LEG. FINANCE - BILLS 1977 - 1978 832

HB 881 thru HB 887

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.

Thomas O. Smith
Signature of Camera Operator

2/23/90
Date

02-519 (REV 8/78)

Introduced: 3/10/78
Referred: Finance

IN THE HOUSE BY THE RESOURCES COMMITTEE

HOUSE BILL NO. 881

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act establishing the underutilized fisheries experimental vessel account within the commercial fishing revolving loan fund."

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

* Section 1. AS 16.10 is amended by adding a new section to read:

Sec. 16.10.345. UNDERUTILIZED FISHERIES EXPERIMENTAL VESSEL ACCOUNT. (a) There is established as a special account within the commercial fishing revolving loan fund the underutilized fisheries experimental vessel account.

(b) The commissioner of commerce and economic development shall use the funds allocated to the underutilized fisheries experimental vessel account for the purchase and operation of a vessel capable of catching and processing underutilized fish species.

(c) The commissioner shall use the operations of the vessel to gather information relating to the processing and marketing of underutilized fish species and shall prepare an annual report based upon the information gathered. The report shall be made available to the public no later than January 30 of each year.

COMMITTEE REPORT

HOUSE

3/10/78

FURTHER: _____

_____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 881
"An Act establishing the underutilized fisheries experimental vessel account within the commercial fishing revolving loan fund."

under consideration and (a majority of the committee) (the committee reports it back as follows)

( ) 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 _____( ) new title ( ) same title

( ) AND attaches a Letter of Intent ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

_____

_____

_____

_____

_____

_____

_____

_____

_____

OTHER RECOMMENDATIONS:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____
Chairman

H 60 (rev. 6/77)

5138
Vassar

Introduced: 3/10/78
Referred: Finance

IN THE HOUSE BY THE RESOURCES COMMITTEE

HOUSE BILL NO. 881

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ALASKA STATE LEGISLATURE

TENTH Legislature SECOND Session

HOUSE BILL NO. 881

By THE RESOURCES COMMITTEE

"An Act establishing the underutilized fisheries experimental vessel account within the commercial fishing revolving loan fund."

establishing the underutilized fisheries experimental vessel

Introduced in the House 3-10, 1978.

HISTORY IN THE HOUSE

19	
1978	Read first time and referred to Committee on
Mar. 10	Finance
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

31-002

RECORDS CERTIFICATION

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Jonas O. Smith
Signature of Camera Operator

2/23/90
Date

02-519 (REV 8/78)

JAY S HAMMOND
GOVERNOR

DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT
DIVISION OF ENERGY & POWER DEVELOPMENT

7TH FLOOR MACKAY BLDG
338 DENALI STREET
ANCHORAGE, AK 99501
Tel. (907) 272-0527

May 22, 1978

Representative Oral Freeman
House Finance Committee
Capitol Building
Juneau, Alaska 99811

Dear Representative Freeman:

Thank you for your consideration of HB 882, our request for $58,000 FY 78 supplemental appropriation.

As indicated during the hearing, I'm enclosing the backup expenditure data you requested. Please feel free to contact me if further explanation is desired.

Unfortunately, during my presentation, I unintentionally confused committee members on several points. I hope the following will clarify these areas:

(1) The community college project at Kotzebue, subcontracted to the University of Alaska, utilizes an "off the shelf" commercially available wind turbine. The 2KW Dunlite has been marketed in the Lower 48 and elsewhere for many years. It is a proven system which has been used in remote rural locations. Should the local dealer, Windlite Alask , not be able to repair the machine in the field, appropriate spare parts or a new unit will be obtained and installed at the company's expense.

(2) The Nelson Lagoon unit is a prototype now being used in several locations in the Lower 48. The manufacturer, Grumman Energy Systems, a subsidiary of Grumman Aerospace Corporation, provides a one-year warranty on parts and service.

The purpose of the Nelson Lagoon Project is to test the wind system in a "real life" Alaskan environment. Because the project is experimental in nature and a demonstration, standard construction guarantees do not apply. There are "unknowns" such as interfacing with the diesel generators, the capability of the unit to operate in continual high and gusting wind conditions, to withstand salt spray and corrosion and to deal with extreme cold and icing conditions. The opportunities for wind (electric generation, heating, and pumping) energy in Alaska are many and offer one of the partial solutions for alleviating the critical bush energy problems. Without an active R & D effort, such as the Nelson Lagoon Project, realization of proven production wind turbines in Alaska will be slow in coming.

08-H1LH

(3) Following failure of the first unit, a "good faith" agreement was concluded between the State and Grumman. Of primary importance was the continuation of the demonstration despite the unexpected setback. The new unit is operational and we're confident no similar major incident will take place. Because it is experimental in nature, however, we do expect problems to occur from time-to-time as the system operates in many different and often adverse weather conditions.

(4) During my presentation, expenditures cited were not entirely correct. Items not covered were operational budget funding, the original feasibility costs and the required purchase of a new diesel generator. Kotzebue project costs were $40,000 and not $50,000. The electrical grid installation was $110,000 rather than $80,000.

I hope this answers your questions. Thank you again for your assistance.

Sincerely,

Clarissa Quinlan

Clarissa Quinlan
Director
DEPD

CQ/njt

cc: House Finance Committee Members

NELSON LAGOON WIND DEMONSTRATION PROJECT

ORIGINAL INSTALLATION EXPENDITURES

	Boeing Computer Services		S & S Electric		Pacific Diesel		Grumman	
	Materials	Labor and Associated	Materials	Labor and Associated	Materials	Labor and Associated	Materials	Labor and Associated
Feasibility Study and Preliminary Engineering Design	- 0 -	37.3	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Electrical Distribution Grid Installation	43.0	50.5	- 0 -	17.5	- 0 -	- 0 -	- 0 -	- 0 -
Original Wind System Installation	- 0 -	- 0 -	20.2	81.6	9.9	1.7	35.0	1.5
State of Alaska 278.2	43.0	87.8	20.2	99.1	9.9	1.7	35.0	1.5
*Alaska Power Administration - 20.0								

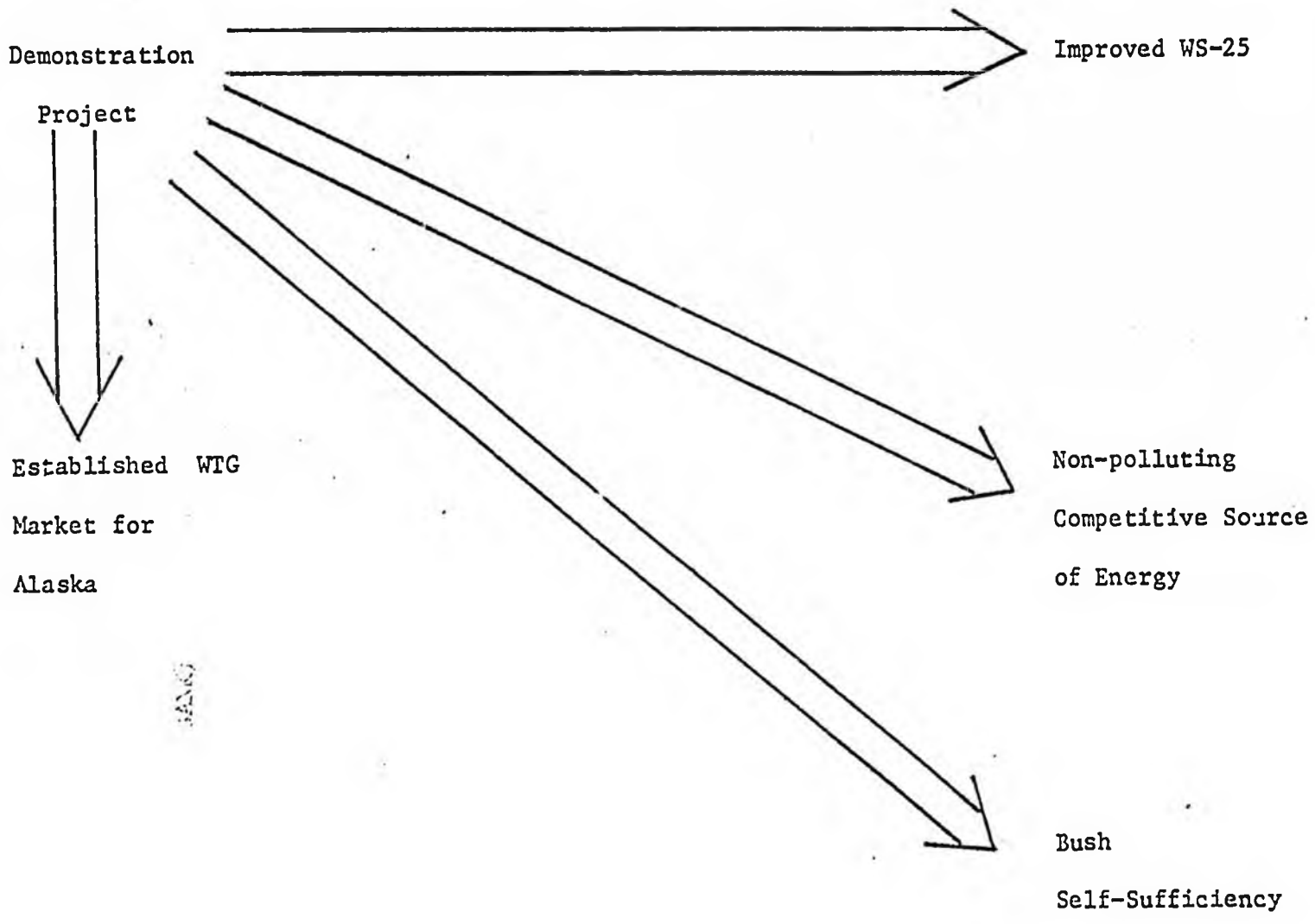
FUNDING SOURCE

	Special Legislative Appropriation	DEPD Operational Budget
FY 1976	210.0	10.2
FY 1977	10.0	48.0

NELSON LAGOON WIND DEMONSTRATION PROJECT

Supplemental Appropriation Request

	Boeing Computer Services		S & S Electric		Pacific Diesel		Grumman	
	Materials	Labor and Associated	Materials	Labor and Associated	Materials	Labor and Associated	Materials	Labor and Associated
Grumman Reinstallation $58,000	- 0 -	- 0 -	- 0 -	39.2	- 0 -	- 0 -	- 0 -	18.8


Demonstration
Project
Improved WS-25
Established WTG
Market for
Alaska
Non-polluting
Competitive Source
of Energy
Bush
Self-Sufficiency

DEMONSTRATION PROJECT

Purpose

- Investigate viability of wood energy in the Alaska environment.
- Determine operating conditions for product development.
- Determine fuel savings for an independent small utility.

Accomplishments

- WS-25 supplied over one-half of the power needs of the Lagoon during its operation.
- Discovered that the Alaskan environment introduces conditions not experienced in the Lower 48 States.
- Based on the one month of operation we show a potential savings of at least 6,756 gallons of fuel oil for one year.
  - Based on a highly efficient diesel generating system.
  - Most Alaskan facilities show a lower fuel efficiency.

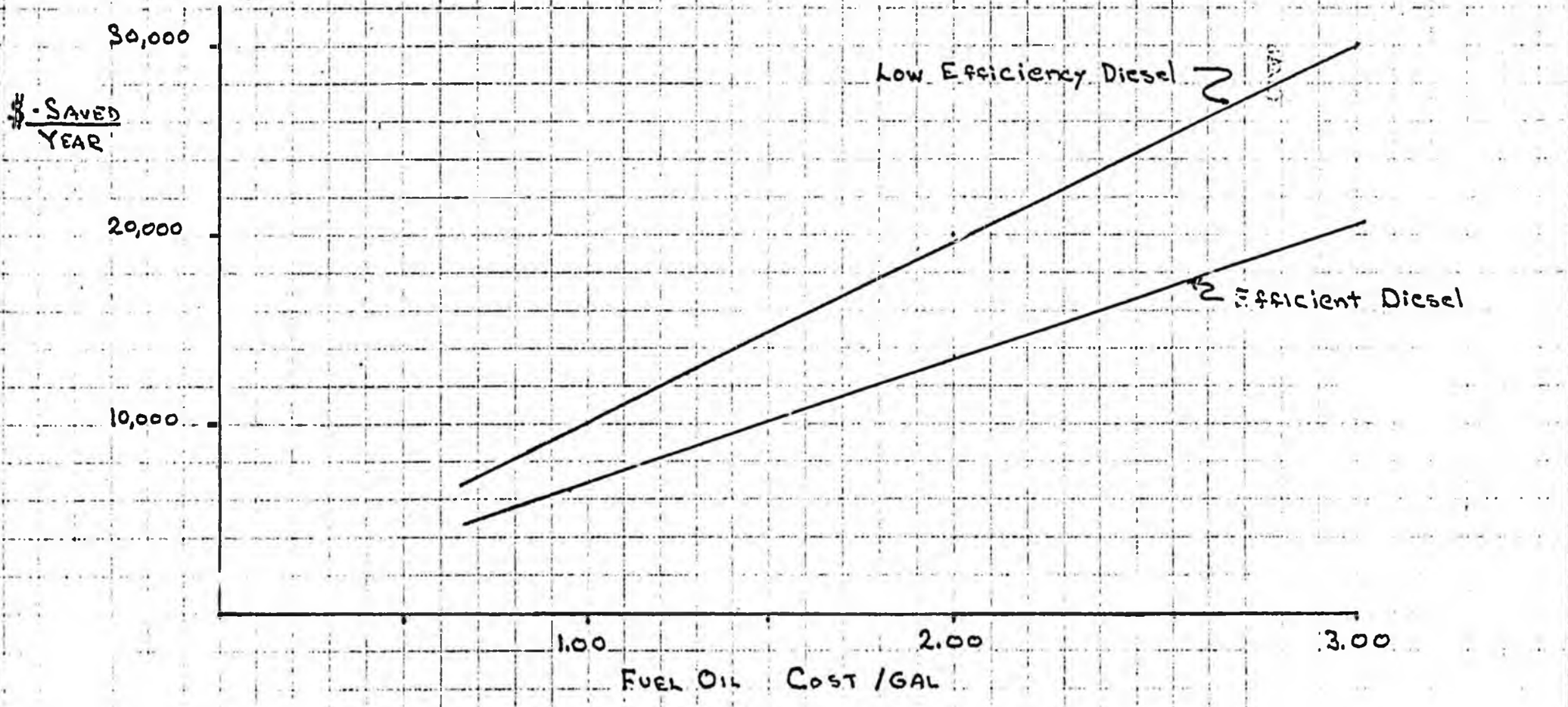
Product Development

- Grumman/Alaska Experience has led to the WS-25 B Development.
  - Improved corrosion resistance.
  - Improved structural interfaces.
  - Development of tailored fail-safe systems.
    - Ice detection
    - Emergency shut-down
    - Vibration dectors redundant.
    - A high wood speed detector
- Grumman is designing a WS-28.
  - Emphasis on
    - productionizing (lower cost)
    - reliability
    - maintainability
    - Alaska environment

FUEL DISPLACEMENT

$ SAVED PER YEAR VS COST PER GALLON OF FUEL

- SAVINGS PER WS-25B
- 50,000 KW-HR/YR PRODUCTION



HB882

March 10, 1978

The Honorable Hugh Malone
Speaker of t e House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill making a supplemental appropriation to the Department of Commerce and Economic Development, Divisio f Energy and Power Development.

This appropriation is being requested to fund unanticipated additional costs related to a destroyed wind machine and tower at Nelson Lagoon. These funds will cover costs already incurred in re-installing a new tower and wind machine.

Fiscal material is also attached.

Sincerely,

S/JSH

Jay S. Hammond
Governor

02-0018 (Rev. 10/76)

STATE
of ALASKA

MEMORANDUM

TO: Ron Lind, Director
Division of Budget & Management
Office of the Governor

DATE: February 27, 1978

FILE NO.

TELEPHONE NO.

FROM: Tom Barnes, Budget Analyst
Division of Budget & Management
Office of the Governor

SUBJECT: Supplemental Appropriation Request for Department of Commerce & Economic Development - $58,000

The Department of Commerce and Economic Development, Division of Energy and Power Development has requested a supplemental appropriation in the amount of $58,000. The supplemental appropriation is required to cover redesign, installation, and transportation costs of a new wind machine and tower at Nelson Lagoon. The original tower, a surplus FAA reconstructed lattice-type, and the wind machine mounted on it were destroyed by high winds in mid-November, 1977. The Division and Grumman Aerospace Corporation, the manufacturer of the Windstream 25 wind generator, entered into an agreement whereby Grumman would purchase and install the tower and the Division would provide a "good faith" effort to secure sufficient funds to attempt to reimburse Grumman for the new tower and its installation. The arrangement was agreed to by both parties due to the probable difficulty in providing proof that the tower was either structurally deficient or that the wind machine itself malfunctioned and destroyed the tower. This was agreed to by Energy and Power Development because the original tower was designed and approved by the Division rather than Grumman. The Grumman Corporation, however, agreed to replace the destroyed wind generator valued at more than $20,000. Additionally, Grumman has provided, at no additional cost to the State, a complete retro-fit of the wind machine unit to withstand the extreme weather conditions that the machine will be subjected to.

The new tower and wind generator have since been reinstalled and except for a few minor adjustments will soon be in operation again.

It is estimated that the total reinstallation costs will amount to $179,885. Of that amount, the State has already expended $20,000 for installation of the tower at Nelson Lagoon, while the Federal Alaska Power Administration has invested $10,000 for the purchase, engineering and freight of the tower to Nelson Lagoon. (While the total cost of the new tower amounted to $10,800, the Division will absorb the additional $800 not covered by the APA grant.) The remaining $149,885, invested by Grumman, includes $91,085 for retro-fitting the wind generator to upgrade its performance to meet Alaskan conditions and $58,000 for the remaining installation costs of the tower and wind machine.

It is the opinion of the Governor's Budget Review Group that the successful completion of the Nelson Lagoon wind demonstration project is both desirable and necessary in order to effectively determine the feasibility of similar future projects.

STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

RECEIVED
JAN 24 1978
BUDGET & MANAGEMENT

TO: Jay S. Hammond
Governor

DATE: January 24, 1978

FILE NO:

TELEPHONE NO:

FROM: Clarissa Quinlan
Acting Director
Division of Energy & Power Development

SUBJECT: Supplemental Funding Request - Nelson Lagoon Wind Demonstration Project - $43,000

The Nelson Lagoon Wind Demonstration Project was designed to demonstrate the technical and economic feasibility of wind-generated power as a supplemental energy source in remote rural Alaskan villages. Chosen because of its favorable wind regime, high cost of fuel, small size, interest of the local residents and their ability to support the effort, Nelson Lagoon is located approximately 100 miles northwest of Cold Day on the Alaskan Peninsula.

Because of energy storage problems associated with almost all alternate energy systems, it was decided not to incorporate the use of any type of battery storage in the demonstration. A small electrical grid tied into the school's 60 kw diesel generators was installed connecting 12 homes, a community building, and the school. Prior to that time, each home utilized its own small diesel generator.

In mid-October 1977, a 20 KW Grumman Windstream 25 wind generator was placed atop a 50 foot lattice steel tower on a small ridge behind the village. A Gemini synchronous inverter located in the diesel plants building converted the DC power output of the Windstream to AC which is fed into the grid. When available, the wind-generated electricity is used to meet a portion of the total village demand and simultaneously reduces the power required from the diesel generator. This approach is based on reduced fuel consumption and not complete fuel displacement. While in operation the Windstream met from 50% to 75% of the total village demand. No interface or electrical problems between the wind and diesel systems were encountered.

After weathering two 75 mph plus windstorms and a moderate earthquake, the top portion of the tower buckled and bent over. Two wind machine blades were also thrown at the time. Two theories exist as to the cause of the mishap. The first speculates a yawing motion (similar to that of a gyroscope) was created as the machine shifted into the wind when gusts were encountered in high wind conditions. This caused excessive

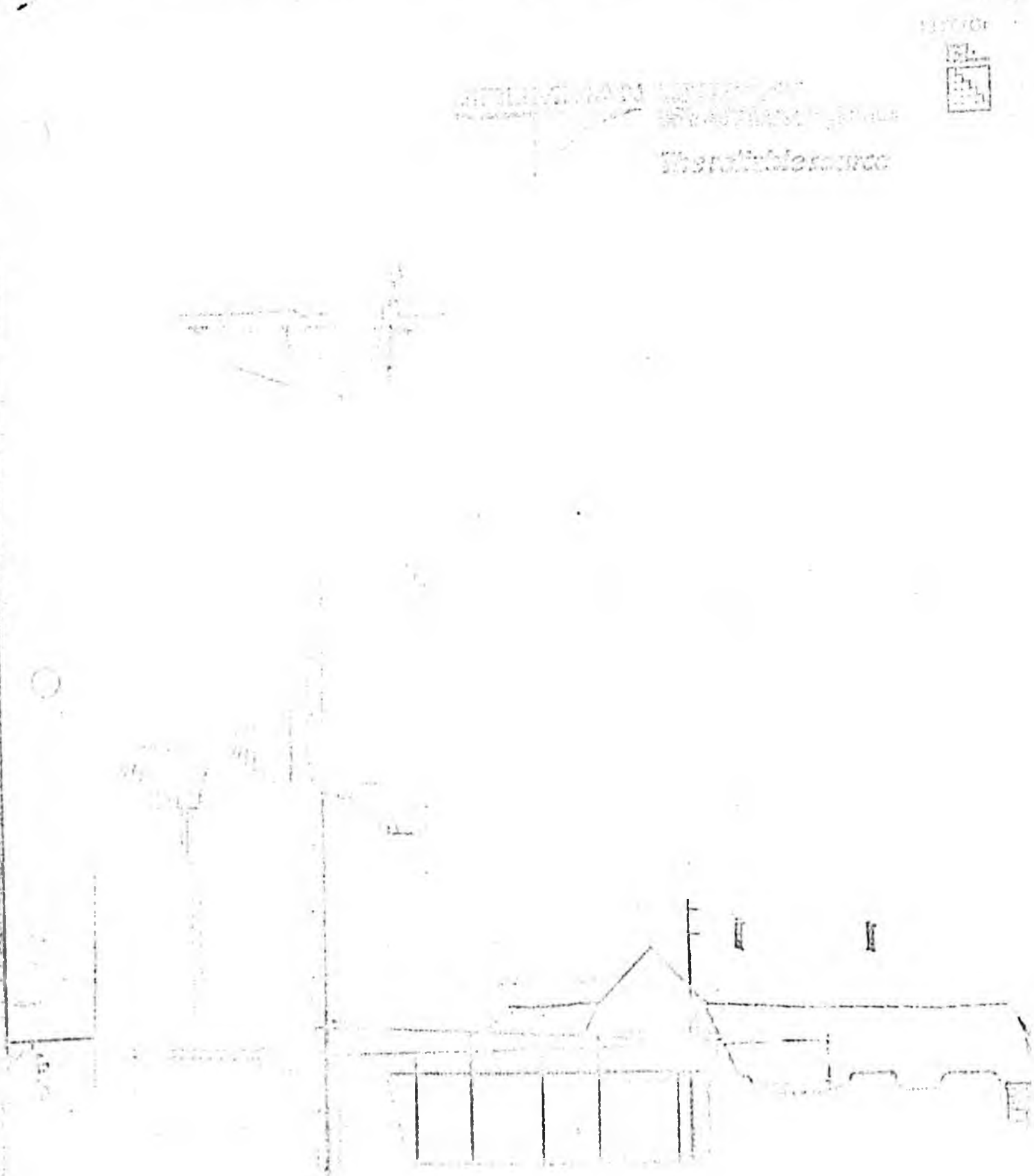
wear on the bearings eventually resulting in the blades striking the guy wires and, finally, being severed. The second theory is that the tower gave way first. The tower was assembled from 100 foot surplus FAA towers located at Cold Bay. It was not until after the mishap was I aware that the FAA towers had been dynamited down; therefore, it is quite possible weakened members (although straight) could have been used in the first tower. Although engineering analyses concluded the tower design was acceptable, a weakened member could, of course, eliminate the structural integrity of the tower. Continued investigation into the cause of the mishap is under way, but the cause may never be known.

In the meantime, a new tower has been fabricated. It has been "beefed up" extensively and our and Grumman's engineers are satisfied it will definitely hold up. Additionally, the Windstream and its key components have been strengthened and a major retrofit of a new unit completed.

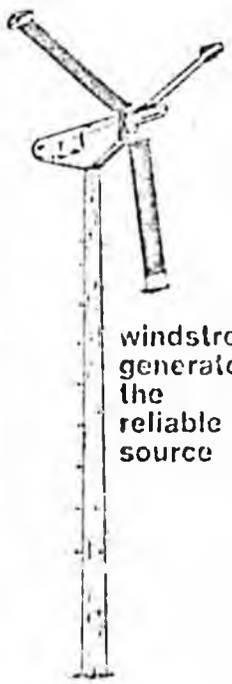
Because of the corporate commitment made by their company to developing and marketing a wind generation system capable of meeting Alaskan conditions, Grumman, a major aerospace company, has already spent approximately $144,000 on the project. They propose an agreement with the State of Alaska whereby they will pay for the reinstallation of the new tower and wind machine provided the State submit a supplemental budget request to the Legislature and attempt to obtain other funding to cover the new installation costs. What they want is a "good faith" effort by the State to obtain the additional funding. This is a reasonable request. See attachment #1 and #2 for a budget breakdown.

It is my firm belief that wind power may offer a partial solution to the chronic and worsening rural energy problems of rural Alaska. The successful completion of this wind demonstration project will afford needed economic and technical data necessary for this to become a commercial reality in the very near future.

CO:lc2:9



Grumman Windstream Wind Energy



windstream 25 generators the reliable source

DT/DOCUMENT

This document provides an overview of the Windstream 25 Generator in terms of its performance, applications, characteristics and optional ancillary hardware and engineering service.

MR/MANUFACTURER

The market for energy products is rapidly expanding, and many companies will be offering energy systems in the years ahead. For this reason, the prudent buyer will take a good look at the manufacturer behind the product.

Windstream is a product of the Grumman Corporation, whose vast technological and financial resources and reputation for corporate stability stand behind this product. From the Lunar Module and the Orbiting Astronomical Observatory to military jet aircraft, Gulfstream executive jets, Pearson Yachts, and Grumman canoes, Grumman products have always been synonymous with quality construction, engineering excellence, and value.

UA/USES, APPLICATIONS

The Windstream 25 can be used as a main or sole power source for those applications where intermittent and variable output power is acceptable. Such applications include, but are not limited to:

- Water pumping • Desalination
- Battery charging • Aeration
- Cathodic protection

For applications requiring regulated output on demand, auxiliary power sources and/or storage systems are required. In this role the Windstream 25 acts as a fuel and/or capacity saver. The Windstream 25 can be integrated to diesel/generator systems, self-contained building power supply systems, local and/or regional electric utility systems. Sufficient flexibility in system design generally permits matching to load requirements, (e.g. voltage, frequency, and phase).

Typical applications include:

- Stand alone power source to communities deriving power from diesel/generator systems
- Fuel saver and dispersed power source for utility systems with limited distribution system capability
- Integrated into utility systems

Standard foundation construction practices are required for Windstream 25 tower installation. It is necessary that the Windstream 25 be located sufficiently above any local topographical feature or structure that would impede and/or block the wind. Location on high ground is highly desirable. Generally, the Windstream 25 should be installed no closer than six diameters to a potential obstruction. Average annual wind speeds greater than 12 mph at hub height are suggested to extract sufficient energy. By suitable specification, proper integration of the Windstream 25 to the load is possible. Electrical grounding of the Windstream 25 for lightning protection is required. The standard Windstream and optional tower provide an electrical path for lightning to the ground.

Environmental Hardening Packages for the Windstream 25 are available. These include but are not limited to:
• Extreme cold • Salt spray • Dust

Specific environmental packages will be quoted to satisfy site specific environments.

In the event the Windstream 25 is integrated into a public or investor owned utility system, compliance with utility standards and/or agreement with that utility is generally required.

Installation is facilitated with the use of cranes and bucket trucks. Tower height selection should be based on this factor and balanced against performance improvements gained by taller towers.

Wind generator mounting to tower should not be generally attempted when winds are greater than 15 mph.

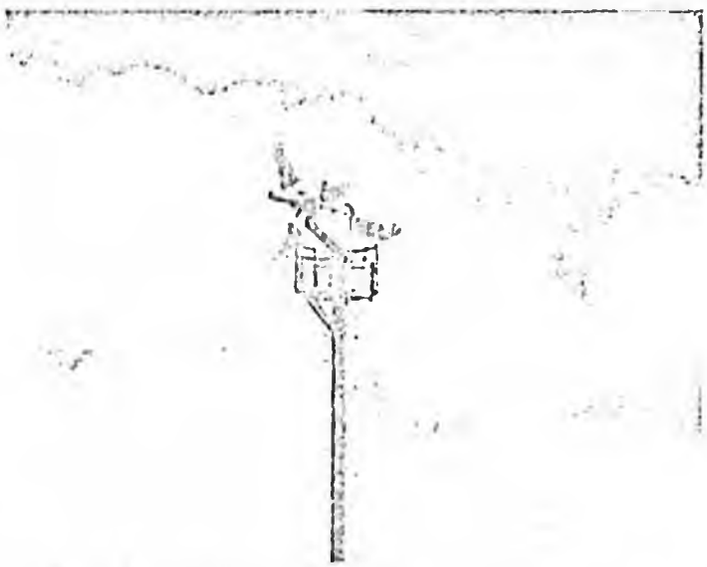
PP/PRODUCT PRESENTATION

Starting in 1973, Grumman Energy Systems Division has actively pursued a development and commercialization program for medium sized wind energy conversion systems. Significant milestones in this program have been:

- Fabrication and testing of an experimental Wind Turbine Generator (WTG) incorporating a 25 foot diameter, 3-bladed rotor utilizing the Princeton "Sailwing" rotor blade (licensed to Grumman).
- Designed, fabricated, and tested for approximately one year a 12.5 foot rotor diameter WTG with two "Sailwing" blades driving a 1500 watt alternator via a pulley and belt transmission.
- Designed, fabricated and tested a similar unit incorporating a 3-bladed rotor with single surface fabric blades and tip speed brakes.
- Developed the 25 foot rotor diameter, 3-bladed Windstream 25 WTG.

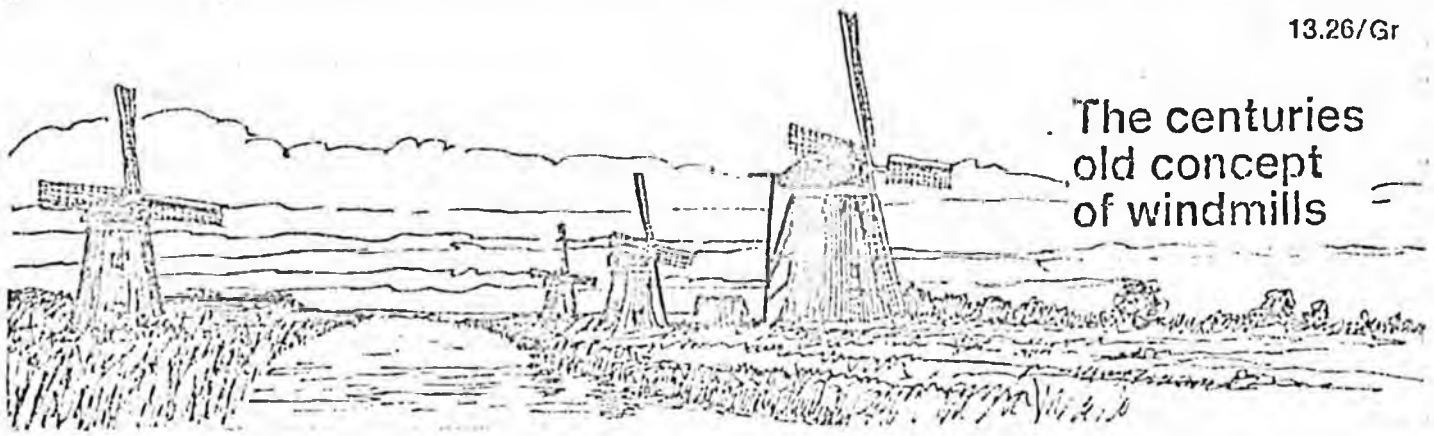
Applications for Windstreams in the field are: WTG Performance Testing; Thermal source for heat pump; Domestic power supply 110/220 VAC with utility tie-in; Dairy Farm electrical power saver 110/220 VAC (two units in different locations); WTG response to unsteady wind conditions experiment; Diesel oil fuel saver for a small community by being integrated into its electric grid system.

The design of the Windstream 25 features a high strength aluminum structure (withstands 130 mph with safety factor of 1.5) and a high reliability, low maintenance, off-the-shelf industrial drive train and alternator.



Windstream 25 in operation. Rotor is of the down wind type.

Windstream 25 located in Cheyenne, Wyoming, provides AC to military barracks via the synchronous inverter.



The centuries old concept of windmills

In addition, Grumman's Windstream 25 program has resulted in many major developments in WTG technology, as follows:

- A fully productionized solid state rotor speed control electronic system with very high potential for low cost, volume production.
- A two foot chord extruded aluminum rotor blade combining good performance characteristics (based on NACA 64$_4$ cross sections).
- A centrifugally operated rotor tip speed brake with zero lift characteristics at all angles of attack providing an independent overspeed protection system to the automatic shutdown system and the manual override system.
- An electronic Electrical Power Control System to provide maximum alternator output over the full wind speed spectrum.
- A development program to optimize the Gemini Synchronous Inverter power factors at low power outputs.
- Investigation and selection of synthetic hydrocarbon lubricant for WTG operation over a temperature range of −50°C to + 60°C.
- Use of an Acceptance Test Stand for performing integrated Wind Generator/Inverter testing and verification prior to shipment.

In addition, to the above, Grumman has the experience of approximately 10,000 hours of operational time accumulated on the first lot of Windstream units. This operational experience has also demonstrated the Windstream's 25 survivability in high wind conditions, the maximum so far sustained being 90 mph. One unit also survived winds of unknown velocity when a mini-tornado struck our Bethpage facility in the summer of 1976.

Physical Data

ROTOR: 7.62M (25FT.) DIA.; WT. 340 Kg (750 lbs.)
SC AREA: 45.6M^2 (491 FT.^{2})
DESIGN ROTOR RPM: 125
NACELLE WEIGHT 575 Kg (1250 lbs.)
TOWER WEIGHT: 4080 Kg (9000 lbs.)

Options

Optional ancillary equipment and services are available. The ancillary equipment, when integrated with the Windstream 25 generator, will greatly facilitate installation, maintenance and operation. Equipment options include:

- High strength, pre-stressed, free-standing concrete tower.
- Service package (tower platform, steps and hoist beam).
- Ground work stand.
- 15 KW or 20 KW Gemini Synchronous Inverters.
- Higher voltages.

Services include Inverter/Windstream integration testing and engineering/installation consultation. Consultation can include, but is not limited to the following activities:

- Installation design
- Installation design drawings review.
- On-site assistance during installation and check-out.
- In the field servicing training.

Power/Electrical Options

The Windstream 25 is available at two power ratings at different windspeeds permitting some optimization of energy output at a given site. The self excited, brushless alternator permits great flexibility in voltage selection (more limited in battery operation than with synchronous inverter). This facilitates electrical integration of components as well as permiting great flexibility for site location of the Windstream, relative to the load. A summary of these features are as follows:

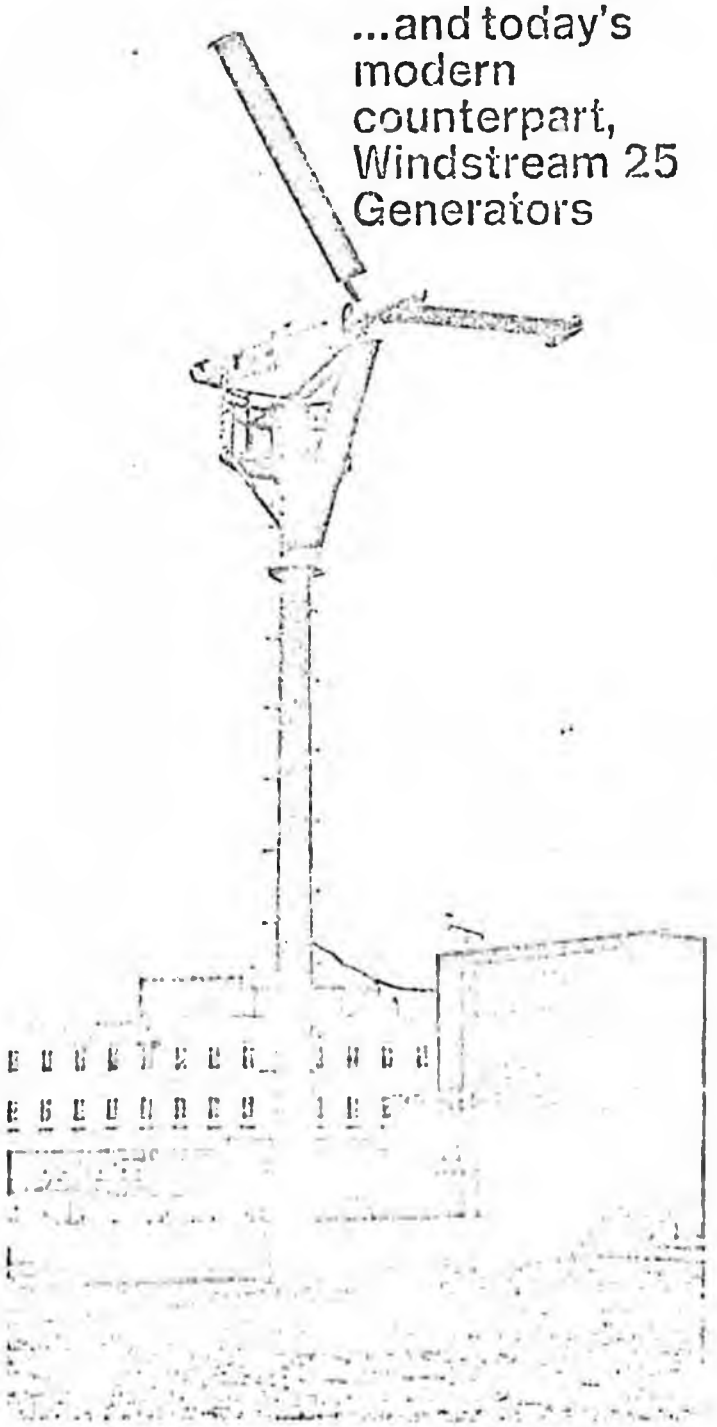
Power Options

- Rated power 20 KW at 29 mph (12.9 m/sec) for synchronous AC operation (with optional 20 KW Gemini Synchronous Inverter).
- Rated power 15 KW at 26 mph (11.6 m/sec) for DC operation (direct use or battery charging), or synchronous AC operation (with optional 15 KW Gemini Synchronous Inverter).

Electrical Output Options

- Low ripple regulated DC 110v or 220v (Standard with 15 KW machine).
- 60 Hz, 110v/220v, single or 3 phase AC for utility grid tie-in using a 15 KW or 20 KW synchronous inverter (optional with 15 and 20 KW machines).
- 60 Hz, 110/220v, single or 3 phase AC for independent operation using battery pack and static inverter (optional with 15 KW machines).

...and today's modern counterpart, Windstream 25 Generators



Windstream 25 in feathered position (note service platform, tower steps (platform shown is a prototype) and uninstalled towers on ground.

Grumman Windstream Wind Systems

additional information

OP/PRODUCT IN PLACE

The Windstream 25 system is comprised of the following major elements: Windstream 25 electric generator; tower; foundation; static or synchronous inverter*; storage system*; and load interface equipment*. (*Application dependent.)

CC/CODES, CERTIFICATION

Limited warranty.

Grumman Energy Systems, Inc. warrants to the original Buyer for a period of one year after the date of delivery that the components of the Windstream 25 are free from defects in materials and workmanship under normal use and circumstances when used in accordance with the Windstream 25 maintenance instructions. Should a component fail, it should be shipped at Buyer's expense to Grumman Energy Systems, Inc. facility once an authorization is received from Energy Systems, Inc. Said component shall be repaired or replaced at Grumman Energy Systems, Inc. option and returned to Buyer, shipping costs to be borne by Grumman Energy Systems, Inc. Any such repaired or replaced component shall be warranted for the unexpired portion of the original warranty period. This limited warranty does not cover damage due to shipping, misuse, abuse, or negligence. Implied warranties, if any, of merchantability and fitness for a particular purpose are limited in duration to one year. IN NO EVENT SHALL GRUMMAN ENERGY SYSTEMS, INC. BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

AC/AVAILABILITY, COST

All sales, technical information and prices regarding the Windstream 25 are obtained from the manufacturer. Call Sweets Buyline for your local representative.

Prices, specifications, and standard equipment subject to change without notice.

other energy products

In addition to manufacturing Windstream 25, Grumman Energy Systems, Inc. also manufactures and distributes Sunstream Solar Systems. See Sweets section 13 25/Gr for further data.

TS/TECHNICAL SUPPORT

Guide–Specifications

Furnish Windstream 25 generator(s) configured as follows:

Power Rating (select): 15KW @ 26 mph/20 KW @ 29 mph

Voltage (select): 110v DC/220v DC, Higher (specify), Lower (specify)

Operation (select): Battery alone, Synchronous Inverter, Battery/Static Inverter, Other

Additional environmental hardening for the following site conditions (if required):

Extreme cold (less than --50°F). Dust. Salt spray marine.

All Windstream 25's contain a control panel; Installation, Operation and Maintenance Manual; and lightning arrestor assembly for tower.

The following optional ancillary equipment and service is desired:

Tower

Centrifugally cast, steam cured prestress steel reinforced free-standing concrete tower. Mounting points are provided for Servicing Package and/or the Lightning Protection Servicing System.

Standard: 45 feet; 55 feet also available.

Notes: 1) Length is overall tower length. Rotor is approximately three feet above tower interface resulting in hub-to ground height of 40 feet.

2) Limited warranty in effect only if Grumman supplied tower is used.

Servicing Package

The Servicing Package consists of a Servicing Platform and tower steps.

The all-aluminum Service Platform is compatible with the mounting points on the Grumman Tower. The platform can be permanently mounted to the tower or can be removed. Steps compatible with the tower to permit ascent/descent of the tower from the ground to the Service Platform.

Engineering Services

The following engineering services:

- Special installation assistance and verification.
- Instrumentation
- Interfacing Windstream 25 to applicat on equipment.

OM/OPERATION, MAINTENANCE

Maintenance on the Windstream 25 is routine and of a low cost nature (e.g. oil changes, lubrication of bearings). Details are contained in the Installation, Operation and Maintenance Manual. For remote locations, training courses for in-the-field repair and replacement are given on a fee basis.

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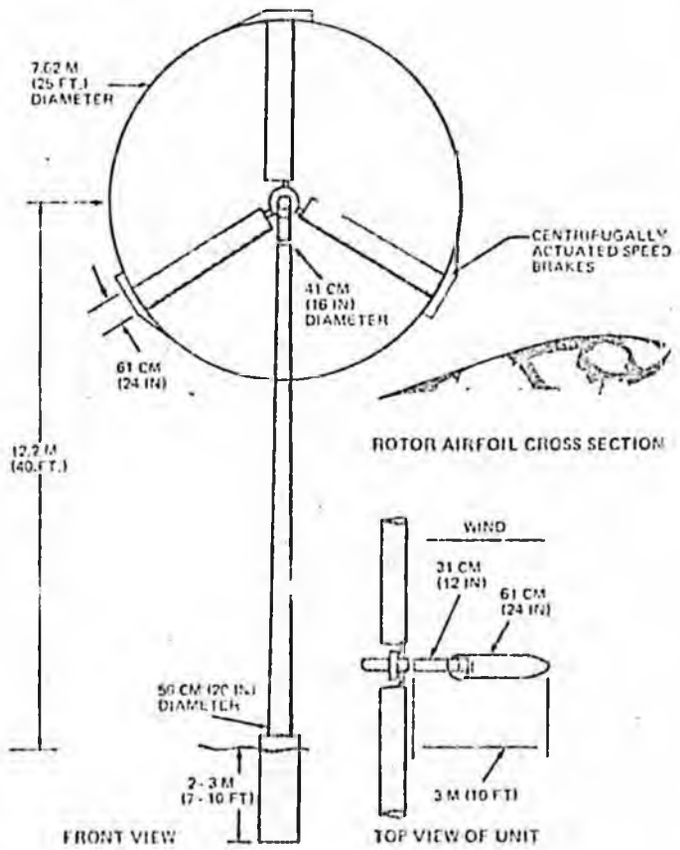
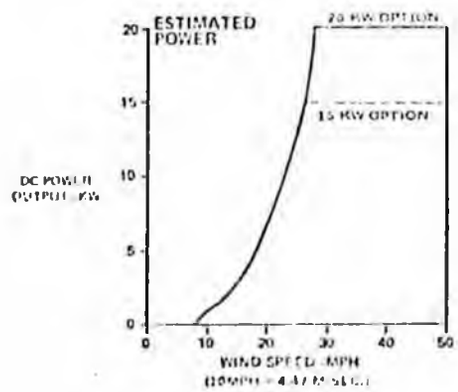
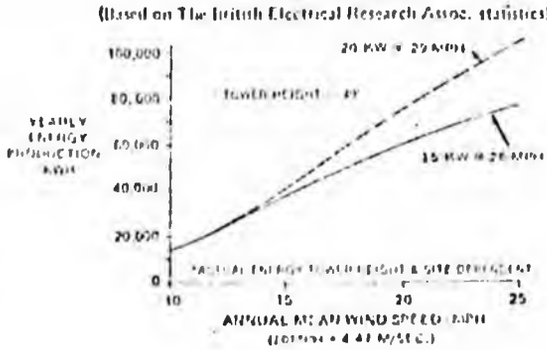




ESTIMATED ENERGY *

(Based on The British Electrical Research Assoc. statistics)



GRUMMAN ENERGY SYSTEMS, INC.

Department SW, Grumman Sunstream.
4175 Veterans Memorial Hwy.,
Ronkonkoma, N.Y. 11779

FY 78 DIFFERENTIAL REQUEST ANALYSIS

	FY 76 Actual	FY 77 Final Auth.	FY 77 Actual	FY 78 Gov. Budget	FY 78 Initial Auth.	FY 78 Current Auth.	Expenditures 7/1 - 12/31	Other Obligations 7/1 - 10/3	Projected Expenditures (12/31/77-6/30)	FY 78 (Deficit) or Excess	FY 79 Maintenance Request
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Commodities									3,889		
Equipment											
Lands, Bldgs. ...											
Grants, Claims, ...											
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TOTAL											
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69,818 reallocated to this project within appropriation

Agency Commerce and Economic Development BRU Energy and Power Development Component 07-73-01-04-01/13 Revised 2/1/78 Governor

Introduced: 3/10/78
Referred: Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 882

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a supplemental appropriation to the Department of Commerce and Economic Development, Division of Energy and Power Development; and providing for an effective date."

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

* Section 1. The sum of $58,000 is appropriated from the general fund to the Department of Commerce and Economic Development, Division of Energy and Power Development.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.-10.070(c).

COMMITTEE REPORT

HOUSE

3/10/78

FURTHER: _____

_____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 882
"An Act making a supplemental appropriation to the Department of Commerce and Economic Development, Division of Energy and Power Development; eff. date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

( ) 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 _____( ) new title ( ) same title

( ) AND attaches a Letter of Intent ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

_____

_____

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_____

OTHER RECOMMENDATIONS:

_____

_____

_____

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_____
Chairman

H 60 (rev. 6/77)

Introduced: 3/10/78
Referred: Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

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HB 882

March 10, 1978

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill making a supplemental appropriation to the Department of Commerce and Economic Development, Division of Energy and Power Development.

This appropriation is being requested to fund unanticipated additional costs related to a destroyed wind machine and tower at Nelson Lagoon. These funds will cover costs already incurred in re-installing a new tower and wind machine.

Fiscal material is also attached.

Sincerely,

S/JSH

Jay S. Hammond
Governor

02-0018 (Rev. 10/76)

STATE of ALASKA

MEMORANDUM

TO: Ron Lind, Director
Division of Budget & Management
Office of the Governor

DATE: February 27, 1978

FILE NO:

TELEPHONE NO:

FROM: Tom Barnes, Budget Analyst
Division of Budget & Management
Office of the Governor

SUBJECT: Supplemental Appropriation Request for Department of Commerce & Economic Development - $58,000

The Department of Commerce and Economic Development, Division of Energy and Power Development has requested a supplemental appropriation in the amount of $58,000. The supplemental appropriation is required to cover redesign, installation, and transportation costs of a new wind machine and tower at Nelson Lagoon. The original tower, a surplus FAA reconstructed lattice-type, and the wind machine mounted on it were destroyed by high winds in mid-November, 1977. The Division and Grumman Aerospace Corporation, the manufacturer of the Windstream 25 wind generator, entered into an agreement whereby Grumman would purchase and install the tower and the Division would provide a "good faith" effort to secure sufficient funds to attempt to reimburse Grumman for the new tower and its installation. The arrangement was agreed to by both parties due to the probable difficulty in providing proof that the tower was either structurally deficient or that the wind machine itself malfunctioned and destroyed the tower. This was agreed to by Energy and Power Development because the original tower was designed and approved by the Division rather than Grumman. The Grumman Corporation, however, agreed to replace the destroyed wind generator valued at more than $20,000. Additionally, Grumman has provided, at no additional cost to the State, a complete retro-fit of the wind machine unit to withstand the extreme weather conditions that the machine will be subjected to.

The new tower and wind generator have since been reinstalled and except for a few minor adjustments will soon be in operation again.

It is estimated that the total reinstallation costs will amount to $179,885. Of that amount, the State has already expended $20,000 for installation of the tower at Nelson Lagoon, while the Federal Alaska Power Administration has invested $10,000 for the purchase, engineering and freight of the tower to Nelson Lagoon. (While the total cost of the new tower amounted to $10,800, the Division will absorb the additional $800 not covered by the APA grant.) The remaining $149,885, invested by Grumman, includes $91,085 for retro-fitting the wind generator to upgrade its performance to meet Alaskan conditions and $58,000 for the remaining installation costs of the tower and wind machine.

It is the opinion of the Governor's Budget Review Group that the successful completion of the Nelson Lagoon wind demonstration project is both desirable and necessary in order to effectively determine the feasibility of similar future projects.

02-001B Rev. 10/76

STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

RECEIVED
JAN 24 1978
BUDGET & MANAGEMENT

TO: Jay S. Hammond
Governor

DATE: January 24, 1978

FILE NO:

TELEPHONE NO:

FROM: Clarissa Quinlan
Acting Director
Division of Energy & Power Development

SUBJECT: Supplemental Funding Request - Nelson Lagoon Wind Demonstration Project - $43,000

The Nelson Lagoon Wind Demonstration Project was designed to demonstrate the technical and economic feasibility of wind-generated power as a supplemental energy source in remote rural Alaskan villages. Chosen because of its favorable wind regime, high cost of fuel, small size, interest of the local residents and their ability to support the effort, Nelson Lagoon is located approximately 100 miles northwest of Cold Bay on the Alaskan Peninsula.

Because of energy storage problems associated with almost all alternate energy systems, it was decided not to incorporate the use of any type of battery storage in the demonstration. A small electrical grid tied into the school's 60 kw diesel generators was installed connecting 12 homes, a community building, and the school. Prior to that time, each home utilized its own small diesel generator.

In mid-October 1977, a 20 KW Grumman Windstream 25 wind generator was placed atop a 50 foot lattice steel tower on a small ridge behind the village. A Gemini synchronaus inverter located in the diesel plants building converted the DC power output of the Windstream to AC which is fed into the grid. When available, the wind-generated electricity is used to meet a portion of the total village demand and simultaneously reduces the power required from the diesel generator. This approach is based on reduced fuel consumption and not complete fuel displacement. While in operation the Windstream met from 50% to 75% of the total village demand. No interface or electrical problems between the wind and diesel systems were encountered.

After weathering two 75 mph plus windstorms and a moderate earthquake, the top portion of the tower buckled and bent over. Two wind machine blades were also thrown at the time. Two theories exist as to the cause of the mishap. The first speculates a yawing motion (similar to that of a gyroscope) was created as the machine shifted into the wind when gusts were encountered in high wind conditions. This caused excessive

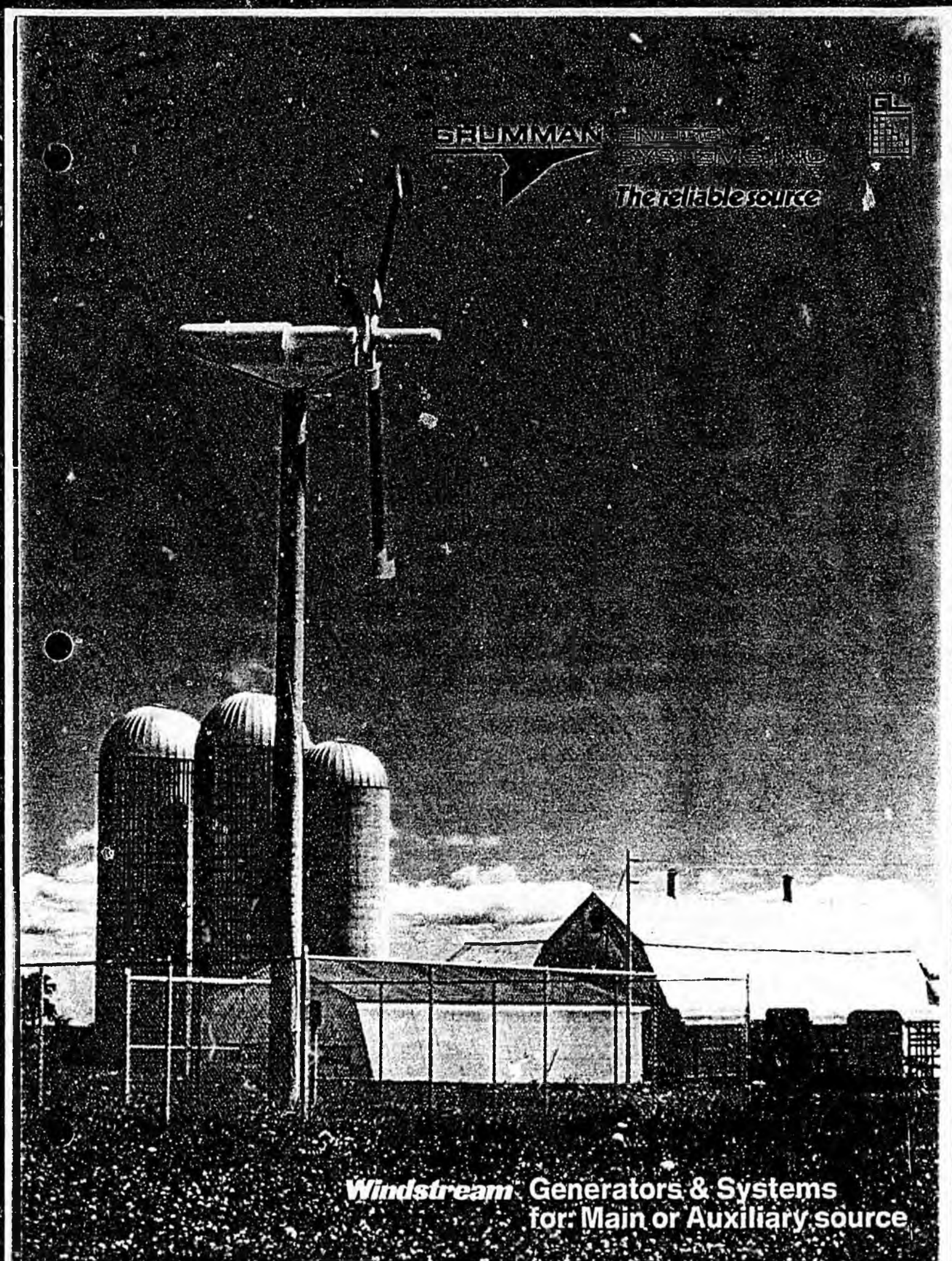
wear on the bearings eventually resulting in the blades striking the guy wires and, finally, being severed. The second theory is that the tower gave way first. The tower was assembled from 100 foot surplus FAA towers located at Cold Bay. It was not until after the mishap was I aware that the FAA towers had been dynamited down; therefore, it is quite possible weakened members (although straight) could have been used in the first tower. Although engineering analyses concluded the tower design was acceptable, a weakened member could, of course, eliminate the structural integrity of the tower. Continued investigation into the cause of the mishap is under way, but the cause may never be known.

In the meantime, a new tower has been fabricated. It has been "beefed up" extensively and our and Grumman's engineers are satisfied it will definitely hold up. Additionally, the Windstream and its key components have been strengthened and a major retrofit of a new unit completed.

Because of the corporate commitment made by their company to developing and marketing a wind generation system capable of meeting Alaskan conditions, Grumman, a major aerospace company, has already spent approximately $144,000 on the project. They propose an agreement with the State of Alaska whereby they will pay for the reinstallation of the new tower and wind machine provided the State submit a supplemental budget request to the Legislature and attempt to obtain other funding to cover the new installation costs. What they want is a "good faith" effort by the State to obtain the additional funding. This is a reasonable request. See attachment #1 and #2 for a budget breakdown.

It is my firm belief that wind power may offer a partial solution to the chronic and worsening rural energy problems of rural Alaska. The successful completion of this wind demonstration project will afford needed economic and technical data necessary for this to become a commercial reality in the very near future.

CQ:lc2:9


GRUMMAN ENERGY SYSTEMS INC
The reliable source
Windstream Generators & Systems
for: Main or Auxiliary source

Grumman Windstream Wind Energy

windstream 25 generators the reliable source

DT/DOCUMENT

This document provides an overview of the Windstream 25 Generator in terms of its performance, applications, characteristics and optional ancillary hardware and engineering service.

MR/MANUFACTURER

The market for energy products is rapidly expanding, and many companies will be offering energy systems in the years ahead. For this reason, the prudent buyer will take a good look at the manufacturer behind the product.

Windstream is a product of the Grumman Corporation, whose vast technological and financial resources and reputation for corporate stability stand behind this product. From the Lunar Module and the Orbiting Astronomical Observatory to military jet aircraft. Gulfstream executive jets, Pearson Yachts, and Grumman canoes, Grumman products have always been synonymous with quality construction, engineering excellence, and value.

UA/USES, APPLICATIONS

The Windstream 25 can be used as a main or sole power source for those applications where intermitant and variable output power is acceptable. Such applications include, but are not limited to:

- Water pumping • Desalination
- Battery charging • Aeration
- Cathodic protection

For applications requiring regulated output on demand, auxiliary power sources and/or storage systems are required. In this role the Windstream 25 acts as a fuel and/or capacity saver. The Windstream 25 can be integrated to diesel/generator systems, self-contained building power supply systems, local and/or regional electric utility systems. Sufficient flexibility in system design generally permits matching to load requirements, (e.g. voltage, frequency, and phase).

Typical applications include:

- Stand alone power source to communities deriving power from diesel/generator systems
- Fuel saver and dispersed power source for utility systems with limited distribution system capability
- Integrated into utility systems

Standard foundation construction practices are required for Windstream 25 tower installation. It is necessary that the Windstream 25 be located sufficiently above any local topographical features or structure that would impede and/or block the wind. Location on high ground is highly desirable. Generally, the Windstream 25 should be installed no closer than six diameters to a potential obstruction. Average annual wind speeds greater than 12 mph at hub height are suggested to extract sufficient energy. By suitable specification, proper integration of the Windstream 25 to the load is possible. Electrical grounding of the Windstream 25 for lightning protection is required. The standard Windstream and optional tower provide an electrical path for lightning to the ground.

Environmental Hardening Packages for the Windstream 25 are available. These include but are not limited to:
• Extreme cold • Salt spray • Dust

Specific environmental packages will be quoted to satisfy site specific environments.

In the event the Windstream 25 is integrated into a public or investor owned utility system, compliance with utility standards and/or agreement with that utility is generally required.

Installation is facilitated with the use of cranes and bucket trucks. Tower height selection should be based on this factor and balanced against performance improvements gained by taller towers.

Wind generator mounting to tower should not be generally attempted when winds are greater than 15 mph.

PP/PRODUCT PRESENTATION

Starting in 1973, Grumman Energy Systems Division has actively pursued a development and commercialization program for medium sized wind energy conversion systems. Significant milestones in this program have been:

- Fabrication and testing of an experimental Wind Turbine Generator (WTG) incorporating a 25 foot diameter, 3-bladed rotor utilizing the Princeton "Sailwing" rotor blade (licensed to Grumman).
- Designed, fabricated, and tested for approximately one year a 12.5 foot rotor diameter WTG with two "Sailwing" blades driving a 1500 watt alternator via a pulley and belt transmission.
- Designed, fabricated and tested a similar unit incorporating a 3-bladed rotor with single surface fabric blades and tip speed brakes.
- Developed the 25 foot rotor diameter, 3-bladed Windstream 25 WTG.

Applications for Windstreams in the field are: WTG Performance Testing; Thermal source for heat pump; Domestic power supply 110/220 VAC with utility tie-in; Dairy Farm electrical power saver 110/220 VAC (two units in different locations); WTG response to unsteady wind conditions experiment; Diesel oil fuel saver for a small community by being integrated into its electric grid system.

The design of the Windstream 25 features a high strength aluminum structure (withstands 130 mph with safety factor of 1.5) and a high reliability, low maintenance, off-the-shelf industrial drive train and alternator.

Windstream 25 in operation. Rotor is of the down wind type.

Windstream 25 located in Cheyenne, Wyoming, provides AC to military barracks via the synchronous inverter.

The centuries old concept of windmills

In addition, Grumman's Windstream 25 program has resulted in many major developments in WTG technology, as follows:

- A fully productionized solid state rotor speed control electronic system with very high potential for low cost, volume production.
- A two foot chord extruded aluminum rotor blade combining good performance characteristics (based on NACA 64$_4$ cross sections).
- A centrifugally operated rotor tip speed brake with zero lift characteristics at all angles of attack providing an independent overspeed protection system to the automatic shutdown system and the manual override system.
- An electronic Electrical Power Control System to provide maximum alternator output over the full wind speed spectrum.
- A development program to optimize the Gemini Synchronous Inverter power factors at low power outputs.
- Investigation and selection of synthetic hydrocarbon lubricant for WTG operation over a temperature range of −50°C to +60°C.
- Use of an Acceptance Test Stand for performing integrated Wind Generator/Inverter testing and verification prior to shipment.

In addition, to the above, Grumman has the experience of approximately 10,000 hours of operational time accumulated on the first lot of Windstream units. This operational experience has also demonstrated the Windstream's 25 survivability in high wind conditions, the maximum so far sustained being 90 mph. One unit also survived winds of unknown velocity when a mini-tornado struck our Bethpage facility in the summer of 1976.

Physical Data

ROTOR: 7.62M (25FT.) DIA.; WT. 340 Kg (750 lbs.)
DISC AREA: 45.6M^2 (491 FT.^{2})
DESIGN ROTOR RPM: 125
NACELLE WEIGHT 575 Kg (1250 lbs.)
TOWER WEIGHT: 4080 Kg (9000 lbs.)

Options

Optional ancillary equipment and services are available. The ancillary equipment, when integrated with the Windstream 25 generator, will greatly facilitate installation, maintenance and operation. Equipment options include:

- High strength, pre-stressed, free-standing concrete tower.
- Service package (tower platform, steps and hoist beam).
- Ground work stand.
- 15 KW or 20 KW Gemini Synchronous Inverters.
- Higher voltages.

Services include Inverter/Windstream integration testing and engineering/installation consultation. Consultation can include, but is not limited to the following activities:

- Installation design.
- Installation design drawings review.
- On-site assistance during installation and check-out.
- In the field servicing training.

Power/Electrical Options

The Windstream 25 is available at two power ratings at different windspeeds permitting some optimization of energy output at a given site. The self excited, brushless alternator permits great flexibility in voltage selection (more limited in battery operation than with synchronous inverter). This facilitates electrical integration of components as well as permiting great flexibility for site location of the Windstream, relative to the load. A summary of these features are as follows:

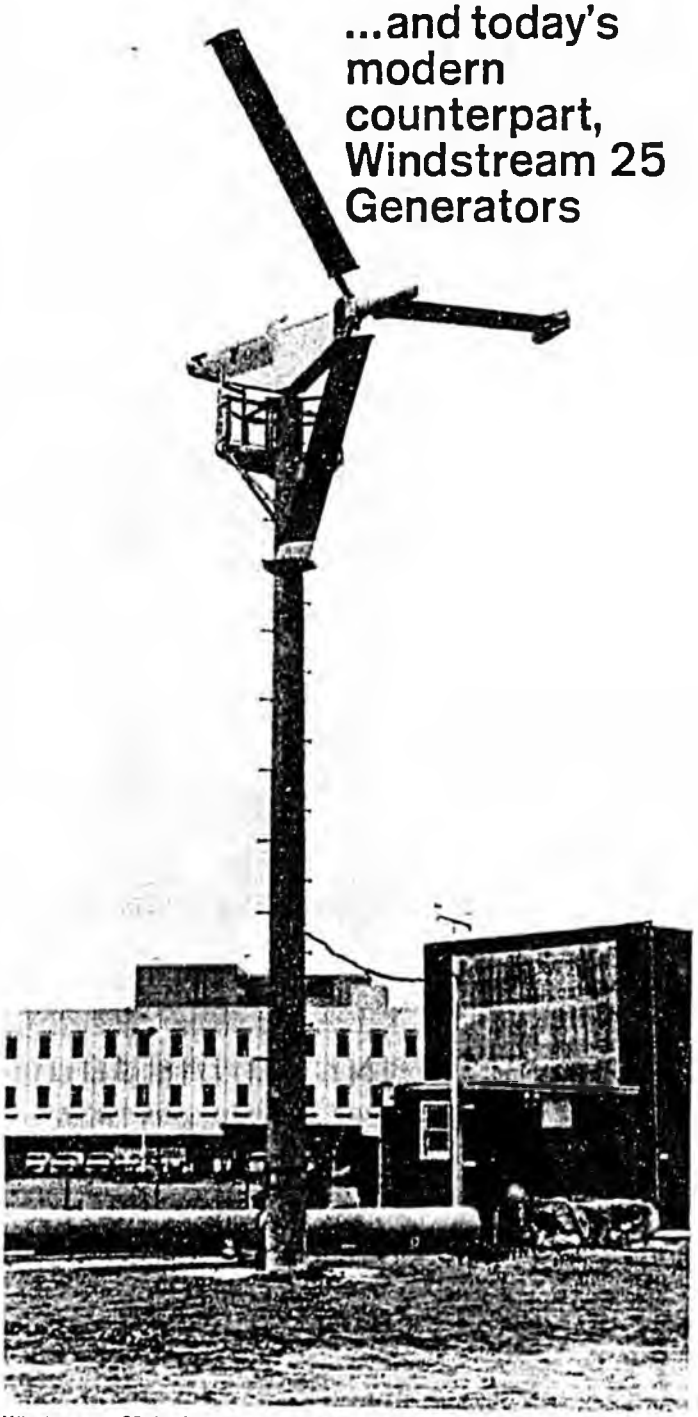
Power Options

- Rated power 20 KW at 29 mph (12.9 m/sec) for synchronous AC operation (with optional 20 KW Gemini Synchronous Inverter).
- Rated power 15 KW at 26 mph (11.6 m/sec) for DC operation (direct us or battery charging), or synchronous AC operation (with optional 15 KW Gemini Synchronous Inverter).

Electrical Output Options

- Low ripple regulated DC 110v or 220v (Standard with 15 KW machine).
- 60 Hz, 110v/220v, single or 3 phase AC for utility grid tie-in using a 15 KW or 20 KW synchronous inverter (optional with 15 and 20 KW machines).
- 60 Hz, 110/220v, single or 3 phase AC for independent operation using battery pack and static inverter (optional with 15 KW machines).

...and today's modern counterpart, Windstream 25 Generators



Windstream 25 in feathered position. Note service platform, tower steps (platform shown is a prototype) and uninstalled towers on ground.

Grumman Windstream Wind Systems

additional information

OP/PRODUCT IN PLACE

The Windstream 25 system is comprised of the following major elements: Windstream 25 electric generator; tower; foundation; static or synchronous inverter*; storage system*; and load interface equipment*. (*Application dependent.)

CC/CODES, CERTIFICATION

Limited warranty.

Grumman Energy Systems, Inc. warrants to the original Buyer for a period of one year after the date of delivery that the components of the Windstream 25 are free from defects in materials and workmanship under normal use and circumstances, when used in accordance with the Windstream 25 maintenance instructions. Should a component fail, it should be shipped at Buyer's expense to Grumman Energy Systems, Inc. facility once an authorization is received from Energy Systems, Inc. Said component shall be repaired or replaced at Grumman Energy Systems, Inc. option and returned to Buyer, shipping costs to be borne by Grumman Energy Systems, Inc. Any such repaired or replaced component shall be warranted for the unexpired portion of the original warranty period. This limited warranty does not cover damage due to shipping, misuse, abuse, or negligence. Implied warranties, if any, of merchantability and fitness for a particular purpose are limited in duration to one year. IN NO EVENT SHALL GRUMMAN ENERGY SYSTEMS, INC. BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

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OM/OPERATION, MAINTENANCE

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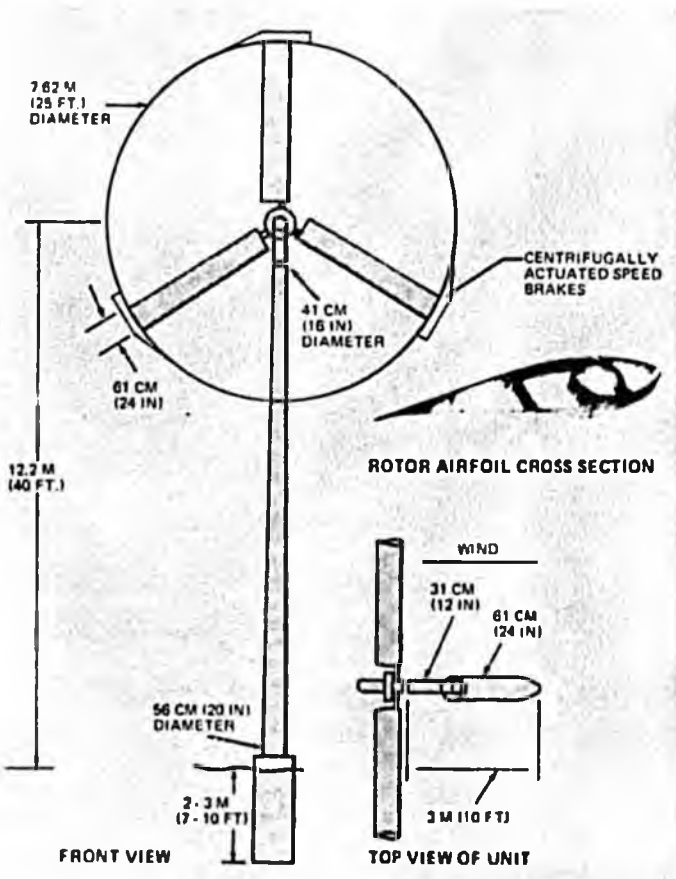

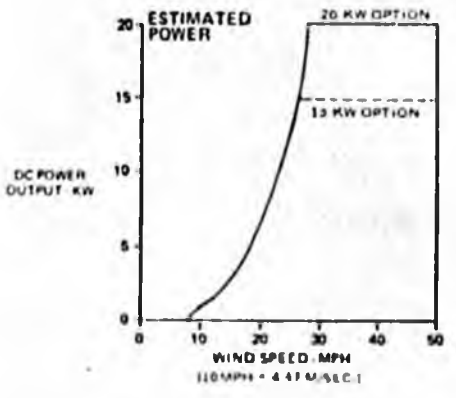

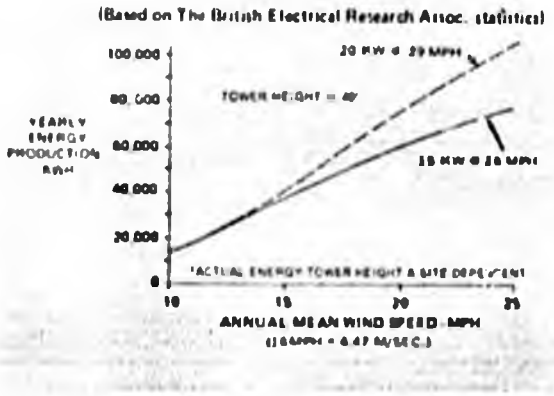

GRUMMAN ENERGY SYSTEMS, INC.

Department SW, Grumman Sunstream,
4175 Veterans Memorial Hwy.,
Ronkonkoma, N.Y. 11779

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

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Agency Commerce and Economic Development Bru Energy and Power Development Component 07-73-01-04-01/13 Revised 2/1/78 Revision

ALASKA STATE LEGISLATURE

TENTH Legislature SECOND Session

HOUSE BILL NO. 882

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR.

"An Act making a supplemental appropriation to the Department of Commerce and Economic Development, Division of Energy and Power Develppment; and providing for an effective date."

approp. to the D.C. & E.D., D. of E. & P. D.

Introduced in the House ...3-10.., 19.78.

HISTORY IN THE HOUSE

19		
78		Read first time and referred to Committee on
Mar.	10	FINANCE
		Reported back with recommendation that
		Read second time and
		Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	
	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	
	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. .....

31.002

COMMITTEE REPORT

HOUSE

FURTHER: _____

_____

3/14/78 Date: 3-14-78

Mr. Speaker:

The Committee on FINANCE has had HB 884
"An Act making technical amendments relating to oil and gas taxes; eff. date.

under consideration and (a majority of the committee) (the committee reports it back as follows)

( ) recommends it do pass ( ) recommends it do not pass

( ) recommends it do pass with attached amendment(s)

( ) recommends it be replaced with CS for HF 224

and _____ ( ) new title ( ) same title

( ) AND attaches a Letter of Intent ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

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_____

OTHER RECOMMENDATIONS:

_____

_____

_____

_____

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AGO 765353

_____

Chairman

H 60 (rev. 6/77)

Introduced: 3/14/78
Referred: Finance

Finance

IN THE HOUSE BY THE ~~RULES~~ COMMITTEE BY ~~REQUEST OF THE GOVERNOR~~

CS HOUSE BILL NO. 884

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making technical amendments relating to oil and gas taxes; and providing for an effective date."

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

* Section 1. AS 43.55.020(a) is amended to read:

(a) The gross production tax on oil or gas shall be paid monthly. The tax is due on the ~~20th~~ last day of each calendar month on oil or gas produced from each lease or property during the preceding month. [IF THE TAX IS NOT PAID BEFORE THE END OF THE MONTH IN WHICH IT BECOMES DUE, THE TAX BECOMES DELINQUENT.]

* Sec. 2. AS 43.55.150 is amended to read:

Sec. 43.55.150. DETERMINATION OF [GROSS] VALUE. (a) For the purposes of this chapter, [THE GROSS] value shall be calculated using the reasonable costs of transportation of the oil or gas. The reasonable costs of transportation shall be the actual costs, except <u>if any one of the following conditions exist:</u>

(1) when the parties to the transportation of oil or gas are affiliated;

(2) when the contract for the transportation of oil or gas is not an arm's length transaction or is not representative of the market value of that transportation; <u>or</u>

(3) when the method of transportation <u>or the choice of a particular person, entity, or facility, or vessel used for transportation</u> is not reasonable in view of existing <u>alternatives</u> [ALTERNATIVE METHODS OF TRANSPORTATION].

AGO 765354

(b) If the department finds that the conditions in (a)(1), (2), or [AND] (3) of this section are present, the department shall determine the reasonable costs of transportation, using the fair market value of like transportation, the fair market value of equally efficient and available alternative modes of transportation, or other reasonable methods. Transportation costs fixed by tariff rates properly on file with the Alaska Pipeline Commission or other regulatory agency shall be considered prima facie reasonable.

* Sec. 3. AS 43.55.030(d) and 43.55.060 are repealed.

* Sec. 4. This Act is retroactive to January 1, 1977.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.-10.070(c).

HB 884

March 14, 1978

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18, of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill to make technical amendments concerning oil and gas taxes.

This bill would amend the present provisions of the oil and gas production tax to allow the Department of Revenue to determine reasonable costs of transportation in calculating gross value of oil or gas when there is reason to believe that the actual costs incurred are not reasonable. This amendment is necessary to conform to the apparent intent of the legislature when it initially passed the present AS 43.55.150. The letter of intent for the present statute stated that the provision was to "allow the De artment of Revenue to compute reasonable transportation costs where a taxpayer's actual transportation costs are not the result of a good faith commercial transaction. . . . [its] purpose. . . is to prevent the practice commonly known as transfer pricing, in which one company charges an affiliated company an amount which is in excess of the market price for transportation, for the purpose of reducing the affiliated company's tax burden. The profit center is merely shifted to the transporting company and state taxation is avoided." 1976 House Journal, pp. 556-557.

The wording of the present statute, however, sets forth three conditions, all of which must be satisfied before the department may disallow actual costs of transportation. The existence of all three circumstances occurring in one transaction would rarely, if ever, occur. The amendment would allow the department to use reasonable costs of transportation if any one of the three conditions existed.

In addition, the bill also repeals the interest and penalty provisions of AS 43.55.060 and AS 43.55.030(d), which would then be covered by the uniform penalty and interest provisions of AS 43.-05.220 (penalty) and AS 43.05.225 (interest), and would also delete the last sentence of AS 43.55.020(a) to eliminate a conflict between the date taxes are due (the 20th of each month) and the date taxes become delinquent (presently the last day of the month).

Sincerely,

S/JSH

Jay S. Hammond
Governor

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.

James O. Smith
Signature of Camera Operator

2/22/90
Date

02-519 (REV 8/78)

COMMITTEE REPORT

HOUSE

FURTHER: _____

3/14/78

_____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 885
"An Act making supplemental appropriations to the Department of Fish and Game; eff. date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

( ) 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 _____( ) new title ( ) same title

( ) AND attaches a Letter of Intent ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

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OTHER RECOMMENDATIONS:

_____

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Chairman

H 60 (rev. 6/77)

Original sponsor: Rules Committee
by request of the Governor

IN THE HOUSE BY THE FINANCE COMMITTEE

CS FOR HOUSE BILL NO. 885

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making a supplemental appropriation to the Department of Fish and Game; and providing for an effective date."

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

* Section 1. The sum of $30,000 is appropriated from the general fund to the Department of Fish and Game, office of the commissioner, to fund consultant services required to implement the recent organizational review.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).

Introduced: 3/14/78
Referred: Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 885

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making supplemental appropriations to the Department of Fish and Game; and providing for an effective date."

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

* Section 1. The sum of ~~$37,100~~ 7,100 is appropriated from the general fund to the Department of Fish and Game, Office of the Commissioner, ~~to fund consultant services required to implement the recent organizational review~~; and to pay necessary travel expenses.

* Sec. 2. The sum of $4,700 is appropriated from the general fund to the Department of Fish and Game, Board of Fisheries.

* Sec. 3. The sum of $4,700 is appropriated from the general fund to the Department of Fish and Game, Board of Game.

* Sec. 4. This Act takes effect immediately in accordance with AS 01.-10.070(c).

Incorporated into House CS CSSB 399 4/3/78.

FORM 82-001BC
FOR BRIEF COMMUNICATIONS
MAY BE HANDWRITTEN

MEMORANDUM

State of Alaska

DEPT. _____
DIV. _____
SEC. _____

TO: Legislative Affairs

DATE : April 25, 1978

FROM: Vicki Wilson
House Finance Committee
Rm 411, Phone: 3795/3796

SUBJECT: House Finance CS HB 885

Please prepare Finance Committee Substitute for HB 885 as per attached, and return to me as soon as possible.

Thank you.

Introduced: 3/14/78
Referred: Finance

IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

HOUSE BILL NO. 885

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act making supplemental appropriations to the Department of Fish and Game; and providing for an effective date."

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

* Section 1. The sum of ~~$37,100~~ $30,000 is appropriated from the general fund to the Department of Fish and Game, Office of the Commissioner, to fund consultant services required to implement the recent organizational review ~~and to pay necessary travel expenses.~~

~~* Sec. 2. The sum of $4,700 is appropriated from the general fund to the Department of Fish and Game, Board of Fisheries.~~

~~* Sec. 3. The sum of $4,700 is appropriated from the general fund to the Department of Fish and Game, Board of Game.~~

* Sec. ~~2~~ 4. This Act takes effect immediately in accordance with AS 01.-10.070(c).

HB 885

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill making supplemental appropriations to the Department of Fish and Game as follows:

Section 1 appropriates $37,100 to the department, of which $30,000 will be used to fund consultant services required to implement the recommendations of the recent organizational review of the department. The remaining $7,100 will be used to increase the commissioner's travel budget. In keeping with the recommendations of the Organization Review Report of the department and my wishes, the commissioner has maintained a very active travel schedule.

Sections 2 and 3 appropriate $4,700, respectively, to be used to fund a special joint meeting of the Board of Fisheries and the Board of Game in Bethel and four additional workshop meetings in Fairbanks, Anchorage, Kodiak, and Petersburg.

Sincerely,

S/JSH

Jay S. Hammond
Governor

02-001B(Rev. 10/76)

STATE
of ALASKA

MEMORANDUM

TO: Ron Lind, Director
Division of Budget & Management

DATE: March 1, 1978

FILE NO:

TELEPHONE NO:

FROM: Chuck Taylor, Budget Analyst
Division of Budget & Management
Office of the Governor

SUBJECT: Supplemental Appropriation for the Department of Fish and Game

The Department of Fish and Game requested a supplemental appropriation of $87,100. The purpose of the supplemental was to implement some of the recommendations made in the organizational review of the Department of Fish and Game and to fund additional travel by members of the Boards of Fisheries and Game. $30,000 was requested to fund consultant services to help the Department establish a strategic planning team who will develop goals, objectives, and strategies for the operation of the Department. $14,000 was requested to fill the new Deputy Commissioner position April 1, 1978. This position is requested in the FY 79 budget. $7,100 was requested to increase the Commissioner's travel budget. In keeping with the recommendations of the Organizational Review Report and the wishes of the Governor, the Commissioner has maintained a very active travel schedule. $26,000 is required to fund terminal leave payments paid to the previous Commissioner and scheduled to be paid to the retiring Deputy Commissioner. Additionally, $29,000 is required to fund a special joint Board of Fisheries and Game meeting in Bethel and four additional meetings in Fairbanks, Anchorage, Kodiak, and Petersburg. The Boards of Fisheries and Game will be holding public hearings this fiscal year on proposals to improve the degree of public participation in the regulation making process. The Department of Fish and Game proposed to fund these special meetings with a $9,400 supplement and $19,600 additional vacancy in the Board's budget due to the vacancy of the Executive Director of the Boards of Fish and Game position, and the secretary position.

The Budget Review Committee's (BRC) recommendation is to request a supplemental of $46,500. This supplemental will fund consultant services ($30,000), additional travel for the Commissioner ($7,100), and additional travel for the Boards of Fisheries and Game ($9,400). Also, the BRC recommended that the Division Budget & Management allocate an additional $26,600 of salary increase funds to the Department of Fish and Game to fund terminal leave payments. Additionally, the BRC recommended that the administration not fill the new Deputy Commissioner position before legislative approval of the FY 79 budget.

82-0018-Rev. 10/76)

STATE
of ALASKA

MEMORANDUM

TO: Ronald O. Skoog, Commissioner
Department of Fish & Game

DATE: March 1, 1978

FILE NO:

TELEPHONE NO:

FROM: Michael C. Harper
Administrative Assistant
to the Governor

SUBJECT: Department of Fish & Game
Supplemental Request for
$87,100

The Governor has decided to introduce supplemental legislation to fund consultant services ($30,000), additional travel for the Commissioner's Office ($7,100), and additional travel for the Boards of Fisheries and Game ($9,400). The Governor did not wish to hire the new Deputy Commissioner before legislative approval of the FY 79 budget. The Division of Budget & Management feels that funds will be available in the salary increase fund allocation to the Department to cover terminal leave payments in the Commissioner's Office.

cc: Keith Specking
Jeff Morrison

STATE
of ALASKA

MEMORANDUM

RECEIVED
FEB 9 1978
BUDGET & MANAGEMENT

TO: The Honorable Jay S. Hammond

DATE: February 6, 1978

FROM: Keith W. Specking
Legislative Assistant

SUBJECT: Summarization of progress on implementation of recommendations contained in the organization review of the Alaska Department of Fish and Game

In accordance with your request, the following is a summarization of the actions that have been taken by the Commissioner of Fish and Game to implement the recommendations contained in the departmental review which I conducted.

The review has been the subject of several lengthy Fish and Game staff meetings in the six weeks they have had the opportunity to study it. During the week of January 22, the staff met twice with Leonard Lane to discuss their comments. The staff is currently awaiting Mr. Lane's revised recommendation for a specific implementation schedule.

The department has begun the necessary organizational changes to strengthen the role of the commissioner in the areas of policy development and planning. An organization chart depicting these changes is attached. The appropriate budget recommendations to implement the proposed organization structure have largely been submitted and approved in the Governor's budget which went to the legislature. A new position request for Chief of Research is being submitted.

The recommendations for transfer of the Commercial Fisheries Entry Commission into the Department of Fish and Game are currently under legislative scrutiny. These recommendations had been previously made by the Governor's Management and Efficiency Review Team and are contained in SB 100. SB 100 is in the Senate Finance Committee.

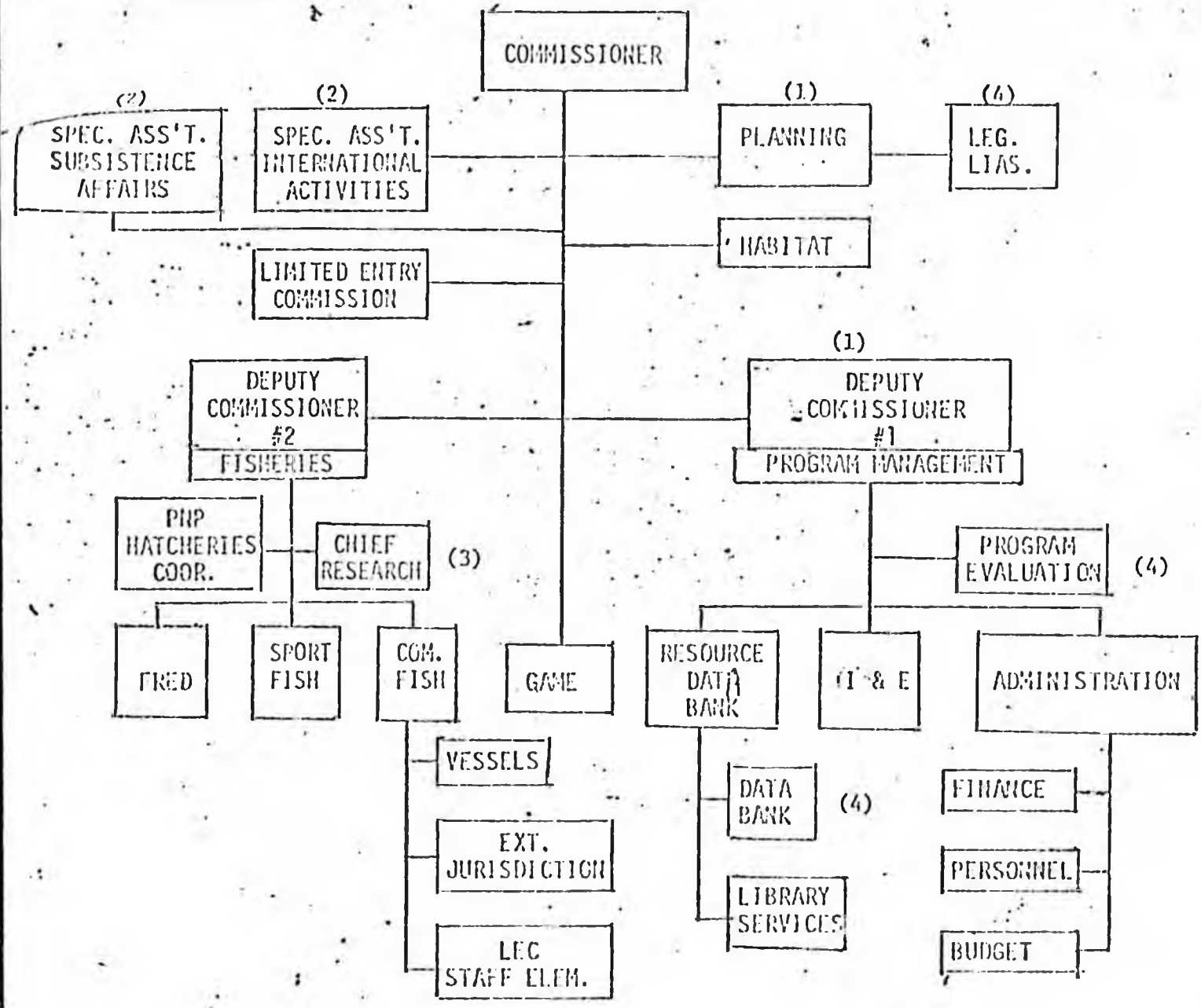
The department is actively seeking to implement the recommendation that Department of Fish and Game field personnel be trained in enforcement procedures. Commissioner Skoog and Commissioner Burton have developed a program for training Fish and Game Department personnel at the Sitka Academy.

The department is beginning the first steps of undertaking a strategic planning process to begin in February. The strategic planning process will help the department identify their major goals, set appropriate objectives, and outline strategies for achieving these goals and objectives in a planned time frame. This will provide the department with a coordinated set of objectives and strategies over the next fiscal year.

The division directors have been active as the top management team discussed in the report. The five-person strategic planning team will be designated following further input from Mr. Lane regarding specific tasks to be accomplished. The need to retain an outside consultant to assist the planning team is critical, and the department will be submitting a request for a supplemental budget for FY 78 which will include funding for the expenses of a consultant.

It should be noted that the attitude throughout the department has been one of cooperation and a willingness to make the necessary changes that will help them to be more effective.

Attach.



1) New positions included in FY'79 Governor's Budget

2) New positions to be transferred in from other departmental positions not yet designated. Effective date of transfer to be on or after 7-1-78.

3) New position requested in budget amendment to be submitted week of 1-29-78.

4) Functions to be accomplished by assignments of departmental personnel on an interim basis.

02 COIB

STATE
of ALASKA

MEMORANDUM

RECEIVED
FEB 9 1978
BUDGET & MANAGEMENT

TO: Tom Lind, Director
Division of Budget and Management
Office of the Governor

DATE: February 7, 1978

FROM: Ronald O. Skoog
Commissioner
Department of Fish and Game

SUBJECT: FY'78 Supplemental

The Alaska Department of Fish and Game requests an FY'78 supplemental appropriation in the amount of $87,100. The purpose of the supplemental is to initiate implementation of some recommendations made in the organizational review of the Alaska Department of Fish and Game dated December, 1977. A secondary purpose of the supplemental request is to fund additional travel by members of the Boards of Fisheries and Game and staff members for attendance at public meetings to discuss improvements in the Fish and Game regulatory process, including methods of assuring greater public participation. As you know, the Governor has been directly involved in the development of the new concepts which are under consideration. Incorporated into this supplemental request are other necessary adjustments between the components affected by the request.

One of the initial recommendations of the organizational review of the Department was to establish a strategic planning team which would receive the help of an outside consultant in the development of goals, objectives, and strategies for the operation of the Department. The expected results of this strategic planning process are explained in detail on page 69 of the organizational review. In order to accomplish this recommendation, it is necessary to retain an outside consultant. We have received a proposal from the consultant who is currently assisting our Department to provide the services necessary for the implementation of the review recommendations. A copy of that proposal is attached. The Department is requesting funding to implement tasks one and four of this proposal at a total cost of $30,000.00. Funding for the balance of his proposal will be addressed by separate memorandum. The organizational review also recommended the establishment of a second Deputy Commissioner position. This position has been included in the FY'79 budget request of the Department. In order to provide early implementation of this much needed position, the Department is requesting funding to allow the early establishment of the second Deputy Commissioner position for the last three months of this fiscal year. The total cost for three months of a Deputy Commissioner at range 28A is $14,000.00.

The Department of Fish and Game has been working with the Governor and the Boards of Fisheries and Game in developing proposals to improve the degree of public participation in the regulation making process. We have identified three alternatives to achieve this end: 1) Increased support of the current Boards and Advisory Committees; 2) Establish regional councils comprised of Advisory Committee Chairmen with the retention of the two statewide Boards; 3) Delegate regulation-making

authority to regional boards. In order to insure that adequate public participation is received regarding these proposals, the Boards have scheduled a special joint meeting in Bethel and four additional workshop meetings in Fairbanks, Anchorage, Kodiak and Petersburg this fiscal year. Travel expenses for Board members and other staff to attend these meetings was not budgeted and cannot be identified from existing sources. Attached is a detailed travel summary for the Boards of Fisheries and Game which justifies the requested supplemental amount of $29,000.

In addition to the above requests totaling $73,000, there have been unbudgeted expenditures in the Office of the Commissioner which we propose to partially offset with savings in other appropriation areas. A total of $19,600 in savings has been identified in the Boards of Fisheries and Game budgets, due to a high vacancy rate in the staffing for the Boards. We expect the Executive Director of the Boards of Fish and Game and his secretary to be appointed about April 1. Projections based on that assumption indicate that the total personal services appropriations for the Boards of Fisheries and Game will be $19,600 in excess of that which is needed. These excess funds are requested to be used to partially offset additional expenses in the Commissioner's Office.

The retirement of the previous Commissioner and the scheduled retirement of the Deputy Commissioner will result in a total terminal leave payment of $26,600 from this fiscal year's appropriation. This amount could not have been foreseen at the time this budget was prepared. An additional $7,100 is requested to supplement the Commissioner's travel budget. In keeping with the recommendations of the organizational review report and the wishes of the Governor, I have maintained a very active travel schedule requiring numerous trips both in-state and out-of-state. At the present time, I feel I will need a minimum of $7,100 in order to fund the necessary travel for the remainder of this fiscal year. The total additional funding for the Commissioner's Office required for FY'78 (exclusive of funding for the consultant or second Deputy Commissioner), amounts to $33,700.

The total request of $87,100 is the sum of the amounts requested in the Boards' and Commissioner's Office budgets (73,000 + 33,700) less the amount available as excess in the Boards' budget (19,600). Your favorable attention to this supplemental request is greatly appreciated. Any additional information you require will be provided at the earliest opportunity.

cc: Keith Specking
Mike Harper
Division Directors
John Stewart

TRAVEL SUMMARY

BOARDS OF FISHERIES AND GAME

BOARD OF FISHERIES MEMBERS

	FY 78 BUDGET	FY 78 REVISED
2 regular meetings, 1 special meeting, 3 additional meetings required by Statute, individual member travel	38.2	37.1
Special meeting in Bethel and 3 other workshops regarding regional council proposal	0	9.3
TOTAL	38.2	46.4

BOARD OF GAME MEMBERS

One regular meeting, 12 days of special and joint meetings, individual member travel	20.5	18.6
Special meeting in Bethel and 3 other workshops regarding regional council proposal	0	9.1
TOTAL	20.5	27.7

STAFF TRAVEL CHARGED TO BOARDS (50/50 SPLIT BETWEEN BOARDS)

Executive Director travel	8.0	5.0
Department staff unbudgeted travel to attend special joint meeting in Bethel and 3 other workshops regarding regional council proposal	0	16.6
TOTAL - Board of Fisheries	4.0	10.8
TOTAL - Board of Game	4.0	10.8

	FY 78 Appropriation	FY 78 Revised	FY 78 Shortfall
TOTAL - Board of Fisheries	42.2	57.2	15.0
TOTAL - Board of Game	24.5	38.5	14.0

LEONARD LANE ASSOCIATES / 860 H STREET • SUITE 208 • ANCHORAGE, ALASKA 99501 • (907) 279-9608

January 20, 1978

Honorable Ronald G. Skoog, Commissioner
Alaska Department of Fish & Game
Subport Building
Juneau, AK 99811

Dear Commissioner Skoog:

Leonard Lane Associates, in conjunction with Martin-Simonds Associates, is pleased to submit a proposal to design and facilitate the implementation of a strategic planning process as well as design a uniform project planning and control system for the Alaska Department of Fish & Game. The strategic planning process, referred to in this proposal, is defined as a means of determining the goals of the organization, setting objectives for the organization based on those goals, and deciding upon strategies and policies by which the organization will allocate resources to accomplish the objectives.

BACKGROUND AND OBJECTIVES--STRATEGIC PLANNING

At the conclusion of the recently completed organizational review of the Department, we agreed that the first step in the implementation phase would be design and implementation of a strategic planning process. We also concluded, jointly with yourself, that strategic planning is the responsibility of the Department's top management with input gathering from many sources. Furthermore, we agreed that the time frame for strategic planning will be short-range (one year) for this phase of the process.

The output which we expect to derive from this will be a statement of a limited number of specifically obtainable objectives, the strategies for achieving those objectives, and the criteria for judging whether or not the objectives have been achieved.

This will provide the Department with a clearly stated, comprehensive, and coordinated set of objectives and strategies for achieving those objectives. With such a plan, departmental personnel would be less likely to react to temporary pressures

and more likely to work toward stated objectives in a coordinated, effective manner.

The two specific outcomes from this strategic planning process would be:

- A set of mutually agreed upon goals, objectives and strategies for the operation of the Department through fiscal year 1980.
- A plan for continuing the planning process on an annual basis in future years. This plan would include documentation as to the roles and responsibilities for conducting such formal strategic planning each year and include the preparation of annual divisional workplans.

At the completion of this first phase of strategic planning which sets forth the goals we have outlined above, the Department will be able to carry on its own strategic planning without the assistance of any further outside resources.

APPROACH

Between February 1, 1978 and June 30, 1978 we proposed to assist the Commissioner with the development of a comprehensive, coordinated strategic plan for the five or six major issues currently facing the Department. We propose to go about this task in the following manner:

- Task 1: The consultant team, working with the Commissioner and Division Directors, will specify, prioritize and select the five or six major issues for which a strategic plan will be developed.

  The organizational review just completed in the Department, and the work completed in F.R.E.D., identified in excess of one hundred problems. However, we feel that to effectively utilize the strategic planning process, these must be narrowed to the five or six most critical issues in need of attention by the Department.

- Task 2: Prioritize the issues in terms of their immediate importance to the Commissioner and the Department.

- Task 3: Transmittal of the issues to those who will make up the strategic planning team.

- Task 4: Conduct team-based planning sessions. We propose to facilitate four three-day sessions spaced one month apart.

METHODOLOGY

The consultant will organize, facilitate and provide structure, as well as input, to the planning sessions, working with and through the Commissioner and the top management team.

Each session will be documented and follow-up tasks assigned for between-session work. The consultant will also assume the responsibility for organizing and monitoring this follow-up work that has been assigned during the inter-sessions.

A report on each session, prepared by the consultant and reviewed with members of the team, will be submitted to each participant at least five days prior to each session. The final result of this process will be a written plan outlining the agreed upon goals, objectives and strategies for the operation of the Department through fiscal year 1980. In addition, it will be possible to coordinate these goals and strategies with budget preparation for the fiscal year 1980 budget.

A final deliverable item resulting from the strategic planning process will be an agreed-upon organizational chart for the Department, as well as documented position descriptions for each of the top management positions in the new organizational structure.

A further benefit from these team-based planning sessions, will be that the key members of the Commissioner's staff, using the concensus method, will achieve some minimal level of agreement to each of the elements in the plan. If we are successful in this endeavor, the participating team members will have a sense of ownership in the strategic plan that is ultimately agreed upon.

DESIGN OF A UNIFORM PROJECT PLANNING AND CONTROL SYSTEM

During the strategic planning process the consultant will also design a uniform project planning and control system for implementation department-wide. As recommended in the organizational review, if the Department is to exercise stronger managerial control over the budgets and schedules of all of the separate projects and operating units that comprise the work being conducted by the Divisions, it must have a uniform project planning and control system. This system would document the project description, project objectives and performance indicators, the tasks and activities that must take place along certain time lines, and the personnel and expenses that are associated with the project.

The consultant proposes to undertake the following activities in the development of the system:

- To gather information from field operations.
- To design the system.
- To review and test the system.
- To develop in writing the project planning and control manual.

The final product of this task will be a project planning and control manual with all appropriate forms and flow charts required for project planning and control within the Department.

PROJECT PERSONNEL

The principals of both Firms, Leonard Lane and John Simonds, will be jointly responsible for assisting the Department in implementing the strategic planning process. In addition, associates in both firms will develop, under the direction of the principals, the Uniform Project Planning and Control System.

TIME AND COSTS

The fees for this project will be based upon the time and expenses required to complete the tasks previously outlined. The time frame being considered is February 1, 1978 to June 30, 1978. However, it is recognized these tasks and the completion date for the project could be stretched into the following fiscal year.

The costs are broken down as follows:

- Task 1: Specifying, prioritizing and assisting in the selection of five to six major issues for which the strategic plan will be developed. This task includes gathering of all the relevent information, sorting, classifying, grouping and writing the problem statements for the Commissioner. Duration of task--February 1, 1978 to March 15, 1978. Fee--$15,500.
- Task 2: Facilitate four three-day team-based planning sessions one month apart, documentation of the sessions, identification of follow-up tasks. Time frame--March 15, 1978 to June 15, 1978. Fee--$21,000.

- Task 3: In the absence of a planning staff attached to the Commissioner's office, the consultant will provide inter-session support to help gather necessary and relevent information required by the participants to complete the tasks identified during each of the team-based planning sessions. It is our experience in other organizations with this type of a process, that this is an important and essential role, as the natural tendency of participants is to become over-committed and not to be fully prepared for the planning sessions. Lack of preparation is costly to the effeciency and effectiveness of the total effort of the group. Duration of task--March 15, 1978 to June 15, 1978.
  Fee--$9,000.

- Task 4: Design and develop a uniform project and planning and control system for implementation department-wide. This includes gathering of information, the design of the system, the review and testing of the system, and the writing of the manual. Duration of task--February 15, 1978 to June 30, 1978.
  Fee--$14,500.

Total fee and expenses for the facilitation and conduct of the strategic planning sessions, as well as the design and development of a uniform project planning and control system, will be $60,000.

* * * * * * * * *

We are pleased to submit this proposal to the Alaska Department of Fish & Game and look forward to beginning the initial work required to gather information, and delineate the issues required for the planning sessions.

Yours truly,

LEONARD LANE ASSOCIATES

Leonard D. Lane
President

LDL/jh

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 Actual	FY 77 Final Auth.	FY 77 Actual	FY 78 Gov. Budget	FY 78 Initial Auth.	FY 78 Current Auth.	Expenditures + Encumbrances 7/1 - 12/31	Other Obligations 7/1 - 12/31	Col. 1 Projected Expenditures + Encumbrances 1/1 - 6/30	Col. 2	Col. 1 FY 78 (Deficit) or Excess	Col. 2	FY 79 Maintenance Request
Personal Services	157.2	154.6	152.1	171.6	161.6	161.6	85.6		102.6	14.0	26.6	14.0	279.4
Travel	14.9	16.0	14.3	18.0	18.0	18.0	13.1		12.0		7.1		22.1
Contractual Services	8.1	9.4	9.9	9.9	9.9	9.9	4.2		5.7	30.0		30.0	33.9
Commodities	1.2	.4	.9	1.6	1.6	1.6	.8		.8				1.6
Equipment	.7			.5	.5	.5	.5						1.5
Lands, Bldgs. ...													
Grants, Claims, ...													
Miscellaneous													
TOTAL	182.1	180.4	177.2	201.6	191.6	191.6	104.2		121.1	44.0	(33.7)	(44.0)	338.5
Federal Receipts													
Required GF Matching													
Other General Fund	182.1	180.4	177.2	201.6	191.6	191.6	104.2		129.7	44.0	43.3	44.0	338.5
Inter-agency Receipts													

Agency Fish and Game BRU Administration Component Commissioner's Office Revised

* Personal services projections do not include salary increases, since funds have already been appropriated for that purpose.

NOTE: Column 1 indicates adjustments needed not counting the additional funds for management consultant and three months of second Deputy Commissioner. (these 2 items are in column 2). Adjustments include 26.6 in unbudgeted terminal leave and additional travel (7.1) for Commissioner. The total of these adjustments (33.7) is offset by an excess in advisory committee travel (20.0) and by vacancies in Boards of Fisheries & Game (19.6)

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 Actual	FY 77 Final Auth.	FY 77 Actual	FY 78 Gov. Budget	FY 78 Initial Auth.	FY 78 Current Auth.	Expenditures + Encumbrances 7/1 - 12/31	Other Obligations 7/1 - 12/31	Projected Expenditures + Encumbrances 1/1 - 6/30	FY 78 (Deficit) or Excess	FY 79 Maintenance Request
Personal Services	24.0	38.5	32.8	33.5	33.5	33.5	6.9		16.3	10.3	58.2
Travel	34.5	38.7	35.0	42.2	42.2	42.2	6.4	12.5	36.3	(15.0)	49.2
Contractual Services	10.5	12.0	8.9	13.5	13.5	13.5	6.7		6.8		13.5
Commodities	1.6	1.0	.7	2.1	2.1	2.1	.4		1.7		2.1
Equipment	.8	1.0	.6	.1	.1	.1			.1		.6
Lands, Bldgs. ...											
Grants, Claims, ...											
Miscellaneous											
TOTAL	71.2	91.2	78.0	91.4	91.4	91.4	20.4	12.5	63.1	(4.7)	123.6
Federal Receipts											
Required GF Matching											
Other General Fund	71.2	91.2	78.0	91.4	91.4	91.4	20.4	12.5	63.2	(4.7)	123.6
Inter-agency Receipts											

* Agency Fish and Game BRU FY 78: Administration FY 79: Boards of Fish and Game Component Board of Fisheries Revised

* Personal services projections do not include salary increases.

FY 78 SUPPLEMENTAL REQUEST ANALYSIS

	FY 76 Actual	FY 77 Final Auth.	FY 77 Actual	FY 78 Gov. Budget	FY 78 Initial Auth.	FY 78 Current Auth.	Expenditures + Encumbrances 7/1 - 12/31	Other Obligations 7/1 - 12/31	Projected Expenditures + Encumbrances 1/1 - 6/30	FY 78 (Deficit) or Excess	FY 79 Maintenance Request
Personal Services	22.3	30.5	32.8	33.5	33.5	33.5	7.9		16.3	9.3	58.2
Travel	23.8	21.3	26.7	24.5	24.5	24.5	2.0	3.7	32.8	(14.0)	30.4
Contractual Services	4.3	5.6	4.9	7.3	7.3	7.3	.6		6.7		6.9
Commodities	1.0	.8	.5	1.5	1.5	1.5	.1		1.4		1.5
Equipment	.9	1.0	.5	.1	.1	.1			.1		.6
Lands, Bldgs. ...											
Grants, Claims, ...											
Miscellaneous											
TOTAL	52.2	67.2	65.4	66.9	66.9	66.9	10.6	3.7	57.3	(4.7)	97.6
Federal Receipts											
Required GF Matching											
Other General Fund	52.0	67.2	65.4	66.9	66.9	66.9	10.6	3.7	57.3	(4.7)	97.6
Inter-Agency Receipts											

FY 78 Administration

Agency Fish and Game Bru FY 78 Boards of Fish & Game Component Board of Game Revised

* Personal services projections do not incluse salary increases.

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.

James O. Smith
Signature of Camera Operator

2/23/90
Date

02-519 (REV 8/78)

THE IZAAK WALTON LEAGUE OF AMERICA
Recreational Park

P.O. Box 4-316
Anchorage, Alaska 99509

APR 20 1978

4-17-78

Hello Hugh!

Per your recent request, please find enclosed two copies of purchase agreement with reference to the Jeremy river property.

Mr. McFarland will refund to me my $ received down payment interest free, after he receives payment for the property.

Again, thanks a lot for your assistance in protecting this property for future generations of Alaskans.

Sincerely,
Glenn E. McDonald

REALTOR®

MULTIPLE LISTING SERVICE
MLS®

RECEIPT and AGREEMENT to PURCHASE

ANCHORAGE, ALASKA REAL ESTATE FIRMS

Listing _____ Phone _____

Selling _____ Phone _____

ADDRESS:

November 2, 19 77

RECEIVED FROM Sam E. McDowell et al

Mailing Address _____ Phone _____

the sum of Two Thousand & 00/100 ($ 2000.00) Dollars

as a deposit on and part payment for the real property and improvements thereon situated in the _____

State of Alaska; describe as: _____

and all fixtures and equipment attached to and a part of the above described property, and the personal property also to be left upon the premises, described in an inventory as part of the listing agreement,

which property the payer of the above deposit hereby agrees to buy for the total price of $ _____ on which sum the above deposit shall apply. Purchase terms are: _____

Premises may be occupied under condition of attached occupancy agreement at

$ _____ per day.

Possession shall be given to buyer on closing or _____

1. ___ days allowed from date of seller's acceptance for search of title and completion of purchase. If title proves good and purchase is not completed within said period, the said deposit shall be forfeited by purchaser.

2. This sale is made by said agent subject to the owner's approval. If so approved the owner will furnish a good and sufficient warranty deed, and a showing of free title clear of encumbrances, except conditions, restrictions, reservations and rights-of-way of record.

3. In the event the improvements on the above described real property shall be destroyed or materially damaged prior to consummation of this purchase, this contract shall at purchaser's election immediately become null and void and said deposit shall be returned to purchaser on demand.

4. This writing contains the entire agreement. There are no other understandings, oral or written, which in any manner change or enlarge what is set forth herein. The plural shall include the singular.

5. It is mutually agreed by all parties hereto, that said agent is authorized broker and agent of the seller in negotiation of this agreement but the said agent shall not be held liable in any manner whatsoever from damages, arising from defaults or acts by, or upon the part of either party to this agreement.

6. Taxes, interest, insurance and prepaid rents to be prorated. Cost of deed and policy of title insurance to be furnished and paid for by seller. Escrow fees to be divided equally between buyer and seller.

7. The seller agrees that the buyers shall have the privilege of paying any part of all of the unpaid balance due to the seller at any time so long as they pay the balance to the seller at least as soon as provided.

8. The seller agrees that the buyers shall have the right to assign and to sell, or otherwise dispose of their interest in the above described property without notice to the seller.

9. Time is the essence of this contract but either agent may, without notice, extend for a period of not to exceed 365 DAYS the time for the performance of any act hereunder except the time for the acceptance hereof by seller.

10. Deed shall be drawn in the names of: _____

DATED _____ By _____ AGENT FOR ABOVE SELLING FIRM

I/We agree to purchase and pay for the above described property on the terms and conditions herein stated. Receipt of a copy of this agreement is hereby

REALTOR®

MLS

RECEIPT and AGREEMENT to PURCHASE

ANCHORAGE, ALASKA REAL ESTATE FIRMS

Listing _____ Phone _____

Selling _____ Phone _____

ADDRESS: _____

November 2, 19 77

RECEIVED FROM Sue E McDonell et al

Mailing Address _____ Phone _____

the sum of Two Thousand & 00/100 ($ 2000.00) Dollars

as a deposit on and part payment for the real property and improvements thereon situated in the _____

State of Alaska; describe as: _____

and all fixtures and equipment attached to and a part of the above described property, and the personal property also to be left upon the premises, described in an inventory as part of the listing agreement,

which property the payer of the above deposit hereby agrees to buy for the total price of $ _____ on which sum the above deposit shall apply. Purchase terms are: _____

Premises may be occupied under condition of attached occupancy agreement at

$ _____ per day.

Possession shall be given to buyer on closing or _____

1. ___ days allowed from date of seller's acceptance for search of title and completion of purchase. If title proves good and purchase is not completed within said period, the said deposit shall be forfeited by purchaser.

2. This sale is made by said agent subject to the owner's approval. If so approved the owner will furnish a good and sufficient warranty deed, and a showing of free title clear of encumbrances, except conditions, restrictions, reservations and rights-of-way of record.

3. In the event the improvements on the above described real property shall be destroyed or materially damaged prior to consummation of this purchase, this contract shall at purchaser's election immediately become null and void and said deposit shall be returned to purchaser on demand.

4. This writing contains the entire agreement. There are no other understandings, oral or written, which in any manner change or enlarge what is set forth herein. The plural shall include the singular.

5. It is mutually agreed by all parties hereto, that said agent is authorized broker and agent of the seller in negotiation of this agreement but the said agent shall not be held liable in any manner whatsoever from damages, arising from defaults or acts by, or upon the part of either party to this agreement.

6. Taxes, interest, insurance and prepaid rents to be prorated. Cost of deed and policy of title insurance to be furnished and paid for by seller. Escrow fees to be divided equally between buyer and seller.

7. The seller agrees that the buyers shall have the privilege of paying any part of all of the unpaid balance due to the seller at any time so long as they pay the balance to the seller at least as soon as provided.

8. The seller agrees that the buyers shall have the right to assign and to sell, or otherwise dispose of their interest in the above described property without notice to the seller.

9. Time is the essence of this contract but either agent may, without notice, extend for a period of not to exceed ___ DAYS the time for the performance of any act hereunder except the time for the acceptance hereof by seller.

10. Deed shall be drawn in the names of: _____

DATED _____ By _____ AGENT FOR ABOVE SELLING FIRM

I/We agree to purchase and pay for the above described property on the terms and conditions herein stated. Receipt of a copy of this agreement is hereby acknowledged.

I/We understand this is a legally binding contract. Said agent is hereby granted the exclusive and irrevocable right for _____ days from date to obtain an acceptance of this offer, failing which said deposit shall be returned. If accepted by the seller, I/We hereby appoint _____, our true and lawful attorney to have prepared on my/our behalf, all legal documents necessary to complete this transaction.

Buyer _____ Buyer _____

ACCEPTANCE BY SELLER

I/We accept the foregoing offer and agree to sell and convey the property described on the terms and conditions herein stated. I/We understand this is a legally binding contract.

If the sale is not completed I/We agree to pay for title insurance.

The deposit mentioned herein shall be retained by the above real estate firm in its trustee account until this transaction is completed, or until said deposit is forfeited or returnable as herein provided.

Owner herein acknowledges he has been advised to seek council of tax attorney or Certified Public Accountant for income tax consequences of transactions.

I agree to pay forthwith to the above named real estate firm a commission amounting to $ _____ for services rendered in this transaction. In the event of a forfeiture of the deposit as above provided, the said deposit shall be paid to or retained by the real estate firm to the extent of the agreed upon commission with residue to the seller. I authorize said real estate firm to pay out of the cash proceeds of sale the expense of furnishing evidence of title, of recording fees and revenue stamps, if any, as well as any incumbrances on said premises payable by me at/or before closing. I acknowledge receipt of a copy of this earnest money receipt bearing my signature(s) and that of the purchaser named above.

I/We hereby appoint _____, our true and lawful attorney to have prepared on my/our behalf all legal documents necessary to complete this transaction.

Dated _____ Seller _____ Seller _____

THE IZAAK WALTON LEAGUE OF AMERICA
Recreational Park

P.O. Box [redacted] 4-316
Anchorage, Alaska 99508 3
[redacted]
General Manager

Hello Mr Cooper!

Please find enclosed additional data with reference to proposed Funny River State Wayside.

Since its extremely important this wayside be funded this session or it will be sold and lost forever to Alaskan General Public.

Your assistance will truly be appreciated.

Sam E. McDowell

Proposed Funny River State Wayside

The establishment of a new wayside at the confluence of the Funny and Kenai Rivers would be of outstanding value to recreationists (particularly sport fisherman) utilizing the Kenai River. The Izaak Walton wayside which was acquired in 1977 by the State has received an extremely heavy level of public use in its first season of operation. There is every reason to believe that a similar wayside located downriver at the Funny-Kenai Rivers confluence would receive a similar level of use by the public. Acquiring and maintaining public access to water bodies is one of Alaska's most important public recreation needs. As recently stated by the U.S. Army Corps of Engineers in their Draft-Summary Kenai River Review (February 1978) "the Kenai River is used primarily as a recreational resource". However, while the river is in fact a public recreational resource along much of the lower portion of the river public access to this resource is extremely limited. A publicly owned and managed wayside at Funny River would greatly facilitate the public's use of the Kenai River. The Corps' study further states:

> Recreational activities on the river and tributaries far outnumber commercial, municipal and residential uses. The river is the center of recreational activity for the major population centers of Southcentral Alaska. This level of activity is greatest during the summer. Anchorage accounts for a large share of the recreational users, as residents leave the city for various weekend activities. The Kenai River is often referred to as "Anchorage's playground".
>
> The major recreational pursuit is sport fishing. The river and its tributaries support the largest fresh water fishery in Alaska. The Alaska Dept. of Fish and Game estimates that anglers will spend 200,000 man days in pursuit of salmon, trout and char during the 1977 sport fishing season. Anglers appear in virtually all sections of the river, except in areas of treacherous water. Boats of every size and shape are seen on the river. River boats with large horsepower engines equipped with jet units are a favorite, as this system permits rapid travel upstream...There are only seven public "non-fee" access ramps available. This lack of (public facilities) has prompted individual land owners to construct private structures.

Thus, unless one lives on or owns property on the Kenai River they are limited in their ability to gain access to this public resource. The question of public access becomes more critical in view of the following information. Cook Inlet supports 44.4% of Alaska's total sport angling effort (Boeing Computer Service, 1973). This percentage is expected to

increase as the Cook Inlet area continues to exhibit a population growth rate higher than other portions of the state. Supporting a large portion of this use, the Kenai River king salmon fishery between the years of 1974 and 1977 has shown an increase of 140% (from 45,000 man-days to 108,000 man-days). Other species of sport fish have received similar, although less dramatic, increases in harvest effort.

The site of the proposed wayside is located 10 miles east of Soldotna adjacent to the Funny River road. This is a good gravel all-weather road which provides for easy access from the Soldotna-Kenai areas. The proposed land to be acquired has approximately 1,000 feet of river frontage which would be available as shoreline access to the angling public. Most of the land upstream or downstream from the site is either privately owned or generally not accessible from the road systems. This site also has excellent potential for the construction of a boatramp for use by fishermen and other boaters.

Should this area become a public wayside, it will be the only developed public access site on the south bank of the Kenai River with the exception of the Soldotna city campground. It will also be located approximately in the center of a 16 mile section of the Kenai River which is only lightly utilized due to the lack of readily accessible developed public access. During the 1977 king salmon fishery this area received only 9.1% of the total angling effort, although it comprises 47.1% of the stream area open to fishing (personal conversation with Sid Logan, Area Management Biologist, ADF&G, Soldotna). Opening up this lightly used stretch of river to sport fisherman will accomplish a great deal towards helping to more adequately distribute use and use pressures on the Kenai River in total. Angling pressure on the river has increased substantially further justifying the need for achieving a better distribution of this pressure through the creation of additional public access.

A 1977 survey of recreationists at Izaak Walton wayside (6 miles upriver from the proposed new wayside) provides some information on prospective users of the proposed wayside. At Izaak Walton wayside, 68% of the users were resident Alaskans. Of those, 63% were from Anchorage, 16% from the Kenai-Kodiak area, and 5% from Interior Alaska. The most common length of stay was 24 hours while many persons stayed for three or four days. Fishing was considered by 57% of the visitors to be their favorite activity at this area, while 20% state that it was camping. Tent camping was undertaken by 21% of the visitors while 44% had campers on pickup trucks or motorhomes.

For the fishing as well as nonfishing public the establishment of a new wayside at Funny River will provide the opportunity for persons to utilize the existing Izaak Walton wayside and the proposed Funny River wayside as put-in and take-out points for river float trips. Thus, the area will also receive significant use by recreationists other than sport fisherman. It is also expected that the proposed wayside would receive

significant use by local residents for picnicking and other activities. Overall, this proposal represents a significant opportunity for the State to insure public access to the Alaska's recreational resources while also allowing for wiser management of its sport fishery.

MEMORANDUM

State of Alaska
DEPARTMENT OF FISH AND GAME

TO:
Russ Redick
Regional Supervisor
SF - Anchorage

DATE : November 8, 1977

SUBJECT: Kenai-Funny River
Confluence Land Purchase

FROM:
Sid Logan
Area Management Biologist
SF - Soldotna

This memo is in reference to your request of November 2 concerning the desirability of the state acquiring the McFarland property located at the Funny-Kenai River confluence. We believe the purchase of this parcel would be beneficial to recreational angling public for the following reasons:

1. This site is located 10 miles east of Soldotna adjacent to the Funny River Road. This is a good gravel all weather road which provides for easy access from the Soldotna-Kenai areas. Also, it would be more readily accessible to the Anchorage population center when a bridge is eventually constructed across the Kenai River near Naptowne connecting it with the Sterling Highway.

2. This 14 acre parcel has approximately 1,000 feet of frontage on the Kenai River which would be available as shoreline access to the angling public. Most of the land above and below this site is either private or generally not accessible from the road system. The site also has excellent potential for the construction of a boat ramp or harbor in the sheltered Funny River.

3. This will be the only developed public access site on the south bank of the Kenai River except for the Soldotna City Campground. It will also be located approximately in the center of a 16 mile section of the Kenai River which is only lightly utilized due to the lack of readily accessible developed public access. During the 1977 king salmon fishery this area received only 9.1 percent of the total effort although it comprises 47.1 percent of the stream area open to fishing.

4. The Kenai River is the most popular salmon fishery in the state of Alaska so the demand for improved public access is very high. Total angler effort on king salmon during June and July has increased by 252 percent over a four year period from 23,600 man-days in 1974 to 83,000 man-days in 1977. Effort on silver salmon during August and September was 36,000 man-days in 1976.

STATE
of ALASKA

MEMORANDUM

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF LAND & WATER MANAGEMENT

TO: NEIL C. JOHANNSEN
Chief of Planning
Division of Parks

DATE: December 23, 1977

FILE NO:

TELEPHONE NO.:

FROM: DENNIS L. LATTERY C.R.A.
Appraiser

SUBJECT: Letter of opinion of value

As requested this is to provide you with an estimate of the market value of a parcel of land located at the confluence of the Funny River and Kenai Rivers described to me as:

> Tract Six, Addition No. Two, Island Subdivision NE¼, SE¼ Goverment Lots 12 & 13, Section 28, T5N, R9W, S.M. (Total 13.89 acres)

You will understand that I have not had the benefit of a field inspection of this property nor the comparable sales used to support this estimate. Because of this I am obliged to provide you with a probable range of values rather than a simple "ball park" figure. I will note that I have appraised a number of parcels in this area in the past, including both backlands and river fronting properties, and that I am reasonably familiar with market thinking in the vicinity.

On a basis of five reasonably current sales in this area, including a 47 acre river fronting tract very near the subject, a range in value of $7,500.00 to $8,300.00 per acre is indicated to this property.

I hope this is sufficient for your needs.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. House Bill No. 887
Title Special appropriation to DNR for land acquisition for a Funny River Wayside
Requested by House Resources Committee Date 3/15/78

II. FISCAL DETAIL
Agency Affected Division of Parks, Department of Natural Resources
Program Category Affected Natural Resources and Environmental Conservation
Budget Request Unit(s) Affected Parks and Recreation

. EXPENDITURES (Thousands of Dollars)

		FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100	PERSONAL SERVICES	0	0	1.8	2.0	2.2	2.4
200	TRAVEL	0	0.2	0.2	0.3	0.4	0.5
300	CONTRACTUAL	0	1.0	1.7	1.9	2.1	2.3
400	COMMODITIES	0	0.5	2.0	2.2	2.4	2.6
500	EQUIPMENT	0	0	0	0	0	0
600	LAND & STRUCTURES	110.0	0	285.7	0	0	0
700	GRANTS, CLAIMS, ETC.	0	0	0	0	0	0
	TOTAL	110.0	1.7	291.4	6.4	7.1	7.8

. FUNDING (Thousands of Dollars)

GENERAL FUND	110.0	1.7	148.6	6.4	7.1	7.8
FEDERAL FUNDS	0	0	142.8	0	0	0
OTHER (Specify)	0	0	0	0	0	0

POSITIONS

APR 14 1978

FULL TIME	0	0	0	0	0	0
PART TIME	0	0	1/3	1/3	1/3	1/2
TEMPORARY	0	0	0	0	0	0

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

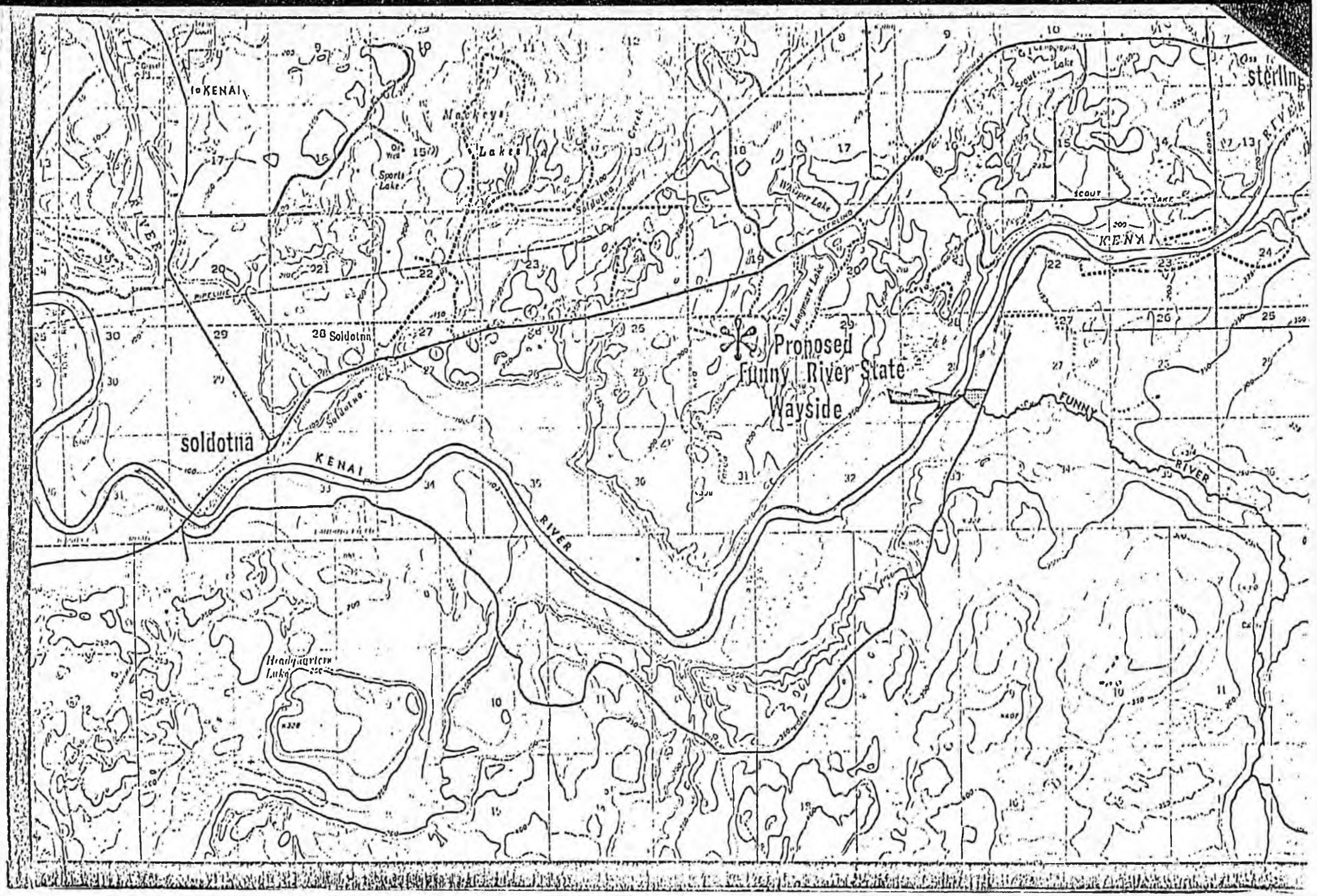
It is assumed that the bill will only result in acquisition of the 13.89 acres of private land. Actual opening and operation of the area for public recreation would be dependent upon a future allocation for development of the area. This development would include a boat ramp, parking, toilet facilities, trails, water well, picnic sites, and several tent camping sites. The cost of this development is estimated to be 225.0 dollars and presumably would occur in 1979 or 1980.

It is expected that 50-50 matching funds would be available in 1979 from the federal Land and Water Conservation Fund.

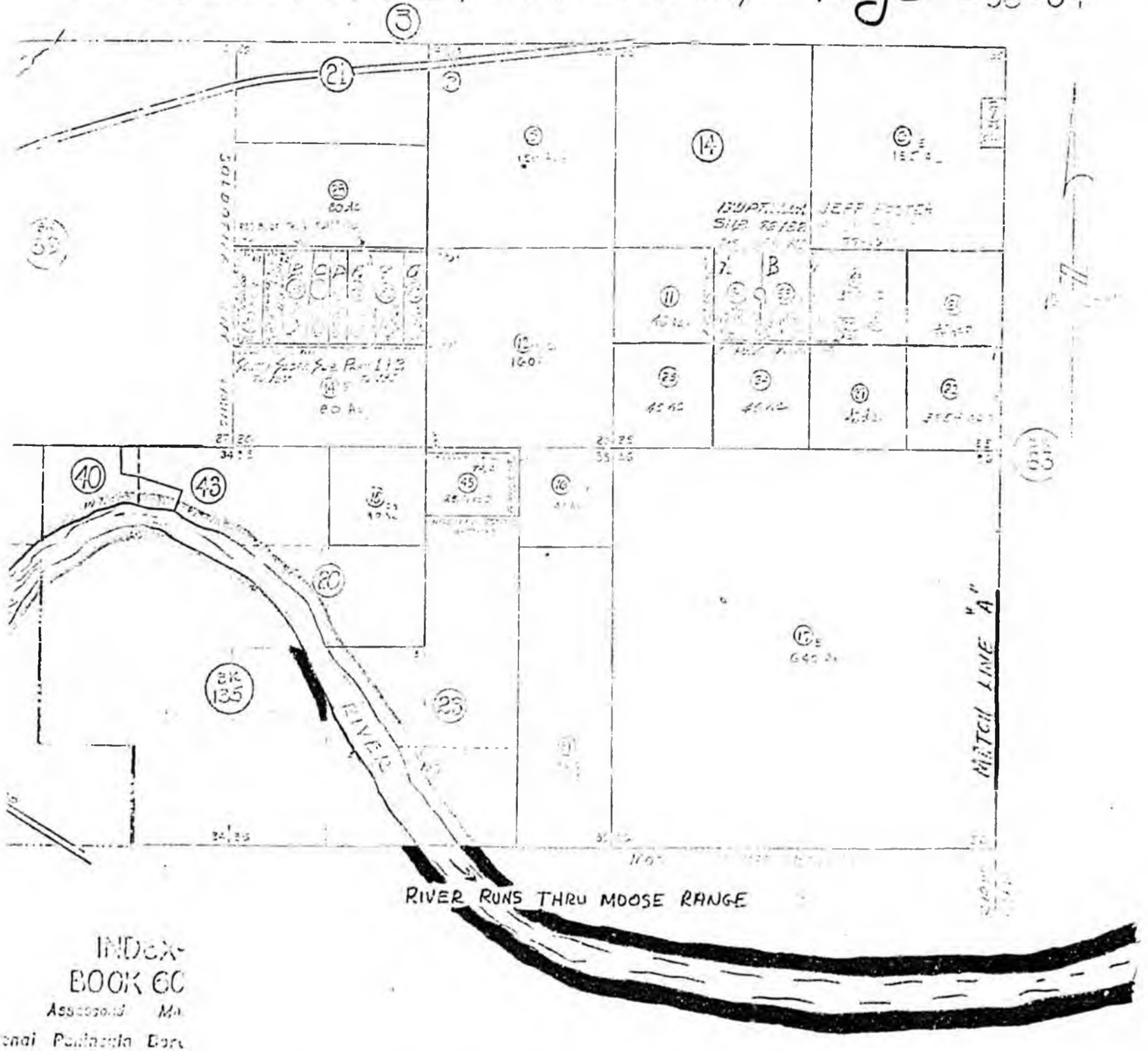
Assuming that development funds will be appropriated by the legislature in 1979, maintenance costs will be reasonably low thereafter due to the provision of low maintenance facilities. Maintenance and operation cost projections also assume that the area will not be open to the public until it is developed. To open the area in an undeveloped condition would lead to high maintenance costs due to random use patterns which would develop.

IV. DATE 4/5/78 PREPARED BY Terry A. McWilliams, Director
AGENCY Division of Parks, Dept. of Natural Resources
PHONE 465-2421 (Anchorage: 274-4676)

Original: Legislative Finance
cc: Budget and Management


to KENAI
Mackey Lakes
Sports Lake
Soldotna Creek
Oil Well
Whisper Lake
Longmere Lake
Scout Lake
sterling
KENAI RIVER
PIPELINE
28 Soldotna
Proposed Funny River State Wayside
soldotna
KENAI RIVER
FUNNY RIVER
Headquarters Lake

SEC. 25, 26, 27, 34, 35, 36, T5N, R1C W, C.R.M. Page 1 58-04



INDEX
BOOK 60

OWNERSHIP LEGEND

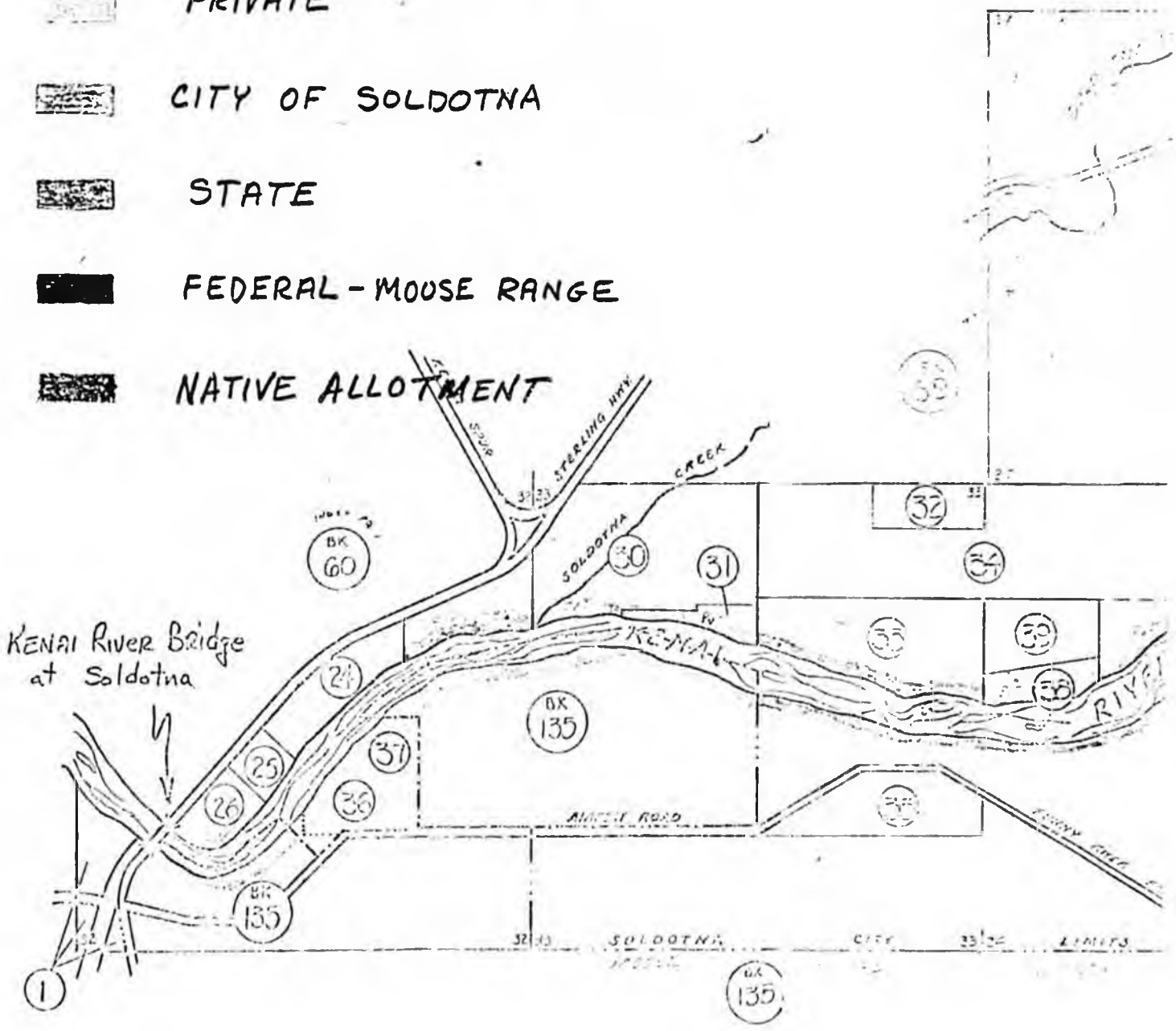
PRIVATE

CITY OF SOLDOTNA

STATE

FEDERAL - MOOSE RANGE

NATIVE ALLOTMENT



* Information per Assement Information 4-20-78

Page 2

SEC. 23, 29, 30, 31, 32, 33, T.5N., R.9W., S.M.