

LEG. FINANCE - BILLS 1979 - 1980 1400

CSSCR 66 thru SCR 68 1400



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

3/23/90
Date

COMMITTEE REPORT

HOUSE

FURTHER:

5/27/80

]

Date:

5/29/80

Mr. Speaker:

The Committee on FINANCE has had CS SCR 66

Directing the Alaska Legislative Council to revise AS 29
(Municipal Government).

under consideration and (a majority of the committee) (the committee)
reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Freeman
Nunca
West
Smith
Haugen
Montgomery
Rogals

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Freeman
Vice
CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE (Revised)

I. REQUEST

Bill/Resolution No. SCR No. 66 & HCR No. 70

Title Directing the Alaska Legislative Council to revise AS 29

Requested by _____ Date 5/12/80

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency

Program Category Affected General Government

BRU, Program, or Subprogram(s) Affected Legal Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	Option 1		Option 2		FY 82	FY '83	FY 84	FY 85
	FY 81	FY 81	FY 81	FY 81				
100 PERSONAL SERVICES	14.0	7.0	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	37.8	37.8	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	1.0	1.0	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	1.0	1.0	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT								
600 LAND & STRUCTURES								
700 GRANTS, CLAIMS, ETC.								
TOTAL	53.8	46.8	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	53.8	46.8					
FEDERAL FUNDS							
OTHER (Specify Fund Source)							

POSITIONS

FULL TIME							
PART TIME	1	1					
TEMPORARY							

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

Personal Services - Option 1 Option 2
Range 14 - 6 mos = \$13,986 Range 14 6 mos. half-time = \$6,993

Travel - Advisory group (3 meetings for 12 people @\$451 travel/per diem ----- = 16,236 ✓
Working group (8 meetings for 6 people @\$451 travel/per diem ----- = 21,648 ✓

Contractual - \$1,000 for miscellaneous printing and other costs ----- 1,000

Commodities - \$1,000 for office supplies ----- 1,000

IV. DATE 5/12/80

PREPARED BY

Richard W. Berg, Director

AGENCY

Legislative Affairs Agency

PHONE

465-3850

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Original sponsor: Community and
Regional Affairs

Offered: 5/24/80
Referred: Rules

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 66

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Directing the Alaska Legislative
6 Council to revise AS 29 (Municipal
7 Government).

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

9 WHEREAS Alaska has a system of local government that differs uniquely in
10 constitutional concept and in law from traditional local government and

11 WHEREAS the law governing municipalities in Alaska was last reviewed
12 completely in 1972 at which time significant elements of the local government
13 structures were still in a formative stage; and

14 WHEREAS numerous amendments to the municipal code have been made since
15 its adoption which have not been fully integrated into the code; and

16 WHEREAS much experience in the Alaska system of local government has
17 been gained since adoption of the municipal code; and

18 WHEREAS there is a need for a comprehensive revision of the municipal
19 code which will consider the 1972 code, amendments to it, and the experience
20 gained since its adoption;

21 BE IT RESOLVED by the Alaska State Legislature that under the provisions
22 of AS 24.20.090 and Uniform Rule 48(c) the Alaska Legislative Council is
23 directed to prepare a revision of Title 29 of the Alaska Statutes (Municipal
24 Government) by directing the legal services division of the Legislative
25 Affairs Agency to prepare the revision with the assistance of a policy advi-
26 sory group representative of the concerned public from all areas of the state
27 and persons experienced in the application of AS 29, and soliciting the
28 advice of the Alaska Code Revision Commission; and be it

29 FURTHER RESOLVED that the policy advisory group consist of two members

1 of each house of the legislature appointed by the presiding officer of each
2 house; public members of the policy advisory group shall be selected by the
3 presiding officer of each house from persons recommended by legislative
4 members, by the Department of Community and Regional Affairs, the Alaska
5 Municipal League, the Rural Alaska Community Action Program, Inc., the Depart-
6 ment of Law, and by the legal services division; and be it

7 FURTHER RESOLVED that a proposed revision of AS 29 be presented to the
8 legislature during the first 30 days of the First Session of the Twelfth
9 Legislature.

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Original sponsor: Community and
Regional Affairs

Offered: 5/24/80
Referred: Rules

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2 CS FOR SENATE CONCURRENT RESOLUTION NO. 66
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
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Alaska
MUNICIPAL
League

TELEPHONES
(907) 586-1325
586-6526

204 N. FRANKLIN ST.
JUNEAU, ALASKA 99801

May 29, 1980

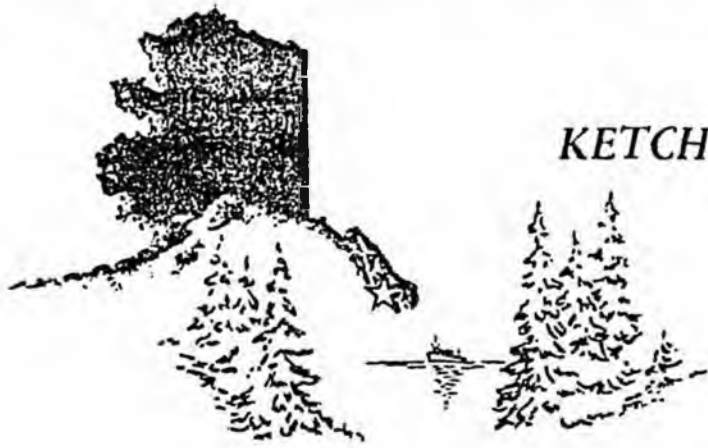
To: House Finance Committee

From: Ginny Chitwood, Executive Director - Alaska Municipal League

Re: SCR 66 - Title 29 Review

The Alaska Municipal League urges your favorable consideration of SCR 66. Since the last major revision of Title 29 - Municipal Code, there have been many changes to the original sections of the law. Although a simple meshing of the supplement with the original Title 29 would help those of us who work daily with the municipal provisions, it would be better to have a comprehensive review of the Title 29 - Municipal Code provisions in order to assure resolution of the conflicts created by amendments over the years.

Enclosed are copies of correspondence to the Senate concerning this resolution.



KETCHIKAN GATEWAY BOROUGH

344 FRONT STREET
KETCHIKAN, ALASKA 99901

5/20/80

TO: Senator Ziegler
Representative Gardiner
Representative Freeman

I'd like to ask your help in getting the resolutions concerning revisions in the Municipal Code (Title 29) - HCR 70 and SCR 66 moved out and passed this session.

1972 was the last rewrite of the Code and since then there have been many piecemeal amendments. A complete review of how local government works and whether it is effective as presently structured by Title 29 is overdue. This review should get started in the off-session time in order that recommendations can be made to you at the beginning of the next session.

Thanks for this consideration.

Judi Slajer, Borough Manager
Ketchikan Gateway Borough

ALASKA MUNICIPAL ATTORNEYS ASSOCIATION
155 South Seward Street
Juneau, Alaska 99801

May 23, 1980

The Honorable John C. Sackett
Chairman
Senate Finance Committee
Pouch "V" State Capitol Building
Juneau, Alaska 99811

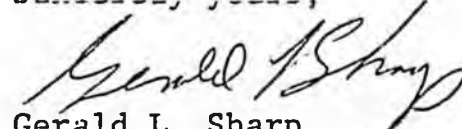
FILE: Legislature--1980 Session

SUBJECT: SCR 66

Dear Senator Sackett:

The Alaska Municipal Attorneys Association strongly supports SCR 66. The need for a comprehensive revision of Title 29 of the Alaska Statutes has been evident to the members of the Association for the last few years now. Past attempts to deal with problems in Title 29 have resulted in a patch work of amendments which often solved one problem only to create others. New and old problems exist for all classes of municipalities, whether city or borough, and whether general law or home-rule. We believe the only effective way to deal with the numerous problems which now exist in Title 29 is a comprehensive revision of the entire title. The only effective and efficient way to accomplish such a revision is through a mechanism such as the one proposed in SCR 66. I urge you to pass the resolution out and to insure that adequate support is available to accomplish the substantial but sorely needed task of drafting the revision.

Sincerely yours,


Gerald L. Sharp
President

GLS:phl

cc: Don Bennett
Glenn Hackney
Jalmar Kertulla
Bill Sumner
George Hohman
Bill Ray
Ginny Chitwood, Alaska Municipal League



THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

May 23, 1980

The Honorable John C. Sackett
Chairman
Senate Finance Committee
Pouch "V" State Capitol Building
Juneau, Alaska 99811

FILE: Legislature--1980 Session

SUBJECT: SCR 66

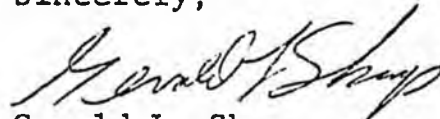
Dear Senator Sackett:

The City and Borough of Juneau was the first unified unit of local home-rule government in the State of Alaska. In the ten years that have elapsed since our unification, we have encountered numerous ambiguities and difficulties with the meaning, intent, and effect of various sections of Title 29 as they may apply to unified municipalities. In my position as the attorney for the city and borough of Juneau, I find I am more and more often being consulted by and am consulting with fellow municipal attorneys in attempts to determine the meaning of different sections of Title 29 in the context of the new problems which are facing our Alaskan municipalities. As our populations grow and as our problems increase in number, severity and sophistication, it is necessary that our municipalities be able to operate with the clear authority to deal with these problems. Title 29, unfortunately, has not kept pace with these needs. Municipalities are frustrated in their efforts to serve their citizens because of present inadequacies in Title 29. The problem is easily serious enough to warrant the drafting of a revision of Title 29 to deal with these problems. The effective and efficient delivery of services at the local level should not be impeded by a municipal code which in many respects is outdated, unclear, or confusing.

The Honorable John C. Sackett
May 23, 1980
Page 2

We urge the Senate Finance Committee to pass out SCR 66 and insure that there is adequate support for the revision effort.

Sincerely,



Gerald L. Sharp
City-Borough Attorney

GLS:ph1

cc: Don Bennett
Glenn Hackney
Jalmar Kerttula
Bill Sumner
George Hohman
Bill Ray
Ginny Chitwood, Alaska Municipal League

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Concurrent Resolution 66
 Title Directing the Alaska Legislative Council to revise AS 29
 Requested by _____ Date 4/15/80

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency
 Program Category Affected General Government
 Budget Request Unit(s) Affected Legal Services

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			24.0	-0-	-0-	-0-
200 TRAVEL			55.9	-0-	-0-	-0-
300 CONTRACTUAL			5.0	-0-	-0-	-0-
400 COMMODITIES			2.0	-0-	-0-	-0-
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			86.9	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND			86.9	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME			1	-0-	-0-	-0-
TEMPORARY						

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

Personal Services - Range 14 for 9 months.
 Travel - Advisory group (3 meetings for 20 people at \$451 travel/pd) = \$27,060
 Working group (8 meetings for 8 people at \$451 travel/pd) \$28,864
 Contractual - \$5,000 for miscellaneous printing and other costs
 Commodities - \$2,000 for office supplies.

IV. DATE 4/17/80 PREPARED BY Richard G. Berg, Director
 AGENCY Legislative Affairs Agency
 PHONE 465-3850

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



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

3/23/90
Date

COMMITTEE REPORT

SENATE

FURTHER: None

5/2/80

Date: 5-23-80

Mr. President:

The Committee on FINANCE has had SCR 66

Directing the Alaska Legislative Council to revise AS 29

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SCR 66 same title
 new title
- and recommends ad. rev.
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Gene Haskins
Jim Shuman
Bill Ray

Sumner T. Lee

Chairman
CHAIRMAN

5-23-80

Sent to Legis.

Aff.

5-24-80 a.m.

Beginning on Line 21, page 1 and continuing on through Line 8,
page 2:

DELETE EXISTING LANGUAGE AND INSERT:

BE IT RESOLVED by the Alaska State Legislature that under the provisions of AS 24.20.090 and Uniform Rule 48 (c) the Alaska Legislative Council is directed to prepare a revision of Title 29 of the Alaska Statute (Municipal Government) by directing the legal services division of the Legislative Affairs Agency to prepare the revision with the assistance of a policy advisory group representative of the concerned public from all areas of the state and a group of persons experienced in the application of AS 29, and soliciting the advice of the Alaska Code Revision Commission; and be it

FURTHER RESOLVED that the policy advisory group consist of two members of each House of the Legislature appointed by the presiding officer. Public members of the Policy Advisory Group shall be selected by the presiding officers of each house from persons recommended by legislative members, by the Department of Community and Regional Affairs, the Alaska Municipal League, the Rural Alaska Community Action Program, Incorporated, Department of Law, and by the legal services division; and be it

New C.S. 5CR66

See Harry

SUGGESTED AMENDMENT

Line 21, and following to page 2, line 9:

BE IT RESOLVED by the Alaska State Legislature that under the provisions of AS 24.20.090 and Uniform Rule 48(c) the Alaska Legislative Council is directed to prepare a revision of Title 29 of the Alaska Statute (Municipal Government) by directing the legal services division of the Legislative Affairs Agency to prepare the revision with the assistance of a policy advisory group representative of the concerned public from all areas of the state and a ~~working~~ group of persons experienced in the application of AS 29, and soliciting the advice of the Alaska Code Revision Commission; and be it

FURTHER RESOLVED that the policy advisory group consist of two members of each House of the Legislature appointed by the presiding officer. ~~and other members~~ *Public members of the committee shall be* selected by the presiding officers of each house from

persons recommended by legislative members, by the Department of Community and Regional Affairs, the Alaska Municipal League, the Rural Alaska Community Action Program, Inc., ~~and other interested parties, and~~ *consisting of*

~~that the working group consist of municipal attorneys, municipal managers, municipal clerks or other municipal staff, appointed by the director of~~

~~legal services of the Legislative Affairs Agency, representatives of the Departments of Community and Regional Affairs and Law ~~and a member of~~~~ *Dept of staff members*

~~the staff of the legal services division; and be it~~

SUGGESTED AMENDMENT

Line 21, and following to page 2, line 9:

BE IT RESOLVED by the Alaska State Legislature that under the provisions of AS 24.20.090 and Uniform Rule 48(c) the Alaska Legislative Council is directed to prepare a revision of Title 29 of the Alaska Statute (Municipal Government) by directing the legal services division of the Legislative Affairs Agency to prepare the revision with the assistance of a policy advisory group representative of the concerned public from all areas of the state and a ~~working~~ group of persons experienced in the application of AS 29, and soliciting the advice of the Alaska Code Revision Commission; and be it

FURTHER RESOLVED that the policy advisory group consist of two members of each House of the Legislature appointed by the presiding officer, ~~and other members~~ ^{PUBLIC MEMBERS SHALL BE} selected by the presiding officers of each house from persons recommended by legislative members, by the Department of Community and Regional Affairs, the Alaska Municipal League, the Rural Alaska Community Action Program, Inc., ~~and other interested parties~~ and that the ~~working~~ ^{CONSULTANTS} group consist of municipal attorneys, municipal managers, municipal clerks or other municipal staff, appointed by the director of legal services of the Legislative Affairs Agency, representatives of the Departments of Community and Regional Affairs and Law and ~~a member~~ ^{DEPT OF STATE MEMBERS} of the ~~staff~~ ^{AND} of the legal services division; and be it

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SUGGESTED AMENDMENT

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FURTHER RESOLVED that the policy advisory group consist of two members of each House of the Legislature appointed by the presiding officer and other members selected by the presiding officers of each house from persons recommended by legislative members, by the Department of Community and Regional Affairs, the Alaska Municipal League, the Rural Alaska Community Action Program, Inc., and other interested parties, and

Staff members of the Leg. Sec. Division

that the ~~working~~ group consist of municipal attorneys, municipal managers, municipal clerks or other municipal staff, appointed by the director of legal services of the Legislative Affairs Agency, representatives of the Departments of Community and Regional Affairs and Law and a member of the staff of the legal services division; and be it

CS. re SCR 66.

*9-
Take up the
next meeting
(new fiscal note)*

Introduced: 4/25/80
Referred: Community &
Regional Affairs

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 66

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Directing the Alaska Legislative
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25 Affairs Agency to prepare the revision with the assistance of a policy advi-
26 sory group of legislators and municipal officials and a working group of
27 persons *representative of all geographic areas of the state* experienced in the application of AS 29; and be it

28 FURTHER RESOLVED that the policy advisory group consist of two members
29 of each house of the legislature appointed by the presiding officer and other

*House Judiciary HCR70 added
"and by soliciting advice from the
Alaska Code Revision Commission"*

*Proposed
representative: each
geographic area
of the state*

legislators,

1 members selected by the legislative members from persons recommended by the
2 Department of Community and Regional Affairs, the Alaska Municipal League,
3 the Rural Alaska Community Action Program, Inc., and other interested
4 parties, and the working group consist of municipal attorneys, municipal
5 managers, municipal clerks or other municipal staff, appointed by the
6 director of legal services of the Legislative Affairs Agency, representatives
7 of the Departments of Community and Regional Affairs and Law and a member of
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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE (Revised)

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Title Directing the Alaska Legislative Council to revise AS 29

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	Option 1	Option 2				
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FEDERAL FUNDS						
OTHER (Specify Fund Source)						

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PART TIME	1	1				
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Commodities - \$1,000 for office supplies ----- 1,000

IV. DATE 5/12/80

PREPARED BY Richard K. Berg, Director
AGENCY Legislative Affairs Agency
PHONE 465-3850

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

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

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 AGENCY Legislative Affairs Agency
 PHONE 465-3850
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Introduced: 4/25/80
Referred: Community &
Regional Affairs

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 66

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Directing the Alaska Legislative
6 Council to revise AS 29 (Municipal
7 Government)

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

9 WHEREAS Alaska has a system of local government that differs uniquely in
10 constitutional concept and in law from traditional local government; and

11 WHEREAS the law governing municipalities in Alaska were last reviewed
12 completely in 1972 at which time significant elements of the local government
13 structures were still in a formative stage; and

14 WHEREAS numerous amendments to the municipal code have been made since
15 its adoption which have not been fully integrated into the code; and

16 WHEREAS much experience in the Alaska system of local government has
17 been gained since adoption of the municipal code; and

18 WHEREAS there is a need for a comprehensive revision of the municipal
19 code which will consider the 1972 code, amendments to it, and the experience
20 gained since its adoption;

21 BE IT RESOLVED by the Alaska State Legislature that under the provisions
22 of AS 24.20.090 and Uniform Rule 48(c) the Alaska Legislative Council is
23 directed to prepare a revision of Title 29 of the Alaska Statute (Municipal
24 Government) by directing the legal services division of the Legislative
25 Affairs Agency to prepare the revision with the assistance of a policy advi-
26 sory group of legislators and municipal officials and a working group of
27 persons experienced in the application of AS 29; and be it

28 FURTHER RESOLVED that the policy advisory group consist of two members
29 of each house of the legislature appointed by the presiding officer and other

1 members selected by the legislative members from persons recommended by the
2 Department of Community and Regional Affairs, the Alaska Municipal League,
3 the Rural Alaska Community Action Program, Inc., and other interested
4 parties, and the working group consist of municipal attorneys, municipal
5 managers, municipal clerks or other municipal staff, appointed by the
6 director of legal services of the Legislative Affairs Agency, representatives
7 of the Departments of Community and Regional Affairs and Law and a member of
8 the staff of the legal services division; and be it

9 FURTHER RESOLVED that a proposed revision of AS 29 be presented to the
10 legislature during the first 30 days of the First Session of the Twelfth
11 Legislature.

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THE CITY AND BOROUGH OF JUNEAU

CAPITAL OF ALASKA

155 SOUTH SEWARD ST. JUNEAU, ALASKA 99801

May 23, 1980

The Honorable John C. Sackett
Chairman
Senate Finance Committee
Pouch "V" State Capitol Building
Juneau, Alaska 99811

FILE: Legislature--1980 Session

SUBJECT: SCR 66

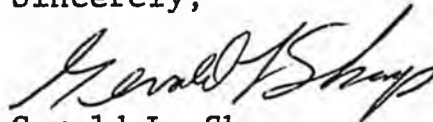
Dear Senator Sackett:

The City and Borough of Juneau was the first unified unit of local home-rule government in the State of Alaska. In the ten years that have elapsed since our unification, we have encountered numerous ambiguities and difficulties with the meaning, intent, and effect of various sections of Title 29 as they may apply to unified municipalities. In my position as the attorney for the city and borough of Juneau, I find I am more and more often being consulted by and am consulting with fellow municipal attorneys in attempts to determine the meaning of different sections of Title 29 in the context of the new problems which are facing our Alaskan municipalities. As our populations grow and as our problems increase in number, severity and sophistication, it is necessary that our municipalities be able to operate with the clear authority to deal with these problems. Title 29, unfortunately, has not kept pace with these needs. Municipalities are frustrated in their efforts to serve their citizens because of present inadequacies in Title 29. The problem is easily serious enough to warrant the drafting of a revision of Title 29 to deal with these problems. The effective and efficient delivery of services at the local level should not be impeded by a municipal code which in many respects is outdated, unclear, or confusing.

The Honorable John C. Sackett
May 23, 1980
Page 2

We urge the Senate Finance Committee to pass out SCR 66 and insure that there is adequate support for the revision effort.

Sincerely,



Gerald L. Sharp
City-Borough Attorney

GLS:phl

cc: Don Bennett
Glenn Hackney
Jalmar Kerttula
Bill Sumner
George Hohman
Bill Ray
Ginny Chitwood, Alaska Municipal League

ALASKA MUNICIPAL ATTORNEYS ASSOCIATION
155 South Seward Street
Juneau, Alaska 99801

May 23, 1980

The Honorable John C. Sackett
Chairman
Senate Finance Committee
Pouch "V" State Capitol Building
Juneau, Alaska 99811

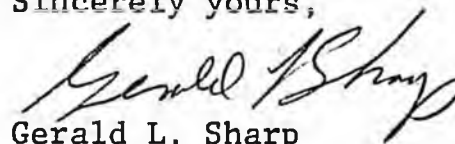
FILE: Legislature--1980 Session

SUBJECT: SCR 66

Dear Senator Sackett:

The Alaska Municipal Attorneys Association strongly supports SCR 66. The need for a comprehensive revision of Title 29 of the Alaska Statutes has been evident to the members of the Association for the last few years now. Past attempts to deal with problems in Title 29 have resulted in a patch work of amendments which often solved one problem only to create others. New and old problems exist for all classes of municipalities, whether city or borough, and whether general law or home-rule. We believe the only effective way to deal with the numerous problems which now exist in Title 29 is a comprehensive revision of the entire title. The only effective and efficient way to accomplish such a revision is through a mechanism such as the one proposed in SCR 66. I urge you to pass the resolution out and to insure that adequate support is available to accomplish the substantial but sorely needed task of drafting the revision.

Sincerely yours,


Gerald L. Sharp
President

GLS:phl

cc: Don Bennett
Glenn Hackney
Jalmar Kertulla
Bill Sumner
George Hohman
Bill Ray
Ginny Chitwood, Alaska Municipal League



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

3/23/90
Date

COMMITTEE REPORT
SENATE

FURTHER: None

5/13/80

Date: May 16, 1980

Mr. President:

The Committee on FINANCE has had SCR 68
Approving sale of royalty gas to Municipality of Anchorage

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back ^{individual} ~~without~~ recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Tom Jackman

Ch. ...

...

...

CHAIRMAN

Introduced: 5/13/80
Referred: Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE CONCURRENT RESOLUTION NO. 68

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Approving the sale of royalty gas to the
6 Municipality of Anchorage

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS, the State of Alaska has the right under AS 38.05.180 and its
9 oil and gas leases to take its royalty of natural gas production removed
10 or sold from those leases either in value (money) or in kind (gas); and

11 WHEREAS, the legislature has, by enactment of AS 38.06 and AS 38.05.-
12 182, established a policy favoring taking that royalty in kind (referred to
13 as "royalty gas"); and

14 WHEREAS, under his statutory authority as set out in AS 38.05 and
15 AS 38.06, the commissioner of natural resources has negotiated with the
16 Municipality of Anchorage an agreement entitled "AGREEMENT FOR THE SALE AND
17 PURCHASE OF ROYALTY GAS" ("Agreement") for the sale of royalty gas to the
18 municipality; and

19 WHEREAS, under its duties and powers as set out in AS 38.06, the
20 Alaska Royalty Oil and Gas Development Advisory Board has considered and,
21 on May 5, 1980, approved the Agreement; and

22 WHEREAS, the commissioner of natural resources has fulfilled the
23 statutory prerequisites necessary to sell the royalty gas which is the
24 subject of the Agreement and has obtained approvals from the Alaska
25 Royalty Oil and Gas Development Advisory Board, to the extent required
26 under AS 38.05 and 38.06; and

27 WHEREAS, the Agreement contains a provision stating that it takes
28 effect on the date on which it has been approved in accordance with the
29 laws of the State of Alaska; and

1 WHEREAS, AS 38.06.055(a) provides that no sale of royalty gas may be
2 made by the commissioner of natural resources without the prior approval
3 of the legislature by a concurrent resolution concurred in by a majority
4 of the members of each house; and

5 WHEREAS, the commissioner of natural resources submitted the Agreement
6 to the legislature for consideration and approval; and

7 WHEREAS, the legislature has reviewed and evaluated the Agreement,
8 and has conducted public hearings and otherwise received background
9 information, expert advice, and expressions of public opinion sufficient
10 to make a reasoned determination with respect to the Agreement; and

11 WHEREAS, the legislature finds the Agreement to be in the
12 best interest of the State of Alaska and its citizens;

13 BE IT RESOLVED by the Alaska State Legislature that the agreement
14 entitled "AGREEMENT FOR THE SALE AND PURCHASE OF ROYALTY GAS," between
15 the State of Alaska, acting through its commissioner of natural resources,
16 and the Municipality of Anchorage, is hereby approved.

SCK 68

WILLIAM A. HAMMOND
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 13, 1980

The Honorable Clem Tillion
President of the Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a concurrent resolution providing for legislative approval of the proposed contract between the State of Alaska and the Municipality of Anchorage.

The contract provides for the sale of all of the state's royalty gas from the Kenai and Kenai Deep Units located near Kenai to the Municipality of Anchorage. In exchange for the gas, the Municipality of Anchorage guarantees that it will pay the state the sum the state would have received from the producers if royalty were paid in value. The Municipality is required under the contract to use the gas to meet the electrical requirements of the customers of its electric utility, Municipal Light and Power. A copy of the contract document is attached.

This resolution is being concurrently submitted to both the Senate and House in order to expedite consideration.

The Alaska Supreme Court's decision in State v. A.L.I.V.E. VOLUNTARY, 606 P.2d 769 (Alaska 1980) does, I believe settle the issue of the constitutionality of the legislature's approval of an executive act by means of a concurrent resolution. Nevertheless, in the interest of comity, and recognizing the desire of the Legislature as expressed in AS 38.06.055, I am submitting this contract to you. I agree to abide by the wishes of the legislature in this matter, and the contract is worded so that it takes effect upon your approval. Therefore, and as a matter of contract law, it will not take effect unless and until the legislature approves it.

The Honorable Clem Tillion

-2-

May 13, 1980

00068

I hope that you agree that this sale is in the best interest of all Alaskans, and I urge your prompt approval.

Sincerely,

S/JS H

Jay S. Hammond
Governor

502

AGREEMENT FOR THE SALE AND PURCHASE
OF STATE ROYALTY GAS

THIS CONTRACT, made and entered into this 5th day of May, 1980, by and between the MUNICIPALITY OF ANCHORAGE d/b/a MUNICIPAL LIGHT & POWER ("ML&P"), hereinafter called "Buyer," and the STATE OF ALASKA, acting by and through the Commissioner of Natural Resources, pursuant to Alaska Statute 38.05.183, hereinafter called "Seller":

W I T N E S S E T H:

WHEREAS, Buyer owns and operates an electric utility in the Anchorage, Alaska area and generates electricity for consumption within the State of Alaska by use of natural gas fired turbine generators, and

WHEREAS, Seller has the right, under each of the leases identified, in Exhibit "A" attached to this Contract, to be paid by the Lessees thereunder a royalty of 3.61635 percent (3.61635%) in-kind or in-value of the natural gas produced from the Kenai Unit and 1.14069 percent (1.14069%) in-kind or in-value of the natural gas produced from the Kenai Deep Unit and saved or used off of the lands covered by each lease, and

WHEREAS, Seller is authorized by AS 38.05.183 to sell royalty gas, and

WHEREAS, Seller desires to sell royalty gas to Buyer and Buyer desires to purchase royalty gas from Seller under the terms and upon the conditions hereinafter set forth, and

WHEREAS, Buyer represents to Seller that all gas received by Buyer under this Contract will be used to meet the electrical requirements of its customers within the State of Alaska,

NOW, THEREFORE, in consideration of the representations, covenants, and conditions herein contained, Buyer and Seller hereby agree as follows:

ARTICLE I

DEFINITIONS

The following terms when used in this Contract shall have the following meanings:

1.1 The term "day" shall mean a period of twenty-four (24) consecutive hours beginning and ending at 12:01 a.m.

1.2 The term "Leases" shall mean the oil and gas leases which are described in Exhibit "A" attached hereto and made a part hereof.

1.3 The term "Lessees" shall mean the parties which own working interests in the Leases.

1.4 The term "month" shall mean a period beginning at 12:01 a.m. on the first day of a calendar month and

ending at the same time on the first day of the next succeeding calendar month.

1.5 The term "Mcf" shall mean one thousand (1,000) cubic feet of natural gas measured as hereinafter provided.

1.6 The term "Point of Delivery" shall have the meaning defined in Article V.

ARTICLE II

SELLER'S ROYALTY GAS

2.1 Within thirty (30) days after the execution and approval of this Agreement as required by the laws of the State of Alaska, Seller shall notify Lessees of Seller's election to take its royalty gas in-kind. The notice will provide that the Lessees shall commence the delivery of royalty gas to Seller or to Seller's designee on a date not more than six (6) months following Lessee's receipt of notice of Seller's election to take its royalty gas in-kind.

2.2 Buyer agrees that Seller's royalty gas which is purchased and received by Buyer will be used to meet the electrical requirements of Seller's customers within the state of Alaska except that, after Buyer has given Seller notice of termination under Article 9.3, Buyer may re-sell the royalty gas it is obligated to take and pay for under this Agreement to any purchaser.

ARTICLE III

QUANTITY

3.1 It is understood and agreed by the parties that the volume of gas available to Seller from the Leases covered by this Contract depends upon the production from the Leases over which Seller has no control, and further depends upon the Lessee's gathering capacity installed and available, over which Seller likewise has no control. Buyer hereby agrees to purchase, on each day commencing with the date of first delivery to Seller by Lessees pursuant to Seller's election to take royalty gas in-kind, and continuing during the term of this contract, all of Seller's royalty gas available at the Point of Delivery.

ARTICLE IV

QUALITY, PRESSURE AND ODORIZATION

4.1 The gas to be delivered by Seller to Buyer at the Point of Delivery shall be gas of the same quality and pressure as delivered to Seller by its Lessees. Except for the foregoing Seller does not warrant, represent or guarantee, either expressly or impliedly, the quality, merchantability, fitness for use or purpose,; or otherwise of any gas to be delivered to Buyer under this Agreement.

4.2 Gas delivered hereunder will not be odorized and if Buyer so utilizes the gas delivered hereunder for purposes which require odorization of such gas, the full

responsibility for such use is Buyer's and Buyer agrees to comply with all laws and regulations respecting the odorization of such gas and hereby indemnifies and holds Seller harmless from any and all claims, injuries, expenses, penalties and damages arising out of or connected with Buyer's failure to observe strictly and comply with all laws, rules and regulations with respect thereto.

ARTICLE V

POINT OF DELIVERY AND PASSAGE OF TITLE

5.1 The Point of Delivery of all gas delivered hereunder shall be at the same point that Seller receives its royalty gas from its Lessees. The parties acknowledge that at the time of execution of this agreement the Point of Delivery is an unsettled issue between Seller and Lessees.

5.2 Title to the gas sold hereunder shall pass from Seller to Buyer upon delivery.

5.3 Buyer shall be responsible for the gas sold hereunder after passage of title. Buyer shall indemnify and hold Seller harmless from and against any and all claims, costs, damages, expenses or causes of action as a result of any loss, injury or damage incurred by any party as a result of any transaction or event which relates to the gas after title thereto has passed to Buyer. Buyer shall be responsible for any gas lost between the Point of Delivery and the point of measurement.

ARTICLE VI

MEASUREMENTS

6.1 Except for the determination and computation of total heating value, the unit of volume of gas delivered hereunder shall be one (1) cubic foot at an absolute pressure of fourteen and sixty-five one hundredths (14.65) pounds per square inch and at a base temperature of sixty degrees Fahrenheit (60°F).

6.2 The volumes of gas delivered hereunder shall be measured and computed by Buyer in accordance with the methods prescribed in Gas Measurement Committee Report No. 3, Natural Gas Department, American Gas Association, including the Appendix thereto, dated April 1955, except that the atmospheric pressure shall be assumed to be fourteen and seven-tenths (14.7) pounds per square inch. The method used for correcting such volumes for deviation from the Ideal Gas Laws shall be the procedure recommended in the most current Report of the American Gas Association or by any other method mutually agreeable to the parties hereto.

6.3 The specific gravity of the gas delivered hereunder shall be determined utilizing the method prescribed in American Petroleum Institute Code No. 50-A at the beginning of delivery hereunder and once during each month thereafter. The results of each such determination shall be used in computing the volume of gas delivered hereunder until the effective date of the next succeeding test.

6.4 The flowing temperature of the gas delivered hereunder shall be determined by means of a continuous recording thermometer installed by Buyer or his agent so that it will properly record the temperature of the gas flowing through the meter. The arithmetical average of the hourly temperatures recorded each day shall be used in computing the volumes of gas delivered during such day.

6.5 Seller may, at its option and expense, install check meters upstream of Buyer's meter station provided that such check meters will be installed so as not to interfere with the operation of Buyer's facilities. The calibrating and adjusting of meters and the changing of charts and the reading of charts on meters shall be done by Seller.

6.6 Seller shall have access at all times to Buyer's metering equipment including all other instruments used by Buyer in determining the measurement and quality of the gas delivered hereunder, but the reading, calibrating and adjusting thereof, and the changing of charts shall be done only by the employees, agents, or representatives of Buyer. Upon request of Seller, Buyer shall submit to Seller records and charts from such equipment subject to return by Seller within thirty (30) days after receipt thereof. Buyer hereby agrees to assure Seller ingress and egress at the point of measurement and between the Point of Delivery and the point of measurement without charge for all purposes necessary hereto.

6.7 At least once a month Buyer shall test its above-mentioned metering equipment or cause the same to be tested and shall give Seller reasonable prior notice of the time all such tests are to be made so that Seller may, if desired, have its representative present to observe such tests and any adjustments made upon such metering equipment. Following any test, any of Buyer's metering equipment found to be inaccurate to any degree shall be adjusted immediately to measure accurately. If upon any test such metering equipment is found to be inaccurate by two percent (2%) or more, registration from said metering equipment and any payments based upon such registrations shall be corrected at the rate of such inaccuracy for any period of inaccuracy which is definitely known or agreed upon, but in case the period is not definitely known or agreed upon, then for a period extending back one-half of the time elapsed since the last previous test, not exceeding however, fifteen (15) days.

6.8 If for any reason Buyer's meter is out of service or is found registering inaccurately and the error is not determinable by ordinary test such that the volume of gas delivered through such meter cannot be ascertained or computed from the readings thereof, the volume of gas so delivered during the period the meter is out of service or registering inaccurately shall be estimated and agreed upon by the parties hereto upon the basis of the best available data, using the first of the following methods which is feasible:

- (a) By correcting the error if the percentage of error is ascertainable by calibration, special test, or mathematical calculation;
- (b) By using the registration of any check measuring equipment of Lessee if installed and registering accurately;
- (c) By estimating the volume by comparing it with deliveries during preceding periods under similar conditions when the meter was registering accurately.

ARTICLE VII

PRICE

7.1 The price to be paid by Buyer to Seller for gas deliveries shall be as follows:

- (a) An amount equal to the royalty payment Seller would have received had it not elected to take its royalty in-kind.
- (b) In addition to the amount set forth in (a), Buyer shall reimburse Seller for any costs attributable to the preparation and transportation of gas to be delivered hereunder which costs Seller may incur as a result of Seller's election to take its royalty gas in-kind and which costs would not have been incurred by Seller if Seller had not elected to take its royalty gas

in kind. Seller shall use its best efforts to minimize any costs incurred by reason of Seller's taking royalty gas in-kind, such best efforts shall include but not be limited to litigation under the sole control of Seller to the extent necessary to contest the imposition of unwarranted or improper charges by Lessees.

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7.2 In the event that the provisions of Article 7.1 provide for payments to Seller which exceed limits set by federal law, including but not limited to the Natural Gas Policy Act of 1978, the price to be paid Seller shall be the maximum lawful price allowed under federal law.

7.3 The parties agree that the amount to be paid by Buyer under Article 7.1(a) shall be determined by taking the volume weighted average of unit prices for royalties reported by Lessees to the United States Geological Survey (hereinafter "USGS"), adjusting that figure in accordance with Seller's royalty practices, and multiplying the result by Seller's royalty gas volumes, except as specified in Article 7.4.

7.4 The parties acknowledge that the unit prices paid by Lessees to USGS are from time to time subject to dispute. In the event USGS requests a unit price different from the price being paid by Lessees, the parties agree that the unit price requested by USGS shall be used in computing the volume weighted average of unit prices under Article 7.3.

ARTICLE VIII

PAYMENTS AND ACCOUNTING

8.1 Billing. Seller shall furnish Buyer monthly, on or before the tenth (10th) business day of each month after delivery of gas, a statement of account of all gas delivered through the Point of Delivery during the immediately preceding month according to the best information available to Seller, the price or prices applicable thereto according to the best information available to Seller, the basis for computation of the applicable price or prices in full detail and the total net amount due. Seller shall thereafter adjust its initial billings pursuant to Article 8.5. Buyer and its authorized agents shall be permitted access during reasonable business hours to Seller's books and records pertinent to this Agreement to determine the correctness of the billings of Seller to the extent not contrary to law.

8.2 Payment. Buyer shall make payment on or before the twenty-fifth day of the calendar month in which such statement is rendered or fifteen (15) days after rendition of the invoice called for in Article 8.1, whichever is later, by direct wire transfer of federal reserve funds through the Federal Reserve Bank wire transfer system to the following address or such other address as Seller may designate upon seven (7) days' prior written notice:

Bank of America, NT & SA
San Francisco, California
Securities Department 3255
Credit to: State of Alaska
Investment Account

All payments to be made under this Agreement shall be paid in the same manner. If payment is to be made on a Saturday, Sunday or legal holiday under the preceding provisions hereof, payment shall be made on the next following business day.

8.3 Billing Disputes. Should any portion of the account furnished to Buyer by Seller be disputed in good faith, Buyer and Seller agree to mutually arrive at a fair and equitable resolution of such dispute, if possible, and Buyer agrees to pay the amount so determined to be due to Seller within fifteen (15) days after such resolution. Buyer shall pay for such amounts as it does not in good faith dispute in accordance with the provisions of Article VIII.

8.4 Late Payment Charge. If Buyer fails to make timely payment to Seller of any amount due under this Agreement, including any payment delayed by a bonafide dispute which is later determined to be validly owing, or if Buyer is required to pay and does pay any amount which is later determined not to be validly payable to Seller, interest shall accrue and be payable on said sum from the date when such payment was due or was paid, as the case may be, until the same is paid or repaid, at the lower of (i) a rate per annum equal to the prime rate then being charged by Chemical Bank of New York, New York, plus one and one-quarter percent (1-1/4%) per annum, or (ii) the maximum lawful rate of interest per annum which may be charged to Buyer under the laws of the State of Alaska.

8.5 Adjustments to Billings. Each month Seller may adjust its statement of accounts to reflect the actual amounts delivered and the price or prices applicable thereto. Seller shall from time to time adjust its prior billings to reflect (i) adjustments necessitated as a result of the filing with the Seller by the Lessees of more current reports applicable to the billing period in question; (ii) actual adjustments necessitated as a result of changes to values, receipts, costs and computations previously reported by the Lessees and utilized by Seller as a basis for billing under Article 8.1; (iii) adjustments required as a result of clerical or arithmetical errors in the billings of Lessees or of Seller; or (iv) other adjustments as appropriate; provided, however, that no adjustments under this Article 8.5 may be made more than 12 months after the original billing.

Any adjustments to any billing under the provisions of this Article 8.5 made by Seller more than sixty (60) days after such billing was initially rendered shall be paid to or refunded by Buyer or Seller over the same period over which such adjustments accrued.

8.6 Cancellation in Event of Non-Payment. Except for amounts disputed in good faith, should Buyer fail to make any payment due to Seller under this Agreement (i) within thirty (30) days from the date said payment is due or (ii) within fifteen (15) days from the date that Seller

gives written notice of non-payment to Buyer, whichever occurs earlier, Seller may, at its option, terminate this Agreement.

ARTICLE IX

TERM

9.1 This Contract shall become effective upon the execution hereof and approval as required by the laws of the State of Alaska and shall continue and remain in effect for twenty (20) years from the date of first delivery, unless sooner terminated under the provisions of this Agreement.

9.2 Seller's obligations hereunder are contingent upon Seller arranging with Lessees for satisfactory transportation of royalty gas sold hereunder to the Point of Delivery. If, after exercising Seller's best efforts, Seller is unable to arrange such transportation on terms satisfactory to Seller, Seller shall give notice to Buyer and this Agreement shall terminate thirty (30) days after said notice.

9.3 Either party may terminate this Contract by giving seven (7) months written notice to the other party.

ARTICLE X

DEFAULT

10.1 If

(i) either party shall fail to perform any covenants or obligations imposed upon it by this Agreement, except when such failure shall be excused under the force majeure provisions of Article XI, or

- (ii) Buyer becomes insolvent or commits any act constituting an act of bankruptcy, or
- (iii) Buyer voluntarily files an action under the United States Bankruptcy Act, or
- (iv) Buyer fails to obtain the dismissal of any involuntary bankruptcy proceedings filed against it under the provisions of the United States Bankruptcy Act within thirty (30) days of the filing thereof,

then and in any such event, the other party may, at its option and without waiving any other remedy for breach hereof, indicate such party's election to cancel this Agreement by notice in writing specifying in detail wherein the default has occurred. Except for the instances stipulated in Articles 10.1 (ii) through (iv) above, and except for payment by Buyer to Seller, which shall be governed by Article 8.6, the party in default shall have thirty (30) days from the receipt of such notice to remedy such default and to pay the other party for all loss or damage incurred as a result of such default and indemnify such party against future claims or loss arising out of such default. Upon failure of the defaulting party to remedy its breach within the time stipulated above, this Agreement may be cancelled by the non-defaulting party by service of written notice thereof upon the defaulting party. Any cancellation under

Article 8.6 or this Article shall not prejudice the right of the party not in default to collect any amounts due it hereunder for any damage or loss suffered by it and shall not waive any other remedy to which the party not in default may be entitled for breach of this Agreement.

10.2 It is agreed that if Buyer shall for any reason fail to take the royalty gas hereunder as and when made available to Buyer, Buyer shall nevertheless pay Seller as though it had taken delivery of said royalty gas, unless Seller, through an understanding with Lessees, is able to cancel delivery of the gas. In the event of any cancellation or termination of this Agreement, Buyer shall have an obligation to continue to purchase Seller's royalty gas for up to seven (7) months following termination or cancellation of this Agreement if Seller, in its discretion, so requires.

10.3 No default or breach of, or failure of performance under, this Agreement shall be deemed to have occurred under this Agreement unless such default, breach or failure of performance is material or substantial under all the circumstances or involves the non-payment of any sum due under this Agreement which is not the subject of a bona fide dispute.

ARTICLE XI

FORCE MAJEURE

11.1 Except for Buyer's and Seller's obligations to make payment under this Agreement and except for Buyer's obligation to take gas delivered neither party hereto shall

be liable for any failure to perform the terms of this Agreement when such failure is due in whole or substantial part to a force majeure as hereinafter defined; provided, however, that if an event constituting a force majeure shall prevent substantial performance of a party's obligations hereunder in light of all the circumstances, so as to prevent the party not claiming force majeure from obtaining the benefit of its bargain for a period in excess of four (4) years, said party not claiming force majeure shall have the option to terminate this Agreement. Said option must be exercised before the force majeure ceases to exist. The aforesaid proviso shall not permit the Seller to terminate in the event the force majeure in question is based upon Buyer's inability to obtain requisite state permits, authorizations, or licenses if Buyer has exercised the due diligence required by Article 11.2 (ix). Other remedies otherwise available for default or breach in the event of termination after such four year period shall not thereby be affected.

11.2 The term "force majeure" as employed in this Agreement shall mean (i) acts of God; (ii) strikes, lockouts or industrial disputes or disturbances; (iii) civil disturbances, arrests and restraint from rulers or people (iv) interruptions by laws, orders, rules, regulations, acts or restraints of any government or governmental body having

proper jurisdiction; (v) acts of the public enemy, wars, riots, blockades, insurrections, mobilization; (vi) acts of vandalism or sabotage; (vii) shortages, scarcity or inability to secure labor, fuel, power, equipment or materials (including inability to secure materials by reason of allocation promulgated by authorized governmental agencies), (viii) inability or failure of contractors or subcontractors to perform, (ix) inability to obtain requisite federal, state or other governmental permits, authorizations, or licenses provided the party claiming force majeure has exercised due diligence in attempting to obtain such permits, authorizations or licenses; (x) inability to ship materials because of unavailability of shipping, docking or wharfage not within the reasonable control of the party claiming the existence of force majeure; (xi) epidemics, landslides, lightning, earthquakes, fire, explosion, floods, washouts, storms, other unusual adverse weather conditions; (xii) breakdowns of machinery, equipment or lines of pipe; (xiii) freezing of wells, pipe lines or other equipment; (xiv) shutdowns necessary for making repairs or alterations to pipe lines or plants, mechanical failure, or the necessity of testing wells, machinery or lines of pipe as may be required by governmental authority or as may be deemed necessary by the testing party for the safe operation thereof whether or not of the kind herein enumerated; or (xv) any other event or condition otherwise not reasonably

within the control of the party claiming force majeure, whether or not similar to the enumerations of (i) through (xiv).

11.3 Upon the occurrence and discovery of an event constituting force majeure, the party claiming that the event is a force majeure shall notify the other party hereto of its claim of force majeure. The party claiming the existence of a force majeure shall, so far as reasonably possible, attempt to remedy such event with due diligence, and the obligations of the disabled party to perform under this Agreement, insofar as they are affected by such force majeure, shall be suspended from the time such force majeure occurs and for so long as the disability so caused should have continued had the party claiming the existence of the force majeure met its remedial obligations under this Article 11.3, and for no longer. The settlement of strikes or lockouts of industrial disputes or disturbances shall be entirely within the discretion of the party having the difficulty, and the above requirement that any force majeure shall be remedied with due diligence shall not require the settlement of strikes, lockouts or industrial disputes or disturbances by acceding to the demands of any opposing party therein when such course is inadvisable in the sole discretion of the disabled party.

ARTICLE XII

NOTICES

12.1 Notices. Any notice, request, demand or statement provided for in this Agreement must be in writing, and may be given by depositing same in the mail, addressed to the party to be notified, postage prepaid, and registered or certified, with a return receipt requested, or by delivery of same in person to such other party. Notice deposited in the mail in the manner hereinabove described shall be effective upon the expiration of seven (7) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the addressee. For purposes of notice the addresses of the parties hereto shall be as follows:

If to Seller: State of Alaska
 Commissioner of Natural Resources
 Pouch "M"
 Juneau, Alaska 99811

and

 Commissioner of Revenue
 Pouch "S"
 Juneau, Alaska 99811

and

 Director, Division of Minerals
 and Energy Management
 703 W. Northern Lights Blvd.
 Anchorage, Alaska 99503

If to Buyer: Executive Manager
 Municipal Utilities
 Municipality of Anchorage
 Pouch 6-650
 Anchorage, Alaska 99502

General Manager
Municipal Light and Power
Utility
Pouch 6-650
Anchorage, Alaska 99502

12.2 Change of Address. Each party may change its address for notice by giving notice thereof in the manner hereinabove provided.

ARTICLE XIII

WAIVER

13.1 The failure of Seller or Buyer to insist upon strict performance of any provision hereof shall not constitute a waiver of, or estoppel against asserting, the right to require such performance in the future; a waiver or estoppel in any one instance shall not constitute a waiver or estoppel with respect to a later breach of a similar nature or otherwise; and a course of performance established by a party shall likewise not estop the other party from complaining of a later breach similar in nature.

ARTICLE XIV

RECORDS

14.1 Buyer and Seller will preserve and maintain all books, accounts and records relating to or arising out of the performance of this Agreement. Buyer will also maintain and preserve all similar books, accounts and records of which it has possession belonging to those third parties

with whom it contracts for the performance of various parts of this Agreement. Neither Buyer nor Seller shall be required to retain any records for more than six (6) years unless retention of such records is specifically required by applicable law or regulation. Buyer shall maintain its records within the State of Alaska.

14.2 Buyer and Seller will accord to each other and to their authorized agents, attorneys and auditors during reasonable business hours access to any and all property, records, books, documents and indexes thereto directly relating to the Buyer's or Seller's performance of this Agreement and which are under the control of the party from which access is desired so that the other party may inspect, photograph and make copies of such property, records, books, documents and indexes thereto. Notwithstanding the foregoing, (i) Seller shall not be required to disclose any information, data or records which are required to be held confidential by applicable state law or regulation, and (ii) Buyer shall not be required to disclose any information, data or records containing trade secrets which Buyer or its Affiliates, contractors or subcontractors by contract with unaffiliated third parties have agreed to hold confidential. Seller shall notify Buyer of all information obtained, recorded or copied from Buyer's records in order that Buyer may evaluate the advisability of seeking that such information be held confidential by Seller under applicable law or regulation or under the provisions of this Article.

ARTICLE XV .

RULES AND REGULATIONS: SOVEREIGN POWERS;
ENVIRONMENTAL REGULATION AND STANDARDS

15.1. This Agreement and the covenants contained herein shall not be interpreted as a limit on the exercise by the State of Alaska of any of its sovereign or regulatory powers, whether inherent or as may be set forth by constitution, statute or regulation. This Agreement is subject to all present and future valid laws, orders, rules and regulations of the United States, the State of Alaska, or any duly constituted agency thereof.

ARTICLE XVI

GOVERNING LAW

16.1 This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska, excluding any conflicts-of-law rule or principle which might refer such construction to the laws of another state or country.

ARTICLE XVII

SEVERABILITY

17.1 If any of the terms and conditions of this Agreement are held by any court or governmental authority of competent jurisdiction to contravene or to be invalid under the laws of any political body having jurisdiction over the subject matter hereof, such contravention or invalidity

shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid, the rights and obligations of the parties hereto shall be construed and enforced accordingly if feasible, and this Agreement shall thereupon remain in full force and effect.

ARTICLE XVIII

AMENDMENT

18.1 This Agreement may be supplemented, amended or modified only by a written instrument duly executed by both the parties hereto after proper prior authorization, including approval by the Alaska Royalty Oil & Gas Development Advisory Board and the Alaska State Legislature, if approval of those bodies would be required by law for an original contract for sale of royalty gas at the time of the amendment.

ARTICLE XIX

SUCCESSORS AND ASSIGNS

19.1 No assignment of this Agreement shall be made by either party without first obtaining the written consent of the other party. The Commissioner may grant such consent on behalf of Seller. The Commissioner shall have sole and complete discretion in granting or denying a proposed assignment.

ARTICLE XX

EQUAL EMPLOYMENT OPPORTUNITY

20.1 Buyer will not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age or sex. The Buyer will take affirmative action to insure that applicants are considered for employment, and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age or sex. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Buyer agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

20.2 The Buyer shall state, in all solicitations or advertisements for employees to work, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age or sex.

20.3 The Buyer will send to each labor union or representative of workers with which the Buyer has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' representative of the Buyer's commitments under this Article and shall post copies of the notice in conspicuous places available to all employees and applicants for employment.

20.4 The Buyer agrees that it will fully cooperate with the office or agency of the State of Alaska which seeks to deal with the problem of unlawful or invidious discrimination, and with all other State efforts to guarantee fair employment practices under this Agreement, and Buyer will comply promptly with all reasonable requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practice. Full cooperation as expressed above shall include, but not be limited to, being a witness in any proceeding involving questions of unlawful or invidious discrimination if such is deemed necessary by any official or agency of the State of Alaska; permitting employees of Buyer to be witnesses or complainants in any proceeding involving questions of unlawful or invidious discrimination, if such is deemed necessary by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present

and future employment; assisting in inspection of any facility site during and after the construction of such facility for handling, processing, or otherwise dealing with the gas sold under this Agreement; and promptly complying with all directives deemed essential by any office or agency of the State of Alaska to insure compliance with all federal and state laws, regulations and policies pertaining to the prevention of discriminatory employment practices.

ARTICLE XXI

LOCAL HIRE AND TRAINING

21.1

(1) Buyer will comply with all applicable Alaska statutes and regulations in effect at the time this Agreement becomes effective as well as all amendments thereto and subsequent enactments providing for local or resident hire.

(2) In addition, and subject to compliance with other requirements of state or federal law or regulation, Buyer will give preference to hiring qualified and available residents over nonresidents for all work to be performed in the construction, operation and maintenance of any facility handling, processing, or otherwise dealing with the gas sold under this Agreement. Buyer shall not discriminate against Alaska residents by differentiating between residents and nonresidents in payment of wages, salaries, fringe benefits and working conditions. Nothing shall prohibit the Buyer

from hiring Alaska residents through private sources. However, if private sources are unable to supply qualified Alaska residents, Buyer shall then allow the Alaska Department of Labor two days, excluding Saturdays, Sundays and state holidays, to produce qualified resident workers prior to the employment of nonresidents. If suitable resident workers are not provided within the specified time period, the Buyer may employ nonresidents possessing the qualifications necessary to perform the work. Notwithstanding the foregoing, the Buyer may hire nonresidents (i) on an emergency basis for the duration of any emergency, (ii) as casual or intermittent employees if their employment will not exceed thirty (30) working days, or (iii) as specially skilled employees when the Department of Labor agrees in advance that such specially skilled persons are unavailable within the State of Alaska.

(3) Buyer will use its best efforts to incorporate in any and all collective bargaining agreements into which it enters with labor unions covering work to be performed in the construction, operation and maintenance of any facility for the handling, processing, or otherwise dealing with the gas sold under this agreement, a provision or provisions requiring the unions' dispatch procedures to be established and operated in a manner which will assure that qualified Alaska residents will be employed to perform said work.

(4) For purposes of this Article, "qualified" means capable, through education, training or experience, of performing the duties and satisfying the usual terms and conditions of the employment; if those duties, terms and conditions meet the reasonable standards of the industry as required of other employees performing the same type of work in the industry;

(5) For purposes of this Article, "resident" shall have the meaning determined by the Commissioner of the Department of Labor.

(6) The performance of this Article 21.1 shall not be interpreted to require any action which constitutes the violation of any federal or state law or regulation, particularly those relating to discrimination in hiring.

ARTICLE XXII

REQUIREMENTS OF FEDERAL LAW

22.1 This Agreement shall be subject to all lawful requirements or conditions imposed by federal law, and shall be deemed amended so as to conform to any such requirements.

ARTICLE XXIII

MISCELLANEOUS

23.1 The headings of this Agreement are inserted for convenience and identification only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof.

23.2 Whenever the context requires, the gender of all words used in this Agreement shall include the masculine, feminine and neuter, and the number of all words shall include the singular and the plural.

23.3 This Agreement may be executed in any number of counterparts with the same effect as if Seller and Buyer had signed one document. All counterparts shall be construed together and shall constitute one and the same instrument.

23.4 In connection with this Agreement, as well as all transactions contemplated by this Agreement, Seller and Buyer agree to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all the terms, provisions and conditions of this Agreement and all such transactions.

23.5 Buyer and Seller agree that as to any approvals or consents required of either of them under this Agreement, such approvals or consents shall not be unreasonably withheld.

IN WITNESS WHEREOF, the Seller has caused this Agreement to be executed by its Commissioner of Natural Resources and the Buyer has caused this Agreement to be executed by its Mayor, thereunto duly authorized by its Municipal Assembly in accordance with the charter and

ordinances of the Municipality of Anchorage, as of the day and year first above written.

THE STATE OF ALASKA
By: Robert E. LeResche
Commissioner, Department
of Natural Resources

ATTEST:

Robert M. [Signature]

"SELLER"

APPROVED AS TO FORM:

John [Signature]

MUNICIPALITY OF ANCHORAGE

ATTEST:

Phyllis Helen Banks

By: George M. Sullivan
George M. Sullivan
Mayor

"BUYER"

APPROVED AS TO FORM:

THE STATE OF ALASKA)
:)
FIRST JUDICIAL DISTRICT) SS.

THIS IS TO CERTIFY that on this 5th day of May, 1980, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Robert E. LeResche, to me known to be the Commissioner of Natural Resources for the STATE

