

LEG. FINANCE - BILLS 1983 - 1984 2036

SB 150 - CSSB 151 2036



Introduced: 2/25/83  
Referred: Finance

Funding Information  
General Fund \$87,986,500  
Other Funds -0-  
\$87,986,500

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 150

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Environmental Conservation for water  
8 and sewer grants; special appropriations to an  
9 unincorporated community and municipalities for  
10 water, sewer or solid waste grants, to the Department  
11 of Education for a water grant, and to the Department  
12 of Environmental Conservation for water and sewer  
13 studies; and providing for an effective date."

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

15 \* Section 1. The sum of \$28,000,000 is appropriated from the general  
16 fund to the Department of Environmental Conservation for payment as grants  
17 for water and sewer facility construction under AS 46.03.020 - 46.03.030 to  
18 the following communities: Anchorage, Aniak, Bristol Bay Borough, Cordova,  
19 Fairbanks, Haines, Homer, Houston, Hydaburg, Juneau, Kake, Kenai, Kenai  
20 Peninsula Borough, Ketchikan, Ketchikan Public Utilities, Nome, North Pole,  
21 Petersburg, Sand Point, Scammon Bay, Seward, Sitka, Soldotna, Upper  
22 Kalskag, Valdez, Wasilla, and Wrangell.

23 \* Sec. 2. The sum of \$838,000 is appropriated from the general fund to  
24 the unincorporated community of Igiugig for payment as a grant for water,  
25 sewer, and solid waste facility construction.

26 \* Sec. 3. The sum of \$57,898,500 is appropriated from the general fund  
27 to the following municipalities for payment as grants for water and sewer  
28 facility construction.

29 Municipality of Anchorage:

1	Eagle River/Chugiak water	\$1,850,000
2	Point Woronzof wastewater plant	3,300,000
3	Port of Anchorage, AREA D & U.S.	1,000,000
4	Port of Anchorage, Lot 12B	4,800,000
5	Ship Creek water treatment plant	6,000,000
6	Solid waste landfill project	315,000
7	Akihiok:	
8	Sanitary landfill development	460,000
9	Bethel:	
10	Bethel sewer line extension	400,000
11	Bristol Bay Borough:	
12	South Naknek village well	87,000
13	Chevak:	
14	Watering points	848,000
15	Craig:	
16	Water and sewer Phase I completion	1,000,000
17	Dillingham:	
18	Airport Heights Subdivision water	
19	development	300,000
20	City of Fairbanks:	
21	Sewer drainage upgrade	960,000
22	Sludge disposal facility	850,000
23	Van Horn interceptor	360,000
24	Fairbanks North Star Borough:	
25	Ballaine Lake sewer service	700,000
26	Fort Yukon:	
27	Fort Yukon water and sewer system	3,700,000
28	Haines:	
29	Allen Road to Sawmill Road waterline	33,500

1	Hoonah:	
2	Water and sewer upgrade Phase I	3,600,000
3	Hydaburg:	
4	Water and sewer upgrade (additional	
5	to DEC \$2.5 million)	2,500,000
6	Iliamna/Newhalen:	
7	Water development	340,000
8	City and Borough of Juneau:	
9	Juneau water system development	7,000,000
10	Kake:	
11	Fourth Avenue loop water and portage	
12	cove extension	860,000
13	Kaktovik:	
14	Kaktovik grey water facility	450,000
15	Klawok:	
16	Water and sewer improvements	500,000
17	Kotzebue:	
18	Water and sewer expansion	1,100,000
19	Larsen Bay:	
20	Water and sewer	370,000
21	McGrath:	
22	Water delivery Phase I	1,150,000
23	Minto:	
24	Phase I water and sewer system	335,000
25	Mt. Village:	
26	Washeteria	700,000
27	Near Island:	
28	Water and sewer engineering	350,000
29	Nikolai:	

1	On site water and sewer system	400,000
2	Nome:	
3	Nome water, sewer, and utilidor system	1,000,000
4	Noorvik:	
5	Water and sewer expansion	600,000
6	Old Harbor:	
7	Sewer renovation	1,160,000
8	Palmer:	
9	Sewage plant expansion	2,370,000
10	Port Lions:	
11	Bayview Dr. sewer Phase I	132,000
12	Savoonga/Punik Island:	
13	Water and sewer	452,000
14	Seldovia:	
15	Water and sewer extension	506,000
16	Sitka:	
17	Blue Lake water source	3,000,000
18	Unalakleet:	
19	Water main extension	500,000
20	Wasilla:	
21	Wastewater facility	1,400,000
22	Septic treatment	160,000
23	* Sec. 4. The sum of \$1,050,000 is appropriated from the general fund	
24	to the Department of Education for payment as grants for water facility	
25	construction authorized and disbursed under AS 14.11 to the following	
26	school districts:	
27	Bering Straits School District:	
28	Water projects (Teller, Brevig Mission,	
29	Golovin, and Shishmaref)	1,000,000

1 Northwest Arctic School District:

2 Water main hookup 50,000

3 \* Sec. 5. The sum of \$200,000 is appropriated from the general fund to  
4 the Department of Environmental Conservation for water and sewer feasibil-  
5 ity studies in Anvik, Eek, Nulato, Telida, and Platinum authorized under  
6 AS 46.03.020.

7 \* Sec. 6. The appropriations made under secs. 2 and 3 of this Act shall  
8 be disbursed in accordance with AS 37.05.315 - 37.05.319.

9 \* Sec. 7. This Act takes effect immediately in accordance with AS 01.-  
10 10.070(c).

COMMITTEE REPORT  
SENATE

2/23/83

FURTHER:

Date: \_\_\_\_\_

Mr. President:

The Committee on Finance has had SB 150

Special appropriation for water and sewer grants; special appropriations to an unincorporated community and municipalities for water, sewer or solid waste grants; and off. date.

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 SB 150 (Finance)  same title  new title
- and recommends do pass
- 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:

\_\_\_\_\_

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CHAIRMAN

Folta  
3/24/83

Funding Information

General Fund	<del>\$64,936,300</del>
Other Funds	-0-
	<del>\$64,936,300</del> 47,175,300

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 150 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a supplemental appropriation to the Department of Environmental Conservation for water and sewer grants; special appropriations to an unincorporated community and municipalities for water, sewer or solid waste grants, to the Department of Education for a water grant, and to the Department of Environmental Conservation for water and sewer studies; and providing for an effective date."

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

\* Section 1. The following appropriation items are for capital projects from the general fund to the agencies named and for the purposes expressed. (ED #\_\_) means that the capital project is located somewhere within that house of representatives election district. This geographic reference has been inserted by staff and is for information purposes only.

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION FUND SOURCES
			GENERAL FUND
DEPARTMENT OF EDUCATION			
Education			
Northwest Arctic			
School District			
Water Main Hookup			
(ED 22)		50,000	50,000
Bering Straits School			

1 District

2 Water Projects - Teller,

3 Brevig Mission, Golovin

4 and Shishmaref (ED 23)

1,000,000

1,000,000

5 DEPARTMENT OF ENVIRONMENTAL CONSERVATION

6 Natural Resource Management

7 Water & Sewer Facilities

8 Construction Grants

25,659,800

25,659,800

23,259,800

23,259,800

9 Ketchikan - Mental

10 Health Water & Sewer

11 (ED 1)

34,600

12 Ketchikan - Hawkins -

13 Carlanna (ED 1)

90,600

14 Ketchikan - Heath Addi-

15 tion (ED 1)

196,700

16 Ketchikan - Washington Park

17 Addition (ED 1)

303,500

18 Ketchikan Public Utility/

19 Fairview-Jackson Water

20 (ED 1)

161,600

21 Petersburg - Water Storage

22 Facility (ED 1)

338,500

23 Cordova - Morpac Parallel

24 Water Line (ED 2)

60,000

25 Cordova - Power Creek

26 Project (ED 2)

400,000

27 Cordova - Small Boat Har-

28 bar Water Line (ED 2)

221,300

29 Kake - Water Supply Tank(ED 2) 125,000

1	Sitka - Solid Waste Dispo-	
2	sal System (ED 3)	1,750,000
3	Homer - Cooper Subdivision	
4	Water & Sewer (ED 5)	285,000
5	Homer - Mattox Water &	
6	Sewer (ED 5)	62,500
7	Kenai - Candlelight/Linwood/	
8	Aurora (ED 5)	535,000
9	Kenai - Evergreen/Haller	
0	Water & Sewer (ED 5)	700,000
1	Kenai Peninsula Borough -	
2	Ninilchik Landfill (ED 5)	100,000
3	Soldotna - Redoubt Avenue	
4	Water & Sewer (ED 5)	187,600
5	Soldotna - Water Reservoir	
6	and Transmission (ED 5)	750,000
7	Soldotna - Wilson Lane	
8	Water & Sewer (ED 5)	11,000
9	Soldotna - Binkley Street	
0	Water & Sewer (ED 5)	74,000
1	Seward - Terminal Additional	
2	Water & Sewer (ED 6)	1,562,700.
3	Valdez-N Harbor/Kennicot/	
4	S Harbor Dr Water/Sewer	
5	(ED 6)	650,000
6	Valdez - Landfill Improve-	
7	ments (ED 6)	100,000
8	Valdez - Old Landfill	
9	Reclamation (ED 6)	51,000

1	Anchorage-Brown LID(ED 7-15)	103,000
2	Anchorage-Stella LID(ED 7-15)	107,900
3	Anchorage-Library LID(ED 7-15)	301,200
4	Anchorage-Abbott Loop	
5	Manor LID (ED 7-15)	292,700
6	Anchorage-Shackelton LID	
7	(ED 7-15)	70,500
8	Anchorage-Alpine Village	
9	LID (ED 7-15)	238,200
0	Anchorage-Zodiak LID(ED 7-15)	60,300
1	Anchorage-Windermere Upgrade	
2	(ED 7-15)	28,700
3	Anchorage-West 44th Sewer	
4	Extension (ED 7-15)	34,600
5	Anchorage-C-3 Trunk-North	
6	of Sand Lake (ED 7-15)	150,900
7	Anchorage-Knik Interceptor	
8	CMP Upgrade (ED 7-15)	589,600
9	Anchorage-Zurick LID(ED 7-15)	117,900
0	Anchorage-Rosewood LID	
1	(ED 7-15)	140,200
2	Anchorage-Juanita Loop/	
3	Santa Maria Drive(ED 7-15)	369,500
4	Anchorage-A/B Street East	
5	56th Extension (ED 7-15)	8,200
6	Anchorage-Dowling Road/New Sew-	
7	ard - Petersburg (ED 7-15)	101,000
8	Anchorage-Broadmoor Estates	
9	Upgrade (ED 7-15)	14,000

1	Anchorage-Barbara Street	
2	Extension (ED 7-15)	55,200
3	Anchorage-10-11 Alley North	
4	to P Street Upgrade (ED 7-15)	22,000
5	Anchorage-Manor Street	
6	Upgrade (ED 7-15)	28,400
7	Anchorage-West 44th Place	
8	Extension (ED 7-15)	25,700
9	Anchorage-Abbott Loop 30	
0	Tudor to 68th (ED 7-15)	537,300
1	Anchorage-Juanita Loop/	
2	Santa Maria Dr (ED 7-15)	300,800
3	Anchorage-Atkins LID (ED 7-15)	19,400
4	Anchorage-10 MG Reservoir	
5	Grant Increase (ED 7-15)	360,000
6	Anchorage-Eagle River	
7	System Inter-ties (ED 7-15)	220,000
8	Anchorage-C-5-2 Trunk(ED 7-15)	264,000
9	Anchorage-Southeast Intercep-	
0	tor/Roy-Huffman (ED 7-15)	1,250,000
1	Anchorage-West Interceptor	
2	Phase II (ED 7-15)	2,125,000
3	Anchorage-Distribution	
4	Reservoir Eagle River	
5	(ED 7-15)	180,000
6	Anchorage-Production Well	
7	Number 14 (ED 7-15)	180,000
8	Anchorage-Chugach Way/Arc-	
9	tic to Spenard Rd (ED 7-15)	136,000

1 Anchorage-8th Ave Diversion  
2 Upgrade (ED 7-15) 37,500

3 Anchorage-Spruce St/Lore Rd  
4 to 68th Avenue (ED 7-15) 128,000

5 Anchorage-80th Ave East of  
6 Lake Otis (ED 7-15) 40,000

7 Anchorage-E-4A Trunk(ED 7-15) 240,000

8 Anchorage-E-4C Trunk(ED 7-15) 216,000

9 Anchorage-SE Interceptor/Huff-  
0 man to Dearmoun (ED 7-15) 600,000

1 Anchorage-Lake Otis/Abbott  
2 Rd to O'Malley (ED 7-15) 375,000

3 Anchorage-Woodstave Line  
4 Replacement (ED 7-15) 153,000

5 *Add* Rabbit Creek Force Main - E-7 Trunk  
(ED 7-15) 2,400,000  
Houston - Sanitary Landfill

6 (ED 16) 70,000

7 Fairbanks - Sludge Disposal  
8 Facility Phase II (ED 18-21) 187,500

9 Fairbanks-Northeast Water  
0 Transmission (ED 18-21) 1,980,000

1 North Pole-Water Treatment  
2 Plant Expansion (ED 18-21) 1,500,000

3 Kodiak - Ismailov Street  
4 & 9th Ave Water (ED 27) 300,000

5 Kodiak - 11th Ave Water  
6 Line (ED 27) 250,000

7 GRANTS TO MUNICIPALITIES (AS 37.05.315)

8 Natural Resource Management  
9 ED 2 Inside Passage - Cordova

1	Craig - Water & Sewer Phase I		
2	Completion (ED 2)	1,000,000	1,000,000
3	Haines - Allen Road to Sawmill		
4	Road Waterline (ED 2)	33,500	33,500
5	Hydaburg - Water & Sewer		
6	Upgrade (ED 2)	860,000	860,000
7	Klawok - Water & Sewer		
8	Improvements (ED 2)	500,000	500,000
9	ED 3 Baranof - Chichagof		
10	Sitka - Blue Lake Water Source (ED 3)	3,000,000	3,000,000
11	ED 4 Juneau		
12	Juneau - New Reservoir-West		
13	Juneau (ED 4)	525,000	525,000
14	Juneau - Well Number 3 Con-		
15	nection (ED 4)	37,500	37,500
16	Juneau-Douglas/Lemon Creek		
17	Distribution Improvement (ED 4)	250,000	250,000
18	ED 7-15 Anchorage District		
19	Anchorage-Eagle River/Chugiak		
20	Water (ED 7-15)	3,700,000	3,700,000
21	Anchorage-Solid Waste Facility (ED7-15)	<del>2,315,000</del>	<del>2,315,000</del>
22		629,000	629,000
23	ED 16 Matanuska - Susitna		
24	Wasilla - Septic Treatment (ED 16)	185,000	185,000
25	Wasilla - Wastewater Facility (ED 16)	1,178,500	1,178,500
26	Palmer-Sewage Plant Expansion (ED 16)	2,370,000	2,370,000
27	ED 17 Interior Highways		
28	Delta Junction-City Landfill		
29	Improvements (ED 17)	480,000	480,000
	ED 18-21 Fairbanks District		

1	Fairbanks-Sewer/Drainage		
2	Upgrade (ED 18-21)	960,000	960,000
3	Fairbanks-Sludge Disposal		
4	Facility (ED 18-21)	850,000	850,000
5	Fairbanks-Van Horn Interceptor (ED 18-21)	360,000	360,000
6	<i>Add</i> <del>Fairbanks - Sewer Lift Station, Phase 2</del>	<del>425,000</del>	<del>425,000</del>
	ED 22 North Slope - Kotzebue		
7	Kaktovik - Grey Water Facility (ED 22)	450,000	450,000
8	Noorvik - Water & Sewer Expansion (ED 22)	600,000	600,000
9	<i>Add</i> <del>Kotzebue - Water &amp; Sewer Expansion</del>	<del>1,100,000</del>	<del>1,100,000</del>
	ED 23 Norton Sound		
0	Chevak - Water & Sewer (ED 23)	798,000	798,000
1	Gambell - Water & Sewer (ED 23)	15,000	15,000
2	Kotlik - Water & Sewer (ED 23)	22,000	22,000
3	Nome - Water & Sewer System (ED 23)	1,000,000	1,000,000
4	Savoonga/Punik Island - Water		
5	& Sewer (ED 23)	452,000	452,000
6	Scammon Bay - Water & Sewer (ED 23)	350,000	350,000
7	Unalakleet - Water Main Ext. (ED 23)	500,000	500,000
8	St. Michael - Water & Sewer (ED 23)	600,000	600,000
9	Hooper Bay - Water & Sewer (ED 23)	200,000	200,000
20	ED 24 Interior Rivers		
21	Aniak - Community Sewer System (ED 24)	500,000	500,000
22	Fort Yukon - Water & Sewer		
23	System (ED 24)	5,400,000	5,400,000
24	Galena - Water & Sewer (ED 24)	2,500,000	2,500,000
25	McGrath-Water Delivery Phase I (ED 24)	1,150,000	1,150,000
26	Minto - Water & Sewer Phase I (ED 24)	1,000,000	1,000,000
27	Nikolai-Water & Sewer On Site (ED 24)	400,000	400,000
28	<i>Phase I</i> Nulato - Water & Sewer (ED 24)	1,000,000	1,000,000
29	ED 26 Bristol Bay-Aleutian Islands		

1	Lillingham - Water Improvements(ED 26)	300,000	300,000
2	Newhalen-Iliamna Water Develop.(ED 26)	340,000	340,000
3	ED 27 Kodiak - East Alaska Peninsula		
4	Akhiok - Sanitary Landfill Develop-		
5	ment (ED 27)	460,000	460,000
6	Larsen Bay - Water & Sewer		
7	Development (ED 27)	370,000	370,000
8	Kodiak - Near Island Water & Sewer		
9	Development (ED 27)	350,000	350,000
0	Old Harbor - Sewer Renovation (ED 27)	1,160,000	1,160,000
1	Port Lions - Bayview Drive Sewer		
2	Phase I (ED 27)	132,000	132,000
3	Bristol Bay Borough		
4	South Naknek - Village Well (ED 26)	87,000	87,000
5	Fairbanks North Star Borough		
6	Ballaine Lake Sewer Service (ED 18-21)	700,000	700,000

UNINCORPORATED COMMUNITY GRANTS (AS 37.05.317)

Natural Resource Management

ED 17 Interior Highways

Kenny Lake - Water, Sewer & Public

Buildings (ED 17)

148,000

148,000

ED 26 Bristol Bay - Aleutian Islands

Igiugig - Water/Sewer/& Solid Wastes

(ED 26)

838,000

838,000

\* Sec. 2. The following sets out the funding of the appropriations made in the preceding section of this Act.

CAPITAL PROJECTS

General Fund \$64,736,300

Total Funding 64,736,300

1                   Total Budget       64,736,300

2       \* Sec. 3. The sum of \$200,000 is appropriated from the general fund to  
3 the Department of Environmental Conservation for water and sewer feasibil-  
4 ity studies in Anvik, Eek, Goodnews Bay, Telida, and Platinum authorized  
5 under AS 16.03.020.

6       \* Sec 4. This Act takes effect immediately in accordance with AS 01.-  
7 10.070(c).

PAGE 8, BETWEEN LINE 5 & 6

INSERT

FAIRBANKS - SEWER LIFT STATION, PHASE 2 \$425,000

Total CS SB 150 (Finance)

3/24/83 CS-

64,936,300

Add

Kotzebue

(water & sewer)

1,100,000

Rabbit Creek

2,400,000

Fairbanks Lift Station

425,000

3,925,000

68,861,300

Reduce - 1,686

(Anch. solid waste

reduced from 2,315,000

to 629,000

1,686,000

\$67,175,300

SSB 150

3/23/83 -  
John Hartie 3

New FN to be done

\* SEC. 2 THE FOLLOWING APPROPRIATION ITEMS ARE FOR CAPITAL PROJECTS FROM THE GENERAL FUND TO THE AGENCIES NAMED AND FOR THE PURPOSES EXPRESSED. (EDH\_\_) MEANS THAT THE CAPITAL PROJECT IS LOCATED SOMEWHERE WITHIN THAT HOUSE OF REPRESENTATIVES ELECTION DISTRICT. THIS GEOGRAPHIC REFERENCE HAS BEEN INSERTED BY STAFF AND IS FOR INFORMATION PURPOSES ONLY.

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	APPROPRIATION OTHER FUNDS
	X X X X X X	X X X X X X		
	X X X X X DEPARTMENT OF EDUCATION	X X X X X		
	X X X X X X	X X X X X X		
EDUCATION				
NORTHWEST ARCTIC SCHOOL DISTRICT				
WATER MAIN HOOKUP (ED 22)		50,000	50,000	
BERING STRAIGHTS SCHOOL DISTRICT				
WATER PROJECTS - TELLER, BREVIC MISSION, GOLOVIN AND SHISHMAREF (ED 23)		1,000,000	1,000,000	
	X X X X X X	X X X X X X		
	X X X X X DEPARTMENT OF ENVIRONMENTAL CONSERVATION	X X X X X		
	X X X X X X	X X X X X X		
NATURAL RESOURCE MANAGEMENT				
WATER & SEWER FACILITIES CONSTRUCTION GRANTS		22,731,800	22,731,800	
KETCHIKAN - MENTAL HEALTH WATER & SEWER (ED 1)	34,600			
KETCHIKAN - HAWKINS - CARLANNA (ED 1)	90,600			
KETCHIKAN - HEALTH ADDITION (ED 1)	196,700			

DEPARTMENT OF ENVIRONMENTAL CONSERVATION (CONT.)

	ALLOCATIONS	APPROPRIATION	APPROPRIATION FUND SOURCES	
		ITEMS	GENERAL FUND	OTHER FUNDS
KETCHIKAN - WASHINGTON PARK ADDITION (ED 1)	303,500			
KETCHIKAN PUBLIC UTILITY/FAIRVIEW-JACKSON WATER (ED 1)	161,600			
PETERSBURG - WATER STORAGE FACILITY (ED 1)	338,500			
CORDOVA - MORPAC PARALLEL WATER LINE (ED 2)	60,000			
CORDOVA - POWER CREEK BOOSTER STATION (ED 2)	400,000			
CORDOVA - SMALL BOAT HARBOR WATER LINE (ED 2)	221,300			
KAKE - WATER SUPPLY TANK (ED 2)	125,000			
SITKA - SOLID WASTE DISPOSAL SYSTEM (ED 3)	1,750,000			
HOMER - COOPER SUBDIVISION WATER & SEWER (ED 5)	285,000			
HOMER - MATTUX WATER & SEWER (ED 5)	62,500			
KENAI - CANDLELIGHT/LINWOOD/AURORA (ED 5)	535,000			
KENAI - EVERGREEN/HALLER WATER & SEWER (ED 5)	700,000			
KENAI PENINSULA BOROUGH - HINILCHIK LANDFILL (ED 5)	100,000			
SOLDOTHA - REDOUDT AVENUE WATER & SEWER (ED 5)	187,600			
SOLDOTHA - WATER RESERVIOR AND TRANSMISSION (ED 5)	750,000			
SOLDOTHA - WILSON LAKE WATER & SEWER (ED 5)	11,000			
SOLDOTHA - BINKLEY STREET WATER & SEWER (ED 5)	74,000			
SEWARD - TERMINAL ADDITIONAL WATER & SEWER (ED 6)	1,562,700			
VALDEZ-H HARBOR/KENNICOT/S HARBOR DR WATER/SEWER (ED 6)	650,000			
VALDEZ - LANDFILL IMPROVEMENTS (ED 6)	100,000			
VALDEZ - OLD LANDFILL RECLAMATION (ED 6)	51,000			

DEPARTMENT OF ENVIRONMENTAL CONSERVATION (CONT.)

	ALLOCATIONS	APPROPRIATION	APPROPRIATION FUND SOURCES	
		ITEMS	GENERAL FUND	OTHER FUNDS
ANCHORAGE - BROWN LID (ED 7-15)	103,000			
ANCHORAGE - STELLA LID (ED 7-15)	107,900			
ANCHORAGE - LIBRARY LID (ED 7-15)	301,200			
ANCHORAGE - ABBOTT LOOP MANOR LID (ED 7-15)	292,700			
ANCHORAGE - SHACKELTON LID (ED 7-15)	70,500			
ANCHORAGE - ALPINE VILLAGE LID (ED 7-15)	238,200			
ANCHORAGE - ZODIAC LID (ED 7-15)	60,300			
ANCHORAGE - WINDERMERE UPGRADE (ED 7-15)	28,700			
ANCHORAGE - WEST 44TH SEWER EXTENSION (ED 7-15)	34,600			
ANCHORAGE - C-3 TRUNK-NORTH OF SAND LAKE (ED 7-15)	150,900			
ANCHORAGE - KHUK INTERCEPTOR CMP UPGRADE (ED 7-15)	589,600			
ANCHORAGE - ZURICK LID (ED 7-15)	117,900			
ANCHORAGE - ROSEWOOD LID (ED 7-15)	140,200			
ANCHORAGE - JUANITA LOOP/SANTA MARIA DRIVE (ED 7-15)	369,500			
ANCHORAGE - A/D STREET EAST 56TH EXTENSION (ED 7-15)	8,200			
ANCHORAGE-DUNLING ROAD/NEW SEWARD TO PETERSBURG (ED 7-15)	101,000			
ANCHORAGE - BROADMOOR ESTATES UPGRADE (ED 7-15)	14,000			
ANCHORAGE - BARBARA STREET EXTENSION (ED 7-15)	55,200			
ANCHORAGE - 10-11 ALLEY NORTH TO P STREET UPGRAD (ED 7-15)	22,000			
ANCHORAGE - MANOR STREET UPGRADE (ED 7-15)	28,400			

DEPARTMENT OF ENVIRONMENTAL CONSERVATION (CONT.)

	ALLOCATIONS	APPROPRIATION	APPROPRIATION FUND SOURCES	
		ITEMS.	GENERAL FUND	OTHER FUNDS
ANCHORAGE - WEST 44TH PLACE EXTENSION (ED 7-15)	25,700			
ANCHORAGE - ABBOTT LOOP 30 TUDOR TO 68TH (ED 7-15)	537,300			
ANCHORAGE - JUANITA LOOP/SANTA MARIA DR (ED 7-15)	300,800			
ANCHORAGE - ATKINS WID (ED 7-15)	19,400			
ANCHORAGE - 10 MG RESERVIOR GRANT INCREASE (ED 7-15)	360,000			
ANCHORAGE - EAGLE RIVER SYSTEM INTER-TIES (ED 7-15)	220,000			
ANCHORAGE - C-5-2 TRUNK (ED 7-15)	264,000			
ANCHORAGE-SOUTHEAST INTERCEPTOR/ROY TO HUFFMAN (ED 7-15)	1,250,000			
ANCHORAGE - WEST INTERCEPTOR PHASE II (ED 7-15)	2,125,000			
ANCHORAGE - DISTRIBUTION RESERVIOR EAGLE RIVER (ED 7-15)	180,000			
ANCHORAGE - PRODUCTION WELL NUMBER 14 (ED 7-15)	180,000			
ANCHORAGE - CHUGACH WAY/ARCTIC TO SPEHARD ROAD (ED 7-15)	136,000			
ANCHORAGE - 8TH AVENUE DIVERSION UPGRADE (ED 7-15)	37,500			
ANCHORAGE-SPRUCE STREET/LORE ROAD TO 68TH AVENUE (ED 7-15)	128,000			
ANCHORAGE - 80TH AVENUE EAST OF LAKE OTIS (ED 7-15)	40,000			
ANCHORAGE - E-4A TRUNK (ED 7-15)	240,000			
ANCHORAGE - E-4C TRUNK (ED 7-15)	216,000			
ANCHORAGE - SE INTERCEPTOR/HUFFMAN TO DEARMOUN (ED 7-15)	600,000			
HOUSTON - SANITARY LANDFILL (ED 16)	70,000			

DEPARTMENT OF ENVIRONMENTAL CONSERVATION (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS
FAIRBANKS - SLUDGE DISPOSAL FACILITY PHASE II (ED 18-21)	187,500			
FAIRBANKS - NORTHEAST WATER TRANSMISSION (ED 18-21)	1,980,000			
NORTH POLE - WATER TREATMENT PLANT EXPANSION (ED 18-21)	1,500,000			
KODIAK - ISMAILOV STREET & 9TH AVENUE WATER (ED 27)	300,000			
KODIAK - 11TH AVENUE WATER LINE (ED 27)	250,000			
x x x x x x		x x x x x x		
x x x x x GRANTS TO MUNICIPALITIES (AS 37.05.315)		x x x x x x		
x x x x x x		x x x x x x		

NATURAL RESOURCE MANAGEMENT

ED 2 INSIDE PASSAGE - CORDOVA

CRAIG - WATER & SEWER PHASE I COMPLETION (ED 2)		1,000,000	1,000,000	
HAINES - ALLEN ROAD TO SAWMILL ROAD WATERLINE (ED 2)		33,500	33,500	
KAKE-4TH AVE LOOP WATER & PORTAGE COVE EXTENSION (ED 2)		860,000	860,000	
KLAWOK - WATER & SEWER IMPROVEMENTS (ED 2)		500,000	500,000	

ED 3 BARANOF - CHICHAGOF

SITKA - BLUE LAKE WATER SOURCE (ED 3)		3,000,000	3,000,000	
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ED 4 JUNEAU

JUNEAU - NEW RESERVIOR-WEST JUNEAU (ED 4)		525,000	525,000	
JUNEAU - WELL NUMBER 3 CONNECTION (ED 4)		37,500	37,500	
JUNEAU - DOUGLAS/LEMON CREEK DISTRIBUTION		250,000	250,000	

IMPROVEMENT (ED 4)

GRANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

	ALLOCATIONS	APPROPRIATION ITEMS	APPROPRIATION GENERAL FUND	FUND SOURCES OTHER FUNDS
ED 7-15 ANCHORAGE DISTRICT				
ANCHORAGE - EAGLE RIVER/CHUGIAK WATER (ED 7-15)		3,700,000	3,700,000	
ANCHORAGE - SOLID WASTE FACILITY (ED 7-15)		2,315,000	2,315,000	
ED 16 MATANUSKA - SUSITNA				
WASILLA - SEPTIC TREATMENT (ED 16)		185,000	185,000	
WASILLA - WASTEWATER FACILITY (ED 16)		1,178,500	1,178,500	
PALMER - SEWAGE PLANT EXPANSION (ED 16)		2,370,000	2,370,000	
ED 17 INTERIOR HIGHWAYS				
DELTA JUNCTION - CITY LANDFILL IMPROVEMENTS (ED 17)		480,000	480,000	
ED 18-21 FAIRDANKS DISTRICT				
FAIRDANKS - SEWER/DRAINAGE UPGRADE (ED 18-21)		960,000	960,000	
FAIRDANKS - SLUDGE DISPOSAL FACILITY (ED 18-21)		850,000	850,000	
FAIRDANKS - VAN HORN INTERCEPTOR (ED 18-21)		360,000	360,000	
ED 22 NORTH SLOPE - KOTZEBU				
KAKTOVIK - GREY WATER FACILITY (ED 22)		450,000	450,000	
HOORVIK - WATER & SEWER EXPANSION (ED 22)		600,000	600,000	
ED 23 NORTON SOUND				
CHEVAK - WATER & SEWER (ED 23)		798,000	798,000	
GAMBELL - WATER & SEWER (ED 23)		15,000	15,000	
KOTLIK - WATER & SEWER (ED 23)		22,000	22,000	
HOME - WATER & SEWER SYSTEM (ED 23)		1,800,000	1,800,000	
SAVOONGA/PUNIK ISLAND - WATER & SEWER (ED 23)		452,000	452,000	

*See  
Page*

*Delete 8/2/2000*

*1916  
Hager*

*1,000,000  
1,000,000*

*600,000  
200,000*

1 GRANTS TO MUNICIPALITIES (AS 37.05.315) (CONT.)

2		APPROPRIATION	APPROPRIATION FUND SOURCES
3	ALLOCATIONS	ITEMS	GENERAL FUND OTHER FUNDS
4	SCAMMON BAY - WATER & SEWER (ED 23)	350,000	350,000
5	UNALAKLEET - WATER MAIN EXTENSION (ED 23)	500,000	500,000
6	ED 24 INTERIOR RIVERS		
7	ANIAK - COMMUNITY SEWER SYSTEM (ED 24)	500,000	500,000
8	FORT YUKON - WATER & SEWER SYSTEM (ED 24)	3,700,000	3,700,000
9	GALENA - WATER & SEWER (ED 24)	2,500,000	2,500,000
10	MCGRATH - WATER DELIVERY PHASE I (ED 24)	1,150,000	1,150,000
11	MINTO - WATER & SEWER PHASE I (ED 24)	1,000,000	1,000,000
12	NIKOLAI - WATER & SEWER ON SITE (ED 24)	400,000	400,000
13	HULATO - WATER & SEWER (ED 24)	1,000,000	1,000,000
14	ED 26 BRISTOL BAY - ALEUTIAN ISLANDS		
15	DILLINGHAM - AIRPORT HEIGHTS SUBDIVISION WATER (ED 26)	300,000	300,000
16	NEWHALEN-ILIANHA WATER DEVELOPMENT (ED 26)	340,000	340,000
17	ED 27 KODIAK - EAST ALASKA PENINSULA		
18	AKHIOK - SANITARY LANDFILL DEVELOPMENT (ED 27)	460,000	460,000
19	LARSEN BAY - WATER & SEWER DEVELOPMENT (ED 27)	370,000	370,000
20	KODIAK - NEAR ISLAND WATER & SEWER DEVELOPMENT (ED 27)	350,000	350,000
21	OLD HARBOR - SEWER RENOVATION (ED 27)	1,160,000	1,160,000
22	PORT LIONS - BAYVIEW DRIVE SEWER PHASE I (ED 27)	132,000	132,000
23	BRISTOL BAY BOROUGH		
24	SOUTH NAKNEK - VILLAGE WELL (ED 26)	87,000	87,000



X SEC. 3 THE FOLLOWING SETS OUT THE FUNDING OF THE  
PROPRIATIONS MADE IN THE PRECEDING SECTION OF THIS  
T.

CAPITAL PROJECTS

GENERAL FUND

62,508,360

XXX TOTAL FUNDING XXX

62,508,300

X X X X X TOTAL BUDGET X X X X X

62,508,300

X SEC. 4 THIS ACT TAKES EFFECT IMMEDIATELY IN  
ACCORDANCE WITH AS 01.10.070(C).

1  
2  
3  
4  
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9

POSITION PAPER

CSSB15(FIN)

Fiscal propriety demands that the State maintain project monitoring capability to ensure that the grant funds are spent for the project, and are managed according to Borough or Municipal fiscal procedures. Accordingly, a minimal State operating budget impact will be felt with the passage of each special appropriation under AS 37.05.315-37.05.319, such as this specific bill proposes. I should point out at this time that local governments have recognized their similar responsibilities when awarding grants to local social service providers, etc. Municipalities charge an administrative overhead fee of one to three point eight percent per grant. The Department of Administration requests that the specific grant appropriation language acknowledge a State agency overhead factor of up to .5% (one half of one percent) as Department of Administration operating costs for all special appropriations awarded under AS 37.05.315.

The Department questions the historical practice promoted under AS 37.05.315 and wonders if the Department of Community and Regional Affairs might be of better assistance to local governments through its Local Government Assistance program. Whereas the Department of Administration functions as a centralized control agency for all other Executive Branch agencies, the Department of Community and Regional Affairs is specifically charged with the responsibility of assisting local government in maximizing services to citizens.

Kenneth R. Ryals 3/1/83  
Kenneth R. Ryals

Lisa Rudd 3/1/83  
Lisa Rudd, Commissioner of Administration

# TELEGRAM

ALASKA INC.  
PHONE: 581-6442  
NOME, AK 99802

1983 JAN 28 PM 10 34

# 02356 P. YDA HOOPER BAY ALASKA 132 21-28 1645 AST

PMS SENATOR FRANK FERGUSON

POUCH V

1740

JUNEAU AK

PLEASE ACCEPT THE FOLLOWING CAPITAL IMPROVEMENT PLAN FROM THE CITY OF HOOPER BAY. THE DETAILED PACKAGE AS OUTLINED BY COMMISSIONER MARK LEWIS OF DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS WILL FOLLOW THIS TELEGRAM.

THE CITY'S BASIC NEED PRIORITIES INCLUDE:

1. WATER/SEWER SYSTEM,
2. TRASH SYSTEM,
3. CITY DOCK, BANK STABILIZATION, SMALL BOAT HARBOR,
4. TRANSPORTATION SYSTEMS.

THE CITY'S 1983 BASIC NEED REQUEST IS DLRS250,000 MUNICIPAL GRANT FOR THE PLANNING, DESIGN, AND ENGINEERING OF THE WATER/SEWER SYSTEM AND A 1.5 MILLION DOLLAR COMMITMENT FOR THE FIRST SEASONS CONSTRUCTION IN 1984.

THE CITY'S MUNICIPAL DEVELOPMENT PRIORITY INCLUDES:

1. COMPREHENSIVE PLANNING GRANT OF DLRS100,000,
2. AN ADMINISTRATION BUILDING DLRS30,000,
3. GARAGE/SHOP SUPPLEMENTAL DLRS75,000.
4. TRAMWAYS AND BOARDWALKS OF DLRS200,000,
5. RECREATIONAL GRANT OF \$50,000 (BUILDING AND PLAYGROUND).

THANK YOU,

ALICE NAPOLEON, MAYOR

CITY OF HOOPER BAY

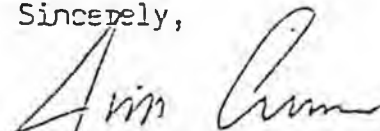
Hooper Bay (AN-82-280): The proposed improvements to the sanitation facilities include construction of a washeteria containing washers, dryers, showers, and saunas as well as sewage pickup points located throughout the community. In addition, a summer water distribution line will be extended to the new housing site. Construction is contingent upon AVCP/HUD housing contract.

We have included a copy of the study prepared for Savoonga which includes both capital costs and operation and maintenance costs for haul vehicles. The enclosed specification for a water haul vehicle is from a vehicle we purchased for the City of Tanana. The cost of the vehicle at the time of its purchase in 1981 was approximately \$32,000 FOB Seattle. The septic tank pumping unit specifications are from a vehicle we purchased for Atka, although it is similar to pumping units purchased for a number of Alaska communities. These septic tank pumping units cost from \$8,000 to \$10,000 FOB Seattle, based on the size of the unit. Transportation costs for both the septic tank pumper and the water haul vehicle would vary considerably based on the method of shipment and the destination. A typical cost to ship these units on commercial carriers from Seattle to Nome would be \$41 per hundred pounds.

Hauling of water or sewage in wheeled vehicles cannot be practiced in communities that do not have good gravel roads. In communities without good roads, tracked vehicles can sometimes be utilized, although the total vehicle cost would significantly increase. In addition, tracked vehicles are sometimes difficult to operate and maintain.

If you have any questions regarding our activities in these communities, please call me at 271-4708.

Sincerely,



James A. Crum, P.E.  
Engineer Director  
Chief, Sanitation Facilities  
Section

Enclosures

cc: Greg Capito, VSW, Juneau  
Geoff Langer, Norton Sound SUS, Nome

# ST. MICHAEL CITY COUNCIL

ST. MICHAEL, ALASKA 99659

November 4, 1982

~~ALLEN:~~

Senator Frank Ferguson

Gentlemen:

This is our list of projects and concerns for St. Michael. We would like you to work on these items in this legislative session.

**A Safe Water System:** The high incidence of hepatitis in our community make this a top priority item. Recently the PHS vaccinated many people in hopes of trying to control the spread of this horrible disease. This will be a never ending and hopeless endeavor as long as our water system remains inadequate. We need a commitment from you to help us have healthy children, our most valuable resource.

We need training programs available for operators of our heavy equipment, water system, waste disposal and building maintenance and repair. The present training facilities (Seward and Kotzebue) cannot handle the number of people who need training.

We need a road to dumpsites. The Dept. of Transportation have given their support and approval of this project. We need political muscle behind it.

Tachik Bay is a natural sheltered harbor. There are foundation materials available (old Steamboat pieces) for a dock facility. This needs development.

**Air Traffic Safety:** We are very independent on air transportation. We need state of the Art Navigational Aids for our airport.

New housing units there are currently ten families in sub-standard housing. Also, there are many new families (approximately 25 people) with no housing. They are all living with other families.

**Sewer and Water services in each home.** This is the USA AND 1982. There is no reason we cannot have these services installed. The BIA and REAA and other communities have these basic services.

The power usage has grown very rapidly with the new building, houses, and school. St. Michael still has the original equipment which is old and worn out. We need another larger generator.

**Funding for a permanent Pre-School Program:** Every year we have to scramble for funds. The State should help. Last year 3 programs were discontinued for lack of funds.

**City Street System:** All the homes sit on boggy, swampy land and it is very difficult to get around. Gravel roads would be very helpful.

**Development of a Safe Boat Harbor:** There are a lot of scrap irons in the water. They were not put there by us or made by us but dumped there and we have absolutely no way to clear it out. It is very dangerous to

## ST. MICHAEL CITY COUNCIL

ST. MICHAEL, ALASKA 99659

beach your boat and very unsightly also.

**Drainage System:** The use of culverts to drain off the water in particular by the airport. This has caused massive flooding and the boardwalk is underwater and one house is surrounded by water. The tundra used to be dry but, we need to reestablish the old drainage system the Army used to reclaim the swampy land.

We would like more information and Planning Assistance on sewage treatment facilities.

**Office Equipment:** We are about fifteen years behind in our equipment. We need information on what is available (i.e) copying machines, word processor, tele-conference equipment etc. also funding sources.

One of our major problems is roads, if we had a road network that extended through the village to a dump-site, waste disposal site, Standard Oil ( fuel for heat purchased here inaccessible at times) and Clear Lake ( our water supply)

We need or would like your support in implementing the " Here's Looking At You" Program in our schools curriculum.

Mukluk Telephone system is providing very sub-standard service. Suggestions, service orders, or complaints are all treated with a lack of concern or respect for community customers.

Local hire is a must for these projects. We do not need a lot of imported labor. We live here and want to work and be self supporting and enjoy the pride and satisfaction of a job well done.

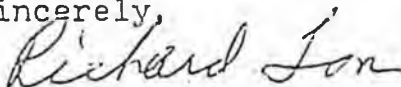
We look forward to working together with you to improve our community. Over the years St. Michael has been quietly in the background. We are seeking your help and expertise in upgrading our facilities.

Oil development is rapidly approaching here in Norton Sound, we want to be ready to help and take an active part in that development.

We want to plan in advance the best way to forsake and productive development of the land and sea's resources.

Thank you for taking your time to review our needs and we hope that you will take special attention to our priorities in the legislation.

Sincerely,



Richard Tom (Mayor)  
St. Michael, Alaska 99659

RT/vw

cc: City Files

St. Michael (AN-81-244): The VSW has funded the construction of a new 400,000 gallon water storage tank, a PE transmission line from the water source to the pumphouse, and rehabilitation of the pumphouse. The project is scheduled to be completed by mid-summer 1983. There is a need to provide water supply and waste disposal to several community buildings and to construct community gravel roads to improve garbage and waste disposal.

Wales (AN-77-956): A community washeteria and water storage tank was constructed in 1978-79. Remaining minor punch list items are scheduled to be completed this summer. Problems with electric power line to water source have been reported. Replacement of line in conduit should solve the problem. It also appears that the leachfield for the septic system is failing. IHS funds are not available to assist the community at this time.

Scammon Bay (AN-82-264): IHS has this project funded to upgrade community sanitation facilities in conjunction with a 39 unit HUD funded housing project. The houses will be constructed by the AVCP Housing Authority (AVCP), probably in 1984. Sanitation facility improvements include renovation of the water source, which is a surface water intake, a water transmission line, improvements to the pumphouse, extensions of water and sewer mains, a new sewage lift station and force main, and a sewage lagoon expansion. Details of this project are in the enclosed project summary. We will be starting construction this summer and completing the project by fall of 1984.

Kotlik (AN-81-252): A community washeteria is currently under construction. The facility will be operational by early summer. The washeteria and nearby Lower Yukon REAA School District grade school share a common water source, storage tank, and sewage treatment lagoon. Because of extremely poor soil conditions and lengthy village layout, no further extension of sanitation facilities is anticipated in the immediate future.

Elim (AN-80-224): In 1981, water and sewer mains were extended to provide service to the 35 new BSRHA/HUD houses. Improvements to the existing facilities included expansion of the water source, repair to water treatment plant, and replacement of the sewage treatment plant with a new sewage disposal system. Please refer to the enclosed correspondence dated March 4, 1982 directed to your office and the enclosed project summary.

Chevak (AN-82-272): Currently, work is underway to construct a new water treatment plant to provide additional water storage and treatment capacity for the city watering point and the VSW washeteria. Renovation of the sewage "honeybucket" dump stations, previously constructed with VSW funds, is also included in the scope of the project. At the request of the City of Chevak, IHS has completed a preliminary evaluation of the unmet needs for sanitation facilities. Please feel free to contact Mr. Reid Bond at 271-4719 if you require information pertinent to the study.

CAPITAL PROJECT REQUEST

ITY: SHISHAREP

CONTACT PERSON: HELEN POOTOOSCOOLUK

PHONE: 649-3781

FY 1983-1984

BUDGET ON 4 YEAR PLAN

1st year 25% of houses (to begin with, the new houses)

Water tanks minimum size 300 gallons.	\$24,000.00
Sewer tanks minimum size 1200 gallons.	65,000.00
Toilets	5,000.00
Insulation	10,000.00
Pipe, lumber building products, flooring for installing tanks (under house optional)	85,000.00
Freight on material (receiving & handling)	\$100,000.00
Labor for installing tanks, and plans	200,000.00
Subtotal	<u>\$489,000.00</u>
Misc expense and benefits on labor	11,000.00
Total	<u>\$500,000.00</u>

32 x 56 Building for haul trucks	\$70,000.00
Labor for building building	25,000.00
Plans for building 5%	4,750.00
Freight on Material	30,000.00
total	<u>\$129,750.00</u>

Sewer Pit (earth moving, etc.) 100,000.00

EQUIPMENT:

ONE SEWAGE PUMPING TRUCK	\$65,000.00
ONE WATER HAULING TRUCK	50,000.00
EXTRA PUMPS	10,000.00
Total	<u>\$125,000.00</u>

4 YEAR GRANT REQUEST

For tanks and installation 1st year	\$500,000.00
For Equipment Building	129,750.00
For Equipment	125,000.00
Total	<u>\$854,750.00</u>

2nd year Request	\$500,000.00
3rd year Request	600,000.00
4th year Request	650,000.00
Total	<u>\$2,604,750.00</u>

User Fee:  
Water/Sewer Haul \$25-50 per month

\$2,604,750.00  
TOTAL  
Request

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 150 Date on Bill: 2/25/83  
 Title: "An act...special appropriations...municipalities for water, sewer or solid waste grants.  
 Sponsor: Gilman, Sturgulewski & P. Fischer  
 Requestor: \_\_\_\_\_

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital	\$57,898.5	∅	∅	
Operating	77.8	84.6	87.4	
Total	57,976.3	84.6	87.4	

b. Revenues:

Revenue	∅	∅	∅	
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2. Source of funds to offset fiscal impact of bill:

3. Assumptions: Fiscal Note prepared on section 3 only, with operating costs based on one auditor and one accounting clerk.

4. This statement has not been reviewed by the OMB in the Office of the Governor.

Prepared By: *Kimwith R. Ryals* Phone: 465-2277  
 Division: Director, Administration Services Date: 3/1/83  
 Approved by Commissioner: *[Signature]* Date: 3/1/83  
 Department: Department of Administration

5. Distribution:  
 Original to Legislative Finance  
 Copy to Department  
 Copy to Sponsor  
 Copy to Requestor

2/8/83

STATE OF ALASKA  
FISCAL NOTE

Revision Date \_\_\_\_\_, 1983

I. REQUEST

Bill/Resolution No.: SB150  
 Title: Supplemental Appropriation for FY83  
 Sponsor: Finance Committee  
 Requestor: \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected: Environmental Conservation  
 Program Category Affected: Construction Grn  
 BRU, Program of Subprogram(s) Affected:  
Facility Construction & Operation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING						

CAPITAL	87,969					
---------	--------	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	87,969					
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Gary Hayden  
 Division: Facility Construction & Operation

Phone: 465-2610  
 Date: March 14, 1983

Approved by Commissioner: Richard A. Nevo  
 Department: Environmental Conservation

Date: 3/14/83

Distribution:

Original to Legislative Finance  
 Copy to Office of Management and Budget (for Legislature introduced bills)  
 Copy to Department (for Governor introduced bills)  
 Copy to Sponsor  
 Copy to Requestor (if different from Sponsor)

3/8/83

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 150 Date on Bill: 2/25/83  
 Title: "An act...special appropriations...municipalities for water, sewer or solid waste grants"  
 Sponsor: Gilman, Sturgulewski & P. Fischer  
 Requestor: \_\_\_\_\_

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital			\$57,898.5	0	0			
Operating			77.8	84.6	87.4			
Total			57,976.3	84.6	87.4			

b. Revenues:

Revenue			0	0	0			

2. Source of funds to offset fiscal impact of bill:

3. Assumptions: Fiscal Note prepared on section 3 only, with operating costs based on one auditor and one accounting clerk.

4. This statement has not been reviewed by the OMB in the Office of the Governor.

Prepared By: *Kimeth Ryzals* Phone: 465-2277  
 Division: Director, Administration Services Date: 3/1/83  
 Approved by Commissioner: *AS P...d* Date: 3/1/83  
 Department: Department of Administration

5. Distribution:  
 Original to Legislative Finance  
 Copy to Department  
 Copy to Sponsor  
 Copy to Requestor

2/8/83

Introduced: 2/25/83  
Referred: Finance

Funding Information  
General Fund \$87,986,500  
Other Funds -0-  
\$87,986,500

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 150

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Environmental Conservation for water  
8 and sewer grants; special appropriations to an  
9 unincorporated community and municipalities for  
10 water, sewer or solid waste grants, to the Department  
11 of Education for a water grant, and to the Department  
12 of Environmental Conservation for water and sewer  
13 studies; and providing for an effective date."

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

15 \* Section 1. The sum of \$28,000,000 is appropriated from the general  
16 fund to the Department of Environmental Conservation for payment as grants  
17 for water and sewer facility construction under AS 46.03.020 - 46.03.030 to  
18 the following communities: Anchorage, Aniak, Bristol Bay Borough, Cordova,  
19 Fairbanks, Haines, Homer, Houston, Hydaburg, Juneau, Kake, Kenai, Kenai  
20 Peninsula Borough, Ketchikan, Ketchikan Public Utilities, Nome, North Pole,  
21 Petersburg, Sand Point, Scammon Bay, Seward, Sitka, Soldotna, Upper  
22 Kalskag, Valdez, Wasilla, and Wrangell.

23 \* Sec. 2. The sum of \$838,000 is appropriated from the general fund to  
24 the unincorporated community of Igiugig for payment as a grant for water,  
25 sewer, and solid waste facility construction.

26 \* Sec. 3. The sum of \$57,898,500 is appropriated from the general fund  
27 to the following municipalities for payment as grants for water and sewer  
28 facility construction.

29 Municipality of Anchorage:

1	Eagle River/Chugiak water	\$1,850,000
2	Point Woronzof wastewater plant	3,300,000
3	Port of Anchorage, AREA D & U.S.	1,000,000
4	Port of Anchorage, Lot 12B	4,800,000
5	Ship Creek water treatment plant	6,000,000
6	Solid waste landfill project	315,000
7	Akihiok:	
8	Sanitary landfill development	460,000
9	Bethel:	
10	Bethel sewer line extension	400,000
11	Bristol Bay Borough:	
12	South Naknek village well	87,000
13	Chevak:	
14	Watering points	248,000
15	Craig:	
16	Water and sewer Phase I completion	1,000,000
17	Dillingham:	
18	Airport Heights Subdivision water	
19	development	300,000
20	City of Fairbanks:	
21	Sewer drainage upgrade	960,000
22	Sludge disposal facility	850,000
23	Van Horn interceptor	360,000
24	Fairbanks North Star Borough:	
25	Ballaine Lake sewer service	700,000
26	Fort Yukon:	
27	Fort Yukon water and sewer system	3,700,000
28	Haines:	
29	Allen Road to Sawmill Road waterline	33,500

1	Hoonah:	
2	Water and sewer upgrade Phase I	3,600,000
3	Hydaburg:	
4	Water and sewer upgrade (additional	
5	to DEC \$2.5 million)	2,500,000
6	Iliamna/Newhalen:	
7	Water development	340,000
8	City and Borough of Juneau:	
9	Juneau water system development	7,000,000
10	Kake:	
11	Fourth Avenue loop water and portage	
12	cove extension	860,000
13	Kaktovik:	
14	Kaktovik grey water facility	450,000
15	Klawok:	
16	Water and sewer improvements	500,000
17	Kotzebue:	
18	Water and sewer expansion	1,100,000
19	Larsen Bay:	
20	Water and sewer	370,000
21	McGrath:	
22	Water delivery Phase I	1,150,000
23	Minto:	
24	Phase I water and sewer system	335,000
25	Mt. Village:	
26	Washeteria	700,000
27	Near Island:	
28	Water and sewer engineering	350,000
29	Nikolai:	

1	On site water and sewer system	400,000
2	Nome:	
3	Nome water, sewer, and utilidor system	1,000,000
4	Noorvik:	
5	Water and sewer expansion	600,000
6	Old Harbor:	
7	Sewer renovation	1,160,000
8	Palmer:	
9	Sewage plant expansion	2,370,000
10	Port Lions:	
11	Bayview Dr. sewer Phase I	132,000
12	Savoonga/Punik Island:	
13	Water and sewer	452,000
14	Seldovia:	
15	Water and sewer extension	506,000
16	Sitka:	
17	Blue Lake water source	3,000,000
18	Unalakleet:	
19	Water main extension	500,000
20	Wasilla:	
21	Wastewater facility	1,400,000
22	Septic treatment	160,000
23	* Sec. 4. The sum of \$1,050,000 is appropriated from the general fund	
24	to the Department of Education for payment as grants for water facility	
25	construction authorized and disbursed under AS 14.11 to the following	
26	school districts:	
27	Bering Straits School District:	
28	Water projects (Teller, Brevig Mission,	
29	Golovin, and Shishmaref)	1,000,000

1 Northwest Arctic School District:

2 Water main hookup 50,000

3 \* Sec. 5. The sum of \$200,000 is appropriated from the general fund to  
4 the Department of Environmental Conservation for water and sewer feasibil-  
5 ity studies in Anvik, Eek, Nulato, Telida, and Platinum authorized under  
6 AS 46.03.020.

7 \* Sec. 6. The appropriations made under secs. 2 and 3 of this Act shall  
8 be disbursed in accordance with AS 37.05.315 - 37.05.319.

9 \* Sec. 7. This Act takes effect immediately in accordance with AS 01.-  
10 10.070(c).

AMENDMENT #2

OFFERED IN THE SENATE:

By: RAY

To: \_\_\_\_\_ CS SENATE BILL No. 150 (FIN)

HOUSE BILL No. \_\_\_\_\_

PAGE: 7

LINE: 15416

DELETE PRESENT LANGUAGE AND REPLACE WITH

" JUNEAU - 12<sup>TH</sup> ST. TO DOUGLAS BRIDGE " " 525,000 525,000 "

SENATE AMENDMENT

#1

By Senate Rules Committee

To: Committee Substitute SENATE BILL No. 150(Fin)

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE: 7                      LINE: 13

Sitka - Blue Lake Water Source (ED 3) delete [3,000,000]  
and insert 2,140,000

PAGE: 7                      LINE 9

Hydaburg - Water & Sewer delete [860,000] and insert 1,720,000

COMMITTEE REPORT  
HOUSE

(11)

FURTHER:

5/27/83

Date: 6-17-83

Mr. Speaker:

The Committee on FINANCE has had SSSB 151 (FIN)

"An Act relating to Regional Resources Development Authorities; and providing for an effective date."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SSSB 151 (FIN)  same title  
 new title
- and recommends to pass
- AND attaches a "Letter of Intent"  New Fiscal Note  
 Zero Fiscal Note Attached
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

Original sponsors: Fahrenkamp, Kerttula,  
Ferguson and P.Fischer

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 151 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Regional Resource Development  
7 Authorities; and providing for an effective date."

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

9 \* Section 1. LEGISLATIVE FINDINGS AND POLICY. The legislature finds,  
10 determines, and declares that:

11 (1) In most areas of the state, there is a lack of basic trans-  
12 portation and port facilities adequate to permit the development of natural  
13 resource enterprises, including mining enterprises.

14 (2) The development of natural resource enterprises, including  
15 mining enterprises, is essential to the long-term economic growth of the  
16 state and will directly and indirectly alleviate unemployment in the state.

17 (3) The achievement of full employment and the establishment and  
18 continuing development of natural resource enterprises in the state will be  
19 accelerated by authorizing the creation of instrumentalities in the various  
20 areas of the state with powers to borrow money to provide for the develop-  
21 ment of transportation and port facilities, and to own, operate and main-  
22 tain transportation and port facilities, as provided in this chapter.

23 (4) The locally elected majority membership of an authority  
24 created under this chapter provides a method of assuring that the manner of  
25 development and the permanent features of a project will be consistent with  
26 the economic, sociological, cultural, environmental, and political aspira-  
27 tions of the residents of the particular region.

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

29 CHAPTER 13. REGIONAL RESOURCE DEVELOPMENT AUTHORITIES.



1 advantageous to the economic growth of the region and the state and  
2 whether the creation of the proposed authority would be an appropriate  
3 and desirable method of accomplishing those goals and projects. The  
4 governor shall submit findings under this subsection to the division  
5 of elections within 90 days after receipt of the statement.

6 (c) The director of elections shall order an election in the  
7 area of the proposed authority to determine whether the voters desire  
8 the creation of the authority if the director has received the peti-  
9 tion and

10 (1) the governor has submitted affirmative findings to the  
11 director under (b) of this section; or

12 (2) more than 90 days have elapsed since the statement was  
13 submitted to the governor under (a) of this section and the governor  
14 has failed to submit negative findings to the division of elections.

15 (d) An order for an election shall be made within 30 days after  
16 the requirements of (c) of this section have been met. The election  
17 shall be held not less than 30 or more than 120 days after the date of  
18 the election order. To the extent practicable, the election shall be  
19 held on a date coinciding with the date for other elections in the  
20 region. The election order shall specify the dates after which nomi-  
21 nation petitions for election of initial officers may be filed.

22 (e) A registered voter who has been a resident within the area  
23 of the proposed authority for 30 days before the date of election may  
24 vote.

25 (f) If creation of an authority is approved, the director of  
26 elections shall, within 10 days of certification, order an election to  
27 choose the five initially elected members of the board of governors of  
28 the authority. The election shall be held not less than 60 or more  
29 than 90 days after the date of the election order. The initially

1 elected members of the board of governors shall take office on the  
2 first Monday following certification of their election. Two of the  
3 initially elected members shall be designated by lot to serve for a  
4 term expiring on the first day of the second November after the date  
5 of their election; two of the initially elected members shall be  
6 designated by lot to serve for a term expiring on the first day of the  
7 third November after the date of their election, and one of the ini-  
8 tially elected members shall be designated by lot to serve for a term  
9 expiring on the first day of the fourth November after the date of  
10 election.

11 (g) Nominations for elected members are made by petition. The  
12 petition shall be in the form prescribed by the director of elections  
13 and include the name and address of the nominee and the statement of  
14 the nominee that the nominee is qualified under this chapter for the  
15 office of member of the board of governors of the authority. A nom-  
16 ination petition shall include the signature and resident address of  
17 20 voters in the area of the authority. The director of elections  
18 shall supervise the elections in the general manner prescribed by the  
19 Alaska Election Code (AS 15). The state shall pay all election costs  
20 under this chapter.

21 (h) A copy of each petition for the creation of an authority and  
22 of the certificate of the director of elections as to the election  
23 shall be filed in the office of the director of elections. Upon proof  
24 of filing the authority referred to shall, in any suit, action or  
25 proceeding involving the validity or enforcement of, or relating to,  
26 any contract or obligation or act of the authority, be conclusively  
27 presumed to have been lawfully and properly created as a public body  
28 corporate and politic and established and authorized to transact  
29 business and exercise its powers under this chapter.

1           Sec. 30.13.020. BOARD OF GOVERNORS. (a) The authority shall be  
2 governed by a board of governors consisting of eight members, five of  
3 whom shall be elected and three of whom shall be appointed by the  
4 governor. Elections of members to succeed those initially elected  
5 under AS 30.13.010(f) shall be held on the first Tuesday of October of  
6 each year in which a term expires. Terms of elected members shall be  
7 two years.

8           (b) Nominations for elected members to succeed those initially  
9 elected under AS 30.13.010(f) shall be in accordance with the proce-  
10 dures set out in AS 30.13.010(g).

11           (c) The three members appointed by the governor shall be the  
12 commissioner of transportation and public facilities and the heads of  
13 two other principal departments of the executive branch.

14           (d) The members of the board of governors shall elect a chair-  
15 person and a vice-chairperson from among its members. Five members of  
16 the board of governors, one of whom shall be a member appointed under  
17 (c) of this section, constitute a quorum for the transaction of  
18 business. Action may be taken and motions or resolutions adopted by  
19 the board of governors at a meeting at which a quorum is present by  
20 vote of a majority of the members present, unless the bylaws of an  
21 authority require a larger number. The board of governors may dele-  
22 gate to one or more of its officers, agents or employees the powers  
23 and duties that it considers proper. The board of governors may  
24 appoint persons as officers it considers advisable, including an  
25 executive director, and may employ professional advisors, counsel,  
26 technical experts, agents, and other employees it considers advisable.

27           (e) A member of the board of governors of an authority may not  
28 vote on a resolution of the board relating to any agreement to be  
29 entered into by the authority under this chapter if the member is a

1 party to the agreement or has a direct ownership or equity interest,  
2 beneficially or of record, exceeding one percent in, or is employed  
3 by, a firm, partnership, corporation or association that is a party to  
4 the agreement. A resolution of the board that is approved by a major-  
5 ity of all the members who are not barred from voting under this  
6 subsection is a valid action of the authority for all purposes.

7 (f) The board of governors may hold meetings by teleconference.

8 Sec. 30.13.030. PURPOSE OF AN AUTHORITY. The purpose of an  
9 authority shall be the improvement, establishment and development of  
10 facilities in its district for transportation purposes in connection  
11 with natural resource enterprises, either directly or by agreement  
12 with any public or private entity or person.

13 Sec. 30.13.040. POWERS OF AN AUTHORITY. Subject to AS 30.13.050  
14 and AS 30.13.130, in furtherance of its corporate purposes under  
15 AS 30.13.030, an authority has the power to

16 (1) sue and be sued;  
17 (2) have a seal and alter it at its pleasure;  
18 (3) adopt and amend bylaws for its organization and inter-  
19 nal management;

20 (4) adopt regulations governing the exercise of its corpo-  
21 rate powers;

22 (5) acquire, rent, hold, use and dispose of projects and  
23 other real and personal property necessary, useful, or convenient for  
24 its purposes upon the terms and conditions the authority may consider  
25 advisable;

26 (6) provide for and secure the payment of bonds and the  
27 rights of the holders of them, and to purchase, hold and dispose of  
28 bonds;

29 (7) accept gifts, loans, or grants, including organiza-

1 tional grants, from, and enter into contracts or other transactions  
2 regarding them with, any federal, state, municipal or other agency or  
3 instrumentality, private organization, or other person;

4 (8) deposit or invest its funds, subject to agreements with  
5 bondholders;

6 (9) charge and collect only those rents, rates, fees, or  
7 other charges that are necessary to pay for capital, maintenance, and  
8 operating costs of the services and facilities of the authority and  
9 for the establishment of reserves to secure, and for the payment of,  
10 bonds or notes or interest on bonds or notes;

11 (10) enter into contracts or other transactions with any  
12 federal, state, municipal or other agency, or instrumentality, private  
13 organization, or person consistent with the exercise of any powers  
14 under this chapter; and

15 (11) do all things necessary and convenient to carry out its  
16 corporate purposes and exercise the powers granted in this chapter.

17 Sec. 30.13.050. LIMITATION ON POWERS. An authority has only  
18 those powers expressly granted in this chapter, reasonably implied  
19 from this chapter, or reasonably necessary or convenient to carry out  
20 its corporate purposes and to exercise the powers expressly granted in  
21 or reasonably implied from this chapter. An authority does not have  
22 powers of eminent domain, taxation, land use planning, zoning, permit-  
23 ting, or other similar governmental powers. An authority may not use  
24 state grants, appropriations, or other transfers from the state to  
25 satisfy bond obligations or otherwise establish collateral or security  
26 for bonds issued by the authority. An authority may not use rents,  
27 rates, fees, or other charges collected through operation of a facil-  
28 ity owned by the authority to finance the improvement, establishment,  
29 and development of unrelated facilities.

1           Sec. 30.13.055. CONSIDERATION OF PROJECTS TO BE FINANCED. (a)  
2 Before issuing bonds for any project under this chapter, an authority  
3 must find, on the basis of all information reasonably available to it,  
4 that

5           (1) the project and its development under this chapter will  
6 be economically advantageous to the state and the general public  
7 welfare and will contribute to the economic growth of the state and  
8 the region within which the authority may exercise its powers;

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

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

15           (b) An authority shall give fair and reasonable consideration to  
16 a project presented to it for financing. When the authority deter-  
17 mines whether to finance or assist in the financing of the project,  
18 the authority shall state the reasons for its determination in a  
19 written resolution upon request by a person who presented the project  
20 to the authority or a person who presented opposition to the project.  
21 The authority shall base its reasons on the information presented to  
22 it concerning the project and on other information considered appro-  
23 priate by the authority.

24           Sec. 30.13.060. BONDS OF AN AUTHORITY. (a) Subject to the  
25 provisions of AS 30.13.055(a), an authority may borrow money and may  
26 issue revenue bonds, including but not limited to bonds on which the  
27 principal and interest are payable

28           (1) exclusively from the income and receipts or other money  
29 derived from the project financed with the proceeds of the bonds;

1 (2) exclusively from the income and receipts or other money  
2 derived from designated projects whether or not they are financed in  
3 whole or in part with the proceeds of the bonds; or

4 (3) from the income and receipts or assets generally, or a  
5 designated part or parts of them of the authority or of any other  
6 person.

7 (b) Bonds shall be authorized by resolution of the authority,  
8 and be dated and shall mature as the resolution may provide, except  
9 that no bond may mature more than 40 years from the date of its issue.  
10 Bonds shall bear interest at the rate or rates, be in the denomina-  
11 tions, be in the form, either coupon or registered, carry the regis-  
12 tration privileges, be executed in the manner, be payable in the  
13 medium of payment, at the place or places, and be subject to the terms  
14 of redemption which the resolution or a subsequent resolution may  
15 provide.

16 (c) All bonds, regardless of form or character, shall be nego-  
17 tiable instruments for the purposes of the Uniform Commercial Code.

18 (d) All bonds may be sold at public or private sale in the  
19 manner, for the price or prices, and at the time or times that the  
20 authority may determine.

21 (e) The superior court shall have jurisdiction to hear and  
22 determine suits, actions or proceedings relating to an authority,  
23 including without limitation suits, actions or proceedings brought to  
24 foreclose or otherwise enforce a mortgage, pledge, assignment or  
25 security interest or brought by or for the benefit or security of a  
26 holder of its bonds or by a trustee for or other representative of the  
27 holders.

28 (f) Before issuing bonds for a project under this chapter an  
29 authority shall submit to the state bond committee a description of

1 the bond issue and an independent economic feasibility analysis of the  
2 project and expected revenues. This information may be contained in a  
3 preliminary prospectus, offering circular or official statement relat-  
4 ing to the bond issue. Bonds may not be issued unless the state bond  
5 committee finds, based upon the information submitted by the authority  
6 under this subsection and other information that is reasonably avail-  
7 able to it, that the project revenues can be reasonably expected to be  
8 adequate for payment of the principal and interest on the bonds to be  
9 issued if the bonds are to be secured by project revenues alone, and  
10 in any event that issuance of the bonds by the authority would not be  
11 expected to adversely affect the ability of the state or its political  
12 subdivisions to market bonds.

13 (g) The total principal sum of bonds issued under this section  
14 for all authorities formed under this chapter is \$400,000,000 exclu-  
15 sive of refunding bonds.

16 Sec. 30.13.070. TRUST INDENTURES AND TRUST AGREEMENTS. In the  
17 discretion of the authority, an issue of bonds may be secured by a  
18 trust indenture or trust agreement between the authority and a corpo-  
19 rate trustee, that may be a trust company, bank, or national banking  
20 association, with corporate trust powers, located inside or outside  
21 the state, or by a secured loan agreement or other instrument or under  
22 a resolution giving powers to a corporate trustee, after this in this  
23 section referred to as "trust agreement", by means of which the autho-  
24 rity may

25 (1) make and enter into the covenants and agreements with  
26 the trustee or the holders of the bonds that the authority determines  
27 necessary or desirable, including, without limitation, covenants,  
28 provisions, limitations and agreements as to

29 (A) the application, investment, deposit, use and

1 disposition of the proceeds of the bonds of the authority or of  
2 money or other property of the authority or in which it has an  
3 interest;

4 (B) the fixing and collection of rents or other con-  
5 sideration for, and the other terms to be incorporated in an  
6 agreement with respect to a project;

7 (C) the assignment by the authority of its rights in a  
8 mortgage or other security interest created with respect to a  
9 project to a trustee for the benefit of bondholders;

10 (D) the terms and conditions upon which additional  
11 bonds of the authority may be issued;

12 (E) the vesting in a trustee of rights, powers,  
13 duties, funds, or property in trust for the benefit of bond-  
14 holders, including, without limitation, the right to enforce  
15 payment, performance and all other rights of the authority or of  
16 the bondholders, under a lease, contract of sale, mortgage,  
17 security agreement, or trust agreement with respect to a project  
18 by mandamus or other proceeding or by taking possession of by  
19 agent or otherwise and operating a project and collecting rents  
20 or other consideration and applying the same in accordance with  
21 the trust agreement;

22 (2) pledge, mortgage or assign money, leases, agreements,  
23 property or other assets of the authority either presently in hand or  
24 to be received in the future, or both; and

25 (3) provide for any other matters that in any way affect  
26 the security or protection of the bonds.

27 Sec. 30.13.080. VALIDITY OF PLEDGE. It is the intention of the  
28 legislature that a pledge made in respect of bonds shall be perfected  
29 and shall be valid and binding from the time the pledge is made; that

1 the money or property so pledged and thereafter received by an author-  
2 ity shall immediately be subject to the lien of the pledge without  
3 physical delivery or further act; and that the lien of the pledge  
4 shall be valid and binding against all parties having claims of any  
5 kind in tort, contract, or otherwise against the authority irrespec-  
6 tive of whether the parties have notice. Neither the resolution,  
7 trust agreement or any other instrument by which a pledge is created  
8 need be recorded or filed under the provisions of the Uniform Commer-  
9 cial Code to be perfected or to be valid, binding, or effective  
10 against the parties. This section does not affect title to or convey-  
11 ances of real property, and does not limit the applicability of  
12 AS 34.15.290.

13 Sec. 30.13.090. NONLIABILITY ON BONDS. (a) Neither the members  
14 of an authority nor a person executing the bonds are liable personally  
15 on the bonds or are subject to personal liability or accountability by  
16 reason of the issuance of the bonds.

17 (b) The bonds issued by an authority do not constitute an in-  
18 debtedness or other liability of the state or of a political subdivi-  
19 sion of the state, but shall be payable solely from the income and  
20 receipts or other funds or property of the authority. The authority  
21 may not pledge the faith or credit of the state or of a political  
22 subdivision of the state, except the authority, to the payment of a  
23 bond, and the issuance of a bond by the authority does not directly or  
24 indirectly or contingently obligate the state or a political subdivi-  
25 sion of the state to apply money from, levy or pledge any form of  
26 taxation to the payment of the bond.

27 (c) An authority issuing bonds shall print the language in (b)  
28 of this section in substantial form on the face of the bonds and in  
29 any offering circular or statement issued in connection with the

1 bonds.

2           Sec. 30.13.100. PLEDGE OF THE STATE. The state pledges to and  
3 agrees with the holders of bonds issued under this chapter and with  
4 the federal agency which loans or contributes funds in respect to a  
5 project, that the state will not limit or alter the rights and powers  
6 vested in an authority by this chapter to fulfill the terms of a  
7 contract made by the authority with the holders or federal agency, or  
8 in any way impair the rights and remedies of the holders until the  
9 bonds, together with the interest on them with interest on unpaid  
10 installments of interest, and all costs and expenses in connection  
11 with an action or proceeding by or on behalf of the holders, are fully  
12 met and discharged. The authority is authorized to include this  
13 pledge and agreement of the state, insofar as it refers to holders of  
14 bonds of the authority, in a contract with the holders, and insofar as  
15 it relates to a federal agency, in a contract with the federal agency.

16           Sec. 30.13.110. EXEMPTION FROM TAXATION. The real and personal  
17 property of an authority and its assets, income and receipts are  
18 declared to be the property of a political subdivision of the state  
19 and, together with any project financed under this chapter are exempt  
20 from all taxes and special assessments of the state or a political  
21 subdivision of the state. All bonds of an authority are declared to  
22 be issued by a political subdivision of the state and for an essential  
23 public and governmental purpose and to be a public instrumentality,  
24 and the bonds, and the interest on them, the income from them and the  
25 transfer of the bonds, and all assets, income and receipts pledged to  
26 pay or secure the payment of the bonds, or interest on them, shall at  
27 all times be exempt from taxation by or under the authority of the  
28 state, except for inheritance and estate taxes and taxes on transfers  
29 by or in contemplation of death. Nothing in this section affects or

1 limits an exemption from license fees, property taxes, or excise,  
2 income, or other taxes, provided under any other law, nor does it  
3 create a tax exemption with respect to the interest of any business  
4 enterprise or other person, other than the authority, in any property,  
5 assets, income, receipts, project or lease whether or not financed  
6 under this chapter.

7 Sec. 30.13.120. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The  
8 bonds of an authority are securities in which all public officers and  
9 bodies of the state and all municipalities and municipal subdivisions,  
10 all insurance companies and associations and other persons carrying on  
11 an insurance business, all banks, bankers, trust companies, savings  
12 banks, savings associations, including without limitation savings and  
13 loan associations and building and loan associations, investment  
14 companies and other persons carrying on banking business, all adminis-  
15 trators, guardians, executors, trustees and other fiduciaries, and all  
16 other persons who are now or may afterward be authorized to invest in  
17 bonds or other obligations of the state, may properly and legally  
18 invest money including capital in their control or belonging to them.  
19 Notwithstanding any other provisions of law, the bonds of an authority  
20 are also securities that may be deposited with and may be received by  
21 all public officers and bodies of the state and all municipalities and  
22 municipal subdivisions for any purpose for which the deposit of bonds  
23 or other obligations of the state is now or may afterward be autho-  
24 rized.

25 Sec. 30.13.125. AUDIT. The legislative auditor shall audit or  
26 shall cause to have audited annually the financial records of an  
27 authority. The legislative auditor may prescribe the form and content  
28 of the financial records of an authority and shall have access to  
29 these records at any reasonable time.

1           Sec. 30.13.130. EQUAL USE AND ACCESS. If an authority owns,  
2 leases, or otherwise operates or controls, or participates in the  
3 financing of, a facility, the authority shall, to the maximum extent  
4 possible, provide for equal rights of access to and use of the facil-  
5 ity by members of the public and other persons or entities upon terms  
6 and conditions that are fair and reasonable. However, this section  
7 does not prevent an authority from establishing fair and reasonable  
8 limitations on use of or access to a facility to the extent the limi-  
9 tations are necessary in connection with the nature of the facility or  
10 the demand for use of or access to the facility. This section applies  
11 to the establishment of rates and rate structures as well as all other  
12 factors, terms, and conditions relating to the use of or access to the  
13 facility, including without limitation the design and location of the  
14 facility. The members of the authority shall make a written finding  
15 concerning compliance of the facility with the provisions of this  
16 section. A written finding signed by at least three of the five  
17 elected members and two of the three appointed members that the facil-  
18 ity complies with the provisions of this section shall constitute a  
19 conclusive presumption of compliance.

20           Sec. 30.13.140. JURISDICTION. An authority is not subject to  
21 the jurisdiction of the Alaska Transportation Commission.

22           Sec. 30.13.150. SUCCESSION. Whenever a borough of the first or  
23 second class or a home rule municipality is created with an area  
24 coterminous with or inclusive of the area of an authority, the author-  
25 ity shall be integrated into the borough or home rule municipality  
26 within one year of incorporation. On integration the borough or home  
27 rule municipality succeeds to all the rights, powers, duties, assets,  
28 and liabilities of the authority, except that any indebtedness of an  
29 authority does not constitute a general obligation of the borough or

1 home rule municipality payable from taxes levied by the borough or  
2 home rule municipality. The borough or home rule municipality may not  
3 levy any taxes to pay the indebtedness.

4 Sec. 30.13.900. DEFINITIONS. In this chapter, unless the con-  
5 text otherwise requires,

6 (1) "authority" means a public body created under AS 30.-  
7 13.010;

8 (2) "bonds" means bonds or other obligations issued under  
9 this chapter;

10 (3) "cost" includes the cost of acquisition or construction  
11 of all or any part of transportation facilities and of all or any  
12 property, rights, easements and franchises considered by an authority  
13 to be necessary, useful, or convenient, including without limitation  
14 reimbursements to the authority or any other person of money expended  
15 for the purposes of the authority and interest or discount on bonds to  
16 finance those expenses, engineering and inspection costs and legal  
17 expenses, the cost of financial, professional and other advice, and  
18 the cost of issuance of bonds;

19 (4) "district" means the area within the boundaries of an  
20 authority;

21 (5) "person" includes a corporation, company, partnership,  
22 firm, association, organization, business trust, society, state or  
23 agency or subdivision of the state, municipality of the state, or an  
24 authority, as well as a natural person;

25 (6) "transportation facilities", or "facilities", or "pro-  
26 jects" means harbor, port, shipping and transportation facilities of  
27 all kinds, including harbors, channels, turning basins, anchorage  
28 areas, jetties, breakwaters, waterways, canals, locks, tidal basins,  
29 wharves, docks, piers, slips, bulkheads, public landings, warehouses,

1 terminals, refrigerating and cold storage plants, rolling stock, car  
2 ferries, tugs, boats, conveyors, tunnels, bridges, highways, roads and  
3 railroads, and appliances of all kinds for the handling, storage, in-  
4 spection and transportation of freight and natural resource products;  
5 it also includes all property, rights, easements and franchises rela-  
6 tive to a facility and necessary or convenient for the acquisition,  
7 construction or operation of the facility, but does not include air-  
8 port facilities.

9 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
10 10.070(c).

LETTER OF INTENT

SENATE

CSSB 151 (Finance)

It is the intent of the Committee to authorize the establishment of regional authorities which will have the ability to issue tax-exempt revenue bonds for the purpose of enhancing the development of resource enterprises which would contribute to the economic growth of the State. It is the intent of the Committee that the authorities established pursuant to this legislation would not create any financial liability or obligation by the state for bonds issued for resource enterprises. Nor is it the intent that the issuance of any such bonds by authorities adversely affect the ability of the state or any of its political subdivisions to market their own bonds. Rather, to the maximum extent possible, liability for bonds issued rest exclusively with the regional authority and the specific resource enterprise involved, not the state, successor boroughs or other municipalities or other projects or citizens in the region or state.

Adopted by the Senate May 3, 1983

I. REQUEST

Bill/Resolution HCS SB 151 (FIN)  
 Title: "An Act relating to KRDS."  
 Sponsor: Arrenkamp, Kertula, Ferguson,  
 Requestor: FISCAL Resources

II. FISCAL DETAIL

Agency Affected: Office of the Governor  
 Program Category Affected: Exec. Code  
 BRU, Program or Subprogram(s) Affected:  
Division of Elections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL		.4				
300 CONTRACTUAL		19.6	10.4	11.0		
400 COMMODITIES		.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	0	20.6	10.4	11.0		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		20.6	10.4	11.0		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Linda Dupere, Administrative Assistant  
 Division: Division of Elections

Phone: 526-6181  
 Date: 4/12/83

Approved by Commissioner: [Signature]  
 Department: Office of the Tr. Governor

Date: 4/12/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

SENATE BILL 151

ASSUMPTIONS:

1. An election will be held in one REAA area creating one Regional Resource Development Authority. If the election does not take place at the same time as a regularly scheduled REAA election, there will be a fiscal impact.
2. The above question passes and an election of the initial five member board takes place not less than 60 nor more than 90 days after the order of election. There will be a fiscal impact.
3. Subsequent election of members, after the initial members' terms have expired, takes place at the same date as a regularly scheduled REAA election. Only the Contractual Services category will be affected and is figured at 6% inflation.
4. This analysis is computed for an election of an RRDA and board members for one REAA area. If there should be elections in all 21 REAA areas, multiply \$20.6 x 21 to compute the fiscal impact. (432.6)

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H CS SB 151 (Fin)  
 Title Relating to Regional Resource Development Authorities  
 Requested by House Finance Committee Date 6/6/83

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, Or Subprogram(s) Affected \_\_\_\_\_  
 (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)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		30.0				
TOTAL		30.0				

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND		30.0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

0

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME						
PART TIME						
TEMPORARY						

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

The funding provided in this fiscal note is for start up costs for the NANA region authority expected to finance transportation related facilities for the Red Dog Mine Project. This is the only authority expected to be created in FY 84. \$10,000 of the funding is for honorariums, travel and per diem associated with meetings. The remaining \$20,000 is for attorney fees, financial consultants, and other costs associated with getting the project underway. No staff would be funded from this grant. Any funding remaining at the end of the fiscal year would return to the general fund.

IV. DATE 6/6/83 PREPARED BY Al Adams, Chair  
 AGENCY House Finance Committee

Original: Legislative Finance PHONE 465-3706  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

The following individuals may testify on SB 151:

Senator Bettye Fahrenkamp, prime sponsor

Representatives of COMINCO

Representatives of NANA

TRANSPORTING ALASKA'S NATURAL RESOURCES —

A PROPOSAL TO CREATE  
REGIONAL TRANSPORTATION AUTHORITIES  
IN ALASKA

TRANSPORTING ALASKA'S NATURAL RESOURCES —  
A PROPOSAL TO CREATE REGIONAL TRANSPORTATION AUTHORITIES  
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TRANSPORTING ALASKA'S NATURAL RESOURCES --  
A PROPOSAL TO CREATE REGIONAL TRANSPORTATION AUTHORITIES  
IN ALASKA

SUMMARY

Although relatively little-explored, Alaska contains many richly mineralized areas, and it is likely that mineral development will play an increasingly important role in the state's economy in the future.

Much of this mineral potential lies in rural areas of the state with little or no modern surface transportation system. This not only frustrates resource development, but contributes to the high cost of living and handicaps economic growth generally, including the expansion of job opportunities. The front-end costs of privately constructing a system, perhaps years before full production, can make the project infeasible.

There is no municipal government in much of rural Alaska, so state assistance is often the only alternative. A wider range of options for financing, constructing and operating transportation facilities in rural Alaska is critical if this tremendous resource potential is ever to be realized.

A regional transportation authority with revenue bonding ability would provide the greatest range of options to accomplish this. It would allow the most appropriate mix of public and private investment in each case, while at the same time allowing each region greater responsibility for regional economic development.

As this paper shows in its analysis of the Red Dog Project, the social and economic benefits of mineral development in rural Alaska are considerable: jobs and income, regional economic growth, and tax revenues to state, federal and local governments. But resource development is closely tied to transportation systems, and more flexible and creative approaches are necessary. The option of creating regional transportation authorities seems to best meet the transportation needs of resource development in rural Alaska.

## I. ALASKA'S MINERAL POTENTIAL

The mining industry is showing great interest in Alaska as a relatively little-explored area with high mineral potential, and it is likely that mineral development will play an increasingly important role in the state's economy in the future. Many richly mineralized areas have been identified and active exploration efforts are continuing. As more of the state is thoroughly explored, there is a strong likelihood additional high quality deposits will be discovered.

Northwestern Alaska is a good example of a rural region which comprises a number of highly mineralized areas with future development potential. The DeLong Mountain District in particular, located in the western Brooks Range, contains a rich mineralized zone with significant occurrences of zinc, lead, silver, gold, barite, copper, chromite, nickel and other minerals. The Ambler District to the east contains occurrences of jade, copper, cobalt, gold, silver, barite and zinc.

This area has been undergoing exploration for a number of years, and the mining industry is currently showing great interest in its mineral potential. Industry and government efforts have turned up some promising deposits. Some, like the Red Dog zinc/lead deposit, are considered world class and can be counted among the major deposits of their type in the world. Exploratory work continues on a number of other deposits, including the nearby Lik and Su deposits, and it is likely that continuing exploration efforts will identify additional deposits which will be economic in the foreseeable future. The DeLong Mountain District has the advantage of being relatively close to tidewater; the Red Dog, Lik and Su deposits are within 55 miles of the coast.

The DeLong Mountain District is within the bounds of the NANA Region, a sparsely populated area of approximately 38,000 square miles encompassing ten villages and the regional center of Kotzebue, a city of about 2,500. The economy of the region is heavily dependent upon subsistence, but also depends upon an inflow of cash, largely from outside the region, and much of it a result of government spending. Therefore, there is great interest in strengthening and expanding private sector activities and increasing job opportunities within the region.

Resource development is, of course, Alaska's primary source of economic activity. The NANA Region already has small but important fishing and reindeer herding industries, but its mining industry remains largely undeveloped. A developing mining sector could provide jobs and income for local residents, lead to economic growth in the region, lower the costs of goods and services, reduce the region's high dependence on government spending and produce revenues for federal, state and local governments.

## II. THE NEED FOR AN IMPROVED TRANSPORTATION SYSTEM

Many rural areas of the state lack even the rudiments of a modern transportation system. This is true in the NANA Region. The absence of transportation can frustrate resource development, make it difficult for residents to obtain goods and supplies at a reasonable price, and generally handicap economic growth, including the expansion of job opportunities.

Lack of transportation can keep a mineral deposit from being developed even when market conditions would otherwise allow development. Bringing a mine into production requires a large amount of capital even when transportation facilities exist. The additional high front-end costs of privately constructing a transportation system for an individual project, perhaps years before full production is achieved, can make the project infeasible. In many parts of the world, including Canada and the U.S., government has often assisted in developing basic transportation facilities where potential social and economic benefits warrant such involvement. In Alaska, where much of the state lies outside the jurisdiction of any local or regional government, state assistance is the only alternative.

Given the competition for limited state funds, the benefits which could be realized from responsible mineral development, and the lack of local or regional government in much of Alaska, additional options for financing, constructing and operating rural regional transportation systems are needed.

Creation of a regional transportation authority would allow the judicious use of both public and private financing and allow flexibility in all phases of development and operation of transportation systems in rural Alaska. An authority could be created by

the voters of a region in the unorganized borough. It would be a public entity outside the normal structure of state government operating according to legislated goals and purposes. It would be operated by a locally-elected board with state representation and would have the authority to issue tax-exempt revenue bonds to finance a transportation system within that region for the purpose of resource development.

A transportation authority would provide for an optimum mix between public and private financing and control for each project. Normally, state funding would still be used where a facility, such as a regional port, has a broad public purpose. However, the authority could work with industry to devise an optimum financing package for other facilities needed primarily for resource development. Ultimately, the user would pay for these facilities, since the authority would repay the bonds out of operating revenues. It would also provide a wide range of options with regard to construction, operation and maintenance: an authority in one region might construct and operate all or part of a system; in another region the system might be constructed and/or operated under lease to industry.

Allowing the creation of transportation authorities in rural Alaska would not only lead to the expansion of the state's transportation system and increased resource development, but would provide the flexibility needed to respond to the particular circumstances in each region and ensure that development was responsive to local needs and desires. It would allow the state to make a case-by-case judgment on the amount of assistance necessary and proper. It would provide a centralized regional entity which could plan and develop transportation facilities to promote orderly resource development in the region. An authority would also allow rural Alaskans the opportunity to assume greater responsibility for the region's development. The resource development made feasible by the construction of transportation facilities would in turn build up a tax base which could eventually allow municipal incorporation.

Thus it appears that allowing the creation of a regional transportation authority by local voters would take advantage of the relative strengths of both the public and private sectors, and would produce the most benefits to the particular region, the state and industry at the least social, environmental and financial costs to all involved.

### III. POTENTIAL BENEFITS OF MINERAL DEVELOPMENT: A Case Study of the Red Dog Deposit in Northwestern Alaska

#### The Red Dog Deposit

The Red Dog deposit is located in northwestern Alaska away from existing transportation networks. Since prospects for its development are good, it is a useful case study of the potential benefits of mineral development.

Red Dog is a zinc, lead, silver and barite deposit located approximately 90 miles north of Kotzebue and 55 miles from the Chukchi Sea. It is owned by NANA Regional Corporation and leased to Cominco Alaska, a subsidiary of Cominco Ltd., one of the world's largest producers of zinc and lead. Red Dog ranks among the best and largest known zinc/lead deposits in the world. The reserves are estimated at 85 million tons of mineralization. Grade estimates are 17.1% zinc, 5.0% lead and 2.4 oz/ton silver (Red Dog's barite content is still undetermined). This compares favorably with other zinc/lead mines around the world, including many now in operation.

Red Dog will be an open pit mine developed in phases with production beginning in 1987 and expanding in 1993, when annual production will rise to 2 million tons of ore to produce 580,000 tons of zinc concentrate, 120,000 tons of lead concentrate, 50,000 tons of barite concentrate and 3.3 million ounces of contained silver. Because of the size of the orebody, the mine will operate over a long period - at least 50 years, with an extension if additional ore is found.

The infrastructure requirements for the mine include two major facilities - the mill, or concentrator, near the mine site and a port on the coast - plus a method of transport between the two. The alternatives which have been investigated include a road, railroad and slurry pipeline.

In developing the Red Dog deposit, Cominco has agreed to a number of special measures designed to protect environmental and cultural values in the region. Safeguarding subsistence is a top priority. Critical areas will be avoided in the siting of facilities. Strict air and water pollution controls will be instituted. A local advisory committee

has been formed to advise Cominco and NANA on matters relating to subsistence and, if considered necessary, overland traffic by rail or road may be halted during caribou migrations. Similarly, ocean shipping during whaling and sealing seasons may be temporarily suspended if it is deemed a problem.

Cominco will use a rotating workforce accommodated in hotel-type quarters rather than establishing a residential community at the mine. It is not anticipated that the region's population will increase due to the mine operation, since most workers will be local residents (see p. 8). The project will pay the transportation costs to and from the mine and villages within the region, as well as Kotzebue, Anchorage or Fairbanks. This will minimize the social impacts on the region and also minimize impacts on public services and facilities, precluding the need for new schools and health facilities, increased police and fire protection and other services. There will be a small infirmary at the mine site to provide medical care to mine employees.

#### Potential Benefits of Developing the Red Dog Deposit

A number of benefits can be expected from mineral development in Alaska. In the case of Red Dog, as many benefits as possible are being purposely targeted into the NANA Region.

Overview of the NANA Region Economy. Traditionally, and like most rural areas of Alaska, this region has had higher than statewide average unemployment rates, although it has been improving relative to statewide averages in the past several years, according to official figures. The Kobuk Census Division's (NANA Region) employment continues to lag behind that of the northern region as a whole (Barrow-North Slope, Nome and Kobuk). However, official figures do not necessarily reflect the actual number of people who would like to work if jobs were available, since they include only those persons actively looking for work. In rural Alaska, residents tend to know whether job opportunities exist and are unlikely to be actively looking for work if none exists. While no figures on actual unemployment rates in the NANA Region are available, it is certain they are substantially higher than the official figure of approximately 10% (1980-82 average). In a study in the Lower Yukon-Kuskokwim Region in 1981, it was found that,

while the official estimated unemployment rate for January 1981 was over 13%, the actual figure (still using the standard definition) was almost 25%. If the definition were broadened to include "discouraged" workers who were not actively job hunting but who wished to work, the unemployment rate rose to almost 50%.

In addition, the region's average annual per capita income of \$7,225 is well below the state average of \$12,635 (1980 dollars), although the cost of living is considerably higher.

In the NANA Region, one-half of the workers are employed by state and local government, compared to an average of one-quarter to one-fifth for all of Alaska. The federal government employs 13-20%, compared to 10-11% statewide. The service, retail, transportation, communications, utilities and construction sectors employ smaller percentages of the area's workers than statewide.

In addition to this concentration of employment opportunities, the regional economy is highly seasonal. Employment peaks during the construction and fishing season and as school starts and reaches a low after school closes in June. Employment is relatively concentrated in Kotzebue, which contains only 42% of the population but 64% of the jobs, so villagers must often come into Kotzebue to find work.

Perhaps even more important is the degree of regional dependence on the public sector as a source of cash in the area. Sixty percent of personal income is directly earned through the government sector (17.5% from federal sources, 42.5% from state and local sources in 1980). In addition, transfer payments (GI benefits, medicare, food stamps, unemployment benefits, etc.) amounted to \$7.5 million, more than one-fifth of the total personal income of the region in 1980.

Earnings in the private sector are relatively small; it is estimated that in 1980 less than one-third of the total personal income was derived from that source, versus slightly over half statewide. As reported by the U.S. Department of Commerce, transportation and public utilities accounted for almost 15% of the income earned in the private sector, services 10%, retail trade 7% and construction 6%.

However, like other rural regions of the state, the full dependence of this region on the public sector is estimated to grow much higher when "hidden" subsidies are included. In

a recent study, Darbyshire and Associates found that nearly 90% of all income in the region is directly or indirectly a result of government spending. Such heavy dependence on public expenditures makes the region especially vulnerable to cutbacks in government programs and spending. Given the character of the NANA Region economy, expanding employment within the region in the private sector is critical to the long-term economic health of the region.

Corporate Benefits. Not only will Cominco and NANA Regional Corporation benefit from corporate profits and growth, but Natives and Native corporations throughout the state will benefit from Red Dog profits. Under a provision of the Alaska Native Claims Settlement Act, 70% of a regional corporation's net revenues derived from the development of subsurface resources is shared with all the regional corporations according to the proportion of total shareholders each represents. In turn, one-half of the 70% is distributed to village corporations and at-large shareholders. So benefits from any mineral development on native land in Alaska can have widespread effects going far beyond the corporations directly involved.

Direct Employment.<sup>†</sup> The Red Dog Project will provide up to 430 new, permanent jobs in the region. In addition, there will be ten people directly employed in Anchorage and 30 seasonal workers in Kotzebue and at the port.

The total annual payroll of the project in year ten is estimated at approximately \$13 million. The job categories, number of people employed and rough estimates of salary ranges are listed below.

<u>Job Category</u>	<u>Approx. Number to be Employed</u>	<u>Avg. Annual Salary (000's)*</u>
Professional/Supervisory	50	NA
Technical/Clerical**	50	\$22-25
Heavy Equipment Operator	70	27-30
Mill & Powerhouse Operators	40	30-33
Tradesmen***	90	30-33
Catering/Janitorial	40	18-20
Unskilled/Trainees	90	16-25

NA = not available

\* = in 1983 dollars

\*\* = includes Anchorage employees

\*\*\* = includes mechanics, welders, electricians, pipefitters, carpenters

<sup>†</sup> Note: All employment, expenditure and revenue estimates provided in this and following sections are based on projections for the tenth year of Red Dog operation and are in 1983 dollars.