The regional electrical authority has jurisdiction to operate  
13 in all or part of the operating area of the individual association as  
14 determined by resolution of the governing body of the association. The  
15 governing body may, by resolution, add to or subtract from the area  
16 served. The authority may operate within the service area of a certi-  
17 ficated rural electrical cooperative or within the corporate limits of a  
18 municipality only with consent, by resolution, of the governing body of  
19 the municipality or cooperative; however, if an authority is operating  
20 within an area which becomes part of a municipality or has a certificate  
21 of convenience and necessity from the Alaska Public Utility Commission  
22 to operate in an area which becomes part of a municipality, no consent  
23 is necessary.

24 (c) A municipality, electrical cooperative or other provider of  
25 electrical service may transfer all or part of its electrical system  
26 including, without limitation, lands and rights in land, equipment and  
27 certificates or franchises, to a regional electrical authority by reso-  
28 lution of the governing board upon terms agreed upon with the authority;  
29 however, approval by resolution, of the board of commissioners of the

1 authority shall be obtained. Unless otherwise provided by law no other  
2 approvals to transfers are required.

3 Sec. 18.57.030. TAX EXEMPTION. (a) A regional electrical author-  
4 ity is not required to pay a tax or assessment on property owned by the  
5 authority.

6 (b) All obligations issued under this chapter are issued by a body  
7 corporate and public which is a political subdivision of the state and  
8 for an essential public and governmental purpose, and the obligations,  
9 and the interest and income on and from the obligations, and all fees,  
10 charges, funds, revenues, income and other money pledged or available to  
11 pay or secure the payment of the obligations or interest are exempt from  
12 taxation except for transfer, inheritance and estate taxes.

13 (c) All obligations or liabilities of a regional electrical  
14 authority remain its own and are not obligations or liabilities of the  
15 state.

16 Sec. 18.57.040. POWERS OF THE AUTHORITY. A regional electrical  
17 authority has the general power to

18 (1) adopt, alter and use a corporate seal;  
19 (2) prescribe, adopt, amend and repeal bylaws;  
20 (3) sue and be sued in its own name;  
21 (4) appoint officers, agents and employees and vest them with  
22 powers and duties and to fix, change and pay compensation for their  
23 services as the authority may determine;

24 (5) borrow money, make and issue bonds, notes and other  
25 evidences of indebtedness of the authority for any of its corporate  
26 purposes and to secure payment of its bonds and of other obligations  
27 by pledge of or lien on all or any of its assets, contracts, revenue  
28 and income;

29 (6) make and issue bonds for the purpose of funding, refund-

1 ing, purchasing, paying or discharging any of the outstanding bonds or  
2 obligations issued or assumed by it or bonds or obligations the principal  
3 or interest of which is payable in whole or in part from its revenue;

4 (7) make and execute agreements, contracts and other instru-  
5 ments necessary or convenient in the exercise of its powers and func-  
6 tions, including contracts with any person, firm, corporation, govern-  
7 ment agency or other entity;

8 (8) receive, administer and comply with the conditions and  
9 requirements of an appropriation, gift, grant or donation of property or  
10 money;

11 (9) invest or reinvest money or funds held by the authority  
12 in obligations or other securities or investments in which banks or  
13 trust companies in the state may legally invest funds held in reserves  
14 or sinking funds or funds not required for immediate disbursement, and  
15 in certificates of deposits or time deposits;

16 (10) acquire, hold, use, lease, sell or otherwise dispose of  
17 property of any kind, real, personal or mixed or any interest in it;

18 (11) acquire, produce, develop, manufacture, use, transmit,  
19 distribute, supply, exchange, sell or otherwise dispose of electric  
20 energy and other supplies and services as the authority determines  
21 necessary, proper, incidental or convenient in connection with its  
22 activities;

23 (12) determine, fix, alter, charge and collect rates, fees,  
24 rentals and other charges for the use of the facilities of the authority  
25 or for the service, electric energy or other commodities sold, rendered,  
26 or furnished by it;

27 (13) plan, design, construct, reconstruct, extend or improve  
28 any facility necessary or convenient in connection with its activities;

29 (14) enter on any land, water or premises for the purpose of

1 making surveys, soundings or examinations;

2 (15) exercise the powers of eminent domain and declaration of  
3 taking in accordance with AS 09.55.250 - 09.55.460;

4 (16) do all acts and things necessary, convenient or desirable  
5 to carry out the powers granted or implied in this chapter;

6 (17) adopt, amend and repeal rules and regulations necessary  
7 for the exercise and performance of its powers and duties or to govern  
8 the rendering of service, sale or exchange of electrical energy.

9 Sec. 18.57.050. BONDS AND NOTES. (a) The authority, by board  
10 resolution, may issue bonds and bond anticipation notes in order to  
11 provide funds to carry out and effectuate its purposes.

12 (b) The principal and interest on these bonds or notes is payable  
13 from authority funds. Bond anticipation notes may be payable from the  
14 proceeds of the sale of bonds or from the proceeds of sale of other bond  
15 anticipation notes or, if bond or bond anticipation note proceeds are  
16 not available, such notes may be paid from other funds or assets of the  
17 authority. Bonds or notes may be additionally secured by a pledge of a  
18 grant or contribution from the federal or state government, a corpora-  
19 tion, association, institution or person, or a pledge of money, income,  
20 or revenues of the authority from any source.

21 (c) Bonds or bond anticipation notes may be issued as provided by  
22 board resolution, in one or more series and shall (1) be dated; (2) bear  
23 interest at the prescribed rate per year or within the maximum rate; (3)  
24 be in a certain denomination or form, either coupon or registered; (4)  
25 carry the conversion or registration provisions; (5) have rank or  
26 priority; (6) be executed in a certain manner and form; (7) be payable  
27 from the sources in the medium of payment and place or places inside or  
28 outside the state; (8) be subject to authentication by a trustee or  
29 fiscal agent; and (9) be subject to terms of redemption, with or without

1 premium. Bond anticipation notes mature at a time determined by the  
2 authority. Bonds mature at a time, not exceeding 50 years from the date  
3 of their issuance, as determined by the authority. Before the prepara-  
4 tion of definitive bonds or bond anticipation notes, the authority may  
5 issue interim receipts or temporary bonds or bond anticipation notes,  
6 with or without coupons, exchangeable for bonds or bond anticipation  
7 notes when the definitive bonds or bond anticipation notes have been  
8 executed and are available for delivery.

9 (d) Bond or bond anticipation notes may be sold in the manner, on  
10 the terms, and at the price the authority determines.

11 (e) If an officer whose actual or facsimile signature appears on  
12 any bonds or notes or coupons attached to them ceases to be an officer  
13 before the delivery of the bond, note or coupon, his signature is valid  
14 as if he had remained in office until delivery.

15 (f) In a resolution of the authority authorizing or relating to  
16 the issuance of bonds or bond anticipation notes, the authority may,  
17 with the holders of the bonds or bond anticipation notes;

18 (1) pledge to any payment or purpose all or any part of  
19 revenues to which it is or will be entitled to and similarly pledge the  
20 money derived from the revenues, and the proceeds of any bonds or notes;

21 (2) covenant against pledging all or any part of its revenues  
22 or against permitting or suffering a lien on the revenues or its prop-  
23 erty;

24 (3) covenant as to the use and disposition of any and all  
25 payments of principal or interest received by the authority on mortgage  
26 loans, construction loans or other investments held by the authority;

27 (4) covenant as to establishment of reserves or sinking funds  
28 and the making of provision for and the regulation and disposition of  
29 the reserves or sinking funds;

1 (5) covenant with respect to or against limitations on a  
2 right to sell or otherwise dispose of property of any kind;

3 (6) covenant as to bonds and notes to be issued, and their  
4 limitations, terms and conditions, and as to the custody, application  
5 and disposition of the proceeds of the bonds and notes;

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

9 (8) covenant as to the payment of the principal of or inter-  
10 est on the bonds or notes, as to the sources and methods of the payment,  
11 as to the rank or priority of the bonds or notes with respect to a lien  
12 or security, or as to the acceleration of the maturity of the bonds or  
13 notes;

14 (9) provide for the replacement of lost, stolen, destroyed or  
15 mutilated bonds or notes;

16 (10) covenant against extending the time for the payment of  
17 bonds or notes or interest on the bonds or notes;

18 (11) covenant as to the redemption of bonds or notes and  
19 privileges of their exchange for other bonds or notes of the authority;

20 (12) covenant to create or authorize the creation of special  
21 funds of money to be held in pledge or otherwise for operation expenses,  
22 payment or redemption of bonds or notes, reserves or other purposes, and  
23 as to use and disposition of the money held in the funds;

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

29 (14) covenant as to the custody of any of its properties or

1 investments, their safekeeping and insurance, and the use and disposi-  
2 tion of insurance money;

3 (15) covenant as to the time or manner of enforcement or  
4 restraint from enforcement of any rights of the corporation arising by  
5 reason of or with respect to nonpayment of principal or interest of any  
6 mortgage loans or construction loans;

7 (16) provide for the rights and liabilities, powers and duties  
8 arising upon the breach of a covenant, condition or obligation, and to  
9 prescribe the events of default and the terms and conditions upon which  
10 any or all of the bonds, notes or other obligations of the authority  
11 become or may be declared due and payable before maturity and the terms  
12 and conditions upon which such a declaration and its consequences may be  
13 waived;

14 (17) vest in a trustee or trustees inside or outside the state  
15 property, rights, powers and duties in trust as the authority may  
16 determine, which may include any or all of the rights, powers and duties  
17 of a trustee appointed by the holders of bonds or notes, and to limit or  
18 abrogate the right of the holders of bonds or notes of the authority to  
19 appoint a trustee under this chapter or limit the rights, powers and  
20 duties of the trustee;

21 (18) pay the costs or expenses incident to the enforcement of  
22 the bonds or notes or of the provisions of the resolution or of a  
23 covenant or agreement of the authority with the holders of its bonds or  
24 notes;

25 (19) agree with a corporate trustee which may be a trust  
26 company or bank having the powers of a trust company inside or outside  
27 the state as to the pledging or assigning of revenues or funds to which  
28 or in which the authority has any rights or interest; and further pro-  
29 vide for other rights and remedies exercisable by the trustee as may be

1 proper for the protection of the holders of any bonds or notes of the  
2 authority and not otherwise in violation of law and may provide for the  
3 restriction of the rights of an individual holder of bonds or notes of  
4 the authority;

5 (20) appoint and provide for the duties and obligations of a  
6 paying agent or other fiduciary, by resolution, inside or outside the  
7 state;

8 (21) limit the rights of the holders of bonds or notes to  
9 enforce a pledge or covenant securing bonds or notes;

10 (22) make covenants other than expressly authorized in this  
11 section, of like or different character, and to make covenants as may be  
12 necessary or desirable, to better secure bonds or notes or which, in the  
13 discretion of the authority, will tend to make bonds or notes more  
14 marketable, notwithstanding the fact that the covenants are not enumer-  
15 ated in this section.

16 Sec. 18.57.060. VALIDITY OF PLEDGE. The pledge of assets or  
17 revenues of the authority to the payment of the principal or interest of  
18 obligations of the authority is valid and binding from the time the  
19 pledge is made and assets or revenues pledged are immediately subject to  
20 the lien of the pledge without physical delivery or further action. The  
21 lien of a pledge is valid and binding against all parties having claims  
22 of any kind in tort, contract or otherwise against the authority,  
23 irrespective of whether those parties have notice of the lien of the  
24 pledge. Nothing prohibits the authority from selling assets subject to  
25 a pledge, except that a sale may be restricted by the trust agreement or  
26 resolution providing for the issuance of the obligations.

27 Sec. 18.57.070. REMEDIES. A holder of obligations or coupons  
28 attached to them issued under the provisions of this chapter, and a  
29 trustee under a trust agreement or resolution authorizing the issuance

1 of the obligations, if not restricted by the trust agreement or resolu-  
2 tion, either at law or in equity, may enforce all rights granted under  
3 the coupons or under the trust agreement or resolution, or under any  
4 other contract executed by the authority under this chapter, and may  
5 enforce and compel the performance of all duties required by this  
6 chapter or by the trust agreement or resolution to be performed by the  
7 authority or by an officer of it.

8 Sec. 18.57.080. NEGOTIABLE INSTRUMENTS. All obligations and  
9 interest coupons attached to the obligations are negotiable instruments  
10 under the laws of this state, subject only to applicable registration  
11 provisions.

12 Sec. 18.57.090. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations  
13 issued under the provisions of this chapter are securities in which all  
14 public officers and public bodies of the state and its political sub-  
15 divisions, all insurance companies, trust companies, banking associa-  
16 tions, investment companies, executors, administrators, trustees and  
17 other fiduciaries may properly and legally invest funds, including  
18 capital in their control or belonging to them. These obligations may be  
19 deposited with the state or municipal officer of an agency or political  
20 subdivision of the state for any purpose for which the deposit of bonds,  
21 notes or obligations of the state is authorized by law.

22 Sec. 18.57.100. REFUNDING OBLIGATIONS. (a) The authority may  
23 provide for the issuance of refunding obligations for the purpose of  
24 refunding obligations then outstanding which have been issued under the  
25 provisions of this chapter, including the payment of redemption premium  
26 on them and interest accrued or to accrue to the date of redemption of  
27 the obligations. The issuance of the obligations, the maturities and  
28 other details of them, the rights of the holders of them, and the  
29 rights, duties and obligations of the authority in respect of them are

1 governed by the provisions of this chapter which relate to the issuance  
2 of appropriate obligations.

3 (b) Refunding obligations may be sold or exchanged for outstanding  
4 obligations issued under this chapter. If sold, the proceeds may be  
5 applied, in addition to other authorized purposes, to the purchase,  
6 redemption or payment of the outstanding obligations. Pending the  
7 application of the proceeds of any such refunding obligations, with any  
8 other available funds, to the payment of the principal (accrued interest  
9 and any redemption premium on the obligations being refunded, and, if so  
10 provided or permitted in the resolution authorizing the issuance of the  
11 refunding obligations or in the trust agreement securing them, to the  
12 payment of any interest on the refunding obligations and any expenses in  
13 connection with the refunding), the proceeds may be invested in direct  
14 obligations of, or obligations the principal of and the interest on  
15 which are unconditionally guaranteed by, the United States of America  
16 which mature or which will be subject to redemption, at the option of  
17 the holders of them, not later than the respective dates when the  
18 proceeds, together with the interest accruing on them, will be required  
19 for the purposes intended.

20 Sec. 18.57.110. CREDIT OF STATE NOT PLEDGED. Obligations issued  
21 under the provisions of this chapter do not constitute a debt, liability  
22 or obligation of the state or of any other political subdivision of the  
23 state or a pledge of the faith and credit of the state or a political  
24 subdivision of the state but are payable solely from the revenues or  
25 assets of the authority. Each obligation issued under this chapter  
26 shall contain on its face a statement that the authority is not obli-  
27 gated to pay it nor the interest on it except from the revenues or  
28 assets pledged for it and that neither the faith and credit nor the  
29 taxing power of the state or of a political subdivision of the state is

1 pledged to the payment of the principal of or interest on the obligation.

2 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-

3 070(c).

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1 IN THE HOUSE

BY DUNCAN AND MILLER

2 HOUSE BILL NO. 26

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the creation of regional electrical  
7 authorities."

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

9 \* Section 1. AS 18 is amended by adding a new chapter to read:

10 CHAPTER 57. REGIONAL ELECTRICAL AUTHORITIES.

11 Sec. 18.57.010. FINDING AND PURPOSE. The legislature finds that  
12 an acute shortage of adequate, safe, reliable electrical facilities exists  
13 in the rural areas of the state and that adequate electrical systems can-  
14 not be provided by the private sector due to inadequate projected system  
15 revenues and economic depression in certain areas. The legislature  
16 further finds that adequate housing, public facilities and economic devel-  
17 opment are heavily dependant upon adequate, safe and reliable electrical  
18 facilities. These conditions are inimical to the safety, health, welfare  
19 and prosperity of the residents of the state and to the sound growth of  
20 rural communities. The legislature further finds that a reasonable means  
21 of accomplishing the purpose of providing adequate, safe and reliable  
22 systems is the creation of regional electrical authorities. It is the  
23 purpose and intent of the legislature to provide a means whereby public  
24 corporations to serve as regional electrical authorities may be formed.

25 Sec. 18.57.020. CREATION OF AUTHORITIES. An association authorized  
26 by AS 18.55.996(a) to form a regional housing authority is given the  
27 authority to form a regional electrical authority. There is created with  
28 respect to each of the associations named in AS 18.55.996(a) a public  
29 body corporate and politic as a political subdivision of the state to

1 function in the operating areas of the individual associations. Each  
2 authority may exercise all powers conferred by this chapter.

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4 exercise powers granted to it until the governing body of the association  
5 has, by resolution, declared there is a need for the authority to function,  
6 given it the authority to function and appointed persons to serve as the  
7 board of commissioners of the authority. The number of members of the  
8 board of commissioners, their terms of office and the filling of vacan-  
9 cies in office shall be determined by resolution of the governing body  
10 of the association.

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12 in all or part of the operating area of the individual association as  
13 determined by resolution of the governing body of the association. The  
14 governing body may, by resolution, add to or subtract from the area  
15 served. The authority may operate within the corporate limits of a muni-  
16 cipality only with consent, by resolution, of the governing body of the  
17 municipality; however, if an authority is operating within an area which  
18 becomes part of a municipality or has a certificate of convenience and  
19 necessity from the Alaska Public Utility Commission to operate in an  
20 area which becomes part of a municipality, no consent is necessary.

21 (c) A municipality, electrical cooperative or other provider of  
22 electrical service may transfer all or part of its electrical system  
23 including, without limitation, lands and rights in land, equipment and  
24 certificates or franchises, to a regional electrical authority by  
25 resolution of the governing board upon terms agreed upon with the author-  
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19 powers and duties and to fix, change and pay compensation for their  
20 services as the authority may determine;
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2 instruments necessary or convenient in the exercise of its powers and  
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29 taking in accordance with AS 09.55.250 - 09.55.460;

1 (16) do all acts and things necessary, convenient or desirable  
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27 premium. Bond anticipation notes mature at a time determined by the  
28 authority. Bonds mature at a time, not exceeding 50 years from the date  
29 of their issuance, as determined by the authority. Before the preparation

1 of definitive bonds or bond anticipation notes, the authority may issue  
2 interim receipts or temporary bonds or bond anticipation notes, with or  
3 without coupons, exchangeable for bonds or bond anticipation notes when  
4 the definitive bonds or bond anticipation notes have been executed and  
5 are available for delivery.

6 (d) Bond or bond anticipation notes may be sold in the manner, on  
7 the terms, and at the price the authority determines.

8 (e) If an officer whose actual or facsimile signature appears on  
9 any bonds or notes or coupons attached to them ceases to be an officer  
10 before the delivery of the bond, note or coupon, his signature is valid  
11 as if he had remained in office until delivery.

12 (f) In a resolution of the authority authorizing or relating to  
13 the issuance of bonds or bond anticipation notes, the authority may, with  
14 the holders of the bonds or bond anticipation notes;

15 (1) pledge to any payment or purpose all or any part of  
16 revenues to which it is or will be entitled to and similarly pledge the  
17 money derived from the revenues, and the proceeds of any bonds or notes;

18 (2) covenant against pledging all or any part of its revenues,  
19 or against permitting or suffering a lien on the revenues its property;

20 (3) covenant as to the use and disposition of any and all  
21 payments of principal or interest received by the authority on mortgage  
22 loans, construction loans or other investments held by the authority;

23 (4) covenant as to establishment of reserves or sinking funds  
24 and the making of provision for and the regulation and disposition of the  
25 reserves or sinking funds;

26 (5) covenant with respect to or against limitations on a  
27 right to sell or otherwise dispose of property of any kind;

28 (6) covenant as to bonds and notes to be issued, and their  
29 limitations, terms and conditions, and as to the custody, application and

1 disposition of the proceeds of the bonds and notes;

2 (7) covenant as to the issuance of additional bonds or notes,  
3 or as to limitations on the issuance of additional bonds or notes and  
4 the incurring of the other debts;

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

9 (9) provide for the replacement of lost, stolen, destroyed or  
10 mutilated bonds or notes;

11 (10) covenant against extending the time for the payment of  
12 bonds or notes or interest on the bonds or notes;

13 (11) covenant as to the redemption of bonds or notes and  
14 privileges of their exchange for other bonds or notes of the authority;

15 (12) covenant to create or authorize the creation of special  
16 funds of money to be held in pledge or otherwise for operation expenses,  
17 payment or redemption of bonds or notes, reserves or other purposes; and  
18 as to use and disposition of the money held in the funds;

19 (13) establish the procedure, if any, by which the terms of  
20 any contract or covenant with or for the benefit of the holders of bonds  
21 or notes may be amended or abrogated, the amount of bonds or notes the  
22 holders of which must consent to amendment or abrogation, and the manner  
23 in which the consent may be given;

24 (14) covenant as to the custody of any of its properties or  
25 investments, their safekeeping and insurance, and the use and disposition  
26 of insurance money;

27 (15) covenant as to the time or manner of enforcement or  
28 restraint from enforcement of any rights of the corporation arising by  
29 reason of or with respect to nonpayment of principal or interest of any

mortgage loans or construction loans;

1 (16) provide for the rights and liabilities, powers and duties  
2 arising upon the breach of a covenant, condition or obligation, and to  
3 prescribe the events of default and the terms and conditions upon which  
4 any or all of the bonds, notes or other obligations of the authority  
5 become or may be declared due and payable before maturity and the terms  
6 and conditions upon which such a declaration and its consequences may be  
7 waived;

8 (17) vest in a trustee or trustees inside or outside the state  
9 property, rights, powers and duties in trust as the authority may  
10 determine, which may include any or all of the rights, powers and duties  
11 of a trustee appointed by the holders of bonds or notes, and to limit  
12 or abrogate the right of the holders of bonds or notes of the authority  
13 to appoint a trustee under this chapter or limit the rights, powers and  
14 duties of the trustee;

15 (18) pay the costs or expenses incident to the enforcement of  
16 the bonds or notes or of the provisions of the resolution or of a  
17 covenant or agreement of the authority with the holders of its bonds or  
18 notes;

19 (19) agree with a corporate trustee which may be a trust company,  
20 or bank having the powers of a trust company inside or outside the state  
21 as to the pledging or assigning of revenues or funds to which or in which  
22 the authority has any rights or interest; and further provide for other  
23 rights and remedies exercisable by the trustee as may be proper for the  
24 protection of the holders of any bonds or notes of the authority and  
25 not otherwise in violation of law and may provide for the restriction of  
26 the rights of an individual holder of bonds or notes of the authority;

27 (20) appoint and provide for the duties and obligations of a  
28 paying agent or other fiduciary, by resolution, inside or outside the  
29

1 state;

2 (21) limit the rights of the holders of bonds or notes to  
3 enforce a pledge or covenant securing bonds or notes;

4 (22) make covenants other than expressly authorized in this  
5 section, of like or differnt character, and to make covenants as may be  
6 necessary or desirable, to better secure bonds or notes or which, in the  
7 discretion of the authority, will tend to make bonds or notes more  
8 marketable, notwithstanding the fact that the covenants are not  
9 enumerated in this section.

10 Sec. 18.57.060. VALIDITY OF PLEDGE. The pledge of assets or  
11 revenues of the authority to the payment of the principal or interest of  
12 obligations of the authority is valid and binding from the time the  
13 pledge is made and assets or revenues pledged are immediately subject  
14 to the lien of the pledge without physical delivery or further action.  
15 The lien of a pledge is valid and binding against all parties having  
16 claims of any kind in tort, contract or otherwise against the authority,  
17 irrespective of whether those parties have notice of the lien of the  
18 pledge. Nothing prohibits the authority from selling assets subject to  
19 a pledge, except that a sale may be restricted by the trust agreement or  
20 resolution providing for the issuance of the obligations.

21 Sec. 18.57.070. REMEDIES. A holder of obligations or coupons  
22 attached to them issued under the provicions of this chapter, and a  
23 trustee under a trust agreement or resolution authorizing the issuance  
24 of the obligations, if not restricted by the trust agreement or  
25 resolution, either at law or in equity, may enforce all rights granted  
26 under the coupons or under the trust agreement or resolution, or under  
27 any other contract executed by the authority under this chapter, and  
28 may enforce and compel the performance of all duties required by this  
29 chapter or by the trust agreement or resolution to be performed by the

1 authority or by an officer of it.

2 Sec. 18.57.080. NEGOTIABLE INSTRUMENTS. All obligations and  
3 interest coupons attached to the obligations are negotiable instruments  
4 under the laws of this state, subject only to applicable registration  
5 provisions.

6 Sec. 18.57.090. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations  
7 issued under the provisions of this chapter are securities in which all  
8 public officers and public bodies of the state and its political sub-  
9 divisions, all insurance companies, trust companies, banking associations,  
10 investment companies, executors, administrators, trustees and other  
11 fiduciaries may properly and legally invest funds, including capital in  
12 their control or belonging to them. These obligations may be deposited  
13 with the state or municipal officer of an agency or political subdivis-  
14 ion of the state for any purpose for which the deposit of bonds, notes  
15 or obligations of the state is authorized by law.

16 Sec. 18.57.100. REFUNDING OBLIGATIONS. (a) The authority may  
17 provide for the issuance of refunding obligations for the purpose of  
18 refunding obligations then outstanding which have been issued under  
19 the provisions of this chapter, including the payment of redemption  
20 premium on them and interest accrued or to accrue to the date of  
21 redemption of the obligations. The issuance of the obligations, the  
22 maturities and other details of them, the rights of the holders of them,  
23 and the rights, duties and obligations of the authority in respect of  
24 them are governed by the provisions of this chapter which relate to the  
25 issuance of appropriate obligations.

26 (b) Refunding obligations may be sold or exchanged for outstanding  
27 obligations issued under this chapter. If sold, the proceeds may be  
28 applied, in addition to other authorized purposes, to the purchase,  
29 redemption or payment of the outstanding obligations. Pending the

1 application of the proceeds of any such refunding obligations, with any  
2 other available funds, to the payment of the principal (accrued interest  
3 and any redemption premium on the obligations being refunded, and, if so  
4 provided or permitted in the resolution authorizing the issuance of the  
5 refunding obligations or in the trust agreement securing them, to the  
6 payment of any interest on the refunding obligations and any expenses  
7 in connection with the refunding), the proceeds may be invested in direct  
8 obligations of, or obligations the principal of and the interest on which  
9 are unconditionally guaranteed by, the United States of America which  
10 mature or which will be subject to redemption, at the option of the  
11 holders of them, not later than the respective dates when the proceeds,  
12 together with the interest accruing on them, will be required for the  
13 purposes intended.

14 Sec. 18.57.110. CREDIT OF STATE NOT PLEDGED. Obligations issued  
15 under the provisions of this chapter do not constitute a debt, liability  
16 or obligation of the state or of a political subdivision of the state  
17 or a pledge of the faith and credit of the state or a political sub-  
18 division of the state but are payable solely from the revenues or assets  
19 of the authority. Each obligation issued under this chapter shall contain  
20 on its face a statement that the authority is not obligated to pay it  
21 nor the interest on it except from the revenues or assets pledged for it  
22 and that neither the faith and credit nor the taxing power of the state  
23 or of a political subdivision of the state is pledged to the payment of  
24 the principal of or interest on the obligation.  
25  
26  
27  
28  
29

#

ALASKA FEDERATION OF NATIVES, INC.



1675 C STREET  
ANCHORAGE, ALASKA 99501  
PHONE (907) 274-3611

*Staffer  
Filer  
Boh*

*Integrity, Pride in Heritage, Progress*

EXECUTIVE OFFICES  
**RECEIVED**  
JAN 27 1975

Tlingit & Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801

January 22, 1975

Mr. Robert W. Loescher  
Executive Director  
Tlingit & Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Dear Robert:

First, let me congratulate you on your proposed Rural Electrification legislation. With your usual wisdom and forethought, I find that your noble approach to solving the problem of delivery of hand maintenance the cheap power source for villages in Southeast Alaska is a good one.

I am pleased to see that at a recent meeting of villages and towns in Sitka, that your proposal and your concept was adopted by those in attendance. Please let me know if there is anything I can do to help you in establishing these new means of developing rural electric co-ops.

Sincerely,

*Roger Lang*  
Roger Lang  
President



# Alaska Village Electric Co-operative, inc.

999 TUDOR RD., ANCHORAGE, ALASKA 99503  
TELEPHONE 279-3548

September 16, 1974

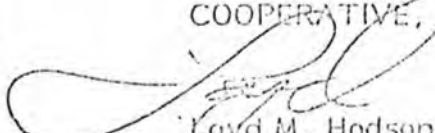
Robert Loescher  
Executive Director  
Tlingit Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Dear Mr. Loescher:

In accordance with recent correspondence and followup of your meeting with the A.V.E.C. Board, attached is a copy of a Resolution passed by the A.V.E.C. Board on September 10, 1974.

Best Wishes,

ALASKA VILLAGE ELECTRIC  
COOPERATIVE, INC.

  
Lloyd M. Hodson  
General Manager

LMH/ma  
Encl.

RECEIVED  
SEP 19 1974

Tlingit-Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801

4225

Regional Electrification Authority

Whereas: adequate housing, public facilities, and economic development are desperately needed in our rural areas, and

Whereas: development of those adequate housing depend on safe electrical systems, and

Whereas: it is necessary to provide public corporations to assist in providing those electrical systems, and

Whereas: The SEAGAP Board of Directors is aware of the filing of HB 26 by Representatives Duncan and Miller,

Now therefore be it resolved: that SEAGAP Board of Directors, meeting this day, February 13, 1975, in Juneau, Alaska, vote to support House Bill 26, authorizing the creation of regional electrification authorities.

ATTEST:

Oratha Williams  
Secretary

Dick Whittaker  
President

February 14, 1975  
Date

RESOLUTION NO. \_\_\_\_\_

ENTITLED: DEVELOPMENT OF A SOUTHEAST  
ALASKA ELECTRICAL COOPERATIVE

WHEREAS, the Alaska Village Electric Cooperative, Inc. is a nonprofit Cooperative association established under the and by virtue of the Electric and Telephone Cooperative Act of 1959 for the express purpose of providing electrical generation and service to the people of small and often remote village of the State of Alaska, and,

WHEREAS, AVEC'S Electrification program was made possible through an REA loan granted in 1968 and subsequent REA loans to date, and,

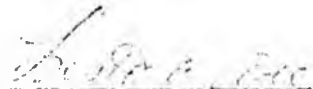
WHEREAS, the Alaska Village Electric Cooperative was established and is being supported through the mutual cooperation of several state and federal agencies, and

WHEREAS, AVEC is currently providing service to 48 villages in the State of Alaska, only one of which is located in Southeast Alaska, and

WHEREAS, the Tlingit & Haida Regional Housing Authority is working with various State and Federal agencies in an effort to electrify several rural Southeast Alaskan communities.

THEREFORE, BE IT RESOLVED, that the Alaska Village Electric Cooperative, Inc. does hereby approve of and endorse the Authority's efforts to have a comprehensive study conducted in the villages in question to determine the feasibility of establishing a separate REA sponsored cooperative to serve rural Southeast Alaska.

Passed and approved by the Board of Directors of the Alaska Village Electric Cooperative, Inc. this 10<sup>th</sup> day of Sept, 1974, by a vote of \_\_\_ years and \_\_\_ days.

  
\_\_\_\_\_  
President  
Alaska Village Electric Cooperative, Inc.

  
\_\_\_\_\_  
Secretary

BILLY G. BERRIER  
ATTORNEY  
146 HOWELL STREET  
JUNEAU, ALASKA  
99801

Phone 586-6142

Dec. 6, 1974

MEMORANDUM TO: Robert W. Loescher  
Executive Director  
Tlingit-Haida Regional Housing Authority

Enclosed are the two bills I have drafted at your request.

The problem you outlined was to find a means whereby electrical systems could be constructed, operated, and financed in certain specified areas. Because of the current state of the existing service and the limited revenue potential several factors were necessary;

- (a) Financing at the lowest possible cost which requires authority to receive and utilize federal and state grants and loans (including R.F.A. financing) and a capability to issue securities, the income of which is not taxable to the holder to realize the interest savings inherent in tax exempt securities
- (b) It must be possible to construct and operate the systems on a larger than local basis because individually the village operations would not be feasible financially
- (c) Maximum operating flexibility in order that the diverse factors which exist and may arise in the future could be accommodated and maximum operating efficiency could be attained thus realizing such cost economies as are possible.

Under existing law part, but not all, of these objectives can be attained. There are several limitations on electrical cooperatives organized under AS. 10.25 the principal ones being structural and service limitations and the lack of authority to issue tax exempt securities. Municipal operation does not allow the scope necessary for a feasible project and,

althouth the municipalities could enter into a cooperation agreement under the constitution and statues, no seperate corporate entity to carry out the required functions could be created directly. This could be handled in a somewhat cumbersome manner but because the fact that one of the areas which must be included is not a municipal corporation this avenue is not open.

After considerable exploration of the alternatives we agreed that legislation providing a vehicle to accomplish this should be prepared. Any such legislation must avoid conflict with a state-wide agency for financing electrical systems should one be created.

Since there are two reasonable approaches to do this I have drafted a bill for each alternative approach. The enclosed bills, in my opinion, accomplish these objectives. Further the vehicles which can be created would be useful in a wide varity of situations so that they should be acceptable to other areas of the state, since many areas face similar problems.

*Billy J. Lussier*

# Nushagak Electric Co-operative, Inc.

P. O. BOX 197

DILLINGHAM, ALASKA 99576

February 7, 1975

Mr. Nels A. Anderson, Jr.  
State House of Representatives  
Pouch V  
Juneau, Alaska 99801

RE: House Bill No. 26

Dear Nels:

A copy of HB No. 26 came across my desk the other day and it moves me to make some comment in behalf of Nushagak Electric Cooperative, Inc.

I heartily approve of the concept of increasing, improving and insuring the reliability of electric service in this state especially since climatic conditions play such a significant part in our life style. Unfortunately, most communities today have very few options available for their very survival in the event of an electrical system breakdown.

We need a plan to handle contingencies of an emergency nature, and as far as I can see, there has been nothing forthcoming from any agency to handle the ever increasing frequency of prolonged power outages and breakdowns that occur each winter. For an example, the military generators that were shipped to Kodiak in their recent power crisis were immediately shipped back outside for storage. Why were they not stored at Elmendorf or other suitable military installations in Alaska for future contingencies?

On the surface, it would appear that HB 26 would not readily lend itself to more efficient rural electric utility operations. Apparent disadvantages would include the following:

1. The establishment of a regional electrical authority would provide a political tool for assumption of responsibilities already adequately handled by other agencies, i.e., Federal Power Commission, Rural Electrification Administration, Alaska Public Utilities Commission, various municipalities and REA cooperatives throughout the state.
2. HB 26 as written does not make provision for technical expertise on the governing body of the association. This is really the crux of most power supply problems -- lack of funds and good technical assistance.

Nels A. Anderson, Jr.  
February 7, 1975 -- Page 2

3. The mailing list dated January 31, 1975 and signed by Bob Bradley appears to be essentially directed at Native organizations throughout the State. No utilities are included. I cannot help but feel that this may be an effort to make political hay over a particular event which did not affect more than one community. If this is not the case, I would certainly be receptive to some enlightenment.

On the plus side, I believe HB 26 brings to light and helps to underscore a very basic problem area -- that the power supply in most Alaskan communities leaves much to be desired. We do not have a readily available supply of technical manpower which is of primary importance if the lights are to be kept burning. Most Alaskan communities are at the mercy of one fuel supplier. Most utilities in those areas have to rely on diesel generation which is, historically, the most expensive. Requirements involving development of hydro power are astronomical -- no rural community can foot the bill by itself!

Yes, there are very definite power supply problems begging for solutions. To start with, I would suggest establishing a power pool under the aegis of the APUC or the Alaska Power Administration that would supply emergency diesel generation units on short notice to any Alaskan community. In addition, this same agency should survey all possible hydro sites, determine feasibility over the long run and assist through the REA or a state bonding bank to develop these facilities as soon as possible. The immediate effect would be twofold -- the cost of fuel would be eliminated and the cost of producing power over the long run would remain relatively stable. There is no chance for this condition to exist as long as we are tied to a rapidly depleting fuel.

Nels, thank you for listening. I would like some feedback on this matter, if possible.

Best Regards,

NICHANAK ELECTRIC COOPERATIVE, INC.

*David F. Bouker*  
David F. Bouker  
Manager

DFB:ju



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 10, 1974

RECEIVED  
JAN 16 1975

Mr. Robert W. Loescher  
Executive Director  
Tlingit-Haida Regional  
Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Tlingit-Haida Regional Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Dear Mr. Loescher:

This will acknowledge our receipt of your letter of December 17, 1974, concerning rural electrification problems and legislation.

I know personally that the electrification problems you speak of in your letter are genuine and that their solution is critical to achieve better living conditions for rural residents throughout the State. Reliable electric service and other basic public utilities have a key role in community development and are a major responsibility of local government and related public utility organizations.

Therefore, I have requested the Department of Community and Regional Affairs to study the draft legislation you propose to determine how it might contribute to realization of the State's community development objectives. When that review is completed, a more detailed reply will be forthcoming.

Thank you for sharing your experience with rural utility problems and your ideas about possible legislative solutions.

Sincerely,

Jay S. Hammond  
Governor

*file*  
STATE OF ALASKA

DEPARTMENT OF COMMERCE  
ALASKA PUBLIC UTILITIES COMMISSION

JAY S. HAMMOND, Governor

1100 MACKAY BUILDING  
333 DENALI STREET - ANCHORAGE 99501

January 17, 1975

Robert W. Loescher, Executive Director  
Tlingit and Haida Regional  
Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Dear Mr. Loescher:

I have read your letter of December 18, 1974 with interest, and have given copies of this material to my fellow commissioners. We will keep your discussions in mind during the upcoming legislative session in the event we are asked to comment regarding the power situation in small communities.

I appreciate the time and effort that you have taken to develop what I consider a valid document discussing the difficulties of financing electric generation and distribution systems in these areas.

Very truly yours,

ALASKA PUBLIC UTILITIES COMMISSION

*Jim Hendershot*  
James R. Hendershot, Commissioner

JRH/pat

CC: Mayor Frank See - Hoonah  
Mayor Cyril George - Angoon  
Mayor Frank Gordon - Kake  
Mayor John Stann - Klawock  
Mayor Dick Hetch - Klutina

RECEIVED  
JAN 22 1975

Tlingit and Haida Housing Authority  
525 Village Street  
Juneau, Alaska 99801



tingit & haida regional housing authority



ROBERT W. LOESCHER  
Executive Director

February 10, 1975

Honorable Tim Wallis  
House of Representatives  
State of Alaska  
Vice-Chairman  
Commerce Committee  
Pouch V - State Capitol  
Juneau, Alaska 99801

Dear Representative Wallis:

Pursuant to your request, enclosed for the Commerce Committee's information in reviewing House Bill No. 26, "An Act Authorizing the creation of Regional Power Authorities", is the preliminary feasibility study prepared by the Tlingit-Haida Regional Housing Authority.

Also, included are the preliminary responses from various State and Federal agencies after reviewing the bill.

We urge early consideration of this legislation. Thanking you for this consideration.

Sincerely,

TLINGIT-HAIDA REGIONAL HOUSING AUTHORITY

Robert W. Loescher  
Executive Director

encls.

REL: (11: 10)  
FRANK SEE -- Chairman, Hoonah  
CYRIL GEORGE -- 1st Vice Chairman, Angoon  
CAROLYN POWELL -- Secretary, Yakutat

ROBERT SANDERSON -- Treasurer, Hydaburg  
BERTHA CAVANAUGH -- Member at Large, Kake



# tingit & haida regional housing authority



ROBERT W. LOESCHER  
Executive Director

February 14, 1975

Mr. Robert Bradley  
Chairman  
House Commerce Committee  
Alaska State Legislature  
Pouch V  
State Capital  
Juneau, Alaska 99801

Re: HB 26

Dear Mr. Bradley:

We would like to thank your committee for the diligent work it has put into HB 26 entitled "An Act Authorizing the Creation of Regional Electrical Authorities." As proponents of the bill, we have been working to generate support of interested groups around the State of Alaska in order to secure proper input on the legislation for its passage. Today in a meeting with the Alaska Rural Electric Cooperative Association an amendment was proposed by the group that would improve the legislation and prevent encroachments into existing electrical service areas without consent of already established cooperatives. The changes are as follow:

Proposed amendment to HB 26 on page 2 Sec. 18.57.020 subsection (b) line 15 after the words "The authority may operate within" add the words "the service area of a certificated rural electrical cooperative or within..."

Further, insert in the same subsection (b) on line 17 after the word "municipality" add the words "or cooperative;"

The whole Sec 18.57.020 subsection (b) would then read as follows:

(b) The regional electrical authority has jurisdiction

FRANK SEE -- Chairman, Hoonah  
CYRIL GEORGE -- 1st Vice Chairman, Angoon  
CAROLYN POWELL -- Secretary, Yakutat

ROBERT SANDERSON -- Treasurer, Hydaburg  
BERTHA CAVANAUGH -- Member at Large, Kake

February 14, 1975

to operate in all or part of the operating area of the individual association as determined by resolution of the governing body of the association. The governing body may, by resolution, add to or subtract from the area served. The authority may operate within the service area of a certificated rural electrical cooperative or within the corporate limits of a municipality only with consent, by resolution, of the governing body of the municipality or cooperative; however, if an authority is operating within an area which becomes part of a municipality or has a certificate of convenience and necessity from the Alaska Public Utility Commission to operate in an area which becomes part of a municipality, no consent is necessary.

With the aforementioned changes, the Alaska Rural Electric Cooperative Association went on record as supporting the legislation.

Our group completely supports the recommended changes and requests the amendment as soon as possible. We will ask the sponsors of the legislation, Representatives Duncan and Miller, by a copy of this letter, to endorse these changes in the draft legislation.

Thanking you for this consideration.

Sincerely,

TLINGIT-HAIDA REGIONAL  
HOUSING AUTHORITY

Robert M. Looscher  
President

cc: Rep. Duncan  
Rep. Miller  
Senator Bill Ray  
Mayor of Hoonah  
Mayor of Eke  
Mayor of Angoon  
Mayor of Klawock  
Mayor of Klukwan  
Alaska Village Electric Cooperative Inc.

RWle:jf



UNITED STATES  
DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

Juneau Area Office  
P. O. Box 3-8000  
Juneau, Alaska 99801

January 2, 1975

Mr. Robert W. Loescher  
Executive Director  
Tlingit & Haida Regional  
Housing Authority  
525 Village Street  
Juneau, Alaska 99801

Dear Mr. Loescher:

Indeed we are interested in your approach to Rural Electrification legislation as advanced by your December 19, 1974 letter. We hope you have been in touch with AVEC on the matter, as we understand they have been working on the same basic approach for several months past. The impacts of the proposed legislation on the economics of rural utilities might be best presented for comparison using the AVEC operating experience of the past five years.

Perhaps it would help for you to understand our particular aspect of the AVEC dilemma. Five years ago a three-way agreement was made between REA, AVEC and BIA. Essentially, an income base was established for AVEC by BIA agreement to pay a minimum rate for all schools using AVEC electricity so AVEC could build up the system and be able to repay REA loans needed to start the system. The State Operated Schools system accepted a like agreement shortly thereafter. When started, the rate was \$1200 per location per month; it is currently \$2835 per month per location. As you can see, this is an increased cost of over 150 percent over five years to BIA and SOS. This is a substantial cost borne by both the BIA and SOS educational budgets.

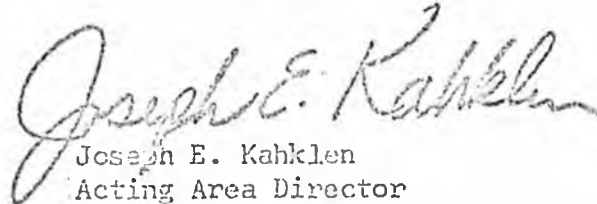
Within the BIA budgetary system our budget increases over the same five years have not kept pace. Our appropriations have increased less than 40% over the same period of time. Our school maintenance and operating budgets now buy little more than electricity, even extending to our schools where there are no AVEC systems. This, combined with the extreme increases in petroleum products and general inflation, face us with very serious problems this fiscal year and next.

While we cannot readily gauge the dollar impact of what you propose as a legislative remedy, we see quite clearly that the method used

with AVEC in the recent past cannot support either the continuing rural electric systems nor development of any new rural systems. A new base must be built so rural electrical systems can achieve sound financing, especially because of the impacts you point out caused by housing improvements and increased economic and industrial-type development activities. The reliance on educational facilities as the financing base is too narrow and cannot sustain the base over the long term.

While your letter does not solicit specific help, we will be happy to assist with the development of materials for legislative presentation at your request. We are limited so far as staff knowledgeable in this particular area, but do have records and information which may be helpful as you develop your presentations.

Sincerely yours,

A handwritten signature in cursive script that reads "Joseph E. Kahklen". The signature is written in dark ink and is positioned above the typed name and title.

Joseph E. Kahklen  
Acting Area Director

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL ELECTRIFICATION ADMINISTRATION  
WASHINGTON, D.C. 20250

OFFICE OF THE ADMINISTRATOR

JAN 14 1975

Mr. Robert W. Loescher, Executive Director  
Tlingit & Haida Regional Housing Authority  
Juneau, Alaska 99801

Dear Mr. Loescher:

We have read the proposal that you submitted to your legislators and do wish to offer some comments regarding it.

In earlier correspondence to you dated July 17, 1974, and September 12, 1974, Mr. Fitch and I have indicated reasons why we are not in favor of the creation of additional organizations which may detract from the ability of the AVEC to accomplish its objective.

In a letter to Senator Gravel dated August 15, 1974, we discussed the possibility of making REA funds available directly to the State of Alaska or an authority created by the State for such a purpose. Under such an arrangement REA could make loans and advance funds based on assignment of bonds or other forms of security. The State would continue to have access to other Federal funds as it now does. Under such an arrangement the property of AVEC could be transferred to the State by debt assumption. Since the State is now contributing substantially to the support of AVEC through the high minimum revenue guarantee by the State operated schools, substantial savings may be made by using village school employees, many of whom are already qualified to operate the generating plants. In addition, the State is in the best position to determine where and at what rate additional village systems should be added in coordination with its other village activities.

We now suggest that perhaps such a solution may still be the best means of resolving the problems of feasibility limitations and could result in more villages being provided service at a faster rate. REA would be favorable to such an arrangement.

Sincerely,



DAVID A. HARRIS  
Administrator



# Alaska State Legislature

## House

JUNEAU ALASKA

Commerce Committee

Meeting Feb. 6,  
House Bill 26

Members Present: Wallis, Kelley, Rhodes, Union, Freeman

Commissioner Motley: Power requirements here are mainly affected by outmoded equipment and a change in use requirements. The methodology of the bill is good, though it needs to set an effective date.

Bob Loescher: Through the work of the Tlinglet-Haida Housing Authority he and others have found that a chief area of difficulty is the development of electrical facilities which can handle industry and growth. A year ago they did a study with Community and Regional Affairs and other groups to provide data to use to go to the Rural Electrification Administration (REA) for low-interest loan money. In this process they took a look at the State Co-operative Act and the Rural Electrification Co-operative Act which normally are used as the legal instrument of the business entity of an electrical firm. They realized there would be difficulties under these laws, they would like to merge municipal systems into a common system. They also need some powers, such as condemnation, tax-exemption, and new sources of funding. They drafted this bill so they can incorporate.

Bill Berrier: Mr. Berrier was called in to propose solutions to the electrical problem, of how electricity can best be provided. Many villages through out Alaska have similar problems. Individual villages may not get REA loans, because they aren't singly large enough to have feasible projects. Some system is needed to combine them into larger units. So one thing they found out they needed was something capable of REA loans. Also they needed to be given the authority to operate under. And last it had to be something capable of issuing tax-exempt securities. There are several approaches.

1. An REA co-op formed, there are some difficulties
  - a. The acts is outmoded
  - b. there are technical difficulties
  - c. they can't issue tax-exempt securities.
2. Using the Cooperation agreement of the Consitution, municipalities involved could enter into a cooperation agreement but this is very complex when you have five cities. None of these devices seemed adequate. The approach they came up with would also have to tie in with other factors.

1. The possibility of a state authority.
  2. Possibilities of state appropriations of direct aid.
- This bill seemed to create a mechanism that would solve the problems involved, and it should not hurt AVEC.

The Legislature of the State of Alaska  
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. CS CS HB 26  
 Title: Creation of Regional Electrical Authorities  
 Requested by: Senate Finance Date: May 12, 1975  
 Return Date Requested: May 15, 1975  
 Agency: Community & Regional Affairs Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: \_\_\_\_\_  
 A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		0				
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

No State administrative costs anticipated.

IV. ATTACHMENTS

V. DATE: 5/15/75 PREPARED BY: Kevin Wain

Director  
Community Planning

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)