

LEGISLATIVE FINANCE-HOUSE/SENATE FINANCE COMM. FILES 8879

SB 129 cont. SB 130 616 207

S B

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# HOUSE COMMITTEE REPORT

(11)

Date Referred: April 28, 1989

FURTHER REFERRALS:

Date of Committee Action: 5/3/89

The FINANCE Committee considered:

CSSB 129 (FINANCE)

CS FOR SENATE BILL NO. 129 (Finance)

[MINING LEASES, CLAIMS, RENT & ROYALTIES]

"An Act relating to mining; and providing for an effective date."

**RECOMMENDATIONS:**

- be replaced with CS SB 129 (Fin.)  the same title
- a new title
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact \_\_\_\_\_
- zero fiscal note \_\_\_\_\_
- zero with analysis \_\_\_\_\_

- fiscal note(s) Sen. 4/22/89 DNR
- zero fiscal note(s) \_\_\_\_\_
- zero fn/analysis \_\_\_\_\_

**SIGNING DO PASS:**

**SIGNING:**

(Check approp. column)

Do Not Pass    No Rec    Amend

Ronald J. [Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]

SIGNING	Do Not Pass	No Rec	Amend
<u>[Signature]</u>		<input checked="" type="checkbox"/>	
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[Signature]  
 Chairman's Signature  
Ronald J. [Signature]

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB 129 (Finance)

PUBLISH DATE: 4/22/89

FISCAL NOTE

REQUEST:

Revision Date: 20-Apr-89 Agency Affected: Natural Resources  
 Title: An Act relating to rent and BRU: Mining Management  
royalty payments for mining claims. Management/Administration  
 Sponsor: Senate Rules Components: Mining Management  
 Requestor: Governor Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		35.9	37.0	38.2	39.4	40.8
TRAVEL		0.0	0.0	0.0	0.0	0.0
CONTRACTUAL		1.5	1.5	1.5	1.5	1.5
SUPPLIES		0.5	0.5	0.5	0.5	0.5
EQUIPMENT		4.0				
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	41.9	39.0	40.2	41.4	42.8
CAPITAL		240.0	0.0	0.0	0.0	0.0
REVENUE		750.0	750.0	770.0	770.0	800.0

FUNDING: (Thousands of Dollars)

GENERAL FUND		281.9	39.0	40.2	41.4	42.8
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	281.9	39.0	40.2	41.4	42.8

POSITIONS:

FULL-TIME		1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Gerald Gallagher Phone: 762-2165  
 Division: Mining Management Date: 20-Apr-89  
 Approved by Commissioner: Lennie Gorsuch Date: 20-Apr-89  
 Agency: Department of Natural Resources

Distribution (by preparer) :  
 Legislative Finance 4/21/89  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

*This replaces previous DNR - F&S  
 + Aotkeni comin O&E*

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 129 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to mining; and providing for an  
7 effective date."

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

9 \* Section 1. AS 38.05.205(c) is amended to read:

10 (c) A mining lease shall be for any period up to 55 years, and  
11 is renewable if requirements for the lease remain satisfied. Annual  
12 rental and production royalties shall be paid as required under  
13 AS 38.05.211 and 38.05.212 [THE LESSEE HAS A RIGHT TO A NEW LEASE AT  
14 THE END OF EACH LEASE PERIOD. THE COMMISSIONER MAY MAKE REASONABLE  
15 ADJUSTMENTS OF THE RENTAL RATE AT THE END OF EACH 20 YEAR PERIOD,  
16 BASED UPON CHANGED CONDITIONS IN PRODUCTION COSTS AND MARKETS]. A  
17 valid mining claim located and held under AS 38.05.195 may be con-  
18 verted to a lease at any time upon application by the owner, and  
19 issuance by the commissioner. Rights [NO RIGHTS] granted by a mining  
20 lease may not be exercised until the lease has been filed for record  
21 in the recording district where the land is located.

22 \* Sec. 2. AS 38.05.210(a) is amended to read:

23 (a) Labor shall be performed or improvements made annually on or  
24 for the benefit or development of each mining claim, leasehold lo-  
25 cation, and mining lease on state land except that where adjacent  
26 claims, leasehold locations, or mining leases are held in common, the  
27 expenditure may be made on any one claim, leasehold location, or  
28 mining lease. The commissioner shall establish the date of the com-  
29 mencement of the year during which the labor or improvements are to be

1 performed. Labor shall be performed at the annual rate of \$100 [\$200]  
2 per claim or leasehold location, and \$100 for each partial or whole 40  
3 acres of each mining lease. If more work is performed than is re-  
4 quired by this section to be performed in any one year, the excess  
5 [WORK UP TO A] value [OF \$800] may be applied against labor required  
6 to be done during the subsequent year or years, for as many as four  
7 years. Instead of performing annual labor, the holder of a claim,  
8 leasehold location, or mining lease may make a cash payment to the  
9 state equal to the value of the labor required by this subsection.

10 \* Sec. 3. AS 38.05.210(b) is amended to read:

11 (b) During the year in which [THE PERFORMANCE OF] annual labor  
12 is required or within 90 days after the close of that year, the owner  
13 of the mining claim, leasehold location, or mining lease, or some  
14 other person having knowledge of the facts shall record with the  
15 recorder of the district in which the claim, leasehold location, or  
16 mining lease is located a signed statement setting out the informa-  
17 tion, as may be required by the commissioner, concerning the annual  
18 labor of the preceding year, [AND] any labor in excess of that re-  
19 quired for the preceding year, and any payment of cash instead of  
20 annual labor. The statement, properly recorded, is prima facie evi-  
21 dence of the performance of the labor. The failure of one of several  
22 co-owners to contribute the proportion of the expenditures required  
23 for annual labor from the co-owner shall be treated in accordance with  
24 AS 38.05.215 - 38.05.235.

25 \* Sec. 4. AS 38.05 is amended by adding new sections to read:

26 Sec. 38.05.211. ANNUAL RENTAL. (a) The holder of each mining  
27 claim, leasehold location, and mining lease, including a mining lease  
28 under AS 38.05.250, shall pay, in advance, annual rental for the right  
29 to continue to hold the mining claim, leasehold location, and mining

1 lease, including a mining lease under AS 38.05.250. The annual rental  
2 amount shall be based on the number of the years since a mining claim,  
3 a leasehold location, or a mining lease's predecessor claim or lease-  
4 hold location was first located, as follows:

5	Number of Years Since	Rental Amount Per	Rental Amount
6	First Located	Acre for Mining	for Each Mining
7		Leases	Claim or Leasehold
8			Location
9	0 - 5	\$ .50	\$ 20
10	6 - 10	\$1.00	40
11	11 - or more	\$2.50	100

12 (b) A claim, leasehold location, or mining lease located on or  
13 before August 31, 1989 is considered to have been first located on  
14 August 31, 1989 for purposes of determining the amount of rental under  
15 this section.

16 (c) The rental for each year shall be credited against the  
17 production royalty under AS 38.05.212 as it accrues for that year.

18 (d) The rental established under this section shall be revised  
19 each 10 years by the commissioner based on the consumer price index  
20 for Anchorage and published in regulations by the commissioner.

21 Sec. 38.05.212. PRODUCTION ROYALTY. (a) In exchange for and to  
22 preserve the right to extract and possess the minerals produced, the  
23 holder of a mining claim, leasehold location, or mining lease, includ-  
24 ing a mining lease under AS 38.05.250, shall pay a royalty on all  
25 minerals produced from land subject to the claim, leasehold location,  
26 or mining lease during each calendar year.

27 (b) The production royalty is three percent of net income as  
28 determined under AS 43.65.

29 (c) The commissioner shall adopt regulations to implement this

1 section and to provide for combined reporting and paying of production  
2 royalties for mining operations that include more than one mining  
3 claim, leasehold location, or mining lease.

4 \* Sec. 5. AS 38.05.240 is amended to read:

5 Sec. 38.05.240. LABOR DEFINED FOR AS 38.05.210 - 38.05.235. In  
6 AS 38.05.210 - 38.05.235, "labor" includes geological, geochemical,  
7 geophysical, and airborne surveys conducted by qualified experts and  
8 verified by a detailed report filed in the recording district office  
9 in which the claim, leasehold location, or mining lease is located  
10 which sets out fully (1) the location of the work performed in re-  
11 lation to the point of discovery and boundaries of the claim, lease-  
12 hold location, or mining lease, (2) the nature, extent, and cost of  
13 it, and (3) the name, address, and professional background of the  
14 person conducting the work. The commissioner, by regulation, shall  
15 define the nature of acceptable survey work and the qualifications of  
16 a person competent to perform this work. The airborne surveys, how-  
17 ever, may not be applied as labor for more than two consecutive years  
18 or for more than a total of five years on any one mining claim, lease-  
19 hold location, or mining lease, and each of those surveys shall be  
20 nonrepetitive of any previous survey on the same claim, leasehold  
21 location, or mining lease.

22 \* Sec. 6. AS 38.05.250(c) is amended to read:

23 (c) Each [LEASES FOR SUBMERGED LAND SHALL BE CONDITIONED UPON  
24 PAYMENT OF AN ANNUAL RENTAL OF \$3 AN ACRE. EXPENDITURES ON OR FOR THE  
25 BENEFIT OF THE LEASEHOLD MAY BE CREDITED AGAINST THE RENTAL. RENT  
26 SHALL BE PAID OR A STATEMENT OF ANNUAL LABOR SHALL BE RECORDED WITHIN  
27 90 DAYS AFTER EACH ANNIVERSARY DATE OF THE LEASE. ALL] submerged land  
28 mining lease [LEASES] shall be for a period of up to 20 years [,] and  
29 for so long as there is production in paying quantities from the

1 leased area. [THE COMMISSIONER MAY MAKE REASONABLE ADJUSTMENTS OF THE  
2 RENTAL RATE AT THE END OF EACH 10-YEAR PERIOD, BASED UPON CHANGED  
3 CONDITIONS IN PRODUCTION COSTS AND MARKET.]

4 \* Sec. 7. AS 38.05.265 is amended to read:

5 Sec. 38.05.265. ABANDONMENT. Failure to [(1)] properly record a  
6 certificate of location or a statement of annual labor, [OR (2)] file  
7 with the director within the time prescribed a lease application, [OR  
8 (3)] pay any required annual rental, pay any required production  
9 royalty [OR RECEIVE CREDIT FOR RENTAL], or [(4)] keep location bound-  
10 aries clearly marked [, ALL] as required by AS 38.05.185 - 38.05.275  
11 and by regulations adopted under these sections [,] constitutes aban-  
12 donment of all rights acquired under the mining claim [LEASE], lease-  
13 hold location, lease, or site involved, and the claim, location,  
14 lease, or site [IT] is subject to relocation by others. A [IF A  
15 LOCATION IS NOT RELOCATED BY ANOTHER PERSON WITHIN ONE YEAR AFTER THE  
16 FAILURE, THE] locator or claimant of an [THE] abandoned location [,]  
17 or a successor in interest [,] may not [RETURN TO] relocate the lo-  
18 cation until one year after abandonment [IT AS THOUGH IT HAD NEVER  
19 BEEN LOCATED]. A statement of annual labor that [WHICH] does not  
20 accurately set out the essential facts is void and of no effect. If  
21 an annual rental or a royalty payment is deficient but is otherwise  
22 timely paid, abandonment does not result if full payment is made  
23 within

24 (1) the period prescribed by a deficiency notice from the  
25 commissioner; or

26 (2) 30 days after a final judgment establishing the amount  
27 due if the deficiency amount due was contested.

28 \* Sec. 8. AS 27.05 is amended by adding a new section to read:

29 ARTICLE 4. RECLAMATION.

1           Sec. 27.05.250. RECLAMATION. (a) The commissioner shall re-  
2           quire reclamation of state land from the effects of mining.

3           (b) The commissioner shall adopt regulations under this section  
4           and under AS 38 to implement (a) of this section. The regulations  
5           must require a miner to submit to the commissioner and receive ap-  
6           proval on a reclamation plan before undertaking any mining activity;  
7           the regulations must also establish penalties for noncompliance with  
8           the regulations. On a determination by the commissioner that a miner  
9           has failed to follow the reclamation plan, the commissioner shall  
10          require proof of financial responsibility before the miner undertakes  
11          any further mining activity.

12          (c) In order to provide for an effective reclamation program,  
13          when adopting regulations under this section and AS 38, the commis-  
14          sioner shall consult with the commissioners of environmental conserva-  
15          tion and fish and game.

16          (d) This section does not apply to reclamation carried out under  
17          AS 27.21.

18       \* Sec. 9. AS 43.05.230 is amended by adding a new subsection to read:

19           (h) The commissioner shall, upon request, furnish to the Depart-  
20           ment of Natural Resources copies of tax returns, reports, documents  
21           filed under AS 43.65.010 - 43.65.060, and the department's deter-  
22           minations and workpapers. The Department of Natural Resources shall  
23           maintain the confidentiality that the department is required to extend  
24           to the returns, reports, documents, determinations, and workpapers  
25           furnished to the Department of Natural Resources under this subsec-  
26           tion.

27       \* Sec. 10. AS 38.05.205(b) and 38.05.210(d) are repealed.

28       \* Sec. 11. TRANSITION. (a) Sections 1 - 7, 9, and 10 of this Act and  
29       this section apply to mining claims, leasehold locations, and mining leases

1 located before, on, or after August 31, 1989.

2 (b) The first annual rental payment due under AS 38.05.211 as enacted  
3 in sec. 4 of this Act is for the annual labor year beginning September 1,  
4 1989.

5 (c) The first production royalty payment due under AS 38.05.212 as  
6 enacted by sec. 4 of this Act is for production after December 31, 1989.

7 (d) The commissioner of natural resources shall adopt regulations to  
8 implement the changes made by secs. 1 - 7, 9, and 10 of this Act and this  
9 section. The regulations take effect under the Administrative Procedure  
10 Act (AS 44.62) but not before August 31, 1989. The regulations may defer  
11 the date for the first annual rental payment due under AS 38.05.211 as  
12 enacted in sec. 4 of this Act.

13 \* Sec. 12. The commissioner of natural resources shall adopt the regu-  
14 lations required by AS 27.05.250, added by sec. 8 of this Act, by July 1,  
15 1991.

16 \* Sec. 13. Section 11(d) of this Act takes effect immediately under  
17 AS 01.10.070(c).

18 \* Sec. 14. Except for secs. 8, 11(d), and 12, this Act takes effect  
19 August 31, 1989.

20 \* Sec. 15. Sections 8 and 12 of this Act take effect June 1, 1990.

STAVE COWPER  
GOVERNOR



129

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 19, 1989

The Honorable Tim Kelly  
President of the Senate  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Kelly:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making certain changes in the laws regarding state mining claims, leasehold locations, and mining leases. The main purpose of the bill is to resolve the long-standing "6(i)" issue, which has cast a legal cloud over the state's mining laws since statehood. The bill achieves that purpose by imposing rent and royalty requirements on state mining claims, leasehold locations, and mining leases. Those in the mineral industry will benefit from the added legal security of their mining interests, while all the people of the state will benefit from the rent and royalty income to the state.

Under existing state law, rights to "locatable" minerals (those minerals subject to location under the federal mining law at the time of statehood, including such minerals as gold, silver, and zinc) may be acquired, except in offshore areas, by staking a mining claim under AS 38.05.195, or by staking a leasehold location and converting it to a mining lease under AS 38.05.205. Present state law imposes no rent or royalty upon a mining claim under AS 38.05.195 or leasehold location under AS 38.05.205, and allows the rental requirement for a mining lease to be discharged through the performance of annual labor. AS 38.05.205(b).

In Trustees for Alaska v. State of Alaska, 736 P.2d 324 (Alaska 1987), cert. denied \_\_\_ U.S. \_\_\_, 108 S.Ct. 2013, 100 L.Ed.2d 601 (1988), the Alaska Supreme Court found that the state's mining law fails to comply with the minimum requirements in sec. 6(i) of the Alaska Statehood Act. In particular, the court found that cash rents or royalties are required for mining rights in mineral land granted under sec. 6 of the Statehood Act.

This bill conclusively resolves the "6(i)" issue within the context of existing law. The bill will minimize administrative burdens for the Department of Natural Resources and will generate significantly more in general fund revenue than it will cost to administer. Passage this session will remove the threat of an injunction against mining during this upcoming season. The balance of this letter discusses the particular changes proposed.

The bill amends AS 38.05.210 to make the annual labor requirement applicable to all mining claims, leasehold locations, and mining leases, while reducing the amount from \$200 to \$100. Cash payment in place of the annual labor will also be allowed. In addition, the current dollar limit on the application of excess work to future years is being converted to a durational limit of four years, and an unnecessary reference to AS 38.05.240 and 38.05.242 is also deleted. Section 2 of the bill.

Section 3 of the bill adds two new sections. Proposed AS 38.05.211 provides for a minimum annual rental on each mining claim, leasehold location, and mining lease. The minimum annual rental will be on a sliding scale ranging from a minimum of \$.50 per acre for a mining interest up to five years old, to a minimum of \$5 per acre for mining interests held for more than 20 years.

Proposed AS 38.05.212 provides for a minimum production royalty on all minerals produced from land subject to a claim, leasehold location, or mining lease. The production royalty will be determined on a sliding scale measured on gross income. At each level of gross income, the higher of a minimum royalty or a specified percentage of net income will be payable. The details for computing gross and net income will be established by regulations.

Section 5 of the bill amends AS 38.05.265 to provide that a mining interest is considered abandoned if no annual rental or production royalty is paid by the deadline, which will be set by regulation.

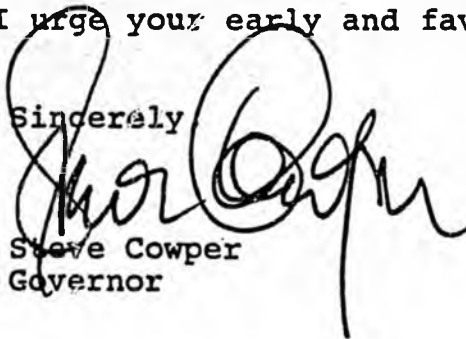
Section 6 of the bill amends AS 43.05.230 to require the commissioner of revenue to provide tax returns, reports, and documents relating to the mining license tax to the Department of Natural Resources, on the condition that confidential information be protected.

The bill includes a transition section that provides for commencement dates for the annual rental and royalty requirements. These dates will allow sufficient time for the Department of Natural Resources to adopt regulations implementing the bill.

The bill also includes technical revisions, a repealer section, and other conforming amendments, to make changes necessary to achieve the purposes generally described above.

Passage of this bill will end a long and troubled period of uncertainty under the state mining laws. It will give holders of interests in mining claims greater legal security, and the people of the State of Alaska a fair return on the public's mineral resources. I urge your early and favorable consideration of this bill.

Sincerely



Steve Cowper  
Governor



# Alaska State Legislature

HOUSE OF REPRESENTATIVES  
COMMITTEE ON RESOURCES

POUCH V  
JUNEAU, ALASKA 99611  
(907) 488-3718

## 6(I) COMPROMISE

1. Rents and royalties will be paid on all state lands where mining activity is taking place.
2. Rents and royalties will be paid on all offshore mining leases.
3. The rental will be similar to the Governor's proposal in HB 99 except it will be capped at \$2.50 rather than \$5.00 and the rental will be set in statute rather than regulation.

0 - 5 years	\$ .50 / acre
6 - 10 years	\$ 1.00 / acre
11 or more	\$ 2.50 / acre

The rental would be increased every 10 years based on the Anchorage Consumer Price Index.

4. Royalty - 3% on the net income
5. Reclamation

Section 7. AS 27.05 is amended by adding a new section to read:

27.05.250 RECLAMATION. (a) The commissioner shall require reclamation of state land from the effects of mining.

(b) The commissioner shall adopt regulations under this section and under AS 38 to implement (a) of this section. The regulations must require a miner to submit to the commissioner and receive approval on a reclamation plan before undertaking any mining activity. The regulations must also establish penalties for noncompliance with the regulations. On a determination by the Commissioner that a miner has failed to follow the reclamation plan, the commissioner shall require proof of financial responsibility before the miner undertakes any further mining activity.

(c) In order to provide to provide for an effective reclamation program, when adopting regulations under this section and AS 38, the commissioner shall consult with the commissioners of environmental conservation and fish and game.

(d) This section does not apply to reclamation carried out under AS 27.21.

Sec. 11. The commissioner of natural resources shall adopt the regulations required by AS 27.05 250, added by Sec. 7 of this Act, by July 1, 1991.

Sec. 14. Section 7 and 11 of this Act take effect June 1, 1990.

## ANALYSIS OF CSSB 129 (Finance)

Assumptions: As a result of the May, 1987, Alaska Supreme Court opinion, the State's mining laws will need to be amended to require the payment of a cash rent and production royalty. There are currently over 40,000 state mining claims and 200 mining operations on state land. Each claim will be assessed a rent of \$20. Producing claims and leases will be assessed a royalty of three percent net profits. DNR estimates revenue derived from rents and royalty will be \$750,000 in FY 90 and increase to \$800,000 by FY 94. Rental payments should be \$700,000 and the royalty payments are estimated to be \$50,000 annually.

Program Summary: This funding is necessary to complete the additional work load of administering, collecting, and auditing rent and royalty payments, while maintaining both the current mining records system and the state's revenue and billing system.

Positions: A new "Accounting Technician I" position is needed in the Management and Administration BRU. This position will maintain accounts in the LAS's Revenue and Billing System, audit billing registers, and prepare worksheets and reports as necessary to assure proper accounting and coding of these funds.

Other Expenditures: A one-time capital appropriation of \$240,000 is necessary to purchase a new computer system in the "Mining Management" BRU. This new system will allow the Division of Mining to handle the additional workload of rent and royalty payment tracking and lease status verification without additional staff. Over 35,000 individual mining claims and 100 mining leases will have to be administered under this new system.

Revenues generated under this proposal will exceed expenditures in every year. Beginning in FY 90, new annual revenues of \$750,000 are projected. Expenditures for the first year (FY 90) will be \$281,900, which includes the one time capital expenses. After FY 90, the continued annual operating cost of this new work load will be approximately \$40,000, while revenue will continue to be \$750,000.

Position Title <b>Accounting Technician I</b>		No. of Positions <b>1</b>	Range/Step <b>12A</b>	Hrg. Unit <b>GGU</b>
Time Status <b>PFT</b>	Staff Months <b>12</b>	Location <b>Anchorage</b>		Election District
Justification				
The position will receive balance and code funds over the counter and by mail for payments received for the Division of Mining leases and claims. The position will determine the proper customer account, the Department handles approximately 40,000 mining leases belonging to 2500 to 3000 individual customers. The proper coding will be impacted by number of properties owned by payee. The position will do acct functions, plus provide customer information, auditing billing register to insure proper billing and researching address changes.				
Type of Expenditure		Amount		
1	2	3		
Salary	24,900			
Benefits	11,000			
Premium Pay				
Other				
Total Personal Services		35,900		
Travel				
Contractual		1,500		
Commodities		500		
Equipment		4,000		
Other				
Total Cost		41,900		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	41,900		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For  
New Position**

Agency NATURAL RESOURCES  
 BRU MANAGEMENT & ADMINISTRATION  
 Component Administrative Services

**FY 90**

Page 1 of 1  
 Revised Date

H

S

w

B

O

SENATE COMMITTEE REPORT

FURTHER

2/23/89

DATE TURNED INTO OFFICE 4/10/90

Mr. President:

FINANCE

Committee considered SB 130

special appropriation to the Alaska Power Authority for Bradley Lake Intertie; efd

and recommended

replace with CS SB 130 (FIR) )  same title  
 or adopt CS )  new title  
 attached amendment(s) and  technical title change (HB only)  
 letter of intent adopted

do pass

do not pass

no recommendation

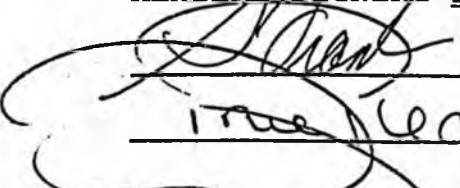
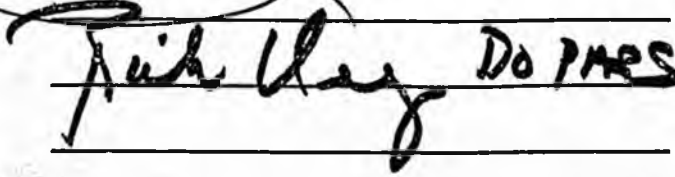
individual recommendations


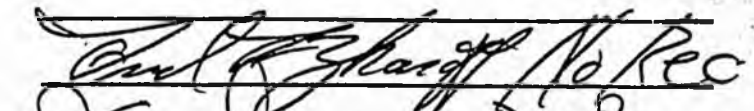
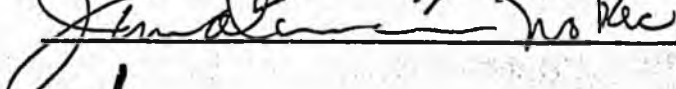
further referral to \_\_\_\_\_

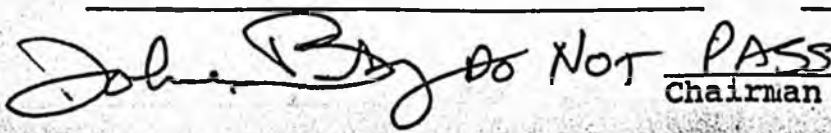
FISCAL NOTE(S)  zero  fiscal impact  appropriation no FN  
 new  updated  previous  
 same as previous fiscal note(s) published \_\_\_\_\_

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

  
 \_\_\_\_\_  
 DO PASS  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 No Rec  
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 DO NOT PASS  
 \_\_\_\_\_  
 Chairman signature and recommendation

Committee Backup attached

4/10/90  
pm

AMENDMENT #1 to CSSB 130 (Fin)

*History  
Proposed  
Adopted*

To Page 3, Line 24

Delete Old Section 13  
Add new section to read:

Section 13. The sum of \$9,000,000 is reappropriated from the Railbelt energy fund (AS 37.05.520) in the general fund to The Alaska Railroad Corporation for the purchase of ~~transportation equipment,~~ locomotives, rolling stock and associated equipment costs.

DP  
3

6-0582D  
Cramer  
4/10/90 p.m.  
Adopted

Original sponsor(s): SEN UEHLING, Sturgulewski, Pearce, Rodey, Fischer

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 130 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making reappropriations from the Railbelt  
 7 energy fund, <sup>JD-3</sup> ~~(including reappropriations in the amount~~  
 8 ~~of \$30,000,000 and interest earned beginning July 1,~~  
 9 ~~1990, for the Healy cogeneration project, in the~~  
 10 ~~amount of \$9,500,000 for the Seward transmission line~~  
 11 ~~from Lawing to Fort Raymond substation, and in the~~  
 12 ~~amount of \$100,000,000 and interest earned beginning~~  
 13 ~~July 1, 1990, for 138 kilovolt electric transmission~~  
 14 ~~lines between Anchorage and the Kenai Peninsula and~~  
 15 ~~between Healy and Fairbanks;)~~ and providing for an  
 16 effective date."

JD-3  
Passed  
JB DP  
JD DE  
Z RU  
PK

Duncan moved  
to delete ->

Adopted  
4-3

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

18 \* Section 1. FINDINGS AND INTENT. The legislature finds that the  
 19 Alaska Industrial Development and Export Authority has included the amount  
 20 of interest expected to be earned on the \$30,000,000 reappropriated in  
 21 sec. 2 of this Act when computing the financial feasibility of the Healy  
 22 cogeneration project. It is the intent of the legislature that the Depart-  
 23 ment of Revenue transfer the \$30,000,000 reappropriated in sec. 2 of this  
 24 Act to the Alaska Industrial Development and Export Authority on July 1,  
 25 1990, or immediately thereafter.

26 \* Sec. 2. The sum of \$30,000,000 and the interest earned on that sum  
 27 beginning on July 1, 1990, are reappropriated from the Healy cogeneration  
 28 project reserve in the Railbelt energy fund (AS 37.05.520) in the general  
 29 fund to the Alaska Industrial Development and Export Authority for the

1 design and construction of the Healy cogeneration project.

2 \* Sec. 3. Contingent upon the execution of a long-term, no-cost lease  
3 between the Alaska Railroad Corporation and the Municipality of Anchorage  
4 that designates the Alaska Railroad Corporation's Government Hill bluff  
5 land as open space or for public use, the sum of \$2,500,000 is reappropri-  
6 ated from the Railbelt energy fund (AS 37.05.520) in the general fund to  
7 the Department of Administration for payment as a grant under AS 37.05.315  
8 to the Municipality of Anchorage for road and bridge improvements for the  
9 Anchorage Ship Creek Original Townsite Redevelopment Project, including  
10 extension of Warehouse Avenue, realignment of C Street, and construction of  
11 a Ship Creek pedestrian bridge.

*3,250 PF 4.2 City Proposal - Failed*

12 \* Sec. 4. The sum of \$1,250,000 is reappropriated from the Railbelt  
13 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
14 istration for payment as a grant under AS 37.05.315 to the City of Kenai  
15 for senior congregate housing.

16 \* Sec. 5. The sum of \$1,300,000 is reappropriated from the Railbelt  
17 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
18 istration for payment as a grant under AS 37.05.315 to the Municipality of  
19 Anchorage for the airport water/waste water utility project.

20 \* Sec. 6 Contingent on the transfer of the Alyeska Utilities, Inc.,  
21 water and sewer system to the Municipality of Anchorage on or before  
22 January 1, 1993, the sum of \$2,300,000 is reappropriated from the Railbelt  
23 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
24 istration for payment as a grant under AS 37.05.315 to the Municipality of  
25 Anchorage to reconstruct and upgrade the Alyeska Utilities, Inc., water and  
26 sewer system.

27 \* Sec. 7. The sum of \$3,800,000 is reappropriated from the Railbelt  
28 energy fund (AS 37.05.520) in the general fund to the Department of Com-  
29 merce and Economic Development for payment as a grant under AS 37.05.316 to  
CSSB 130(Fin)

1 the Anchorage Economic Development Corporation to enable it to carry out  
2 its contract obligations under the development contract with Seibu Alaska,  
3 Inc., dated September 20, 1989.

4 \* Sec. 8. The sum of \$600,000 is reappropriated from the Railbelt  
5 energy fund (AS 37.05.520) in the general fund to the Department of Natural  
6 Resources for Eagle River campground park repairs, expansion, and road pav-  
7 ing.

8 \* Sec. 9. The sum of \$100,000,000 and the interest earned on that sum  
9 beginning July 1, 1990, are reappropriated from the Railbelt energy fund  
10 (AS 37.05.520) in the general fund to the Alaska Energy Authority for the  
11 design and construction of the 138 kilovolt electric transmission lines  
12 between Anchorage and the Kenai Peninsula and between Healy and Fairbanks.

13 \* Sec. 10. The sum of \$400,000 is reappropriated from the Railbelt  
14 energy fund (AS 37.05.520) in the general fund to the University of Alaska  
15 agriculture and forestry experiment station for the Mat-Su farm renovation.

16 \* Sec. 11. The sum of \$100,000 is reappropriated from the Railbelt  
17 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
18 istration for payment as a grant under AS 37.05.315 to the City of Wasilla  
19 for the Selina Lane extension.

20 \* Sec. 12. The sum of \$500,000 is reappropriated from the Railbelt  
21 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
22 istration for payment as a grant under AS 37.05.315 to the City of Palmer  
23 for job corps facility construction.

24 \* Sec. 13. The sum of \$9,000,000 is reappropriated from the Railbelt  
25 energy fund (AS 37.05.520) in the general fund to the Department of Trans-  
26 portation and Public Facilities for coal development project implementa-  
27 tion.

28 \* Sec. 14. The sum of \$1,700,000 is reappropriated from the Railbelt  
29 energy fund (AS 37.05.520) in the general fund to the Department of

1 Commerce and Economic Development for payment as a grant under AS 37.05.316  
 2 to Golden Valley Electric Association for extension of three phase overhead  
 3 electrical distribution lines from McKinley Park to Carlo Creek and for  
 4 taps of local service.

5 \* Sec. 15. The sum of \$24,800,000 is reappropriated from the Railbelt  
 6 energy fund (AS 37.05.520) in the general fund to the University of Alaska  
 7 Fairbanks for a natural sciences facility at the University of Alaska  
 8 Fairbanks.

9 \* Sec. 16. The sum of \$16,800,000 is reappropriated from the Railbelt  
 10 energy fund (AS 37.05.520) in the general fund to the University of Alaska  
 11 Anchorage for a classroom and laboratory building at the University of  
 12 Alaska Anchorage.

13 \* Sec. 17. The following amounts are reappropriated from the Railbelt  
 14 energy fund (AS 37.05.520) in the general fund to the Department of Trans-  
 15 portation and Public Facilities for the following purposes:

PURPOSE	REAPPROPRIATION
Church Road upgrade	\$200,000
Clark Wolverine Road upgrade	150,000
Schrock-Pittman Road upgrade	175,000
Hollywood and Vine Road upgrade	300,000
Hyer Road upgrade	175,000

22 \* Sec. 18. The sum of \$545,000 is reappropriated from the Railbelt  
 23 energy fund (AS 37.05.520) in the general fund to the rural electrification  
 24 revolving loan fund (AS 44.83.361) in the Alaska Energy Authority for power  
 25 projects in Senate District E.

26 \* Sec. 19. The sum of \$100,000 is reappropriated from the Railbelt  
 27 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
 28 istration for payment as a grant under AS 37.05.315 to the City of Seward  
 29 for the Salmon Creek/Camelot extension.

1 \* Sec. 20. The sum of \$1,755,000 is reappropriated from the Railbelt  
 2 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-  
 3 ity for payment as a grant under AS 37.05.316, to the Matanuska Electric  
 4 Association for the following purposes and in the following amounts:

5	Buffalo Mine Road electric line extension	\$160,000
6	Burma Road electric line extension	400,000
7	Ida Lake electric line extension	60,000
8	Caswell Lake Road electric line extension	500,000
9	Bruce Lake electric line extension	85,000
10	Fish Lake electric line extension	200,000
11	Petersville/Oilwell Road electric line extension	350,000

12 \* Sec. 21. The sum of \$900,000 is reappropriated from the Railbelt  
 13 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-  
 14 ity for payment as grants under AS 37.05.316 to the following entities for  
 15 the purposes and in the amounts listed:

16	NAMED RECIPIENT	AMOUNT
17	Copper Valley Electric Association for the	
18	Sheep Mountain extension	\$250,000
19	Chugach Electric for the Whittier overhead line	
20	upgrade	350,000
21	Chugach Electric for the Cooper Landing Bean	
22	Creek/Blakely extension	300,000

23 \* Sec. 22. The sum of \$150,000 is reappropriated from the Railbelt  
 24 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
 25 istration for payment as a grant under AS 37.05.315 to the City of Craig  
 26 for the North Cove breakwater.

27 \* Sec. 23. The sum of \$125,000 is reappropriated from the Railbelt  
 28 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
 29 istration for payment as a grant under AS 37.05.315 to the City of Haines

1 for a sewer outfall.

2 \* Sec. 24. The sum of \$50,000 is reappropriated from the Railbelt  
3 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
4 istration for payment as a grant under AS 37.05.315 to the City of Kasaan  
5 for the totem park and cemetery renovation.

6 \* Sec. 25. The sum of \$300,000 is reappropriated from the Railbelt  
7 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
8 istration for payment as a grant under AS 37.05.315 to the City of Metla-  
9 katla for storm drains, water, and sewer.

10 \* Sec. 26. The sum of \$120,000 is reappropriated from the Railbelt  
11 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
12 istration for payment as a grant under AS 37.05.315 to the City of Skagway  
13 for a solid waste disposal facility.

14 \* Sec. 27. The sum of \$50,000 is reappropriated from the Railbelt  
15 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
16 istration for payment as a grant under AS 37.05.315 to the City of Thorne  
17 Bay for utility upgrade.

18 \* Sec. 28. The sum of \$100,000 is reappropriated from the Railbelt  
19 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
20 istration for payment as a grant under AS 37.05.315 to the City of Thorne  
21 Bay for South Thorne Bay access road.

22 \* Sec. 29. The sum of \$75,000 is reappropriated from the Railbelt  
23 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
24 istration for payment as a grant under AS 37.05.315 to the City of Yakutat  
25 for fish processing plant piling replacement.

26 \* Sec. 30. The sum of \$160,000 is reappropriated from the Railbelt  
27 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
28 istration for payment as a grant under AS 37.05.315 to the City of Tenakee  
29 Springs for harbor electrification.

1 \* Sec. 31. The sum of \$150,000 is reappropriated from the Railbelt  
2 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
3 istration for payment as a grant under AS 37.05.315 to the City of Pelican  
4 for rebuilding the Pelican Creek bridge.

5 \* Sec. 32. The sum of \$256,000 is reappropriated from the Railbelt  
6 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
7 istration for payment as a grant under AS 37.05.315 to the City of Pelican  
8 for the Whiskey Flats sewer system extension.

9 \* Sec. 33. The sum of \$250,000 is reappropriated from the Railbelt  
10 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
11 istration for payment as a grant under AS 37.05.315 to the City of Sitka  
12 for water distribution system upgrade.

13 \* Sec. 34. The sum of \$50,000 is reappropriated from the Railbelt  
14 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
15 istration for payment as a grant under AS 37.05.315 to the City of Sitka  
16 for modification of the municipal incinerator.

17 \* Sec. 35. The sum of \$74,000 is reappropriated from the Railbelt  
18 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
19 istration for payment as a grant under AS 37.05.315 to the City of Sitka  
20 for installation of a high school shop acoustical system and purchase of a  
21 standby power generator.

22 \* Sec. 36. The sum of \$335,000 is reappropriated from the Railbelt  
23 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
24 istration for payment as a grant under AS 37.05.315 to the City of Sitka  
25 for reroofing the Baranof Elementary School.

26 \* Sec. 37. The sum of \$84,000 is reappropriated from the Railbelt  
27 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
28 istration for payment as a grant under AS 37.05.315 to the City of Sitka  
29 for the high school vocational wing reroofing.

1 \* Sec. 38. The sum of \$80,000 is reappropriated from the Railbelt  
2 energy fund (AS 37.05.520) in the general fund to the Department of Commu-  
3 nity and Regional Affairs for payment as a grant under AS 37.05.317 to the  
4 community of Edna Bay for the Edna Bay Road completion.

5 \* Sec. 39. The sum of \$150,000 is reappropriated from the Railbelt  
6 energy fund (AS 37.05.520) in the general fund to the Department of Educa-  
7 tion for Hydaburg Elementary School repairs.

8 \* Sec. 40. The sum of \$150,000 is reappropriated from the Railbelt  
9 energy fund (AS 37.05.520) in the general fund to the Department of Educa-  
10 tion for Kake Elementary School remodeling.

11 \* Sec. 41. The sum of \$150,000 is reappropriated from the Railbelt  
12 energy fund (AS 37.05.520) in the general fund to the Department of Educa-  
13 tion for Klawock school gym roof renovation.

14 \* Sec. 42. The sum of \$1,000,000 is reappropriated from the Railbelt  
15 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
16 istration for payment as a grant under AS 37.05.315 to the City of Ketchi-  
17 kan for a city float small boat harbor project.

18 \* Sec. 43. The sum of \$1,270,000 is reappropriated from the Railbelt  
19 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
20 istration for payment as a grant under AS 37.05.315 to the City of Peters-  
21 burg for water treatment plant expansion.

22 \* Sec. 44. The sum of \$730,000 is reappropriated from the Railbelt  
23 energy fund (AS 37.05.520) in the general fund to the Department of Trans-  
24 portation and Public Facilities for Ketchikan International Airport air  
25 cargo development - phase I.

26 \* Sec. 45. The sum of \$2,000,000 is reappropriated from the Railbelt  
27 energy fund (AS 37.05.520) in the general fund to the University of Alaska  
28 Southeast for a recreational education facility.

29 \* Sec. 46. The sum of \$1,000,000 is reappropriated from the Railbelt  
CSSB 130(Fin)

1 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
2 istration for payment as a grant under AS 37.05.315 to the City and Borough  
3 of Juneau for design and construction of Riverside Drive from Vintage Drive  
4 to Division Street.

5 \* Sec. 47. The sum of \$200,000 is reappropriated from the Railbelt  
6 energy fund (AS 37.05.520) in the general fund to the Department of Com-  
7 merce and Economic Development for payment as a grant under AS 37.05.316 to  
8 the Golden Valley Electric Association for add-ons to the Eielson agricul-  
9 ture line extension.

10 \* Sec. 48. The sum of \$700,000 is reappropriated from the Railbelt  
11 energy fund (AS 37.05.520) in the general fund to the Department of Com-  
12 merce and Economic Development for payment as a grant under AS 37.05.316 to  
13 the Golden Valley Electric Association for overhead line extension from  
14 Nenana to Skinny Dick's Halfway Inn on the Parks Highway and for local  
15 service connections.

16 \* Sec. 49. The sum of \$250,000 is reappropriated from the Railbelt  
17 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-  
18 ity for payment as a grant under AS 37.05.316 as a contribution in aid of  
19 construction to the Alaska Power and Telephone Company for safety upgrade  
20 of the main power distribution lines in the Tok area.

21 \* Sec. 50. The sum of \$100,000 is reappropriated from the Railbelt  
22 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-  
23 ity for payment as a grant under AS 37.05.316 to the Tetlin Village Energy  
24 System for life, health, and safety improvements on electrical distribution  
25 lines and facilities.

26 \* Sec. 51. The following sums are reappropriated from the Railbelt  
27 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
28 istration for payment as grants under AS 37.05.315 to the following munici-  
29 palities for the purposes listed:

	MUNICIPALITY	REAPPROPRIATION
1		
2	(1) City of Nome - child care facility,	
3	construction	\$250,000
4	(2) City of Unalakleet - FAA water loop,	
5	phase I construction	400,000
6	(3) City of Ambler - heavy equipment purchase/	
7	repair	100,000
8	(4) City of Kiana - water and sewer improve-	
9	ments	225,000
10	(5) City of Noorvik - water and sewer improve-	
11	ments	275,000
12	(6) City of Selawik - dumpsite improvements	150,000
13	(7) North Slope Borough - Western Arctic	
14	coal demonstration project	750,000

15 \* Sec. 52. The sum of \$300,000 is reappropriated from the Railbelt  
 16 energy fund (AS 37.05.520) in the general fund to the Department of Educa-  
 17 tion for payment as a grant to the Kashunamiut School District for a class-  
 18 room addition.

19 \* Sec. 53. The following amounts are reappropriated from the Railbelt  
 20 energy fund (AS 37.05.520) in the general fund to the Department of En-  
 21 vironmental Conservation for payment as grants under the village safe water  
 22 program (AS 46.07) to the following municipalities for the purposes listed:

	MUNICIPALITY	PURPOSE	REAPPROPRIATION
23			
24	(1) City of Emmonak	water and sewer completion	\$150,000
25	(2) City of Elim	sewage outfall line repairs	200,000
26	(3) City of Saint Michael	water tank repair	200,000

27 \* Sec. 54. The sum of \$500,000 is reappropriated from the Railbelt  
 28 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
 29 istration for payment as a grant under AS 37.05.316 to the Fairbanks North

1 Star Borough School District for Denali, Hunter, and Nordale elementary  
2 schools reroofing/electrical system upgrades.

3 \* Sec. 55. The sum of \$500,000 is reappropriated from the Railbelt  
4 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
5 istration for payment as a grant under AS 37.05.315 to the Fairbanks North  
6 Star Borough for rural road block grants.

7 \* Sec. 56. The sum of \$300,000 is reappropriated from the Railbelt  
8 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
9 istration for payment as a grant under AS 37.05.315 to the City of  
10 Fairbanks for city-wide street improvements.

11 \* Sec. 57. The sum of \$50,000 is reappropriated from the Railbelt  
12 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
13 istration for payment as a grant under AS 37.05.315 to the City of  
14 Fairbanks for health clinic planning.

15 \* Sec. 58. The sum of \$450,000 is reappropriated from the Railbelt  
16 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
17 istration for Fairbanks Pioneers' Home major maintenance and renovation.

18 \* Sec. 59. The sum of \$500,000 is reappropriated from the Railbelt  
19 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
20 istration for payment as a grant under AS 37.05.316 to the Fairbanks His-  
21 torical Preservation Foundation for restoration of the Riverboat Nenana.

22 \* Sec. 60. The sum of \$200,000 is reappropriated from the Railbelt  
23 energy fund (AS 37.05.520) in the general fund to the Department of  
24 Commerce and Economic Development for payment as a grant under AS 37.05.316  
25 to the Golden Valley Electric Association for electric line extensions.

26 \* Sec. 61. The following amounts are reappropriated from the Railbelt  
27 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-  
28 ity for the purposes listed:

29 PURPOSE

REAPPROPRIATION

1	(1) Port Alsworth electrification	\$290,000
2	(2) King Cove hydro design, acquisition, and	
3	construction	450,000
4	(3) Larsen Bay hydro design, acquisition, and	
5	construction	200,000
6	(4) INNEC-Tazimina hydro design, acquisition,	
7	and construction	250,000
8	(5) Ouzinkie hydro acquisition	400,000
9	(6) Togiak power line stabilization	50,000
10	(7) Karluk fuel and electric system improvements	277,000
11	(8) Pedro Bay generator and utility upgrade	197,000
12	(9) Perryville bulk fuel dike system improve-	
13	ments	100,000
14	(10) Kokhanok electrical system upgrade	271,200
15	(11) Pilot Point street lights installation	35,000
16	(12) life, health, safety, and code compliance -	
17	Clarks Point, Ekwok, Igiugig, Iliamna,	
18	Koliganek, Levelock	179,800

19 \* Sec. 62. The sum of \$300,000 is reappropriated from the Railbelt  
20 energy fund (AS 37.05.520) in the general fund to the Department of Trans-  
21 portation and Public Facilities for Unalaska-Highway S-310 upgrade.

22 \* Sec. 63. The sum of \$141,000 is reappropriated from the Railbelt  
23 energy fund (AS 37.05.520) in the general fund to the Department of Educa-  
24 tion for payment as a grant under AS 37.05.315 to the City of Sitka for  
25 reroofing Mt. Edgecumbe Elementary School.

26 \* Sec. 64. The sum of \$9,500,000 is reappropriated from the Railbelt  
27 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
28 istration for payment as a grant under AS 37.05.315 to the City of Seward  
29 for the design and construction of the Seward transmission line from Lawing

1 to Fort Raymond substation.

2 \* Sec. 65. The reappropriations made by secs. 2, 7 - 10, 13 - 17, 20,  
3 21, 38 - 41, 44, 45, 47 - 50, 52 - 54, and 58 - 62, of this Act are for  
4 capital projects and lapse under AS 37.25.020.

5 \* Sec. 66. The reappropriation made by sec. 18 of this Act is to capi-  
6 talize a loan fund and does not lapse under AS 37.25.010.

7 \* Sec. 67. This Act takes effect immediately under AS 01.10.070(c).  
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29

AMENDMENT #1 to CSSB 130 (Fin)

To Page 3, Line 24

Delete Old Section 13

Add new section to read:

*DF proposed*

Section 13. The sum of \$9,000,000 is reappropriated from the Railbelt energy fund (AS 37.05.520) in the general fund to The Alaska Railroad Corporation for the purchase ~~of transportation equipment, locomotives, rolling stock and associated equipment costs.~~

*can in*

4/10/90  
PF Adopted  
in concept  
subject to  
possible  
amend.

AMENDMENT #1 to CSSB 130 (Fin)

To Page 3, Line 24

Delete Old Section 13  
Add new section to read:

Section 13. The sum of \$9,000,000 is reappropriated from the Railbelt energy fund (AS 37.05.520) in the general fund to The Alaska Railroad Corporation for the purchase of transportation equipment, locomotives, rolling stock and associated equipment costs.

6-0582J  
Cramer  
4/10/90

Funding Information: General Fund \$227,075,000  
Other Funds -0-  
\$227,075,000

Original sponsor(s): SEN UEHLING, Sturgulewski, Pearce, Rodey, Fischer

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 130 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making appropriations from the Railbelt  
7 energy fund, including appropriations in the amount  
8 of \$30,000,000 for the Healy cogeneration project, in  
9 the amount of \$9,500,000 for the Seward transmission  
10 line from Lawing to Fort Raymond substation, and in  
11 the amount of \$100,000,000 for 138 kilovolt electric  
12 transmission lines between Anchorage and the Kenai  
13 Peninsula and between Healy and Fairbanks; and pro-  
14 viding for an effective date."

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

16 \* Section 1. FINDINGS AND INTENT. The legislature finds that the  
17 Alaska Industrial Development and Export Authority has included the amount  
18 of interest expected to be earned on the \$30,000,000 appropriated in sec. 2  
19 of this Act when computing the financial feasibility of the Healy cogenera-  
20 tion project. It is the intent of the legislature that the Department of  
21 Revenue transfer the \$30,000,000 appropriated in sec. 2 of this Act to the  
22 Alaska Industrial Development and Export Authority on July 1, 1990, or  
23 immediately thereafter.

24 \* Sec. 2. The sum of \$30,000,000 and the interest earned on that sum  
25 beginning on July 1, 1990, are appropriated from the Healy cogeneration  
26 project reserve in the Railbelt energy fund (AS 37.05.520) in the general  
27 fund to the Alaska Industrial Development and Export Authority for the  
28 design and construction of the Healy cogeneration project.

29 \* Sec. 3. Contingent upon the execution of a long-term, no-cost lease

1 between the Alaska Railroad Corporation and the Municipality of Anchorage  
2 that designates the Alaska Railroad Corporation's Government Hill bluff  
3 land as open space or for public use, the sum of \$2,500,000 is appropriated  
4 from the Railbelt energy fund (AS 37.05.520) in the general fund to the  
5 Alaska Railroad Corporation for road and bridge improvements for the  
6 Anchorage Ship Creek Original Townsite Redevelopment Project, including  
7 extension of Warehouse Avenue, realignment of C Street, and construction of  
8 a Ship Creek pedestrian bridge.

9 \* Sec. 4. The sum of \$1,<sup>250</sup>~~025~~,000 is appropriated from the Railbelt  
10 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
11 istration for payment as a grant under AS 37.05.315 to the City of Kenai  
12 for senior congregate housing.

13 \* Sec. 5. The sum of \$1,300,000 is appropriated from the Railbelt  
14 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
15 istration for payment as a grant under AS 37.05.315 to the Municipality of  
16 Anchorage for the airport water/waste water utility project.

17 \* Sec. 6. Contingent on the transfer of the Alyeska Utilities, Inc.,  
18 water and sewer system to the Municipality of Anchorage on or before  
19 January 1, 1993, the sum of \$2,300,000 is appropriated from the Railbelt  
20 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
21 istration for payment as a grant under AS 37.05.315 to the Municipality of  
22 Anchorage to reconstruct and upgrade the Alyeska Utilities, Inc., water and  
23 sewer system.

24 \* Sec. 7. The sum of \$3,800,000 is appropriated from the Railbelt  
25 energy fund (AS 37.05.520) in the general fund to the Department of Com-  
26 merce and Economic Development for payment as a grant under AS 37.05.316 to  
27 the Anchorage Economic Development Corporation to enable it to carry out  
28 its contract obligations under the development contract with Seibu Alaska,  
29 Inc., dated September 20, 1989.

1 \* Sec. 8. The sum of \$600,000 is appropriated from the Railbelt energy  
2 fund (AS 37.05.520) in the general fund to the Department of Natural Re-  
3 sources for Eagle River campground park repairs, expansion, and road pav-  
4 ing.

5 \* Sec. 9. The sum of \$100,000,000 and the interest earned on that sum  
6 beginning July 1, 1990, are appropriated from the Railbelt energy fund  
7 (AS 37.05.520) in the general fund to the Alaska Energy Authority for the  
8 design and construction of the 138 kilovolt electric transmission lines  
9 between Anchorage and the Kenai Peninsula and between Healy and Fairbanks.

10 \* Sec. 10. The sum of \$400,000 is appropriated from the Railbelt energy  
11 fund (AS 37.05.520) in the general fund to the University of Alaska ag-  
12 riculture and forestry experiment station for the Mat-Su farm renovation.

13 \* Sec. 11. The sum of \$100,000 is appropriated from the Railbelt energy  
14 fund (AS 37.05.520) in the general fund to the Department of Administration  
15 for payment as a grant under AS 37.05.315 to the City of Wasilla for the  
16 Selina Lane extension.

17 \* Sec. 12. The sum of \$200,000 is appropriated from the Railbelt energy  
18 fund (AS 37.05.520) in the general fund to the Department of Administration  
19 for payment as a grant under AS 37.05.315 to the City of Palmer for job  
20 corps facility construction.

21 \* Sec. 13. The sum of \$9,000,000 is appropriated from the Railbelt  
22 energy fund (AS 37.05.520) in the general fund to the Department of Trans-  
23 portation and Public Facilities for coal development project implementa-  
24 tion.

25 \* Sec. 14. The sum of \$1,700,000 is appropriated from the Railbelt  
26 energy fund (AS 37.05.520) in the general fund to the Department of Com-  
27 merce and Economic Development for payment as a grant under AS 37.05.316 to  
28 Golden Valley Electric Association for extension of three phase overhead  
29 electrical distribution lines from McKinley Park to Carlo Creek and for

1 taps of local service.

2 \* Sec. 15. The sum of \$24,800,000 is appropriated from the Railbelt  
3 energy fund (AS 37.05.520) in the general fund to the University of Alaska  
4 Fairbanks for a natural sciences facility at the University of Alaska  
5 Fairbanks.

6 \* Sec. 16. The sum of \$16,800,000 is appropriated from the Railbelt  
7 energy fund (AS 37.05.520) in the general fund to the University of Alaska  
8 Anchorage for a classroom and laboratory building at the University of  
9 Alaska Anchorage.

10 \* Sec. 17. The following sums are appropriated from the Railbelt energy  
11 fund (AS 37.05.520) in the general fund to the Department of Transportation  
12 and Public Facilities for the following purposes:

13	Church Road upgrade	\$200,000
14	Clark Wolverine Road upgrade	150,000
15	Schrock-Pittman Road upgrade	175,000
16	Hollywood and Vine Road upgrade	300,000
17	Hyer Road upgrade	175,000

18 \* Sec. 18. The sum of \$545,000 is appropriated from the Railbelt energy  
19 fund (AS 37.05.520) in the general fund to the rural electrification re-  
20 volving loan fund (AS 44.83.361) in the Alaska Energy Authority for power  
21 projects in Senate District E.

22 \* Sec. 19. The sum of \$100,000 is appropriated from the Railbelt energy  
23 fund (AS 37.05.520) in the general fund to the Department of Administration  
24 for payment as a grant under AS 37.05.315 to the City of Seward for the  
25 Salmon Creek/Camelot extension.

26 \* Sec. 20. The sum of \$1,755,000 is appropriated from the Railbelt  
27 energy fund (AS 37.05.520) in the general fund to the Alaska Energy Author-  
28 ity for payment as a grant under AS 37.05.316, to the Matanuska Electric  
29 Association for the following purposes and in the following amounts:

1	Buffalo Mine Road electric line extension	\$160,000
2	Burma Road electric line extension	400,000
3	Ida Lake electric line extension	60,000
4	Caswell Lake Road electric line extension	500,000
5	Bruce Lake electric line extension	85,000
6	Fish Lake electric line extension	200,000
7	Petersville/Oilwell Road electric line extension	350,000

8 \* Sec. 21. The sum of \$900,000 is appropriated from the Railbelt energy  
 9 fund (AS 37.05.520) in the general fund to the Alaska Energy Authority for  
 10 payment as grants under AS 37.05.316 to the following entities for the  
 11 purposes and in the amounts listed:

12	Copper Valley Electric Association for the	
13	Sheep Mountain extension	\$250,000
14	Chugach Electric for the Whittier overhead line	
15	upgrade	350,000
16	Chugach Electric for the Cooper Landing Bean	
17	Creek/Blakely extension	300,000

18 \* Sec. 22. The sum of \$150,000 is appropriated from the Railbelt energy  
 19 fund (AS 37.05.520) in the general fund to the Department of Administration  
 20 for payment as a grant under AS 37.05.315 to the City of Craig for the  
 21 North Cove breakwater.

22 \* Sec. 23. The sum of \$125,000 is appropriated from the Railbelt energy  
 23 fund (AS 37.05.520) in the general fund to the Department of Administration  
 24 for payment as a grant under AS 37.05.315 to the City of Haines for a sewer  
 25 outfall.

26 \* Sec. 24. The sum of \$50,000 is appropriated from the Railbelt energy  
 27 fund (AS 37.05.520) in the general fund to the Department of Administration  
 28 for payment as a grant under AS 37.05.315 to the City of Kasaan for the  
 29 totem park and cemetery renovation.

1 \* Sec. 25. The sum of \$300,000 is appropriated from the Railbelt energy  
2 fund (AS 37.05.520) in the general fund to the Department of Administration  
3 for payment as a grant under AS 37.05.315 to the City of Metlakatla for  
4 storm drains, water, and sewer.

5 \* Sec. 26. The sum of \$120,000 is appropriated from the Railbelt energy  
6 fund (AS 37.05.520) in the general fund to the Department of Administration  
7 for payment as a grant under AS 37.05.315 to the City of Skagway for a  
8 solid waste disposal facility.

9 \* Sec. 27. The sum of \$50,000 is appropriated from the Railbelt energy  
10 fund (AS 37.05.520) in the general fund to the Department of Administration  
11 for payment as a grant under AS 37.05.315 to the City of Thorne Bay for  
12 utility upgrade.

13 \* Sec. 28. The sum of \$100,000 is appropriated from the Railbelt energy  
14 fund (AS 37.05.520) in the general fund to the Department of Administration  
15 for payment as a grant under AS 37.05.315 to the City of Thorne Bay for  
16 South Thorne Bay access road.

17 \* Sec. 29. The sum of \$75,000 is appropriated from the Railbelt energy  
18 fund (AS 37.05.520) in the general fund to the Department of Administration  
19 for payment as a grant under AS 37.05.315 to the City of Yakutat for fish  
20 processing plant piling replacement.

21 \* Sec. 30. The sum of \$160,000 is appropriated from the Railbelt energy  
22 fund (AS 37.05.520) in the general fund to the Department of Administration  
23 for payment as a grant under AS 37.05.315 to the City of Tenakee Springs  
24 for harbor electrification.

25 \* Sec. 31. The sum of \$150,000 is appropriated from the Railbelt energy  
26 fund (AS 37.05.520) in the general fund to the Department of Administration  
27 for payment as a grant under AS 37.05.315 to the City of Pelican for re-  
28 building the Pelican Creek bridge.

29 \* Sec. 32. The sum of \$256,000 is appropriated from the Railbelt energy  
CSSB 130(Fin)

1 fund (AS 37.05.520) in the general fund to the Department of Administration  
2 for payment as a grant under AS 37.05.315 to the City of Pelican for the  
3 Whiskey Flats sewer system extension.

4 \* Sec. 33. The sum of \$250,000 is appropriated from the Railbelt energy  
5 fund (AS 37.05.520) in the general fund to the Department of Administration  
6 for payment as a grant under AS 37.05.315 to the City of Sitka for water  
7 distribution system upgrade.

8 \* Sec. 34. The sum of \$50,000 is appropriated from the Railbelt energy  
9 fund (AS 37.05.520) in the general fund to the Department of Administration  
10 for payment as a grant under AS 37.05.315 to the City of Sitka for modi-  
11 fication of the municipal incinerator.

12 \* Sec. 35. The sum of \$74,000 is appropriated from the Railbelt energy  
13 fund (AS 37.05.520) in the general fund to the Department of Administration  
14 for payment as a grant under AS 37.05.315 to the City of Sitka for instal-  
15 lation of a high school shop acoustical system and purchase of a standby  
16 power generator.

17 \* Sec. 36. The sum of \$335,000 is appropriated from the Railbelt energy  
18 fund (AS 37.05.520) in the general fund to the Department of Administration  
19 for payment as a grant under AS 37.05.315 to the City of Sitka for reroof-  
20 ing the Baranof Elementary School.

21 \* Sec. 37. The sum of \$84,000 is appropriated from the Railbelt energy  
22 fund (AS 37.05.520) in the general fund to the Department of Administration  
23 for payment as a grant under AS 37.05.315 to the City of Sitka for the high  
24 school vocational wing reroofing.

25 \* Sec. 38. The sum of \$80,000 is appropriated from the Railbelt energy  
26 fund (AS 37.05.520) in the general fund to the Department of Community and  
27 Regional Affairs for payment as a grant under AS 37.05.317 to the community  
28 of Edna Bay for the Edna Bay Road completion.

29 \* Sec. 39. The sum of \$150,000 is appropriated from the Railbelt energy

1 fund (AS 37.05.520) in the general fund to the Department of Education for  
2 Hydaburg Elementary School repairs.

3 \* Sec. 40. The sum of \$150,000 is appropriated from the Railbelt energy  
4 fund (AS 37.05.520) in the general fund to the Department of Education for  
5 Kake Elementary School remodeling.

6 \* Sec. 41. The sum of \$150,000 is appropriated from the Railbelt energy  
7 fund (AS 37.05.520) in the general fund to the Department of Education for  
8 Klawock school gym roof renovation.

9 \* Sec. 42. The sum of \$1,000,000 is appropriated from the Railbelt  
10 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
11 istration for payment as a grant under AS 37.05.315 to the City of  
12 Ketchikan for a city float small boat harbor project.

13 \* Sec. 43. The sum of \$1,270,000 is appropriated from the Railbelt  
14 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
15 istration for payment as a grant under AS 37.05.315 to the City of  
16 Petersburg for water treatment plant expansion.

17 \* Sec. 44. The sum of \$730,000 is appropriated from the Railbelt energy  
18 fund (AS 37.05.520) in the general fund to the Department of Transportation  
19 and Public Facilities for Ketchikan International Airport air cargo devel-  
20 opment - phase I.

21 \* Sec. 45. The sum of \$2,000,000 is appropriated from the Railbelt  
22 energy fund (AS 37.05.520) in the general fund to the University of Alaska  
23 Southeast for a recreational education facility.

24 \* Sec. 46. The sum of \$1,000,000 is appropriated from the Railbelt  
25 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
26 istration for payment as a grant under AS 37.05.315 to the City and Borough  
27 of Juneau for design and construction of Riverside Drive from Vintage Drive  
28 to Division Street.

29 \* Sec. 47. The sum of \$200,000 is appropriated from the Railbelt energy

1 fund (AS 37.05.520) in the general fund to the Department of Commerce and  
 2 Economic Development for payment as a grant under AS 37.05.316 to the  
 3 Golden Valley Electric Association for add-ons to the Eielson agriculture  
 4 line extension.

5 \* Sec. 48. The sum of \$700,000 is appropriated from the Railbelt energy  
 6 fund (AS 37.05.520) in the general fund to the Department of Commerce and  
 7 Economic Development for payment as a grant under AS 37.05.316 to the  
 8 Golden Valley Electric Association for overhead line extension from Nenana  
 9 to Skinny Dick's Halfway Inn on the Parks Highway and for local service  
 10 connections.

11 \* Sec. 49. The sum of \$250,000 is appropriated from the Railbelt energy  
 12 fund (AS 37.05.520) in the general fund to the Alaska Energy Authority for  
 13 payment as a grant under AS 37.05.316 to Alaska Power and Telephone to  
 14 accommodate the power needs of the "over-the-horizon-backscatter" radar  
 15 system and for upgrade of the main power distribution lines in the Tok  
 16 area.

17 \* Sec. 50. The sum of \$100,000 is appropriated from the Railbelt energy  
 18 fund (AS 37.05.520) in the general fund to the Alaska Energy Authority for  
 19 payment as a grant under AS 37.05.316 to the Tetlin Village Energy System  
 20 for upgrade of electrical facilities and distribution lines.

21 \* Sec. 51. The following sums are appropriated from the Railbelt energy  
 22 fund (AS 37.05.520) in the general fund to the Department of Administration  
 23 for payment as grants under AS 37.05.315 to the following municipalities  
 24 for the purposes listed:

MUNICIPALITY	APPROPRIATION
(1) City of Nome - child care facility, construction	\$250,000
(2) City of Unalakleet - FAA water loop, phase I construction	400,000

- 1 (3) City of Ambler - heavy equipment purchase/  
2 repair 100,000
- 3 (4) City of Kiana - water and sewer improve-  
4 ments 225,000
- 5 (5) City of Noorvik - water and sewer improve-  
6 ments 275,000
- 7 (6) City of Selawik - dumpsite improvements 150,000
- 8 (7) North Slope Borough [REDACTED]  
9 [REDACTED] 750,000

10 \* Sec. 52. The sum of \$300,000 is appropriated from the Railbelt energy  
11 fund (AS 37.05.520) in the general fund to the Department of Education for  
12 payment as a grant to the Kashunamiut School District for a classroom  
13 addition.

14 \* Sec. 53. The following amounts are appropriated from the Railbelt  
15 energy fund (AS 37.05.520) in the general fund to the Department of En-  
16 vironmental Conservation for payment as grants under the village safe water  
17 program (AS 46.07) to the following municipalities for the purposes listed:

18 MUNICIPALITY	PURPOSE	APPROPRIATION
19 (1) City of Emmonak	water and sewer completion	\$150,000
20 (2) City of Elim	sewage outfall line repairs	200,000
21 (3) City of Saint Michael	water tank repair	200,000

22 \* Sec. 54. The sum of \$500,000 is appropriated from the Railbelt energy  
23 fund (AS 37.05.520) in the general fund to the Department of Administration  
24 for payment as a grant under AS 37.05.316 to the Fairbanks North Star  
25 Borough School District for Denali, Hunter, and Nordale elementary schools  
26 reroofing/electrical system upgrades.

27 \* Sec. 55. The sum of \$500,000 is appropriated from the Railbelt energy  
28 fund (AS 37.05.520) in the general fund to the Department of Administration  
29 for payment as a grant under AS 37.05.315 to the Fairbanks North Star

1 Borough for rural road block grants.

2 \* Sec. 56. The sum of \$300,000 is appropriated from the Railbelt energy  
3 fund (AS 37.05.520) in the general fund to the Department of Administration  
4 for payment as a grant under AS 37.05.315 to the City of Fairbanks for  
5 city-wide street improvements.

6 \* Sec. 57. The sum of \$50,000 is appropriated from the Railbelt energy  
7 fund (AS 37.05.520) in the general fund to the Department of Administration  
8 for payment as a grant under ~~AS 37.05.315~~ to the City of Fairbanks for  
9 health clinic planning.

10 \* Sec. 58. The sum of \$450,000 is appropriated from the Railbelt energy  
11 fund (AS 37.05.520) in the general fund to the Department of Administration  
12 for Fairbanks Pioneers' Home major maintenance and renovation.

13 \* Sec. 59. The sum of \$500,000 is appropriated from the Railbelt energy  
14 fund (AS 37.05.520) in the general fund to the Department of Administration  
15 for payment as a grant under AS 37.05.316 to the Fairbanks Historical  
16 Preservation Foundation for restoration of the Riverboat Nenana.

17 \* Sec. 60. The sum of \$200,000 is appropriated from the Railbelt energy  
18 fund (AS 37.05.520) in the general fund to the Department of Commerce and  
19 Economic Development for payment as a grant under AS 37.05.316 to the  
20 Golden Valley Electric Association for electric line extensions.

21 \* Sec. 61. The following sums are appropriated from the Railbelt energy  
22 fund (AS 37.05.520) in the general fund to the Alaska Energy Authority for  
23 the purposes listed:

- |    |   |           |
|----|---|-----------|
| 24 | (1) Port Alsworth electrification             | \$290,000 |
| 25 | (2) King Cove hydro design, acquisition, and  |           |
| 26 | construction                                  | 450,000   |
| 27 | (3) Larsen Bay hydro design, acquisition, and |           |
| 28 | construction                                  | 200,000   |
| 29 | (4) INNEC-Tazimina hydro design, acquisition, |           |

1	and construction	250,000
2	(5) Ouzinkie hydro acquisition	400,000
3	(6) Togiak power line stabilization	50,000
4	(7) Karluk fuel and electric system improvements	277,000
5	(8) Pedro Bay generator and utility upgrade	197,000
6	(9) Perryville bulk fuel dike system improve-	
7	ments	100,000
8	(10) Kokhanok electrical system upgrade	271,200
9	(11) Pilot Point street lights installation	35,000
10	(12) life, health, safety, and code compliance -	
11	Clarks Point, Ekwok, Igiugig. Iliamna,	
12	Koliganek, Levelock	179,800

13 \* Sec. 62. The sum of \$300,000 is appropriated from the Railbelt energy  
14 fund (AS 37.05.520) in the general fund to the Department of Transportation  
15 and Public Facilities for Unalaska-Highway S-310 upgrade.

16 \* Sec. 63. The sum of \$141,000 is appropriated from the Railbelt energy  
17 fund (AS 37.05.520) in the general fund to the Department of Education for  
18 payment as a grant under AS 37.05.315 to the City of Sitka for reroofing  
19 Mt. Edgecumbe Elementary School.

20 \* Sec. 64. The sum of \$9,500,000 is appropriated from the Railbelt  
21 energy fund (AS 37.05.520) in the general fund to the Department of Admin-  
22 istration for payment as a grant under AS 37.05.315 to the City of Seward  
23 for the design and construction of the Seward transmission line from Lawing  
24 to Fort Raymond substation.

25 \* Sec. 65. The appropriations made by secs. 2, 3, 7 - 10, 13 - 17, 20,  
26 21, 38 - 41, 44, 45, 47 - 50, 52 - 54, and 58 - 62, of this Act are for  
27 capital projects and lapse under AS 37.25.020.

28 \* Sec. 65. The appropriation made by sec. 18 of this Act is to capital-  
29 ize a loan fund and does not lapse under AS 37.25.010.

1 \* Sec. 66. This Act takes effect immediately under AS 01.10.070(c).  
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# USIBELLI COAL MINE, INC.

MARKETING  
122 First Avenue  
Suite 302  
Fairbanks, Alaska 99701  
(907) 452-2625  
FAX 451-6543

February 27, 1989

Governor Steve Cowper  
P.O. Box A  
Juneau, Ak 99801

Dear Governor Cowper:

I want to bring you up to date on the Healy Cogeneration Project (HCP) and enlist your support in helping make it a reality. I would hope, having read this letter, that you can share my belief that the HCP represents the best economic development project currently under consideration within the Railbelt and as such deserves your political support.

As currently planned the HCP comprises a 50 Mega-Watt powerplant utilizing state-of-the-art, environmentally benign, coal combustion technology coupled with a coal processing (drying) facility which would use heat from the powerplant to produce 500,000 tons of stable, premium, beneficiated fuel per year. Electrical power from the powerplant would satisfy future base-load demand in the Northern Railbelt at a time when this increment will be needed both to satisfy normal growth and service economic expansion. Successful financing of the project, along the lines that I will propose, would ensure low-cost predictable firm power for the Northern Railbelt over the life of project. The coal drying facility will address the single greatest constraint to the marketing of sub-bituminous Alaska coal, its the high moisture content. By reducing the moisture content to produce a stable end product the resulting premium quality coal will command broad market acceptance in the Pacific-rim and within Alaska.

The HCP could be operational by 1993, however prior to then a workforce, which could peak at 300, would be engaged in construction. Once in operation the project would directly account for more than 130 permanent, quality, year round jobs at the mine, in the powerplant and coal processor and across the transportation system. Many other general sector jobs would be created as a indirect consequence of the HCP. The capital cost of the project is currently estimated at \$130 million with the powerplant accounting for \$100 million and the balance attributable to the coal processing plant.

Until recently (latter part of 1988) UCM had cooperated under a memorandum of understanding (MOU) with Brown & Root on a project concept which utilized a 150 MW powerplant. Our current

thinking is that this powerplant sizing is too large for anticipated electrical power demand growth in the early 1990's; hence the more conservative size. The MOU with Brown and Root is no longer in effect.

Convinced of the overriding merits of a downscaled project UCM's Board of Directors have recently approved a considerable "at risk" appropriation to move the project forward and in particular submit the project for Federal Clean Coal Technology III support. This "at risk" appropriation is quite apart from capital investments that the company will make in the project in the future. UCM is currently in the process of selecting a new engineering consultant for the HCP.

The Federal Clean Coal Technology III (CCT III) solicitation process affords a unique opportunity to bring major federal dollars into play for the HCP. CCT III, administered by the Department of Energy (DOE), will distribute \$575 million to qualifying projects. The intent of the CCT program is to facilitate the demonstration, deployment and commercialization of clean coal technologies by sharing in the cost and hence the risks involved. Coal cleaning (processing), coal combustion and post-combustion clean-up facilities are expected to be candidates for the CCT III funding process. The HCP will utilize, in an integrated plant, coal cleaning technology in the coal processor and advanced coal combustion technology in the powerplant. This integrated approach has attracted favorable comment from the DOE resulting in UCM's decision to advance the HCP as a candidate for funding under CCT III. If successful, the chances are perhaps realistically 1 in 3, the CCT III program could provide between 40% and 50% of the HCP capital cost (say \$55 million out of \$130 million).

In earlier awards under the DOE administered Clean Coal Technology program significant weight has attached to financial commitments made by State governments in support of clean coal projects. The same will certainly be true for the HCP and Alaska.

It is with this in mind that we are asking your support for a conditional appropriation from the Railbelt Energy Fund (REF) towards the project of \$30 million. The money could be appropriated to the Alaska Industrial Development and Export Authority (AIDEA) pending the outcome of the DOE CCT III award process late in 1989.

This request for a conditional appropriation is a departure from our former position which involved drawing upon the corpus of the REF to underwrite a low interest loan to the project. This would require changes in the statutory authority of AIDEA and would encumber much more of the REF than our current strategy. Since there are limited funds within the REF, UCM would be competing head-on with Railbelt utilities. Under the

conditional appropriation scenario there would be money available for major intertie projects as well as the HCP.

UCM is very cognizant of working closely and effectively with the Northern Railbelt utilities and to this end UCM would certainly support construction of the Healy to Fairbanks intertie as a needed component of infrastructure. Support for the HCP, including the \$30 M appropriation from the REF, has been approved by the Golden Valley Electric Association Board of Directors. This will be reported to you by GVEA in a follow up letter.

Of the intertie scenerios UCM most vehemently resists the proposed expenditure of \$38 million on the Willow end of the Northern intertie.

The \$30 million that UCM is requesting from the state leverages another \$100 million of project financing from federal (\$55 million) and private sources including UCM (\$45 million). I would certainly characterize a state financial commitment as a prudent investment. The best dollars to bring to Alaska at this time surely are federal match and private venture capital.

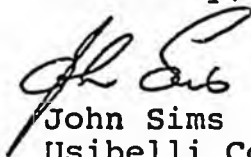
The HCP, in conjunction with the Wishbone Hill Project, could be a vital shot in the arm for Alaska's coal industry. Resolving the high moisture problem of most Railbelt coals by the use of drying technologies will pay-off in a big way in the future. In deploying these advanced technologies Alaska will attract global attention and demonstrate ability to penetrate overseas markets with a premium low sulfur coal.

The HCP is truly an exciting opportunity not just the Northern Railbelt but also for the entire State of Alaska.

I ask for your enthusiastic support for the HCP and look forward to working with you to help bring this project in all its complexities to fruition.

I will be calling on you in Juneau and am prepared, together with my UCM colleagues, to provide any information that you may request concerning the HCP.

Sincerely,

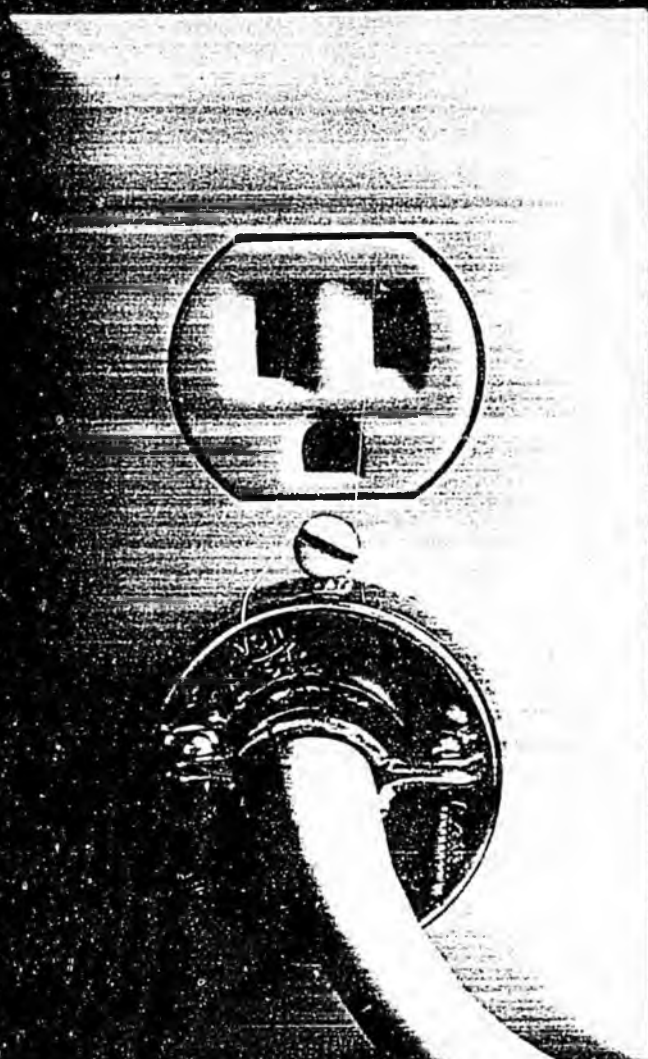


John Sims  
Usibelli Coal Mine, Inc.  
Vice-President Marketing

JS/me

THE FOLLOWING DOCUMENT HAS  
NOT BEEN FILMED BUT IS  
AVAILABLE IN THE ORIGINAL  
FILE

RAILBELT ENERGY FROM THE GROUND UP.



THE HEALY COGENERATION PROJECT

4/10/20 pm

SEN: KERTTULA - DISTRIBUTION LINES

	A	B	C
1	<b>MATANUSKA ENERGY AUTHORITY PROJECTS</b>		
2			
3	REA LOAN FUND		545,000.00
4			
5	<b>COOPER LANDING</b>		
6	ELECTRIC LINE EXTENSION		
7	BEAN CREEK/BLAKLEY SUBDIVISIONS		300,000.00
8			
9			
10	<b>MATANUSKA ELECTRIC ASSOCIATION</b>		
11	<b>LINE EXTENSIONS</b>		
12	BUFFALO MINE ROAD		160,000.00
13	BURMA ROAD		400,000.00
14	IDA LAKE		60,000.00
15	CASWELL LAKE ROAD		500,000.00
16	BRUCE LAKE		85,000.00
17	FISH LAKE		200,000.00
18	PETERSVILLE/OILWELL ROAD ELEC EXT.		350,000.00
19			
20	<b>COPPER VALLEY ELECTRIC</b>		
21	SHEEP MOUNTAIN LINE EXTENSION		250,000.00
22			
23			
24	<b>GOLDEN VALLEY ELECTRIC</b>		
25	MCKINLEY AREA ELECTRIFICATION		1,700,000.00
26			
27			
28	<b>CHUGACH ELECTRIC</b>		
29	WHITTIER OVERHEAD LINE UPGRADE		350,000.00
30			
31			
32			
33	<b>CITY OF SEWARD (MUNICIPAL GRANT)</b>		
34	SALMON CREEK-CAMELOT ELEC EXTENSION		100,000.00
35	TOTAL		5,000,000.00

CSSB 130 (Fin)

Section	ED#	Project	thou's
1,2	RBE	Healy Cogeneration Project (Fed Match \$93m)	30,000.00
3	7	Ship Creek Redevelopment	2,500.00
4	5	Kenai Congregate Housing	1,250.00
5	7	Anchorage Airport Water Project	1,300.00
6	7	Girdwood Water Upgrade	2,300.00
7	7	Girdwood Water Upgrade	3,800.00
8	7	Eagle River Campground	600.00
9	RBE	Soldotna-Anch and Healy-Fairbanks 138Kv Interties	100,000.00
10	16	UA Ag and Forestry Station Mat-Su Farm Upgrade	400.00
11	16	Selina Lane Extension	100.00
12	16	Job Corps Facility Construction	500.00
13	RBE	Coal Development Project	9,000.00
14	17	McKinley Park to Carlo Creek Elec Distribution Lines	1,700.00
15	RBE	UAF Natural Sciences Facility	24,800.00
16	RBE	UAA Classroom Laboratory Building	16,800.00
17	16	Church Road Upgrade	200.00
17	16	Clark-Wolverine Road Upgrade	150.00
17	16	Schrock-Pittman Road Upgrade	175.00
17	16	Hollywood and Vine Road Upgrade	300.00
17	16	Hyer Road	175.00
18	6,7,16	Rural Elec Revolving Loan Fund -Senate District E	545.00
19	6	Salmon Creek/Camelot Electric Line Extension	100.00
20	16	Buffalo Mine Road Electric Line Extension	160.00
20	16	Burma Road Electric Line Road	400.00
20	16	Ida Lake Electric Line Extension	60.00
20	16	Caswell Lake Road Electric Line Extension	500.00
20	16	Bruce Lake Electric Line Extension	85.00
20	16	Fish Lake Electric Line Extension	200.00
20	16	Petersville/Oilwell Road Electric Line Extension	350.00
21	16	Sheep Mountain Electric Line Extension	250.00
21	6	Whittier Electric Line Extension	350.00
21	6	Cooper Landing Bean Creek/Blakely Elec Line Extensio	300.00
22	2	Craig North Cove Breakwater	150.00
23	2	Haines Sewer Outfall	125.00
24	2	Kasaan Totem Park and Cemetary Renovation	50.00
25	2	Metlakatla Storm Drains Water and Sewer	300.00
26	2	Skagway Solid Waste Disposal Facility	120.00
27	2	Thorne Bay Utility Upgrade	50.00
28	2	South Thorne Bay Access Road	100.00
29	2	Yakutat Fish Processing Plant Piling Replacement	75.00
30	3	Tenekee Springs Harbor Electrification	160.00
31	3	Pelican Creek Bridge	150.00
32	3	Pelican - Whiskey Flats Sewer Extension	256.00
33	3	Sitka Water Distribution System Upgrade	250.00
34	3	Sitka Incinerator Modification	50.00
35	3	Sitka HS Shop Accoustical System and Stby Generato	74.00
36	3	Sitka - Baranof Elementary Reroofing	335.00
37	3	Sitka HS Vocational Wing Reroofing	84.00

CSSB 130 (Fin)

38	2	Edna Bay Road Completion	80.00
39	2	Hydaburg Elementary School Repairs	150.00
40	2	Kake Elementary School Remodeling	150.00
41	2	Klawock School Gym Roof Renovation	150.00
42	1	Ketchikan City Float Small Boat Harbor Project	1,000.00
43	1	Petersburg Water Treatment Plant Expansion	1,270.00
44	1	Ketchikan Airport Air Cargo Development	730.00
45	4	UAS Recreational Education Facility	2,000.00
46	4	Juneau - Riverside Drive Design and Construct	1,000.00
47	18	Eielson Agriculture Line Extension	200.00
48	17	Line Extension from Nenana to Skinny Dick's Halfway	700.00
49	17	safety Upgrades for Tok Area Electrical Distribution	250.00
50	17	Tetlin Electrical Facilities	100.00
51	23	Nome Child Care Facility	250.00
51	23	Unalakleet FAA Water Loop	400.00
51	22	Ambler Heavy Equipment Purchase	100.00
51	22	Kiana Water and Sewer Improvements	225.00
51	22	Noorvik Water and Sewer Improvements	275.00
51	22	Selawik Dumpsite Improvements	150.00
51	22	NSB - Western Arctic Coal Demonstration Project	750.00
52	23	Kasunamuit School District Classroom Addition	300.00
53	23	Emmonak Water and Sewer Completion	150.00
53	23	Elim Sewage Outfall Line Repairs	200.00
53	23	Saint Michael Water Tank Repair	200.00
54	19-21	FNSB-SD Elementary Schools Reroof/Elec Upgrades	500.00
55	19-21	FNSB- Rural Road Block Grants	500.00
56	19-21	Fairbanks City Wide Street Improvements	300.00
57	19-21	Fairbanks Health Clinic Planning	50.00
58	19-21	Fairbanks Pioneers' Home Major Maint and Renovation	450.00
59	19-21	Fairbanks Hist Pres Fdtn Nenana Riverboat Restoratic	500.00
60	19-21	Golden Valley Elec Assoc Line Extensions	200.00
61	26	Port Alsworth Electrification	290.00
61	26	King Cove Hydro Design, Acquisition and Construction	450.00
61	26	Larsen Bay Hydro Design, Acquisition and Constructio	200.00
61	27	INNEC-Tazimina Hydro Design,Acquisition, Const	250.00
61	27	Ouzinkie Hydro Acquisition	400.00
61	26	Togiak Power Line Stabilization	50.00
61	27	Karluk Fuel and Electric System Improvements	277.00
61	26	Pedro Bay Generator and Utility Upgrades	197.00
61	26	Perryville Bulk Fuel Dike System Improvements	100.00
61	26	Kokhanok Electrical System Upgrade	271.20
61	26	Pilot Point Street Light Installation	35.00
61	26	Clarks Point, Ekwok, Igiugig, Illiamna, Kuliganek, Levelock Life, Health, Safety and Code Complia	179.80
62	26	Unalaska Highway S-310 Upgrade	300.00
63	3	Sitka - Mt. Edgecom.be Elementary Reroofing	141.00
64	6	Seward Intertie	9,500.00
			227,600.00

# Kay Brown

## Alaska State Legislature House of Representatives

TO: Senate Finance Committee Members  
FROM: Representative Kay Brown  
DATE: March 14, 1989  
RE: House Bill 209, Railbelt Tourism Projects

I have introduced House Bill 209, which funds tourism and recreation-related projects in the Railbelt. The \$6 million would fund projects in the Anchorage area, Interior, Mat-su Valley, and Kenai Peninsula. Half involve rehabilitation of and improvements in state parks; the other half include such things as historical preservation grants, predevelopment funds for the Native Cultural Center, road improvements for Hatcher Pass development, and tourist facilities at state hatcheries.

The source of funding for these Railbelt projects is the Railbelt Energy Fund. It is my belief that tourism is a growth industry, and that it is an appropriate governmental role to help provide the infrastructure for such development. It is also my belief that the Railbelt Energy Fund will have more beneficial impacts on the economy of the Railbelt if it's used for economic development, including the infrastructure necessary for a healthy tourism industry, instead of being restricted to energy projects. It's my desire to see the Railbelt Energy Fund spent in the Railbelt on projects of the highest priority, which meet the greatest need, and which deliver the most benefits to our constituents.

The criteria for the tourism projects included in HB 109 are similar to those used for last year's jobs bill. All projects are ready to go, carry minimal or no continuing costs for the state, and provide direct economic benefits to the tourism industry without competing with private enterprise. Many also leverage non-state funds. These projects will stimulate the economy in the short term while also making a significant long-term investment in Alaska's tourism and recreation industry.

Attached find a copy of a worksheet that divides the projects by area and a copy of the bill. Back-up material on all projects is available from my office.

I would also like to make a few observations regarding use of Railbelt Energy Fund to finance energy projects. While the APA's Interim Report notes that a variety of potential

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Juneau, AK 99811  
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3/14/89 em

benefits are being considered and have yet to be fully accounted for, it is anything but clear at this point that the intertie projects offer a cost-effective investment. As was noted by Mayor Dorothy Jones on behalf of the Railbelt's local government officials, further consideration of the intertie projects should be deferred until the APA has completed its analysis.

To the extent that the legislature is determined to spend the Railbelt Energy Fund on energy projects, it is worth noting that the APA's Interim Report found that "three end-use conservation programs are likely to be economic investments." These include two commercial lighting programs and one program to encourage residential water heating conversions from electric to natural gas. Although somewhat less familiar than the intertie projects, I hope that the legislature will give these potential investments appropriate consideration when the APA's Final Report on Railbelt energy alternatives is completed.

Yet another Railbelt energy project worthy of consideration is the Anchorage School District's \$4,025,000 request to fund Phase IV of their Energy Management System. Essentially, this project consists of connecting schools throughout the school district to a centralized computer control system that will allow the district to better control things like heating and lighting functions. The District projects energy savings in the range of 15-25% and cost savings on the order of \$1,200,000/year. According to the District, similar systems have shown pay backs of 5 - 7 years. Significantly, savings realized by this investment would enable the District to put school foundation dollars to more productive uses such as enhanced instruction.

Again, thank you for the opportunity to testify today and I appreciate your consideration of these suggestions.

HB 209/TOURISM PROJECTS BILL (03/08/89)

Section	REGION-WIDE	
1	DNR Historic Preservation Grants	100.0
3	DNR Highway Interpretive Sign Program	100.0
2	Alaska Conservation Corps	150.0
	<b>Subtotal</b>	<b>350.0</b>

ANCHORAGE/EAGLE RIVER		
17	Eagle River Greenbelt Access	336.0
18	Eagle River Visitor Center	300.0
19	Turnagain Arm Scenic Corridor	150.0
20	Chugach State Park Safe Drinking Water	100.0
21	Toilsome Drive By-Pass Road Design	75.0
22	Chugach Forest - Challenge Cost Share Projects	100.0
23	Anchorage Stream Rehabilitation	200.0
24	Aviation Heritage Museum	100.0
25	Ft. Richardson Hatchery	25.0
25	Elmendorf Hatchery	37.2
29	Glen Alps Access	315.5
26	Native Cultural Center	500.0
27	Government Hill Port Overview Park	20.0
28	Ship Creek Overlook Park	300.0
29	Upper Huffman Access	52.0
	<b>Subtotal</b>	<b>2,610.7</b>

INTERIOR		
4	Chena River State Rec Area	200.0
5	Chena River State Rec Site	300.0
6	Chena Hot Springs Winter Trail	50.0
7	Historic Preservation/Riverboat Nenana	250.0
8	Alaskaland Amphitheater	15.0
9	Alaskaland Enhancements	185.0
	<b>Subtotal</b>	<b>1,000.0</b>

MAT-SU VALLEY		
15	Finger Lake State Rec Site	200.0
16	Willow Creek State Rec Area	100.0
25	Big Lake Hatchery	25.2
14	Hatcher Pass Public Use Area	700.0
	<b>Subtotal</b>	<b>1,025.2</b>

**KENAI PENNINSULA**

10	Kenai Peninsula Sport Fish Access	653.5
25	Crooked Creek Hatchery	22.0
11	Homer/Kachemak Visitor Center	114.0
12	Old Town (Kenai) Viewing Area	95.0
13	Kenai River Boat Ramp/Parking Area	137.5

**Subtotal** 1,022.0

**GRAND TOTAL** 6,007.9

To: Senate Finance Committee  
From: Representative Sharp  
Subj: CSSB 130  
Date: 3-7-89

Co-Chairman and members of Senate Finance Committee, I appreciate the opportunity to testify on CSSB 130. I would like to start by recognizing the foresight of past legislatures and legislators in establishing the Railbelt Energy Fund. It has taken much resolve and restraint over the past several years to maintain the original intent and integrity of the fund.

I share the opinion of many that to assure the utilization of the Railbelt Energy Fund for its intended purpose, we must take action this session. The authorization and appropriation of the fund to specific energy projects is a goal that must be achieved by adjournment day.

In my opinion, the bill before you offers the best vehicle to achieve this end. The major projects specified here are projects that are needed to assure the delivery of energy throughout the entire railbelt area. Seward and Homer to Anchorage, the Valley, Fairbanks, North Pole and Delta would all be beneficiaries of these projects. The establishment of a high capacity power grid as authorized by the legislation will assure present and future generations of Alaskans that all sources of energy will be allowed to participate in a competitive arena. Nonfuel hydro power and natural gas, coal and oil fueled generators will all be given the opportunity to compete based on economics.

One potential that is not addressed in this legislation that I feel worthy of consideration is the proposed Usibelli Healy cogeneration project. The various facets of this proposal include economic developments, a long term base load energy source, infusion of a large ~~amount~~<sup>amount</sup> of federal funds and new jobs for Alaskans. I would suggest that the possibility of state involvement in this project be explored and consideration be given to reserving the approximate 12 million dollars balance of the REF to this project.

One of the unique characteristics of this vast area which contains over 70% of the total state population is this one important fact: every electric utility in this area is a consumer or municipally owned utility. Not one is owned by stockholders or outside interests. Any and all economic benefits derived from these proposed projects by these utilities will flow directly to each and every one of their customers. Each is regulated by the Alaska Public Utilities Commission and each have rate tariffs that require savings or reductions in the cost of power be passed directly on to the consumers via "power cost adjustment credits" on the monthly billings.

Therefore, I want the record to show that economic benefits of these state funded projects cannot accrue to private interests or to sustain bureaucratic administrative costs. The APUC is firm in its orders that each consumer will share in power cost savings.

Another major point I believe is very important is that these projects will not increase future costs to the state or local governments. The operating agreements between the participating utilities and APA on existing facilities require the utilities to pick up the operation and maintenance costs of these facilities. Past operating statistics will show that the savings to the utilities, and thereby their customers, are still significant after absorbing these costs.

I ask you how many past state capital expenditures can claim such benefits to our citizens' pocketbook. Each dollar saved by consumers on their monthly energy bill is leveraged upward by the amount of federal taxes that must be paid to produce each net dollar on their paycheck that is available to pay their bills.

We all know that there are several proposals to use just a "little bit" of the Railbelt Energy Fund. I hope that we all remember last year's near fatal frenzy was started by a few "good alternative non-energy projects."

I urge that the original energy intent of the fund be preserved and we use the money to leave a positive legacy to our kids and grandkids. Stay your course and full steam ahead.

March 10, 1989

The Honorable Rick Uehling  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

James M. Cann  
P.O. Box 100926  
Anchorage, Ak. 99510  
907-333-7137

Reference; Representative Ron Larson's letter, dated March 2, 1989.

Dear Senator Uehling;

Please find enclosed Rep. Larson's letter, I had Tel-Faxed to you, on March 10, 1989.

My **THREE OBJECTIVES**, for forwarding this letter, are as follows,

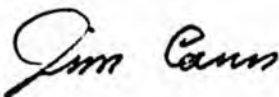
- FIRST. To show no Federal, or State money has ever been spent on building roads, (on the South 2/3 rds. of the existing Burma Road right-of-way) to meet required standards for school bus services.
- SECOND. I would like to be a contributing factor, toward creating new income, in the Mat Su Valley and the State of Alaska.
- THIRD. Is to further demonstrate this area's need for a State built ROAD, and a **INTERTIE LOOP POWER LINE**.

Perhaps, the **RAILBELT ENERGY FUNDS**, would be a more appropriate means, for funding this power line. As provided for, in **SENATE BILL NO. 130 (L&C)** Page 2, line 9 (Burma Road electric line extension).

Your efforts and interest in this will be appreciated very much,

Sincerely;

Jim Cann



Enclosure,

3/14/89 em

March 2, 1989

The Honorable Ron Larson  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

Jim Cann  
P.O. Box 100926  
Anchorage, Ak. 99510  
907-333-7137

Reference; Funding for a Inter-tie Loop Primary Feeder Electric Power Line, following, Mat Su Boroughs, #2 Burma Road Realignment Project, right-of-way.

Dear Representative Larson;

Please find enclosed a petition with signatures of 75 Burma Road property owners, requesting a power line, on the above proposed right-of-way.

I'm a homesteader/property owner in your district, on the South end of the Burma Road.

Around 1963, I donated time and the use of my plane to help get this area into the Mat Su Borough. The original homesteaders in this area were a major portion of the people (from Burma Road, South to Point Mackenzie) who voted to go with Mat Su Borough, rather than the Anchorage Borough. The consensus, after listening to both Boroughs presentations, at the State Burma Road school house, at the time, was that we had a better chance to get services from Mat Su, for tax's we would be paying.

Presently, there are still several people in this area, who's property is appraised and assessed a higher dollar value per acre, than those who have - state built and maintained roads, school bus service and power lines accessible to their property.

Personally, I'm still very interested in being a part of the overall economic development of this area.

On my homestead, I would like to build a new home, a steel and aluminum fabrication shop. To design and build a type of green house, where vegetables could be raised, almost the year-around. And, come up with a semi-green house system, where vegetables can be produced in the open, with a longer growing period.

With Electric power being paramount, for development of this area, I'm respectfully requesting your assistance in funding this Power Line, by including it, in with the CAPITOL PROJECTS funding request, for the #2 Burma Road Realignment Project.

Sincerely,

  
Jim Cann

March 1, 1989

MAR 9 1989

The Honorable Rick Uehling  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

James M. Cann  
P.O. Box 100926  
Anchorage, Alaska 99510

Reference: Funding for a Inter-tie Loop Primary Feeder Electric Power Line, following Mat Su Boroughs, #2 Burma Road Realignment Project, Right-of-Way

Dear Senator Uehling:

As a resident of your district and homesteader/property owner in Mat Su Valley, please find enclosed a petition requesting the above power line, and any assistance you can give.

This Inter-tie Loop Power Line concept can benefit three different groups of property owners - South Big Lake, the Burma Road Area and the MacKenzie Agricultural Area. This should represent about 300+ property owners.

Power lines are in place on both the North and South end of the 6 1/2 mile long and 300 foot wide, right-of-way easement for this project, of which, 150 feet is for a railroad, gas line and power line easement. With this easement provided, cleared and paralleling this new projected road on relatively level terrain, this power line could be built for about half the normal cost.

With Mat Su Boroughs combined interest in developing the MacKenzie Port Facility, #2 Burma Road Project and their interest in floating a bond for a railroad spur from Houston to MacKenzie, this will provide a vehicle for more competitive world market prices for Alaskan Natural Resources. Also, this could help get Agricultural commodities on the world market, representing production and income for this area.

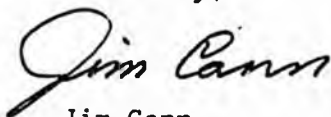
When it comes to appropriations of funds for Capital Projects, Economic Development and using Rail Belt Energy Funds, I'm respectfully, requesting your assistance in providing this area, with their fair share of these funds. With a portion designated, for this Inter-tie.

With electric power being PARAMOUNT for being able to use our land, we need to have this deficiency addressed. Also, we are interested in being a part of the overall Economic Development, too.

Most people with electric power available to their property take it for granted. We too, would like having this luxury.

There are a lot of people who will appreciate your assistance on this.

Sincerely,



Jim Cann

cc: file

January 13, 1989

PETITION

*Page 1 of 5*

WHEREAS, the Matanuska-Susitna Borough ("Mat-Su Borough") is proceeding with the Number 2 Burma Road realignment project on the southwest end of Burma Road in Sections 16, 21, 28 and 33, Township 16 North, Range 4 West, Seward Meridian; and

WHEREAS, prior to actual construction it will be necessary for the Mat-Su Borough to acquire certain right-of-way easements across the aforementioned property; and

WHEREAS, the undersigned either own land in the project area or have an interest in the project area and wish to work and cooperate with the Mat-Su Borough in developing the area; and

WHEREAS, the undersigned are very pleased with the Mat-Su Borough's interest in developing the Mining Industry and the Point MacKenzie Port Facility, as well as other projects; and

WHEREAS, property values in the subject area, because of the present depressed economy, are at an all-time low; and

WHEREAS, the aforementioned property owners and their predecessors pioneered the area 30 years ago using their own resources to make it into a functional part of the Matanuska-Susitna community and have faithfully paid Borough taxes when assessed, notwithstanding the fact that few if any governmental services were provided to the area; and

WHEREAS, the original property owners played a major role in their area, the Point MacKenzie agricultural area, as well as the Point MacKenzie area in general being made a part of the Mat-Su Borough rather than the Greater Anchorage Area Borough; and

WHEREAS, the aforementioned property was for many years assessed the same dollar value per acre for tax purposes as was other property in the Borough where amenities such as power lines, telephone lines, schools, school buses, and maintained roads were readily available while none of the services were available along the Burma Road for a substantial period of time; and

WHEREAS, the aforementioned Burma Road realignment project will provide an access route for power lines in the subject area; and

WHEREAS, in light of past inequities associated with the assessment of taxes when no government services were available,

NOW, THEREFORE, the undersigned petition the Mat-Su Borough, in conjunction with Matanuska Electric Association, to construct an intertie loop power line connecting South Big Lake Road with the MacKenzie Dairy Project v.a Number 2 Burma Road realignment project rights-of-way using Alaska state or federal funds.

<u>SIGNATURE</u>	<u>PRINTED NAME</u>	<u>DATE</u>
<u>Benjamin H. Couart</u>	<u>BENJAMIN H. COUART</u>	<u>1-13-89</u>
<u>Clarence Ed Rice</u>	<u>Clarence Ed Rice</u>	<u>1/14/89</u>
<u>Viola F. Rice</u>	<u>Viola F. Rice</u>	<u>1/14/89</u>
<u>Richard J. Evans</u>	<u>RICHARD J. EVANS</u>	<u>1-16-89</u>
<u>Roland Stickney</u>	<u>Roland Stickney</u>	<u>1-16-89</u>
<u>Margaret J. Benson</u>	<u>Margaret J. Benson</u>	<u>1-16-89</u>
<u>Alvin B. Benson</u>	<u>ALVIN B. BENSON</u>	<u>1-16-89</u>
<u>Loretta J. Anderson</u>	<u>Loretta J. Anderson</u>	<u>1-17-89</u>
<u>Betty L. Burnett</u>	<u>Betty L. Burnett</u>	<u>1-17-89</u>
<u>Robert W. Brown</u>	<u>Robert W. Brown</u>	<u>1-17-89</u>
<u>James M. Cann</u>	<u>JAMES M. CANN</u>	<u>1-17-89</u>
<u>Joyce L. Cann</u>	<u>Joyce L. CANN</u>	<u>1-17-89</u>
<u>D. F. Smith</u>	<u>Dorrell F. Smith</u>	<u>1-18-89</u>
<u>Helen L. Tulin</u>	<u>Helen L. Tulin</u>	<u>1-19-89</u>
<u>Charles E. Tulin</u>	<u>CHARLES E. TULIN</u>	<u>1-19-89</u>
<u>Orville C. Wertlaugher</u>	<u>Orville C. Wertlaugher</u>	<u>1-20-89</u>
<u>Mary A. Wertlaugher</u>	<u>MARY A. WERTLAUGHER</u>	<u>1-20-89</u>
<u>Tony O'Neil</u>	<u>Tony O'NEIL</u>	<u>1-21-89</u>
<u>Rita O'Neil</u>	<u>Rita O'NEIL</u>	<u>1-21-89</u>
<u>Judy Kleven</u>	<u>Judy Kleven</u>	<u>1-21-89</u>
<u>Kathy Carpenter</u>	<u>Kathy Carpenter</u>	<u>1-23-89</u>
<u>David M. Carpenter</u>	<u>David M. Carpenter</u>	<u>1-23-89</u>
<u>Brown Jug - since by Mike O'Neil</u>	<u>MIKE O'NEIL</u>	<u>1-25-89</u>

<u>SIGNATURE</u>	<u>PRINTED NAME</u>	<u>DATE</u>
<u>James L. Faires</u>	<u>JAMES L. FAIRES</u>	<u>Jan 25 '89</u>
<u>Janet Q. Fails</u>	<u>JANET Q. FAILS</u>	<u>1/25/89</u>
<u>Fran. Rabideau</u>	<u>FRAN. RABIDEAU</u>	<u>1/25/89</u>
<u>Eva Jean Rabideau</u>	<u>EVA JEAN RABIDEAU</u>	<u>1-25-89</u>
<u>Mike Uher</u>	<u>MIKE UHER</u>	<u>1-31-89</u>
<u>Glenda Dodson</u>	<u>GLENDA DODSON</u>	<u>2/3/89</u>
<u>Cecelia Maher</u>	<u>CECELIA MAHER</u>	<u>2/4/89</u>
<u>William T. Kays</u>	<u>WILLIAM T. KAYS</u>	<u>2/5/89</u>
<u>Yuki L. Kays</u>	<u>YUKI L. KAYS</u>	<u>2/5/89</u>
<u>Grant H. Forsythe</u>	<u>GRANT H. FORSYTHE</u>	<u>2/6/89</u>
<u>Jim F. Pennington</u>	<u>JIM F. PENNINGTON</u>	<u>2/6/89</u>
<u>Sharon A. Pennington</u>	<u>SHARON A. PENNINGTON</u>	<u>2/6/89</u>
<u>Phyllis A. Stickeney</u>	<u>PHYLLIS A. STICKENEY</u>	<u>2/6/89</u>
<u>Michael J. Bulkeley</u>	<u>MICHAEL J. BULKELEY</u>	<u>2-6-89</u>
<u>Dora Jean Bulkeley</u>	<u>DORA JEAN BULKELEY</u>	<u>2-6-89</u>
<u>Hanni Kozler</u>	<u>HANNI KOZLER</u>	<u>2-6-89</u>
<u>Geraldine L. Ivy</u>	<u>GERALDINE L. IVY</u>	<u>2-6-89</u>
<u>William H. Ivy</u>	<u>WILLIAM H. IVY</u>	<u>2-6-89</u>
<u>Herbert H. Worthyley</u>	<u>HERBERT H. WORTHLEY</u>	<u>2-7-89</u>
<u>Arlene M. Worthyley</u>	<u>ARLENE M. WORTHLEY</u>	<u>2-7-89</u>
<u>Charles W. Kozler</u>	<u>CHARLES W. KOZLER</u>	<u>2-8-89</u>
<u>Robert Hausner</u>	<u>ROBERT HAUSNER</u>	<u>2/8/89</u>
<u>Herb Hancock</u>	<u>HERB HANCOCK</u>	<u>2/8/89</u>
<u>Margie Hancock</u>	<u>MARGIE HANCOCK</u>	<u>2/8/89</u>



assessed the same dollar value per acre for tax purposes as was other property in the Borough where amenities such as power lines, telephone lines, schools, school buses, and maintained roads were readily available while none of the services were available along the Burma Road for a substantial period of time; and

Page 5, of 5

WHEREAS, the aforementioned Burma Road realignment project will provide an access route for power lines in the subject area; and

WHEREAS, in light of past inequities associated with the assessment of taxes when no government services were available,

NOW, THEREFORE, the undersigned petition the Mat-Su Borough, in conjunction with Matanuska Electric Association, to construct an intertie loop power line connecting South Big Lake Road with the MacKenzie Dairy Project via Number 2 Burma Road realignment project rights-of-way using Alaska state or federal funds.

SIGNATURE Vivian J. McMain PRINTED NAME VIVIAN J. McMAIN DATE 1/23/89

funds.

SIGNATURE Tristram F. Darby PRINTED NAME TRISTRAM F. DARBY DATE 01-26-89

Tristram F. Darby  
realignment project rights-of-way using Alaska state or federal funds.

SIGNATURE Kenneth A. Ungermann PRINTED NAME Kenneth A. Ungermann DATE 2/3/89  
Judith B. Ungermann PRINTED NAME Judith B. Ungermann DATE 2-3-89

funds.

SIGNATURE Charles D. Reynolds PRINTED NAME Charles D. Reynolds DATE 2-3-89  
for Asian Imports - owner of record

funds.

SIGNATURE Linda Ferguson PRINTED NAME LINDA L. FERGUSON DATE Feb 6-89

funds.

SIGNATURE Sheryl Uher PRINTED NAME Sheryl Uher DATE 2-8-89

funds.

SIGNATURE Louise Martin PRINTED NAME LOUISE MARTIN DATE 2-9-89

funds.

SIGNATURE Elvera Voth PRINTED NAME ELVERA VOTH DATE 2/9/89

# Assembly: spend Railbelt Fund on power lines

By JON LITTLE  
Staff Writer

The Borough Assembly on Tuesday agreed with a consensus reached last weekend with other railbelt communities to use the Railbelt Energy Fund for transmission lines.

In agreeing with the other communities, the Assembly called on state lawmakers to spend all of the fund in fiscal year 1990 to build high-voltage power line projects along the railbelt.

Several Assembly members said they worried that if the state followed the 1990 deadline, the fund could be depleted by other communities before a local intertie could be built.

The borough hopes the money

will be set aside to build an intertie linking power generated at the Bradley Lake Hydroelectric Project to its eventual users, from Seward to Fairbanks. That high-voltage, high-capacity, and high-priced line is known as the southern intertie. Two other interties also have been proposed within the railbelt.

Local power officials claim that the southern intertie is the crucial link between Bradley Lake and its customers. Without it, they say, the power cannot get to Anchorage and Fairbanks.

However, the Alaska Power Authority says the jury is still out on whether a new southern intertie is needed. The APA is studying

whether work can be done on the existing Chugach Electric line to carry the load.

On Saturday, five Borough Assembly members met in Wasilla with Assembly members from the other three Railbelt Coalition boroughs: Fairbanks North Star Borough, the Mat-Su Borough, and the municipality of Anchorage. During the get-together, the coalition looked at several issues, but spent more than half the day hashing out a consensus on how to spend railbelt funds, according to Assembly President Jonathan Sewall.

The eventual railbelt agreement was "not exactly as we want it," Sewall said. But he said it was the best compromise. The Assembly

accepted the agreement with a 9-0 vote.

The Railbelt Fund has up to \$23 million.

Assemblyman Pat O'Connell who attended the Wasilla meeting and who voted against the compromise, said he introduced the resolution for the Assembly to consider, saying he hoped it would be rejected.

While the resolution sets power interties as its top priority, O'Connell said the wording of the resolution leaves room for broader interpretation, perhaps allowing for other projects and excluding the

See RAILBELT, page 1

## ...Railbelt Fund flap

Continued from page 1

The Railbelt Fund was set up during the oil boom to finance energy projects from Seward to Fairbanks. The fund was a political compromise, giving Southcentral and Interior Alaska the fund in lieu of the abandoned Susitna hydro project and as a balance to funds spent for energy work in Southeast Alaska.

Now that oil money entering state treasuries has slowed, O'Connell described the railbelt fund as a "pool of money sticking out like a sore thumb, or a ripe plumb, whatever you want to call it."

Other areas looking for a quick fix will zero in on that money to bail them out, including Anchorage and Mat-Su boroughs, O'Connell said. "There's no doubt in my mind, Anchorage and Mat-Su are ready to join the feeding frenzy and eat that money up."

The Kenai Peninsula Borough may have a hard time pinning down the estimated \$80 million cost of the Bradley Lake intertie, while the rest of the money gets spent elsewhere, he said. The state has looked to the railbelt reserves as a stop-gap measure to fund capital projects.

He said this would be the area's "last chance" to get the intertie built, because the state from now on will be consuming every source of available funds to balance its budget.

"It doesn't matter what we say, the money's going to be spent," O'Connell said.

Assemblywoman Sharon Moock said she was "disgusted and ashamed" that the rules apparently had changed since the railbelt fund was created. The money should have stayed within the belt, but now looks like it will leak all over the state, she said.

Moock urged the public to mount a letter-writing campaign to legislators to influence them to keep the money where it is. The public opinion, she said, "might help us out, to what we deserve, and to what we need to have."

Borough Mayor Tom Gilman said his assistant, Marla

co-signing the Railbelt Coalition agreement, even though it didn't exactly match an earlier borough resolution calling for local spending of railbelt funds. Gilman said Huss suggested the Assembly follow up with a letter stating that interties are the borough's top priority.

Gilman noted that the intertie price tag, including a \$15 million powerline upgrade in Seward, would come to \$95 million. If the Railbelt fund is split statewide by population, as has been suggested, the borough could end up with roughly \$35 million, he said.

Sen. Rick Uehling, R-Anchorage, introduced Senate Bill 130 stipulating that \$80 million of the railbelt reserves go to the southern intertie because it is the most logical place to begin spending the money.

But, by Wednesday evening, the bill had been boosted to a \$224 million package by the Senate Labor and Commerce Committee, according to Sen. Uehling's office.

Currently, SB 130 includes the southern intertie and, now, the Seward intertie and a northern intertie completing the upgrade between Anchorage and Fairbanks. It also contains \$20 million for smaller energy projects across the state, including Southeast Alaska.

He said SB 130 and another proposal were designed to spark legislative discussion. He also introduced Senate Bills 131 and 132, which together set \$80 million to be distributed on a per capita basis.

"We certainly are interested in garnering support (on the interties) from the Borough Assembly and people



**MATANUSKA ELECTRIC ASSOCIATION, INC.**

P.O. BOX 1148

PALMER, ALASKA 99645

TELEPHONE  
(907) 748-3231

October 13, 1988

A handwritten signature or set of initials, possibly 'JL', is written in the upper right quadrant of the page.

Mr. Matt Fishel  
Office of Senator Jalmar Kerttulla  
P.O. Box 1009  
Palmer, AK 99645

Dear MR. Fishel:

**SUBJECT: CASWELL LAKES LINE EXTENSION**

As requested, we have completed the preliminary design and cost estimate for a power distribution extension to Caswell Lakes Subdivision. The design and cost estimate are preliminary as we have not performed actual surveying and field staking. The attached map, prepared in 1980, illustrates we have examined the proposed route for terrain and topographical problems. The terrain is slightly rolling and should pose no problem for standard construction methods.

The design calls for 3.6 miles of three phase overhead distribution facilities beginning at the Parks Highway near the Sheep Creek Lodge. The proposed line proceeds due east along Caswell Lakes Road continuing east along the section line ending at Bendapole Road between Caswell Lakes and Hidden Hills Subdivisions.

The preliminary cost estimate for the line extension is \$393,645.14. A copy of the estimate is attached. It is my understanding you are proposing to obtain a grant for this extension. For the purpose of your proposed grant, I would suggest using a figure of \$400,000.00.

If I can be of further assistance, please call me at 745-9264.

Sincerely,

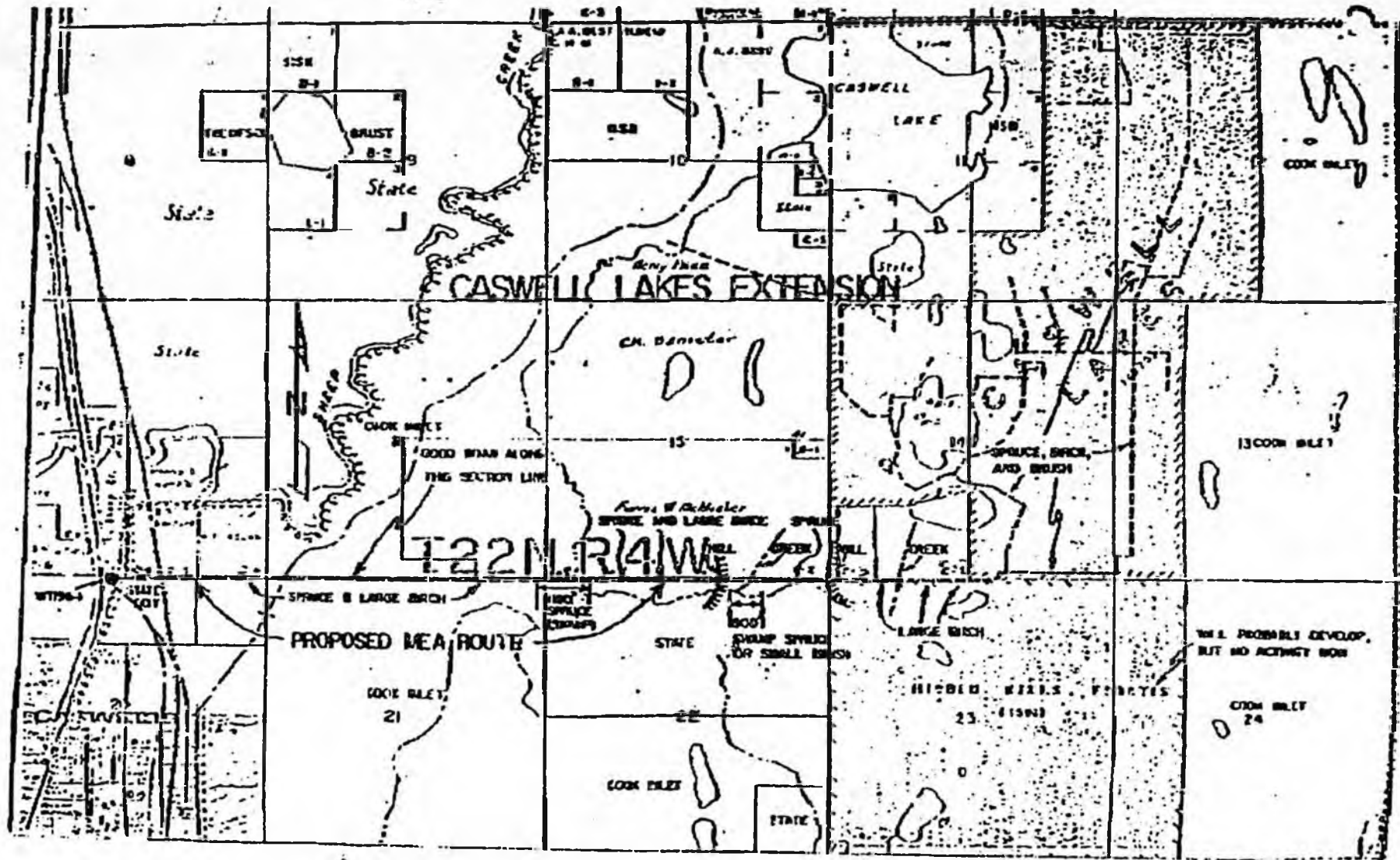
A handwritten signature in cursive script, which reads 'Sterling Larson', is written above the typed name.

Sterling Larson  
Subdivision Engineer

cc: James Palin

ALASKA'S FIRST REC—INCORPORATED 1941—ENERGIZED 1942

*Caswell Lakes Line Extension*



March 10, 1989

The Honorable Rick Uehling  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

James M. Cann  
P.O. Box 100926  
Anchorage, Ak. 99510  
907-333-7137

Reference; Representative Ron Larson's letter, dated March 2, 1989.

Dear Senator Uehling;

Please find enclosed Rep. Larson's letter, I had Tel-Faxed to you, on March 10, 1989.

My **THREE OBJECTIVES**, for forwarding this letter, are as follows,

FIRST. To show no Federal, or State money has ever been spent on building roads, (on the South 2/3 rds. of the existing Burma Road right-of-way) to meet required standards for school bus services.

SECOND. I would like to be a contributing factor, toward creating new income, in the Mat Su Valley and the State of Alaska.

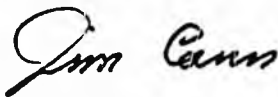
THIRD. Is to further demonstrate this area's need for a State built ROAD, and a **INTERTIE LOOP POWER LINE**.

Perhaps, the **RAILBELT ENERGY FUNDS**, would be a more appropriate means, for funding this power line. As provided for, in **SENATE BILL NO. 130 (L&C)** Page 2, line 9 (Burma Road electric line extension).

Your efforts and interest in this will be appreciated very much,

Sincerely;

Jim Cann



Enclosure,

March 2, 1989

The Honorable Ron Larson  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

Jim Cann  
P.O. Box 100926  
Anchorage, Ak. 99510  
907-333-7137

Reference; Funding for a Inter-tie Loop Primary Feeder Electric Power Line, following, Mat Su Boroughs, #2 Burma Road Realignment Project, right-of-way.

Dear Representative Larson;

Please find enclosed a petition with signatures of 75 Burma Road property owners, requesting a power line, on the above proposed right-of-way.

I'm a homesteader/property owner in your district, on the South end of the Burma Road.

Around 1963, I donated time and the use of my plane to help get this area into the Mat Su Borough. The original homesteaders in this area were a major portion of the people (from Burma Road, South to Point Mackenzie) who voted to go with Mat Su Borough, rather than the Anchorage Borough. The consensus, after listing to both Boroughs presentations, at the State Burma Road school house, at the time, was that we had a better chance to get services from Mat Su, for tax's we would be paying.

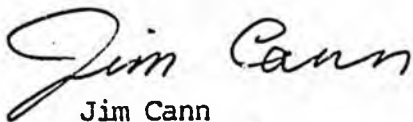
Presently, there are still several people in this area, who's property is appraised and assessed a higher dollar value per acre, than those who have - state built and maintained roads, school bus service and power lines accessible to their property.

Personally, I'm still very interested in being a part of the overall economic development of this area.

On my homestead, I would like to build a new home, a steel and aluminum fabrication shop. To design and build a type of green house, where vegetables could be raised, almost the year-around. And, come up with a semi-green house system, where vegetables can be produced in the open, with a longer growing period.

With Electric power being paramount, for development of this area, I'm respectfully requesting your assistance in funding this Power Line, by including it, in with the CAPITOL PROJECTS funding request, for the #2 Burma Road Realignment Project.

Sincerely,

  
Jim Cann

March 1, 1989

MAR 9 1989

The Honorable Rick Uehling  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

James M. Cann  
P.O. Box 100926  
Anchorage, Alaska 99510

Reference: Funding for a Inter-tie Loop Primary Feeder Electric Power Line, following Mat Su Borough, #2 Burma Road Realignment Project, Right-of-Way

Dear Senator Uehling:

As a resident of your district and homesteader/property owner in Mat Su Valley, please find enclosed a petition requesting the above power line, and any assistance you can give.

This Inter-tie Loop Power Line concept can benefit three different groups of property owners - South Big Lake, the Burma Road Area and the MacKenzie Agricultural Area. This should represent about 300+ property owners.

Power lines are in place on both the North and South end of the 6 1/2 mile long and 300 foot wide, right-of-way easement for this project, of which, 150 feet is for a railroad, gas line and power line easement. With this easement provided, cleared and paralleling this new projected road on relatively level terrain, this power line could be built for about half the normal cost.

With Mat Su Boroughs combined interest in developing the MacKenzie Port Facility, #2 Burma Road Project and their interest in floating a bond for a railroad spur from Houston to MacKenzie, this will provide a vehicle for more competitive world market prices for Alaskan Natural Resources. Also, this could help get Agricultural commodities on the world market, representing production and income for this area.

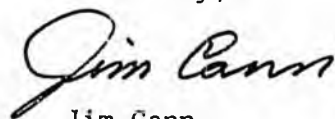
When it comes to appropriations of funds for Capital Projects, Economic Development and using Rail Belt Energy Funds, I'm respectfully, requesting your assistance in providing this area, with their fair share of these funds. With a portion designated, for this Inter-tie.

With electric power being PARAMOUNT for being able to use our land, we need to have this deficiency addressed. Also, we are interested in being a part of the overall Economic Development, too.

Most people with electric power available to their property take it for granted. We too, would like having this luxury.

There are a lot of people who will appreciate your assistance on this.

Sincerely,



Jim Cann

cc: file

January 13, 1989

PETITION

Page 1, of 5

WHEREAS, the Matanuska-Susitna Borough ("Mat-Su Borough") is proceeding with the Number 2 Burma Road realignment project on the southwest end of Burma Road in Sections 16, 21, 28 and 33, Township 16 North, Range 4 West, Seward Meridian; and

WHEREAS, prior to actual construction it will be necessary for the Mat-Su Borough to acquire certain right-of-way easements across the aforementioned property; and

WHEREAS, the undersigned either own land in the project area or have an interest in the project area and wish to work and cooperate with the Mat-Su Borough in developing the area; and

WHEREAS, the undersigned are very pleased with the Mat-Su Borough's interest in developing the Mining Industry and the Point MacKenzie Port Facility, as well as other projects; and

WHEREAS, property values in the subject area, because of the present depressed economy, are at an all-time low; and

WHEREAS, the aforementioned property owners and their predecessors pioneered the area 30 years ago using their own resources to make it into a functional part of the Matanuska-Susitna community and have faithfully paid Borough taxes when assessed, notwithstanding the fact that few if any governmental services were provided to the area; and

WHEREAS, the original property owners played a major role in their area, the Point MacKenzie agricultural area, as well as the Point MacKenzie area in general being made a part of the Mat-Su Borough rather than the Greater Anchorage Area Borough; and

WHEREAS, the aforementioned property was for many years assessed the same dollar value per acre for tax purposes as was other property in the Borough where amenities such as power lines, telephone lines, schools, school buses, and maintained roads were readily available while none of the services were available along the Burma Road for a substantial period of time; and

WHEREAS, the aforementioned Burma Road realignment project will provide an access route for power lines in the subject area; and

WHEREAS, in light of past inequities associated with the assessment of taxes when no government services were available,

NOW, THEREFORE, the undersigned petition the Mat-Su Borough, in conjunction with Matanuska Electric Association, to construct an intertie loop power line connecting South Big Lake Road with the MacKenzie Dairy Project via Number 2 Burma Road realignment project rights-of-way using Alaska state or federal funds.

<u>SIGNATURE</u>	<u>PRINTED NAME</u>	<u>DATE</u>
<u>Benjamin H. Couart</u>	<u>BENJAMIN H. COUART</u>	<u>1-13-89</u>
<u>Clarence Ed Rice</u>	<u>Clarence Ed Rice</u>	<u>1/14/89</u>
<u>Viola F. Rice</u>	<u>Viola F. Rice</u>	<u>1/14/89</u>
<u>Richard J. Evans</u>	<u>RICHARD J. EVANS</u>	<u>1-16-89</u>
<u>Roland Stickney</u>	<u>Roland Stickney</u>	<u>1-16-89</u>
<u>Margaret J. Benson</u>	<u>Margaret J. Benson</u>	<u>1-16-89</u>
<u>Alvin B. Benson</u>	<u>ALVIN B. BENSON</u>	<u>1-16-89</u>
<u>Loretta T. Anderson</u>	<u>Loretta T. Anderson</u>	<u>1-17-89</u>
<u>Betty L. Biehoff</u>	<u>Betty L. Biehoff</u>	<u>1-17-89</u>
<u>Robert W. Brown</u>	<u>Robert W. Brown</u>	<u>1-17-89</u>
<u>James M. Cann</u>	<u>JAMES M. CANN</u>	<u>1-17-89</u>
<u>Joye L. Cann</u>	<u>Joye L. CANN</u>	<u>1-17-89</u>
<u>D. F. Smith</u>	<u>Dorrell F. Smith</u>	<u>1-18-89</u>
<u>Helen L. Tulin</u>	<u>Helen L. Tulin</u>	<u>1-19-89</u>
<u>Charles E. Tulin</u>	<u>CHARLES E. TULIN</u>	<u>1-19-89</u>
<u>Orville C. Wertlaugher</u>	<u>Orville C. Wertlaugher</u>	<u>1-20-89</u>
<u>Mary A. Wertlaugher</u>	<u>MARY A. WERTLAUGHER</u>	<u>1-20-89</u>
<u>Tony O'Neil</u>	<u>Tony O'NEIL</u>	<u>1-21-89</u>
<u>Rita O'Neil</u>	<u>Rita O'NEIL</u>	<u>1-21-89</u>
<u>Judy Kleven</u>	<u>Judy Kleven</u>	<u>1-21-89</u>
<u>Kathy Carpenter</u>	<u>Kathy Carpenter</u>	<u>1-22-89</u>
<u>David M. Carpenter</u>	<u>David M. Carpenter</u>	<u>1-22-89</u>
<u>Brown Jug - since by Mike O'Neil</u>	<u>Mike O'Neil</u>	<u>1-25-89</u>

<u>SIGNATURE</u>	<u>PRINTED NAME</u>	<u>DATE</u>
<u>James L. Fairs</u>	<u>JAMES L. FAIRS</u>	<u>Jan 25 '89</u>
<u>Janet D. Fairs</u>	<u>JANET D. FAIRS</u>	<u>1/25/89</u>
<u>Fran. Paride Farz</u>	<u>FRAN. PARIDE FARZ</u>	<u>1/25/89</u>
<u>Eva Jean Rabideau</u>	<u>EVA JEAN RABIDEAU</u>	<u>1-25-89</u>
<u>Mike Uher</u>	<u>MIKE UHER</u>	<u>1-31-89</u>
<u>Glenda Dodson</u>	<u>GLENDA DODSON</u>	<u>2/3/89</u>
<u>Cecelia Maher</u>	<u>CECELIA MAHER</u>	<u>2/4/89</u>
<u>William T. Karts</u>	<u>WILLIAM T. KARTS</u>	<u>2/5/89</u>
<u>Viki L. Karts</u>	<u>VIKI L. KARTS</u>	<u>2/5/89</u>
<u>Grant H. Forsythe</u>	<u>GRANT H. FORSYTHE</u>	<u>2/6/89</u>
<u>Jim F. Pennington</u>	<u>JIM F. PENNINGTON</u>	<u>2/6/89</u>
<u>Sharon A. Pennington</u>	<u>SHARON A. PENNINGTON</u>	<u>2/6/89</u>
<u>Phyllis A. Stickeney</u>	<u>PHYLLIS A. STICKENEY</u>	<u>2/6/89</u>
<u>Michael J. Burkeley</u>	<u>MICHAEL J. BURKELEY</u>	<u>2-6-89</u>
<u>Dora Jean Burkeley</u>	<u>DORA JEAN BURKELEY</u>	<u>2-6-89</u>
<u>Hanni Kozler</u>	<u>HANNI KOZLER</u>	<u>2-6-89</u>
<u>Geraldine L. Ivy</u>	<u>GERALDINE L. IVY</u>	<u>2-6-89</u>
<u>William H. Ivy</u>	<u>WILLIAM H. IVY</u>	<u>2-6-89</u>
<u>Herbert H. Worthley</u>	<u>HERBERT H. WORTHLEY</u>	<u>2-7-89</u>
<u>Arlene M. Worthley</u>	<u>ARLENE M. WORTHLEY</u>	<u>2-7-89</u>
<u>Charles W. Kozler</u>	<u>CHARLES W. KOZLER</u>	<u>2-8-89</u>
<u>Robert Hausner</u>	<u>ROBERT HAUSNER</u>	<u>2/8/89</u>
<u>Herb Hancock</u>	<u>HERB HANCOCK</u>	<u>2/8/89</u>
<u>Margie Hancock</u>	<u>MARGIE HANCOCK</u>	<u>2/8/89</u>



assessed the same dollar value per acre for tax purposes as was other property in the Borough where amenities such as power lines, telephone lines, schools, school buses, and maintained roads were readily available while none of the services were available along the Burma Road for a substantial period of time; and

Page 5, of 5

WHEREAS, the aforementioned Burma Road realignment project will provide an access route for power lines in the subject area; and

WHEREAS, in light of past inequities associated with the assessment of taxes when no government services were available,

NOW, THEREFORE, the undersigned petition the Mat-Su Borough, in conjunction with Matanuska Electric Association, to construct an intertie loop power line connecting South Big Lake Road with the MacKenzie Dairy Project via Number 2 Burma Road realignment project rights-of-way using Alaska state or federal funds.

SIGNATURE: Vivian J. McCain PRINTED NAME: VIVIAN J. MCCAIN DATE: 1/23/89

funds.

SIGNATURE: Theodore F. Larby PRINTED NAME: THEODORE F. LARBY DATE: 01-26-89

funds.

SIGNATURE: Kenneth A. Ungermann PRINTED NAME: Kenneth A. Ungermann DATE: 2/3/89  
Judith B. Ungermann PRINTED NAME: Judith B. Ungermann DATE: 2-3-89

funds.

SIGNATURE: Charles D. Reynolds PRINTED NAME: Charles D. Reynolds DATE: 2-3-89  
for Asian Imports - owner of record

funds.

SIGNATURE: Linda L. Ferguson PRINTED NAME: LINDA L. FERGUSON DATE: Feb 6-89

funds.

SIGNATURE: Sheryl Uher PRINTED NAME: Sheryl Uher DATE: 2-8-89

funds.

SIGNATURE: Louise Martin PRINTED NAME: LOUISE MARTIN DATE: 2-9-89

funds.

SIGNATURE: Elvera Voth PRINTED NAME: ELVERA VOTH DATE: 2/9/89

**International Brotherhood of Electrical Workers**  
Local 1547

2702 DENALI STREET  
ANCHORAGE, ALASKA 99503-2779

TELEPHONE  
(907) 272-6571

DISPATCH  
(907) 276-1547

GARY BROOKS  
BUSINESS MANAGER • FINANCIAL SECRETARY

JOSEPH HODGE  
PRESIDENT

FEB 15 1989



February 8, 1989

Mr. Rick Uehling  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Uehling:

As the next legislative session begins, I would like to wish you success in achieving the goals you have set for yourself and your constituents. I would also like to enlist your support on three issues about which the International Brotherhood of Electrical Workers, Local Union 1547 ("IBEW") is particularly concerned.

It is our hope to see this session end with an appropriation from the Railbelt Energy Fund sufficient to upgrade the Anchorage to Kenai Peninsula intertie. Not only is such an appropriation fundamental to the maintenance of reliable electrical service to the residents of the Railbelt but appropriating those funds now will also generate a much needed source of employment.

The same kind of goal can be achieved through the successful appropriation of funds for construction of a court house in Anchorage. I believe that such an expansion is essential if Alaska is to continue to provide the quality of judicial services that we have enjoyed in the past but also if we are to keep up with the ever-increasing demands made upon those services in the future. A second benefit will result from this appropriation. An appropriation of funds for construction of the court house will also provide another much needed source of employment.

I would hope you would at least consider that we may well have come to a point where our "rainy day" funds should be appropriated even if in small part, to support general government. I am convinced that, as long as the permanent fund corpus remains intact and is sufficiently inflation-proof, there is no reason not to spend some portion of the undistributed earnings.

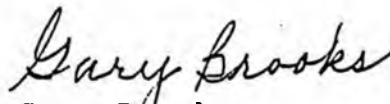
February 8, 1989

I am sensitive, however, to the complexity of these issues and to the enormous amount of work that will be involved to fully explore their consequences prior to any actual appropriation. Knowing that IBEW would like to help in any way we can, I would ask that you contact IBEW's Business Representative and lifelong Juneau resident, Mr. Tom Cashen, if you need any assistance or further information with respect to the issues I have identified above.

My best wishes for a very productive 1989 session.

Very truly yours,

IBEW LOCAL UNION 1547



Gary Brooks  
Business Manager

GB:cd



79  
**MATANUSKA ELECTRIC ASSOCIATION, INC.**

P.O. BOX 1148

PALMER, ALASKA 99645

TELEPHONE  
(807) 745-3231

February 9, 1989

The Honorable Jay Kerttula  
Alaska State Senate  
P.O. Box V  
Juneau, Alaska 99811

FEB 13 1989

Dear Senator Kerttula:

**Subject: Electric power line along Burma Road**

A number of Matanuska-Susitna residents, who originally homesteaded along the Burma Road, have requested that electric power facilities be extended into their area.

We have completed a preliminary estimate, which indicates that it would cost approximately \$770,800.00 to serve 35 to 40 customers from the South end of Big Lake to Point Mackenzie. Unfortunately the customers in this area cannot afford these costs.

Therefore, I am requesting your assistance to help these people in obtaining a Grant for constructing a line extension into the Burma Road area. If there are other Governmental programs which would be appropriate for this situation, they would appreciate your assistance.

Your response is requested.

Sincerely,

A handwritten signature in black ink, appearing to read 'James Palin', is written over the typed name.

James Palin  
General Manager

rm:lr  
301E.890802.33  
cc: Lane Rice  
Bob Mau

# CITY OF SEWARD

P.O. BOX 167  
SEWARD, ALASKA 99664



FEB 9 1989

- Main Office (907) 224-3331
- Police (907) 224-3338
- Harbor (907) 224-3138
- Fire (907) 224-3445
- Telecopier (907) 224-3248

February 3, 1989

THE HONORABLE RICK UEHLING  
ALASKA STATE SENATE  
PO Box V  
Juneau, AK 99811

Dear Senator Uehling:

I appreciate your letter of January 26, 1989, concerning your three bills called the "Railbelt Economic Assistance and Recovery Act." As you may know, Seward is experiencing economic growth that will contribute significantly to your goal. However, this program is contingent upon our ability to provide reliable electrical service to local industries.

A proposal has been submitted to our legislators to appropriate \$15 Million from the Railbelt Energy Fund for replacement of twenty-five (25) miles of transmission line from Lawing to the Fort Raymond substation. This 25-mile section of line was built in the late 1950's, and it is barely serviceable, unreliable and experiences extended power outages. The proposed project will replace the old line, reconfigure the substation and provide additional standby generation. The project falls within the criteria established for railbelt energy projects and is supported by the Railbelt Utilities. We strongly urge that any bill allocating funds from the Railbelt Energy Fund include funding for this important link of the Railbelt Electrical Transmission Grid.

Reasonably priced and reliable power is one of the key elements in a management decision to locate a new enterprise in Alaska. A number of major industries have made this decision and are building or are planning to build a plant in Seward. The entire Railbelt as well as the state of Alaska will benefit from these industries. Several of those industries are discussed below.

Suneel Alaska Corporation is presently exporting annually 700,000 to 800,000 tons of coal mined in Healy. Suneel expects