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FAIRBANKS TOWN AND VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

Executive Committee Meeting
Thursday, December 13, 1979
9:00 a.m.

Arctic Room, Polaris Building
Fairbanks, Alaska

A meeting of the Executive Committee of the Fairbanks Town and Village Association for Development, Inc. was held on Thursday, December 13, 1979, at 9:00 a.m., in the Arctic Room of the Polaris Building, Fairbanks, Alaska. The meeting was called to order at 9:00 a.m.

EXECUTIVE COMMITTEE MEMBERS PRESENT:

Chris Anderson, President
Spud Williams, Vice-President
Mellie Terwilliger, Secretary
Wally Burnett, Treasurer
Jonathan Solomon, Member

BOARD OF DIRECTORS PRESENT:

Steve Squires
Rudy Hamilton
Jeff Stokes
David Miller
Harry Maillele
Adelle Chase
John A. Carlson
Dr. William R. Wood

FTVAD STAFF PRESENT:

Jerry Smetzer, Executive Director
Walter Gesin, Deputy Director, Management
Robert Grove, FmHA Program Director
Ron Ponchione, Winterization Program Director
Barbara Sepelak, Administrative Supervisor
Bobbi Fyten, Program Assistant

GUESTS PRESENT:

Ann Helmick, Main, Hurdman and Cranstoun
Charlie Backus, Photographer
Ned Osborn, Economics Research Associates
Dan Stephan, Economics Research Associates
Dave Rasley, Title IX Task Force
Ruth Burnett, Title IX Task Force

DISCUSSION OF A POSSIBLE WORKING AGREEMENT
BETWEEN TANANA CHIEFS CONFERENCE AND INTERIOR
VILLAGE ASSOCIATION AND FAIRBANKS TOWN AND
VILLAGE ASSOCIATION TO POOL RESOURCES AND CO-
ORDINATE EFFORTS FOR PROJECTS AND PROGRAMS IN
THE RURAL AREAS OUTSIDE FAIRBANKS

The meeting opened with a general discussion of a possible working agreement between the Tanana Chiefs Conference, the Interior Village Association and Fairbanks Town and Village Association, to pool resources and coordinate efforts for projects and programs in the rural areas outside Fairbanks.

Mr. Williams and Mr. Smetzer had met earlier with an IVA representative to discuss such an agreement. At that meeting it had been decided that such a working agreement could be very helpful in raising needed project financing, avoiding conflicts and improving working coordination between the three organizations...particularly in the villages.

Mr. Smetzer stated that before the three parties pursued the discussions further, they wanted to outline the proposal before the executive boards of their respective organizations.

Mr. Burnett asked that any proposal for a three party agreement be reviewed with the Executive Committee prior to any formal action committing FTVAD.

Mrs. Terwilliger asked if such an agreement would be similar in form to the existing agreement between TCC and FTVAD. Mr. Smetzer said that, in general form, the agreements would probably be similar.

At 9:10 a.m., the Executive Committee recessed. The meeting was reconvened at 9:20 a.m.

FTVAD FINANCES

a) AUDIT REPORT

At the request of the Executive Committee, Ann Helmick, representing Main, Hurdman and Cranstoun, gave a brief review of their audit of the Association's financial records for FY '79.

WALLY BURNETT
seconded by JONATHAN SOLOMON

moved that the audit report for FY '79 be recommended for approval to the FTVAD Board of Directors at their annual meeting to be held December 14, 1979.

In response to Ms. Helmick's review, Mrs. Terwilliger requested that the record show the Association had carefully followed financial recording procedures suggested by the firm at the conclusion of last year's audit. As a result, no discrepancies were found in the Association's financial record for this fiscal year, and no recommendations were necessary.

MOTION CARRIED UNANIMOUSLY



Wally Burnett, Fairbanks, examines the audit report.

b) CURRENT FINANCIAL STATUS

Mr. Smetzer distributed a Budget Planning Document to those present. He reported that the Association had established a procedures manual a year ago for the conduct of its internal affairs and set the policy for planning the Association's budgets in three year cycles. He pointed out that in the current FY '80 budget there was a shortage of funds, due in part to the fact that the Association had been unsuccessful, despite over two years of intensive efforts, in developing annually renewable state financial support for any kind of interior economic development program.

Mr. Smetzer also stated that until the State of Alaska established a program of providing reliable financial support in the form of annually renewable grants to independent organizations involved with economic development, the absence of state policy and financial support would eventually make it impossible to conduct any kind of effective long range program of regional or local economic planning and development within the interior.

Mr. Smetzer further stated that the borough and the federal Economic Development Administration were providing annual planning and development grants for basic operations to the Association in the amount of \$85,000 and \$86,400 per year in this fiscal year. It is imperative that the state with its vastly superior financial resources start providing at least as much - preferable \$100,000 - per year to the Association.

Mrs. Terwilliger suggested that it might be possible to put a little pressure on the state through the federal agencies which provided funds. Jonathan Solomon maintained that the Association should get the area legislators to initiate bills

that would appropriate the necessary funds for local and regional economic development within the regional boundaries of each of the 12 native regional corporations. Mayor Wood stressed the importance of conducting an effective census within the District. He also related his plans to initiate a committee concerning the census and the possibility of division of the various areas into economic development regions. The funds for the economic development programs would be appropriated by the state but administered locally. Mr. Smetzer stated because of the Executive Committee's concerns in this area that following the board meeting he intended to immediately draft legislation concerning the subject and would send a copy to each of the Executive Committee members for their review prior to submitting it to the state legislature and the Governor for action.

c) PROJECTED BUDGET

Mr. Walt Gesin briefly reviewed the FY '81 and FY '82 budgets. Mr. Smetzer called attention to the "Status of Projects and Programs" document and explained its layout. He pointed out the fact that the Association's budget increased during the time that the "Tasks" identified by the board were being carried out and decreased when the projects were completed.

FTVAD PROGRAMS

a) FmHA

Mr. Robert Grove reported on program related developments in Fort Yukon. He stated he hoped to coordinate the CIP plans with the various capital project financing agencies in each community and encourage a system whereby the village residents decided what they wanted from capital project development by state and federal agencies rather than being informed what they would receive without their consideration. He also commented briefly on the Inland Energy Development Impact Assistance bill currently making its way through Congress and how it could be applied to use in the interior.

Mr. Grove commented that since taking over the position he had been working closely with the communities of McGrath and Fort Yukon, and planned to be working in Delta, but was presently waiting for the Tanana Chiefs Conference to complete a survey in the interior villages so that there would not be any duplication of efforts in those communities in which the survey was being conducted.

Mr. Smetzer briefly outlined SB 1880, the Inland Energy Development Impact Assistance bill, and the effect it could have on the area and the money that would be authorized to conduct anticipatory planning for the gas pipeline. He pointed out that if the bill passed the program would also be administered by the Farmers Home Administration of the Department of Agriculture.

b) ENERGY CONSERVATION & HOUSING REHABILITATION

At Mr. Smetzer's request, Mr. Grove reported on behalf of Winterization Director Ron Ponchione that there had been a slowdown in the winterization program, because the HUD funds for rehabilitation were running out. However, a total of 225 homes had been winterized and/or rehabilitated so far. A Crisis Intervention program, which assisted certain people on a one-time basis with such essentials as fuel, had been cut back. He also reported that while



Bob Grove, FTVAD staff, Fairbanks, discusses the Rural Capital Improvements Program. Adele Chase, Anvik, listens.

he had been working with the winterization program, various experiments had been carried out with solar collectors and different types of insulation in the Fairbanks area.

c) INVENTORY AND CONDITION SURVEYS

Mr. Grove reported on the inventory and condition surveys which had been accomplished in the Iditarod REAA by FTVAD staff and local engineering and architectural firms for DOTPF last spring. The reports from those surveys were available in the FTVAD offices.



Ruth Burnett, Fairbanks; Ned Osborn, Los Angeles; Dave Miller, Tokolna; and Dan Stephan, San Francisco, discuss Title IX investment strategy.

MEETING WITH NED OSBORN AND DAN STEPHAN OF ECONOMICS RESEARCH ASSOCIATES OF SAN FRANCISCO, BOROUGH MAYOR JOHN CARLSON, AND MEMBERS OF THE FAIRBANKS TASK FORCE ON ECONOMIC DEVELOPMENT FOR A BRIEFING ON THE TITLE IX INVESTMENT STRATEGY PROGRAM

At 11:02 a.m., a joint meeting of the Executive Committee, the Title IX Task Force, and representatives of Economics Research Associates was held.

Mayor Carlson, Chairman of the Title IX Task Force, introduced Mr. Ned Osborn and Mr. Dan Stephan, of Economics Research Associates, to those present.

Mr. Osborn commented that since he had been in Fairbanks he had been encouraged and impressed by the community's enthusiasm and cooperation and felt that this would help with the development of the strategy.

Mayor Carlson remarked that it was important to emphasize that the end result of the study was to be a viable and implementable plan, not another document to be shelved. Mr. Smetzer commented that the plan was to encourage private investment to stimulate the local economy.

Mr. Osborn noted that the first task the consultants hoped to accomplish would be to identify the economic base and determine how it could be expanded. The study would hopefully also point out the bottlenecks which impeded growth and development in the area. Mr. Solomon remarked that he had attempted to get this idea about the importance of the rural communities to Fairbanks' economic base into focus for some time without much success, but was encouraged to see that positive steps were being taken in that direction.

Mr. Smetzer pointed out that Mr. Osborn and Mr. Stephan had decided to spend some time in at least one of the rural villages outside Fairbanks in order to gain a better understanding of Fairbanks' economic relationship to the rural areas.

Mr. Dan Stephan mentioned the utilization of a leveraging financial package with the state to activate federal grants as a key element of the strategy. Ruth Burnett reported that she had recently attended meetings in Anchorage at which organizations similar to the Association had discussed the state's future. She suggested that the information which had been compiled following the meeting held ten years ago could be made available to the consultants for their use.

Mr. Dave Rasley of the Operating Engineers Local 302 discussed his union's hiring hall procedures in the Fairbanks area and how village residents were affected. It was suggested that the subject was one which should be discussed at the general board meeting to be held the next day if Mr. Rasley could attend.

ADJOURNMENT

There being no further business to be considered, the Executive Committee meeting adjourned at 11:39 a.m.

FRIDAY, DECEMBER 14, 1979



Chris Anderson, Fairbanks; Ray Kent, Fairbanks; and Mike Andon, Tanana, listen to board debate.

MINUTES

ANNUAL BOARD OF DIRECTORS MEETING
FAIRBANKS TOWN AND VILLAGE ASSOCIATION
FOR DEVELOPMENT, INC.

December 14, 1979
Arctic Room, Polaris Building
Fairbanks, Alaska

The annual meeting of the Board of Directors of the Fairbanks Town and Village Association for Development, Inc. was called to order at 9:20 a.m., Friday, December 14, 1979, in the Arctic Room of the Polaris Building by President Chris Anderson.

PRESENT:

Fred Alexie	Rudy Hamilton
Chris Anderson	Ray Kent
Mike Andon	Harry Maillele
Fred Baker	David Miller
Eddie Bergman	Victor Nicholas
Dave Brennen	Jonathan Solomon
John Carlson	Steve Squires
Adele Chase	Jeff Stokes
Larry Crouder	Mellie Terwilliger
Richard Frank	Spud Williams
Bill Green	William R. Wood

FTVAD STAFF:

Jerry Smetzer, Executive Director
Walter C. Gesin, Deputy Director, Management
Ron Ponchione, Winterization Program Director
Robert A. Grove, Program Director (FmHA & RCIP)
Barbara Sepelak, Administrative Supervisor
Bobbi Fyten, Program Assistant
Joel Lockman, Research Assistant

GUESTS:

Ron Punton, Fairbanks City Council	Candace Magnuson, Wordsmith Agency
Ruth Burnett, Fairbanks City Council	Virgil Severns, Cooperative Extension Service
Thomas A. Bazan, Real Estate Associates	Ray Morgan, Cooperative Extension Service
Charlie Backus, Photographer	Dave Rasley, Operating Engineers, Local 302
Don Nelson, KJNP	Paula Schiller, KUAC-FM
Darlene Pasley-Nebeker, Dept. of Labor, Fairbanks Job Service	Senator Bettye Fahrenkamp, Alaska State Senate
Steve Porten	Lottie Fleeks, Dept. of Labor, Fairbanks Job Service
Mark Boyer, Office of Senator Mike Gravel	

CALL TO ORDER

INTRODUCTION OF NEW BOARD MEMBERS

It was noted that there was not a quorum of either the full Board of Directors nor the Executive Committee present at the time the meeting was called to order.

Mr. Smetzer briefly explained the layout of the "Budget Planning Document." He called attention to the "Status of Projects and Programs" document which was a summary of each of the tasks listed in the "Overall Economic Development Program for Fairbanks and the Interior of Alaska through 1981" (OEDP). An estimate of costs to carry out those tasks had been developed, and a chronology as well as a current project status report as of December 1979, was given.

REVIEW OF PROJECT AND PROGRAM STATUS



Melle Terwilliger, Tok; Bill Green, Fairbanks; and Larry Crouder, Fairbanks, listen to a report of project status.

1. ECONOMIC DEVELOPMENT

Mr. Smetzer explained Major Program Category #1, Economic Development, Goal A, Task #1, Economic Diversification Strategy. He stated that the Title IX Strategy Program was one means of accomplishing the Board's desire to develop

greater public awareness of the economic development needs in the area. A \$75,000 Title IX Strategy Development grant from EDA as well as \$25,000 matching funds from the Fairbanks North Star Borough had been appropriated and after a rigorous selection process by the Fairbanks based Task Force on Economic Development, the consulting firm of Economics Research Associates of Los Angeles had been chosen, Mr. Smetzer explained.

Referring to Task #2, Small Industries Development concerning cottage industries, he reported that the Association was proposing to work jointly with the Adult Learning Programs of Alaska, Inc. to develop a five year program of assistance to resident-owned small businesses. Mayor Wood announced that he would be attending a White House Conference on small businesses in January and welcomed any comments, suggestions on assistance to identify the primary problems associated with small industry development.

Concerning Goal B, Task #4, Fairbanks Downtown Revitalization, Mr. Smetzer noted that while several rural communities had expressed an interest to develop a tourism trade, there were many villages which did not desire involvement in that industry. However, regarding Tanana Mission Restoration, included in Task #4, Mr. Smetzer also noted that the City of Tanana was interested in restoring its old mission church and FTVAD staff was assisting.

Goal C, Task #5, New Loan Funds, Mr. Smetzer remarked that the Association had been talking with various state and federal lending assistance agencies in the hope of getting a public lending authority into the area to make loans for private business ventures.

Referring to Goal D, Task #6, Decentralization, the recommendation for federal decentralization, Mr. Smetzer explained that Title V Commissions were used as a federal device for linking states into a common planning apparatus in a region. The legislation for a single state Title V Commission for Alaska was currently being considered in Congress. He spoke briefly on local decentralization and efforts to work with Tanana Chiefs Conference in sub-regional and comprehensive planning in the villages. TCC was currently in the process of decentralizing its offices and operations, he added.

A brief discussion ensued concerning unorganized boroughs and legislative attempts to develop a statute which would organize the unorganized boroughs.

In response to Mr. Smetzer's statement regarding a proposed recommendation to the State of Alaska by the Board of Directors concerning decentralization of state government, Mr. Ray Kent suggested tabling action until a quorum was present.

2. TRANSPORT DEVELOPMENT

Mr. Smetzer called the board's attention to Major Program Category #2, Transport Development, Task #1, Fairbanks Airport Development. The major program of this category was development of Fairbanks International Airport, he stated and added that the representatives of Economics Research Associates had had discussions with various airport personnel and air carriers on that subject. Other matters related to airport development were the hydrant fueling system, which had recently received a favorable report from the revenue bonding authority as a feasible facility and would soon be ready to go to market; the air cargo facility; a port authority and a Foreign Trade Zone.

In response to a request from Mr. Williams, Mr. Smetzer explained the Foreign Trade Zone (FTZ) concept as a means of assembling foreign components into domestic products - thus reducing customs duties on finished products. He added that Economics Research Associates had experience in the area of FTZ's

and had worked with the City of San Jose to set one up. They would be considering all points of the issue quite closely as part of the Fairbanks Investment Strategy. Mr. Smetzer stated that he did not foresee spending much time on the FTZ until the consultants had looked into it, and had explored the competitive advantages and disadvantages of a Fairbanks or Anchorage zone.

Referring to Task #2, Rural Airport Development, and Improvements for six rural airports, Mr. Smetzer stated that the Department of Transportation and Public Facilities (DOTPF) was currently working on those projects.

Task #3, Local Service Roads, Mr. Smetzer reported, concerned Local Service Roads and Trails projects in Anvik, Grayling and Holy Cross, but until the issue involving gravel was resolved work could not be completed on those projects. A court determination made in December, 1978 stated that regional corporations owned the gravel and therefore it could not be used as local match by the community. Mr. Spud Williams suggested that the Association's efforts could be aimed at changing DOTPF's concept of the local match and maintained that since the Department did not expect free gravel in the Fairbanks area projects, it was not equitable to expect it from the rural communities. Mr. Mike Andon suggested that the Association consider the possibility of changing the state's policy on the purchase of gravel. Mr. Smetzer advised that the matter be brought up for consideration when a quorum of the Board of Directors was present.

3. COMMUNITY FACILITIES DEVELOPMENT

Major Program Category #3, Community Facilities Development, Mr. Smetzer explained, encompassed an effort to overcome some of the facility problems in the rural communities, and emphasized construction activities in those communities. Two active projects were facilities in the City of McGrath and the City of Fort Yukon. He related that Bob Grove had been hired with a grant from FmHA to work with 14 rural communities which had requested assistance with their facilities by developing a method to fit them into the communities' goals and objectives and helping to work with the various state and federal sources of capital project financing.

Mr. Grove explained that the legislature had appropriated \$250,000 and FmHA had granted a \$35,000 guaranteed industrial loan for the City of Fort Yukon's common-use maintenance facility to house a fire department and the maintenance equipment for the roads and airport. It was also expected that EDA may appropriate additional funding for the building if a clear stimulus to the local economy could be shown.

In McGrath, he stated, the residents were attempting to renovate an already existing structure to permit housing of the health center as well as space for maintenance equipment.

Referring to other villages, Mr. Grove explained that his efforts were directed mainly at coordinating some of the programs that were already in progress and also working closely with the TCC survey. He noted that in many cases government agencies had constructed facilities without any consideration being given to the desires of the village residents.

Mr. Eddie Bergman stated that the community of Allakaket was in need of a new office building and in March had submitted an application to the Association for assistance in getting the facility to which Mr. Grove responded that he was in the process of organizing his office since taking over his present position and would make every effort to follow through on any unfinished projects. Mr. Smetzer, referring to Task #4, Rural Capital Improvements, in the cate-

gory, related that 14 rural communities had adopted formal resolutions requesting the Association's assistance with capital improvement projects and that the office had just recently received a request from the City of Delta Junction to be added to that list.

Mayor Wood commented that a frequent problem with construction of facilities in the small rural communities was assuring a feasible way for them to be maintained after they were built, to which Mr. Dave Brennen stated that this should also be a matter of consideration by the state in dealings with its rural facilities.

Mayor Wood went on to comment that the matter could perhaps qualify as a legitimate use of the state's permanent fund to be included in a broad category for fuel, energy, health, safety, etc., so that whatever facility was constructed or installed in a rural community, the operational costs would be partially offset from income derived from the fund.



Mayor John A. Carlson, Fairbanks North Star Borough, shares an observation with Mayor William R. Wood, City of Fairbanks, during board discussion.

2. TRANSPORT DEVELOPMENT

Reverting to Major Program Category #2, Transport Development, Mr. Smetzer commented briefly on various transportation problems in the bush areas. He related that he and Mr. Anderson had attended a White House sponsored conference on that subject in Anchorage recently. Basically, over the past few

months, there had been a 50-60% increase in the cost of passenger and freight transportation to and from the rural areas. In that regard, there had been discussions in the planning session the day before that the Association's efforts be concentrated heavily on restoring the barging system on the Yukon and on any other matters which might help alleviate some of the transportation related problems.

Mr. Fred Alexie noted that it cost \$17.50 per 5-gallon can of gasoline to transport it into Kaltag.

Mr. Smetzer suggested that the Board of Directors consider adopting a resolution encouraging improvements in the transportation category.

4. ENERGY CONSERVATION AND HOUSING REHABILITATION

Referring to Major Program Category #4, Energy Conservation and Housing Rehabilitation, Mr. Smetzer reported that within this category the Association had been pursuing a program for about 1½ years under the guidance of Ron Ponchione to install insulation, storm windows and doors, etc., for people who came within the guidelines, generally low income people or senior citizens. To date, work had been done on 225 houses in the Fairbanks North Star Borough.

The Association was presently investigating opportunities in energy conservation projects and had considered the testing of prototypes, including the utilization of MUS waste heat, Mr. Smetzer stated. Mayor Wood remarked that the use of waste heat had many ramifications for a diversity of projects, one of them being increasing the area's self-sufficiency in production of food. Mr. Smetzer commented that the Association would not be directly involved with the prototype projects, but would like to initiate the machinery to get them started and financed.

5. PETROLEUM RESOURCE POLICY

Regarding Major Program Category #5, Petroleum Resource Policy, Goal B, Task #4, Gas Conditioning Plant, Mr. Smetzer remarked that Mayor Carlson had sent a letter concerning the three major areas involving location of the gas conditioning plant that needed investigation. The funds for the studies would be allocated by the state, but should be under local control, he stated. Mr. Smetzer stated that he expected to continue working closely with Mayor Carlson and the Borough to raise the estimated half million necessary to conduct the basic feasibility studies.

Concerning Goal A, Task #1, Oil and Gas Management, Mr. Smetzer briefly commented on location of all public and private offices with northern oil and gas development, management and research responsibilities in Fairbanks. Of the three parties concerned with the gas pipeline - state, federal and private - the federal office had not yet determined where to locate within the state, but it was hoped that when a final decision was made that office would locate in Fairbanks as well. Regarding the Beaufort Sea lease sale, Mr. Smetzer remarked that due to local efforts, including those of the Association, the sale had been held in Fairbanks, as would, hopefully, the next Beaufort sale scheduled for February, 1983.

It was suggested by Mayor Wood that if the Fairbanks area wished to have this type of business activity in the future it might behoove the residents to have a welcoming committee and demonstrate some enthusiasm. Mr. Smetzer pointed out that efforts were made to work with the state and federal sale managers, but they made it clear they didn't need any help from Fairbanks.

Mr. Smetzer commented briefly on SB 1880, the Inland Energy Impact Assistance Bill, and the advantages it would provide to areas such as the Interior if it was approved by Congress. The Bill would allow access to public works grants, business and development loans, as well as other federal programs to assist the community in avoiding problems and taking advantage of projects such as the gas pipeline.

Goal A, Task #3, Alaska Regional Center, U.S.G.S., Mr. Smetzer stated, concerned the location of the proposed U.S.G.S. Alaska Regional Center in Fairbanks. Last August, he reported, an announcement had been made stating that the center would be located in Anchorage. But he had been assured by Dr. Menard in a letter that this involved only a few employees and that he would fully consult with all communities interested prior to making a final decision on the matter.

Concerning Goal B, Task #5, Mineral Industry Development, Mr. Smetzer reported that the Association would start working on that project next year. Mr. Brennen remarked that at its meeting the previous evening, the Fairbanks North Star Borough Assembly had adopted an ordinance creating a mineralized mining zone to help prevent future conflicts between surface rights land use and sub-surface rights mineral use. Mr. Williams maintained that this concept could also be applied to future resource and residential use of land in the rural areas. Mr. Brennen assured Mr. Williams that he would shortly receive a copy of the ordinance.

6. WORKFORCE DEVELOPMENT

Mr. Smetzer briefly reviewed Major Program Category #6, Workforce Development, and added he hoped that Mr. Dave Rasley, Business Agent for Operating Engineers Local 302, would be able to attend the meeting later that day to comment on his union's hiring practices.

Mr. Smetzer also stated that considerable effort was going into the coordination of local school district and Tanana Valley Community College programs at the Hutchison Career Development Center. Mr. Smetzer stated that he is involved in those efforts and will continue to press for more regional adult programs at Hutchison.

7. RENEWABLE RESOURCE DEVELOPMENT

Referring to major Program Category #7, Renewable Resource Development, Mr. Smetzer explained that the organization was not directly involved with many programs in this area, but hoped to get into some by July, 1980. Mr. Brennen commented that the Borough Assembly had recently adopted a resolution requesting the State of Alaska to establish a state forest in all the feasible areas of the borough to, hopefully, provide the land management mechanism to sustain full commercial utilization. Mr. Williams related that Tanana Chiefs Conference was doing comprehensive forest inventories in its own region for marketing purposes, basically on requests concerning funding availability, for such communities as Tetlin, Dot Lake, Nenana and Venetie.

A short discussion ensued on establishing a quorum for the meeting. Mr. Anderson noted that in the event that a quorum of the full Board of Directors was not present, a quorum of the Executive Committee could be established and those members could act in behalf of the full board.

EXECUTIVE COMMITTEE RECOMMENDATION

At 11:15 a.m., a meeting of the Executive Committee of the Fairbanks Town and Village Association for Development, Inc. was called to order by President Chris Anderson.

EXECUTIVE COMMITTEE MEMBERS PRESENT:

Chris Anderson, President
Spud Williams, Vice-President
Mellie Terwilliger, Secretary
Jonathan Solomon, Member

A roll call of the Board of Directors of the Fairbanks Town and Village Association for Development, Inc. was then taken. Only 18 members were present. Nineteen members were required to establish a quorum.

MELLIE TERWILLIGER
seconded by **JONATHAN SOLOMON**

moved to accept Eddie Bergman of Allakaket as a member of the Board of Directors of the Fairbanks Town and Village Association for Development, Inc.

MOTION CARRIED UNANIMOUSLY



the FCC had approved the Dot Lake location, and that both actions were positive steps. Mr. Andon questioned the possibility of getting the translators into other areas as well, to which Reverend Nelson replied that it would depend on financing and also whether or not there was already a facility in those areas.

MOTION CARRIED UNANIMOUSLY

Mr. Smetzer recalled that during discussions earlier that morning there had been five suggested resolutions. The first dealt with the Association's recommendations to the State of Alaska on decentralization of its administration and management of state agencies; the second had to do with the organization's recommendation to DOTPF to allow purchase of gravel under the Local Service Roads and Trails program in the villages; the third, dealing with the KJNP translator station in Dot Lake, had been adopted by the Board of Directors; the fourth suggested adding the City of Delta Junction to the list of communities desiring capital improvements assistance; and fifth was a non-specific resolution to reaffirm the Association's efforts in the area of rural transportation systems.

DAVE BRENNEN moved to adopt the staff's recommendation on state decentralization.
seconded by JONATHAN SOLOMON

Mr. Solomon commented that the recommendation of the staff included a statement concerning a six region concept; however, there were 12 native corporations in existence and he felt that those should be used.

JONATHAN SOLOMON moved to amend the first paragraph to read: "... within the legal boundaries formed by the twelve native regional corporations created under the authority of the Alaska Native Claims Settlement Act of 1971."
seconded by MELLIE TERWILLIGER

In response to a question from Mr. Williams, Mr. Smetzer explained that the six regions were the physiographic regions of the state - southeast, southcentral, southwest, northwest, north and interior. It was set up that way because it was generally in conformance with the six native corporation boundaries except in some cases where regional corporations were combined in a single region. Mr. Kent commented that the legislature and the state's Department of Community and Regional Affairs were currently involved in a study on the subject, but felt that the organization should support the regional corporation boundaries. Mr. Stokes felt that the McGrath sub-region was better served by the southcentral region and favored following the REAA boundaries. Mr. Williams stated that while he was sympathetic to Mr. Stokes' concerns, he felt that the area of policy and planning and the area of service delivery could be most compatible with use of the native corporation regions.

MOTION TO AMEND THE RECOMMENDATION CARRIED

The staff recommendation to be considered by the Board of Directors would read as follows:

- "1. The Governor should by Administrative Order immediately institute a common system of regional planning, development, and government administration boundaries within the legal boundaries formed by the twelve native regional corporations created under the authority of the Alaska Native Claims Settlement Act of 1971.

2. The Governor should by Executive Order begin immediately the decentralization of administrative decision making into these regions by divesting agencies of the state of their accumulations of centralized authority which were not explicitly granted by the constitution.

3. The Governor should by Executive Order begin immediately the democratization of the state's administration of planning, development, project recommendation and priority setting activities, and the delivery of needed government services within these regions by financing and contracting their provision through fiscally sound, locally controlled non-profit, quasi-governmental corporations conducting related activities."

MOTION CARRIED UNANIMOUSLY

DAVID MILLER
seconded by DAVE BRENNEN

moved to add the City of Delta Junction to the list of communities named under Task #4, Community Facilities Development category who have officially requested FTVAD staff assistance in developing local capital improvement projects.

MOTION CARRIED UNANIMOUSLY



Jeff Stokes, Nikolai, confers with Muelle Terwilliger, Tok, during lunch.

Mr. Anderson called the board's attention to the issue of the state's gravel purchase policy. Mr. Smetzer suggested that the Board of Directors consider a

resolution to strongly recommend to the State of Alaska Department of Transportation and Public Facilities that their procedures be changed to allow the purchase of gravel in rural communities for local service roads. Mr. Williams suggested adding purchase of rights-of-way as well. Mayor Carlson remarked that under the current state statutes, Local Service Roads and Trails funds could not be utilized to purchase rights-of-way and to effect such a policy would take a change in legislation and not procedure.

MIKE ANDON
seconded by SPUD WILLIAMS

moved that FTVAD strongly recommend that DOTPF change in procedures under its Local Service Roads and Trails program to allow the purchase of gravel for local service roads and further recommend that that statute be changed to allow purchase of rights-of-way for local service roads.

MOTION CARRIED UNANIMOUSLY

SPUD WILLIAMS
seconded by DAVID MILLER

moved to recess for lunch and reconvene at 1:30 p.m.

MOTION CARRIED UNANIMOUSLY

At 12:12 p.m., the Board of Directors recessed for lunch.



Victor Nicholas, Nulato, discusses the need for runway lighting in his community. Fred Baker, Fairbanks, listens.

At 1:01 p.m., the Board of Directors reconvened for a "Round Table" discussion.

Fred Baker stated that he had no comments to make.

Mayor Carlson commented that the board meeting gave several groups of people an opportunity to get together to discuss problems and possible solutions.

Adele Chase declined to comment.

Victor Nicholas expressed his concern with transportation problems associated with travel to the rural areas. There were some major concerns in this regard, including the fact that air transportation was essential during emergencies. He also commented on the need for runway lighting in Nulato. Mr. Smetzer advised that he thought funds for lighting several rural runways including Nulato had been included in an appropriation bill last year. He asked Bob Grove to check on it, and write a letter to Mr. Nicholas.

Steve Squires commented on various concerns, stressing the utilization of idle state funds for agricultural development.

Jeff Stokes had no comments.

Mellie Terwilliger remarked that the only outside source of income in many areas was from fire fighting. She expressed her hope that the Small Industries Development Program would improve this situation.

Dave Brennen stated that he was impressed with the Association's work program and accomplishments. He stressed the importance of keeping abreast of the efforts of other agencies and organizations.

Jonathan Solomon declined to comment.

Mr. Smetzer invited the guests present to speak.

Ray Morgan, of the Cooperative Extension Service, maintained that in the future there was the possibility of conflicts developing among the users of timber, but felt that FTVAD could assist in establishing a policy. He could also foresee an increase in commercial fisheries.

Ruth Burnett, member of the Fairbanks City Council, stated she was encouraged by the community interest shown at the meeting.

Jonathan Solomon briefly commented on commercial fisheries and fishing licenses.

Ron Punton, member of the Fairbanks City Council, expressed his hopes that the Title IX strategy development project would lead toward a more organized development of the Fairbanks area. It was essential that groups such as FTVAD, the Chamber of Commerce and the Downtown Association work together for the betterment of the community, he stated.

Dave Rasley, Business Agent for the Operating Engineers Local 302, spoke at length on the hiring practices and procedures for his particular union. He noted that in order for a person to maintain his position on the list, it would be necessary for him to re-register every 90 days following his initial registration date. He added that it was possible to register either by mail or in person. Mr. Rasley noted that a \$10.00 per month fee was charged non-members due to the fact that it was mandatory for the Operating Engineers to maintain records of those individuals for a period of 10 years. In response to a question from Mr. Miller, Mr. Rasley stated that at the present time there would be

a long wait for a person who recently registered to get to the top of the work list, but he encouraged those who desired work through the union to sign up as soon as possible. He commented briefly on the need for native corporations and other interested organizations to supply input to the various companies concerning Alaskan hire. In answer to Mr. Grove's query, Mr. Rasley stated that when a call for workers was received, the union had 48 hours to fill the position, but he noted that in some instances it was necessary to respond to the call immediately ... otherwise expensive equipment had to sit idle.

Mr. Bergman related an experience which had occurred in Allakaket in that a contractor was doing work in the area, but when the work slowed down the local people were laid off first. Mr. Rasley explained that in such a case it was probably a matter of economics; however, he suggested that if this happened in the future that the affected people consult with the contractor and attempt to work out a more equitable solution. His union would cooperate wherever possible.

Dave Rasley,
Fairbanks,
confers with
Fred Alexie,
Kallag, on
union
procedures.



A discussion ensued concerning an Alaskan local hire law and the question of whether or not it was a negotiable item in projects such as the gas pipeline.

Fred Alexie stated he did not wish to comment.

Chris Anderson had no comments.

Mike Andon declined to comment.

Larry Crouder questioned the motion passed by the Board of Directors concerning the Association's support of the KJNP translator station. Mr. Smetzer explained that the action was merely a statement of support by the Board of

Directors and that there were no funds involved as far as the Association was concerned.

Ray Kent had no comments.

Referring to statements made by Mr. Nicholas, Mr. Grove remarked that state funds had been appropriated for various projects, and that some of them had not been carried out, but that he was currently trying to find a recent report by the Legislature on the status of capital appropriations to determine where the problems were, so that FTVD could untangle the red tape and make sure the projects get underway this summer.

Harry Maillelle did not wish to comment.

David Miller declined to comment.

Jonathan Solomon commented briefly.

Spud Williams stated it was his feeling that the concept of the Association had come a long way since its inception and lauded Mr. Smetzer and his staff for their efforts in making the organization a viable one, and, particularly for bringing together so many key people from Fairbanks and the rural areas around it to discuss common problems and try and resolve them.

Mr. Smetzer thanked Mr. Williams and the board for their support over the years and pointed out that little could have been achieved without the dedication and hard work of his staff.

STAFF BUDGET RECOMMENDATIONS

Mr. Smetzer briefly reviewed the budget document, noting that in the current FY '80 budget there was a shortage of funds, due in part to the fact that the Association had been unsuccessful, despite over two years of intensive efforts, in developing annually renewable state financial support for any kind of interior economic development program. However, efforts were being made to come up with those funds. He also noted that the proposed overall budget increase to nearly \$1,000,000 in FY '81 was not a permanent one, but was planned to take the organization through intensive project development activity for next year. Depending on timing and financing these programs would resume their FY '80 level the following year. The assumption is that the overall budget will fall back to current levels in FY '82.

JONATHAN SOLOMON
seconded by MELLIE TERWILLIGER

moved to accept FTVD staff budget recommendation for the FY '80, FY '81, and FY '82 fiscal years as presented in the Budget Planning Document for the currently budget cycle.

In response to questions from Mr. Williams, Mr. Gesin explained that the amount allocated for "Leave" was budgeted in the event that an employee with accrued leave desired to take it out in cash rather than take the leave. The amount for "Equipment Purchase" was for payments on equipment the Association currently had in its possession, and not for new equipment.

Mr. Smetzer explained that the current fiscal year's projected shortfall was a management problem at this point, but if any changes in staff or other important decisions were to be made, the Executive Committee would be consulted first. In response to a question from Mike Andon, he stated that the Title IX

program was a one year intensive program and would terminate at the end of the current fiscal year.

MOTION CARRIED UNANIMOUSLY



Spud Williams, Fairbanks, listens to board debate.

ELECTION OF OFFICERS

SPUD WILLIAMS
seconded by MIKE ANDON

moved to nominate the current members of the Board's Executive Committee with the exception that Dave Brennen be nominated in place of Ernie Holmberg.

MOTION CARRIED UNANIMOUSLY

SPUD WILLIAMS
seconded by JONATHAN SOLOMON

moved that nominations close.

MOTION CARRIED UNANIMOUSLY

The Executive Committee members are as follows:

Chris Anderson, President
Spud Williams, Vice-President
Wally Burnett, Treasurer
Mellie Terwilliger, Secretary

Jack Coghill, Member
Dave Brennen, Member
Jonathan Solomon, Member

In response to various comments, Mr. Solomon maintained that it was difficult to negotiate on local minority hire, especially that related to the pipeline, when there was no state financial participation for that project.

SPUD WILLIAMS
seconded by JONATHAN SOLOMON

moved that FTVAD support the state's efforts in tying one of the stipulations of state participation in financing the Alcan Gas Line to local hire provisions in the pipeline labor agreement.

MOTION CARRIED UNANIMOUSLY

There being no further business to come before the board, the meeting was adjourned at 2:17 p.m.



Dave Brennen, Fairbanks; Jonathan Solomon, Fort Yukon; and Jerry Smetzer, FTVAD staff, Fairbanks, discuss boroughs after the board meeting.

Fairbanks Town & Village
Association
for
Development, Incorporated



407 second avenue
p.o. box 24080
fairbanks, alaska 99707
(907) 456 5178

THE ANNUAL BOARD MEETING
OF THE
FAIRBANKS TOWN AND VILLAGE ASSOCIATION FOR DEVELOPMENT, INC.

MINUTES

Executive Committee: Thursday, December 13, 1979
Board of Directors: Friday, December 14, 1979
Arctic Room, Polaris Building
Fairbanks, Alaska

"Serving the People and Communities of Interior Alaska"

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Jonathan Solomon, Fort Yukon, discusses the need for state support and financing for economic development programs in Alaska's several geographic regions. Dave Miller, Takotna; and Dave Rasley, Fairbanks, listen.

HB

626



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 626 Appropriation for Fbks. Town/Village Ass'n.

ORIGINAL SPONSOR: _____
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 2/1/80

MEMBERS PRESENT: Bill Parker X Pat Carney X
Margaret Branson X Charlie Parry X
Pat O'Connell X Fred Zharoff X
Ray Metcalfe X

Metcalfe - Suggests amending HB625, HB626 Section 3 with the requirement that additional funding would be contingent on how efforts of the Dept. of C&RA and TVA could be better coordinated. (Metcalfe then withdraws motion when Smelzier points out that there is no substantial conflicts between the activities of the Dept. of C&RA and TVA)

Palmer McCarter, Dept. of C&RA

No position on the bill. 56 capital improvements have been appropriated by the legislature. There are competing organizations which have represented themselves as being representative of the community. As there are several other agencies in the state, non-profit, not-state funded organizations which might also expect state support. The question is whether the state should be assisting these organizations. The Dept. of C&RA operates the capital improvement projects and rural development assistance programs and do coordinate with Fbks. TVA. As such, are not in competition. Commerce and Economic Development Dept. would probably be in a more competitive role.

COMMITTEE ACTION: Bill passed out of committee.

TAPE # 2 SIDE 1 Footage 424-899

PRIME SPONSOR: ROGERS.

CO-SPONSORS: SMITH, MOSS.

CURRENT STATUS: 2/04/80 IN (H) FINANCE

HB 626 TITLE & SPONSOR SUMMARY 12:08 5/27/80 PAGE 1 OF 2

AMENDED TITLE:

AN ACT MAKING A SPECIAL APPROPRIATION TO THE DEPARTMENT OF ADMINISTRATION TO BE PAID AS A GRANT FOR THE OPERATING COSTS AND PROJECT DEVELOPMENT ACTIVITIES OF THE FAIRBANKS TOWN & VILLAGE ASSOC FOR DEV, INC; E.D. \$100,000 (APPROP)

PRIME SPONSOR: ROGERS.

CO-SPONSORS: SMITH, MOSS.

CURRENT STATUS: 2/04/80 IN (H) FINANCE

HB 626 HOUSE ACTION 12:09 5/27/80 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
01/20/80	01	0128	FIRST READING -- COMMITTEE REPORTS
02/04/80	02	0210	CRA -- DP04, NR01 FINANCE RULES
02/04/80	03	0210	C&RA F/NOTE-SEN SUPPL #9
****	**	**	*** **

HB

636

COMMITTEE REPORT

HOUSE

1/29/80

FURTHER:

Date: Feb 20 1980

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 636

"An Act requiring flags for divers."

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

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

**MEMBERS SIGNING
DO PASS**

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Bo Dill

Robert W. O'Connell

Charles F. ...

CHAIRMAN

AMENDMENT

OFFERED IN THE HOUSE:

By: HOUSE C&RA

To: RULES

HOUSE BILL No. HB 636

SENATE BILL No. _____

PAGE: _____

LINE: _____

PAGE 1, LINE 11

Delete "~~15~~" and replace with "12",

PAGE 1, LINE 19

Delete "and" on line 19 and the rest of line 20 and replace it with:

steering clear of the flag by a distance of 100 feet. Boats maneuvering within a 100-foot radius of a divers flag shall be slowed to no-wake speeds or five miles per hour, whichever is necessary to maintain steerage in the seaway. A divers flag shall be displayed only while diving operations are underway."



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 636

ORIGINAL SPONSOR: Parker/Martin
RECEIVED FROM: --

OTHER SPONSORS: _____
FURTHER REFERRALS: --

HEARING DATE: 2/20/80

MEMBERS PRESENT:	Bill Parker X	Pat Carney X
	Margaret Branson X	Charlie Parr X
	Pat O'Connell X	Fred Zharoff X
		Ray Metcalfe

The Committee briefly discussed the bill and the proposed amendment for p. 1 lines 19-20. On p. 1 line 19 the word "may" would be deleted and those following and the additional wording added would be "shall be slowed to no-wake speeds or five miles per hour, whichever is necessary to maintain steerage in the seaway".

2/22/80 Chairman Parker brought to the attention of the Committee the items overlooked when the bill was heard on 2/20. The Committee concurred with the two amendments rewritten as indicated on the attached sheet.

COMMITTEE ACTION: Signed out of Committee with amendment as proposed.

TAPE # 2 SIDE 2 Footage 580-627

DIVERS FLAG LEGISLATION

Briefing paper for an act:

"An Act requiring flags for divers"

By Parker and Martin

Eleventh Legislature - Second Session

Every month, diver training programs in Anchorage, Fairbanks, Juneau, Sitka, Ketchikan and elsewhere are certifying an average of 50 new divers. Given the seasonal variation in interest, it's safe to say 500 or more divers are certified every year around the state.

And why not? With more miles of coastline than the other states combined, Alaska offers the underwater explorer a richness and variety of marine life found nowhere else in the U.S. The tropics are the deserts of the sea. The real riches -- as in commercial fishing -- are to be found in the high latitudes, north and south.

While there are no statistical data to confirm or refute what follows, the consensus among diving instructors puts the total number of certified divers living in Alaska in the five figure bracket. Although the guesses vary, the number of qualified -- not necessarily active -- divers in the state could easily be 20,000 or more; 10,000, certainly, is a credible number. And, it's a number that equals or exceeds the number of boats berthed in coastal harbors around the state.

DIVERS FLAG LEGISLATION
Briefing paper/2

So far, there have not been any diver-boat accidents. But, the growing numbers of divers and the growth of the recreational fleet state-wide raise the likelihood of such an occurrence from a possibility to a probability. At present, very few divers use the divers flag, saying either that the boaters do not know what it means, or that there are so few boats that the risks are minimal. Boaters, likewise, are generally unfamiliar with the ensign although its meaning is covered in Coast Guard boater safety courses.

In other states, the campaign for the adoption and recognition of the divers flag has used photographs showing the hideous pattern of propeller slashes across the back or side of an accident victim. Unless this legislation is adopted and a vigorous information campaign is launched, such photographs could appear in the Alaskan press. Simply put, the growing numbers of divers and boaters using the same waters makes it mandatory that the divers flag be adopted and recognized as a warning that people are submerged and that boaters should steer clear of the area.

The onus is not on the divers or the boaters; the responsibility is mutual. Divers must display the flag if they want boaters to avoid the area in which they are diving. And boaters, no less than motor vehicle operators seeing a stop sign, must come to recognize the divers flag as an accepted warning symbol, as appropriate in Alaska's oceanic and lake environments as the stop sign is in every community.

Alaska is one of 13 states which as yet have not formally adopted or recognized the divers flag. All of the others have adopted or formulated some regulations defining conditions for its display and response by boaters. While specifics vary from state to state, most

Therefore, the recommended draft legislation covering the use and display of the divers flag in Alaska calls for 150 feet of boater clearance and no-wake speeds. Hopefully, its enactment will prevent needless tragedy in Alaska waters.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 636
 Title "An Act requiring flags for divers."
 Requested by Rep. Parker Date 2/13/80

II. FISCAL DETAIL

Agency Affected Public Safety
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0		

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact is projected.

IV. DATE February 13, 1980 PREPARED BY *Mike Clemens*
 AGENCY Public Safety
 PHONE 465-4336
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

HB

640

(7)

COMMITTEE REPORT

HOUSE

1/30/80

FURTHER: FINANCE

Date: 11 Dec 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 640

"An Act making a special appropriation to the Alaska Power Authority for a study of hydroelectric development in the Tanana area; and providing for an effective date."

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

- do pass do not pass
 - do pass with attached amendments(s)
 - replace with CS for 640 same title
 new title
- and recommends _____

AND attaches a "Letter of Intent" New Fiscal Note

reports it back without recommendation

referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Bill Paul

Gregory

Robert Young

Charles H. ...

Bill Paul

Bill Paul
CHAIRMAN



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB 640 Appropriation for a study of hydroelectric development in the Tanana area.

ORIGINAL SPONSOR: Moss
RECEIVED FROM:

OTHER SPONSORS:
FURTHER REFERRALS: Finance

HEARING DATE: 4/16/80

MEMBERS PRESENT: Bill Parker X
Margaret Branson X
Pat O'Connell

Pat Carney X
Charlie Parr X
Fred Zharoff
Ray Metcalf X

Committee discusses pchange suggested by the Alaska Power Authority to make the study broader than just a study of hydro and have it include all power possibilities.

Committee agrees with suggestions and approves a CS containing such changes.

COMMITTEE ACTION: CS to be drafted with suggested amendment.

TAPE # 8 SIDE 1 Footage 717- 787



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL WORK SHEET

BILL NUMBER HB640 RE Appropriation/Ar.

Received from _____
Referred to _____

Fical Note _____
LAA Legal Contact Request

CONTACTS:

Sponsor: Mass 4990 (Shannon)

✓ 277-7641 Eric Gould

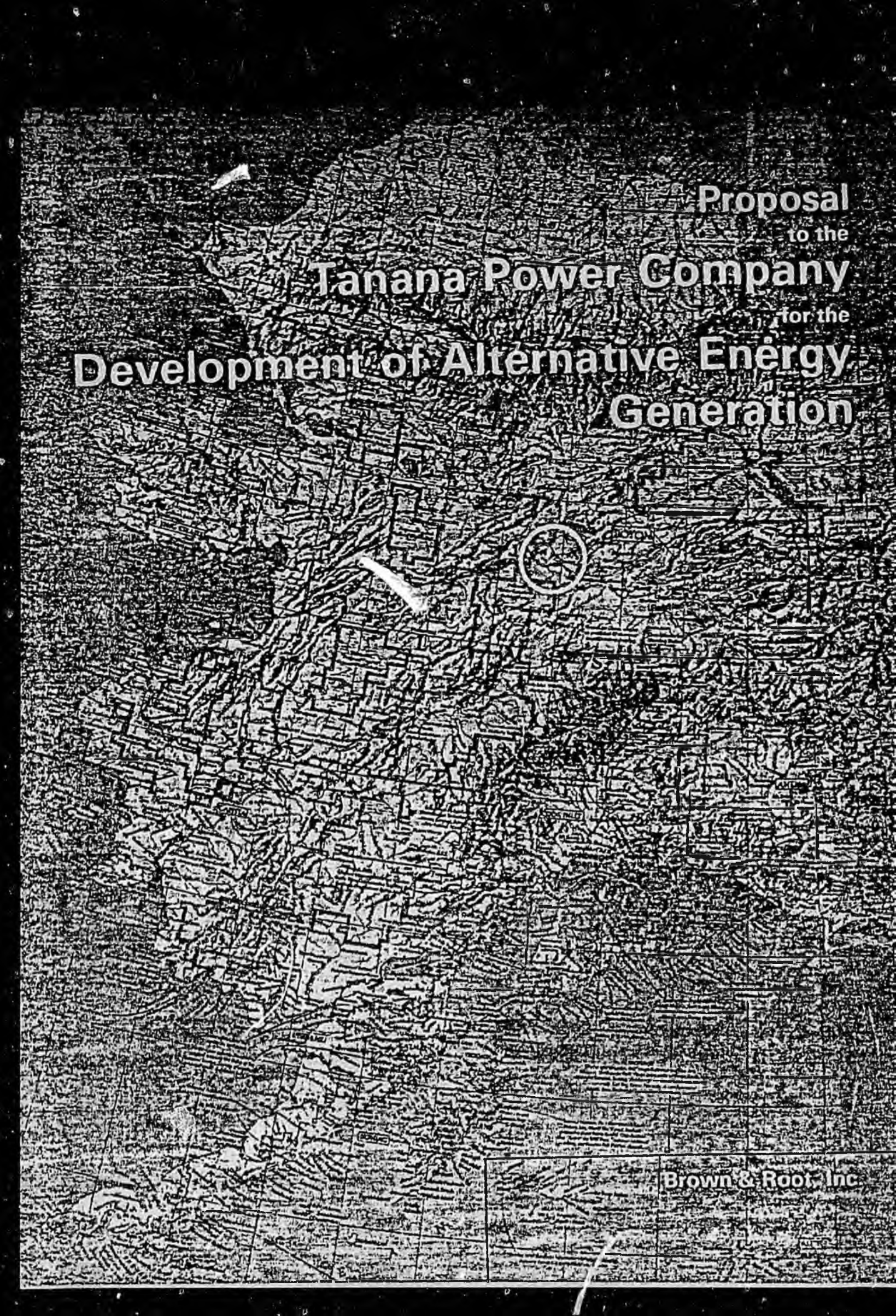
Have any studies been done in the area?
Power Authority would do if they had funds.
Not convinced

Corp. of Engineers due to make reconnaissance of this
study next year.

Supplemental hydro bill being developed in
Finland.

not high in priority - return might not be too
great. Further north you go, less chance of
finding streams & hydro potential.

Should look not only at hydro but that all alternatives
be considered.



Proposal
to the
Tanana Power Company
for the
Development of Alternative Energy
Generation

Brown & Root, Inc.

C. W. Weber
Vice President

(713) 678-9009



November 2, 1979

Tanana Power Company
P. O. Box 74
Tanana, Alaska

Gentlemen:

Brown & Root, Inc. and its joint venture partner, Marks Engineering, are pleased to submit their proposal stating their qualifications and the justification for their selection as Consultant to prepare a Reconnaissance Study for Development of Alternative Energy Generation for the Tanana Area. Brown & Root, Inc. is the sponsor of the joint venture, and the work will be carried out and performed on behalf of the joint venture under the direction of Brown & Root. Brown & Root, its Alaskan subsidiaries, and Marks Engineering of Anchorage, all have considerable experience working on major projects in Alaska. The joint venture has extensive manpower resources of more than 65,000 personnel, as well as considerable financial resources.

We have made an in-house evaluation of existing topographic and hydrological information of the area in close proximity to Tanana and believe that the potential for a small hydroelectric development is a promising viable alternative for Tanana's power needs.

The content of the proposal presents the technical discussion covering the objectives, background and work plan for preparing the study.

In particular, we would point out that:

- 1) All members of our team have experience in their relevant fields of interest.
- 2) We have performed work of a similar nature on other projects.
- 3) We will assign senior specialized personnel to carry out the effort.

We feel our combination of expertise, resources, and local presence in Alaska represent a unique team. We appreciate the opportunity

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SECTION III
SECTION II
SECTION I
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Page -2-
Tanana Power Company
November 2, 1979

of being considered for this important assignment and assure you of the commitment we feel for the attainment of project goals and objectives.

We propose to perform the work outlined herein for a lump sum amount of \$35,000 under the conditions set forth in the "Engineering and Technical Services - Fixed Sum", revised 7/78 and included in Section VII of this proposal.

We will be pleased to meet with you and to answer questions as well as to provide any amplifying materials.

We are prepared to proceed with the work upon receipt of one copy of this letter approved by you.

Very truly yours,

BROWN & ROOT, INC.

C. W. Weber
Vice President
Civil Engineering Projects

CWW/vls

cc: W. E. Heffler/F. M. Britton
T. E. Knight/A. B. Crossman/J. B. Weidler
E. M. Marselli
G. R. Poke
C. L. Fick
O. M. Hodgkins (L/O)

DATE

You are authorized to proceed with the work outlined in the proposal.

Tanana Power Company

SECTION I
INTRODUCTION

This proposal has been prepared for a Reconnaissance Study for Development of Alternative Energy Generation for the Tanana Power Company in the Tanana Market area.

Our proposal outlines:

- a) a statement of the study objectives and scope of work,
- b) the background, capabilities, and experience of the project team,
- c) the study plan which describes how the work will be performed,
- d) the organization and management plan for the study,
- e) the key personnel we propose to use, and
- f) the budget.



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SECTION II
STUDY OBJECTIVE AND SCOPE OF WORK

STUDY OBJECTIVE

The objective of the study is to identify the most suitable electrical energy generation system for the Tanana market area. The objective will be accomplished by:

- 1) Determining the present and projected electrical power needs of the area.
- 2) Evaluating alternative electrical generation sources including diesel generation, hydroelectric, pulp fired steam, wind, interconnection and conservation.
- 3) For the viable alternative generation sources, preliminary designs will be prepared to establish engineering acceptability and estimated costs.
- 4) Assess the environmental considerations for each viable alternative along with the licensing aspects.
- 5) Perform economic analysis that take into account the income and cost at the desired interest rates.
- 6) Present recommendations for those alternatives worthy of a more detailed investigation.

SCOPE OF WORK

The following scope of work will be performed to achieve the study objective.

- 1) Forecast the power requirements of the Tanana market area, describe and evaluate the market areas existing power system and determine its power needs.



- 2) Evaluate alternative energy sources such as hydroelectric, diesel, pulp fired steam, wind, interconnection, and conservation, and their viability to meet area needs.
- 3) Identify sites with hydroelectric potential and perform an initial screening of these sites.
- 4) For sites with a viable hydroelectric development potential establish an estimate of the average annual output from the facilities. Perform a preliminary reservoir regulation analysis to determine the storage capacity and drawdown characteristics of the reservoir.
- 5) Determine the hydroelectric plant capacity projected power production and configuration along with the type and number of units and operating schedule. Explain the decisions behind the unit selection process.
- 6) Assess the potential environmental impact of the projected power projects along with any institutional constraints that may be encountered. Identify any fish and wildlife resources which may be impacted by the projects. Discuss possible mitigation measures and their impact on project economics.
- 7) Assess the safety hazards, if any, introduced or eliminated by the development of the projects. Justify the design flood and spillway capacity for the sites with hydroelectric potential.
- 8) Prepare conceptual designs and layout for the proposed hydroelectric sites and estimate the order of magnitude costs.



- 9) Identify feasible transmission line routes to serve the market areas and prepare an order of magnitude cost estimate.
- 10) Estimate annual operation and maintenance costs for the viable power generation alternatives.
- 11) Estimate project costs for each viable energy power generation alternative and perform an economic analysis.
- 12) Present a plan and schedule for satisfying the licensing application requirements of the Federal Energy Regulatory Commission and any other agencies for the projects.
- 13) Prepare and publish a report which covers all the items outlined above and present recommendations for further action by the power company.



SECTION IV

STUDY PLAN

The objective of the study and the scope of work have been described in Section II of this proposal. The approach that we intend to use to perform the scope of work is now described.

1) Study Outline and Schedule

We propose, as the initial step in the study, to prepare an outline for the report and describe briefly the areas to be covered in each section. From this outline a schedule will be prepared which will be used as a monitoring tool to control the progress of the study.

2) Power Requirements

The forecast of power requirements will be made for the Tanana market area. The study will examine historical power and energy use trends and project future trends with particular consideration being given to potential large users. The area's existing power generating facilities will be evaluated. The forecasts of the power requirements and the area's existing power capability will influence the size of the energy generating alternatives to be examined.

3) Energy Alternatives

The energy alternatives of hydroelectric, diesel, pulp fired steam, wind, interconnections, and conservation will be evaluated. The evaluation of the alternatives will consider:

- a) the technical and engineering feasibility,
- b) economics,
- c) environmental and licensing aspects,



- d) safety, and
- e) overall suitability of each alternative.

It is anticipated that of the six alternatives that hydroelectric generation will be the principal viable alternative and this proposal is structured on this assumption.

4) Hydroelectric Power Plant Site Selection

The power requirements forecast will have established the size of the generating capacity required. It is assumed in preparing this proposal that the energy alternative analysis will have concluded that hydroelectric power is a viable alternative. A site selection study will be made to determine suitable locations for all viable and possible power plants.

Topographic maps of the surrounding areas will be studied and the sites that have the necessary hydropower potential will be identified. Sites that have potential for hydroelectric power development will be screened and those sites that appear suitable for further study will be identified. The screening criteria that we propose to use are as follows:

Geology

The USGS geological and stock maps of the area and pertinent literature listed in the North American Bibliography and Index for Geology will be reviewed. Those sites that have features such as major fault zones, rock glaciers, slide scars and adverse lithological characteristics will be eliminated from further study.



Hydrology

The topographic maps published by USGS, and any other readily available maps will be gathered for the study area. Hydrologic data from NOAA, stream gage records if available, and any other accessible published information will be obtained. This information will be used to determine the approximate hydro power potential at the sites. This potential will be compared with the power forecast for the market area and those sites that are not suitable for meeting the projected demand will be eliminated from further study.

Site Visits

A preliminary survey will be made of the sites developed from published topographic, geologic and hydrographic data to determine their acceptability for further study. A reconnaissance visit will be made to the study area if weather and terrain conditions permit.

5) Site Generation Capability

The hydrologic data will be used to project the stream flows at the selected sites and assessment will be made of maximum and minimum stream flows. This information along with reservoir storage capacity will be used to establish the power generation capability of the site.

Further input for the reservoir regulation analysis would include:

- a) The area capacity curve for the reservoirs which could be computed using the information from the topographic maps.



SECTION V
SECTION VI
SECTION VII
SECTION VIII

- b) Evaporation loss and sedimentation build up which would be obtained from a literature search.
- c) Any water rights obligations or controlled releases required from the reservoir.
- d) The load demand curve from the power forecast.

To perform the reservoir regulation analysis Brown & Root has several computer programs in house which may be used to perform the computations. These are:

- U. S. Corps of Engineers Program HEC-5 Reservoir System Operation for Flood Control and Conservation
- Brown & Root Program CW-507 Yield Measures Study for Multi-lake System
- Brown & Root Program CW-501 Flood System Routing and Flood Hydrograph

The information that will be generated from this analysis will be:

- a) the power generated from the water release
- b) the preferred size of the reservoir
- c) the minimum height of the dam.

6) Hydroelectric Plant Unit Selection

The conceptual design, layout of the sites (see item 9) and the information derived from the reservoir regulation analysis will be used to determine the type of turbine/generator that would be most suitable at the sites.

The capacity of the units will be governed by the power requirements and variation in those requirements for the area.



SECTION V
SECTION VI
SECTION VII
SECTION VIII
SECTION IX
SECTION X
SECTION XI
SECTION XII
SECTION XIII
SECTION XIV
SECTION XV
SECTION XVI
SECTION XVII
SECTION XVIII
SECTION XIX
SECTION XX

intake structure, outlet works, penstock, powerhouse, tailrace and switchyard.

This information will be used to make order-of-magnitude cost estimates for each site.

10) Transmission Routes

The transmission line routes from the project sites to the market area will be defined. The type and capacity of the lines will be determined from the power forecast analysis and the capacity of the generating units.

A one line diagram will be prepared of the proposed electrical system and the transmission routes will be shown on a map of the area.

The estimated costs of the transmission system will be made.

11) Operation and Maintenance Costs

Operation and maintenance costs will be estimated for each energy generation alternative and will be based on the location of the sites, the size of the generating units, and the operational mode of the power system.

12) Economic Analysis

An economic analysis will be made for each viable alternative energy source. Each analysis will be based on:

- a) at least two interest rates,
- b) an assumed rate of inflation,
- c) an assumed rate for the increase in power costs,
- d) the estimated project costs,



- e) the estimated operation and maintenance costs,
- f) a 35 year term, and
- g) that portion of the available power that can reasonably be marketed.

The results of this analysis will give the costs per kwh for each of the viable alternatives.

All the economic analysis will be compared with the diesel generation alternative which will be used as a yardstick for comparison.

13) Licensing Application Requirements

A survey will be conducted to determine which agencies will require licensing applications for the alternatives. In addition to the Federal Energy Regulatory Commission (for hydro alternatives) other submissions may be required due to location of the sites. The information to be prepared for these agencies for licensing applications will be listed and a proposed plan and schedule for submitting the material will be formulated.

14) Recommendations and Conclusions

The recommendations and conclusions of the study will be included in the report.

15) Publication

The study will be published and 5 copies submitted for draft review approximately 13 weeks after the notice to proceed. After review, the report will be finalized, and 30 copies issued.



ORGANIZATION AND MANAGEMENT PLAN

Organization

The study will be under the direction of a Project Manager who has had extensive experience in hydroelectric power projects. Reporting to him will be personnel from the specialized disciplines who will be engaged on the project as their need for services dictates.

The organization chart is shown in Figure 1 and indicates the functions to be performed by the various specialists.

Management Plan

The objective of project management will be the successful coordination of the project so that the project is completed on time and within budget, and the final report is of a high quality. Brown & Root will use the following in meeting the above objectives.

- a) Scheduling
- b) Location of the work
- c) Meetings
- d) Reviews

Scheduling

As described earlier, a project schedule will be prepared with a prerequisite being the preparation of a table of contents for the report. The schedule will indicate when the various phases of the study effort and sections of the report will have to be completed to meet the project deadline. As part of our proposal we have prepared a preliminary schedule



in bar chart form and this is shown as Figure 2. For the execution of the work a project schedule will be drawn as a network to show the cross transference of information that will be required from one work area to another.

Location of the Work

The work will be performed at the office of Marks Engineering in Anchorage, Alaska and at the Brown & Root offices in Houston, Texas. It is proposed to conduct the phases of the work that deal with the power forecasts for the Tanana market area, transmission routing, delineation of the alternative energy sources, and a part of the site screening phase in Alaska.

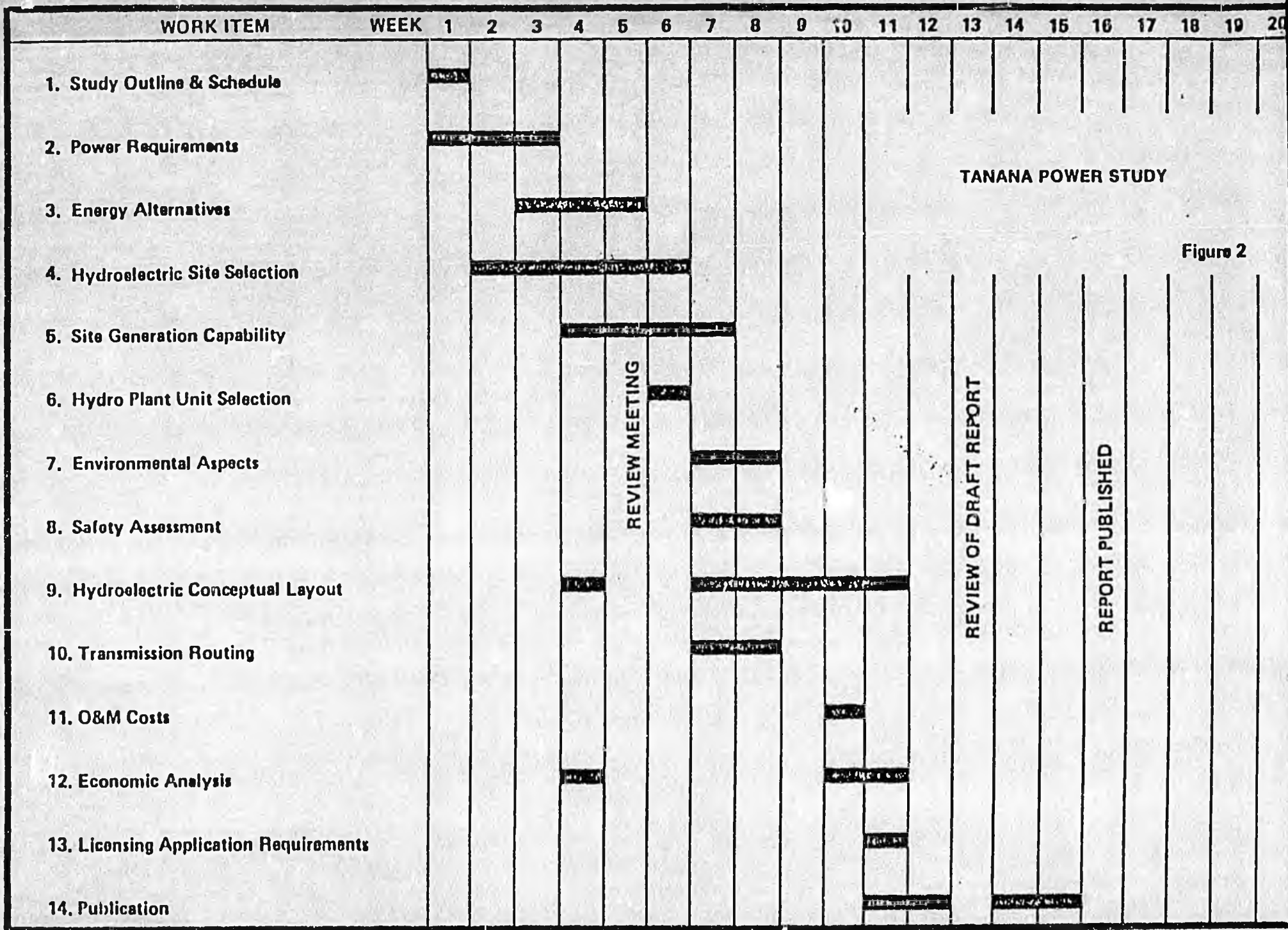
The phases of the work that require personnel from the specialized disciplines of Brown & Root will be performed in Houston where their experience can be readily drawn upon. All the work associated with the publication of the report will be performed in Houston.

The division of the work will be such that as much work as possible is performed in Alaska and that the personnel facilities at the two offices are used in an efficient and effective manner.

Meetings

We consider it important that a meeting be held with the Tanana Power Company in order that an evaluation of the work be performed. We propose to have a progress meeting approximately 5 weeks after the work has commenced. At this time the power forecast and alternative energy analysis phases of the work will have been essentially completed and the initial site screening work will be under way. At the meeting we would review the work already accomplished, the methodology to be used in the reservoir regulation and economic analysis, the schedule for the remainder of the study, and the proposed table of contents of the final report, the review





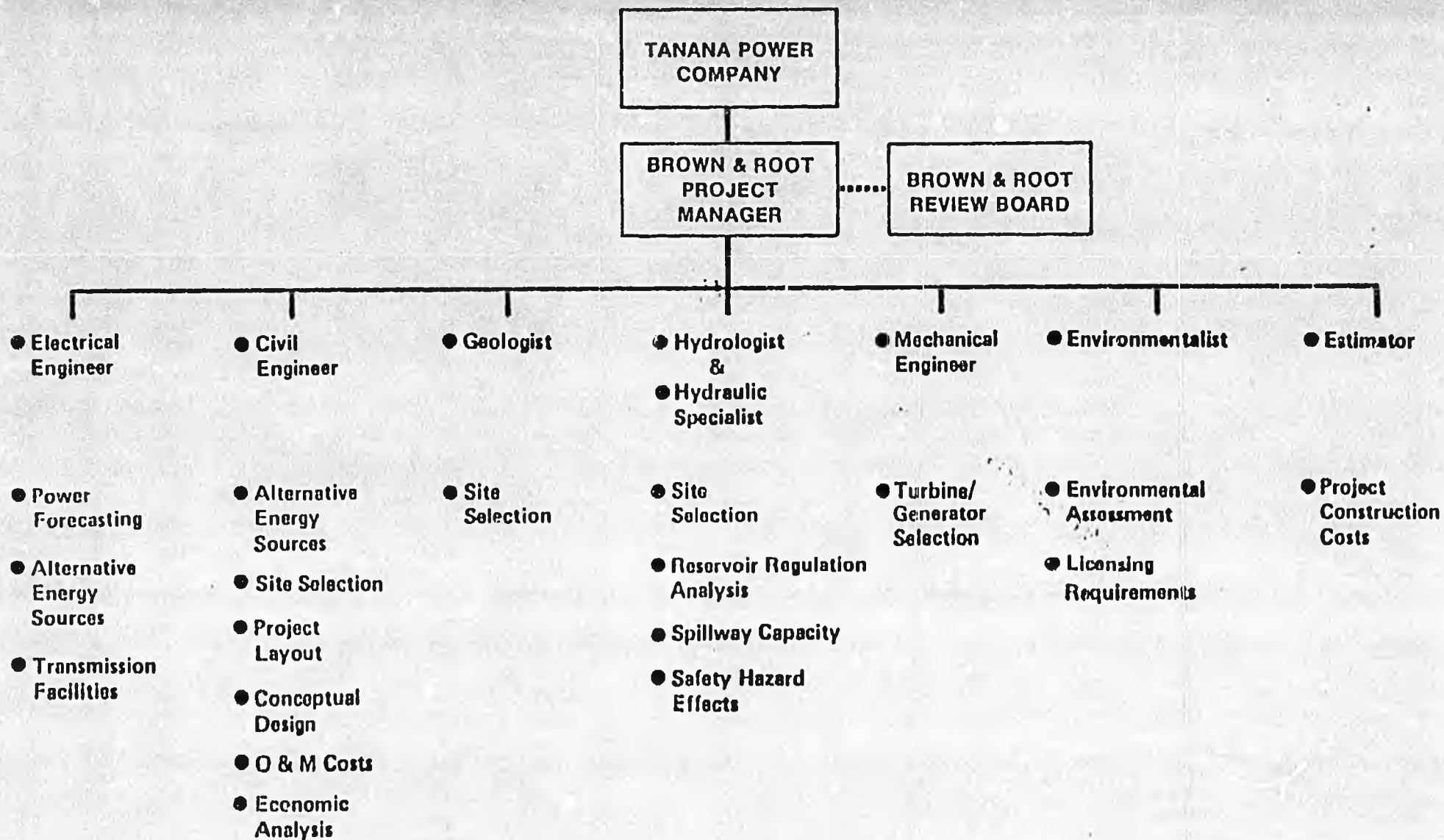
procedures for the draft copy of the report; and other pertinent matters. During this visit to Alaska a reconnaissance would be made of the sites under consideration for hydroelectric power development.

Mr. J. E. Marks will be residing in Anchorage and kept fully informed of the progress of the work and will act as the Brown & Root representative in all meetings with the Tanana Power Company.

Reviews

Reviews by the company of work accomplished by Brown & Root are essential for the transfer of information by the two groups. It is anticipated that information for review will be submitted to the Company before the draft report is issued. After the draft report has been issued for review we propose a meeting be held in Alaska to discuss and resolve the comments by the Tanana Power Company. The final report will be published after incorporating the comments of the Company.





TANANA POWER STUDY ORGANIZATION CHART

Figure 1

SECTION VII

BUDGET

Brown & Root proposes to complete the work described in this proposal for the fixed sum of \$35,000 based on the following conditions for "Engineering and Technical Services - Fixed Sum" - revised 7/78.



CONDITIONS FOR
ENGINEERING AND TECHNICAL SERVICES - FIXED SUM

1. The services performed hereunder by Engineer shall be subject to Owner's inspection, but the detailed manner and method of doing same shall be under the control of Engineer. Owner will provide full information regarding his requirements for the Project, will designate a representative authorized to act in his behalf with respect to the Project, will examine submissions made by Engineer and render decisions pertaining thereto promptly to avoid unreasonable delay in the progress of the work; Owner will furnish information required of him as expeditiously as necessary for orderly progress and Engineer may rely upon its accuracy and completeness.
2. Engineer shall retain all pertinent technical records relating to services performed hereunder for a period of at least 2 years after completion thereof. Owner shall have access during a period of 2 years to those records required for audit of items reimbursable at actual cost, if any.
3. Extra work shall not be performed, nor shall the scope of work be increased or decreased, unless authorized by Owner and agreed to by Engineer. The cost of studies and analyses required to determine scope changes shall be reimbursable and additive to the Fixed Sum.
4. For Engineer's personal services and non-labor costs for services requested by Owner which are not clearly within the scope of the work described as covered by the Fixed Sum, Engineer shall be entitled to an adjustment in the Fixed Sum, as mutually agreed. In the absence of mutual agreement on such adjustment to the Fixed Sum, Owner shall pay Engineer for the added work in accordance with Engineer's Terms and Conditions for Engineering and Technical Services current at the time of performance of such work, copy of which will be furnished upon request.
5. Engineer may submit periodic billings consistent with its standard billing procedures, not more frequently than weekly, based upon its estimates for work performed during the applicable period, subject to Owner's approval, and payment without retainage, will be due 10 days after receipt of each such billing. Should Owner not approve an entire billing, payment shall be due on the approved portion. On projects calling for substantial expenditures, Engineer may require arrangements for use of Owner's funds for payments of expenditures under procedures mutually agreed to.
6. Engineer shall provide the following insurance: Workmen's Compensation-Statutory; Employer's Liability - \$100,000; Comprehensive General Liability-Bodily Injury - \$100/300,000, Property Damage - \$100,000; Comprehensive Automobile Liability-Bodily Injury - \$100/300,000 and Property Damage - \$100,000.

Upon written request of Owner received within 5 days of the acceptance hereof, Engineer will provide additional insurance, if available, including increased coverage and/or limits; and the Owner will pay Engineer an agreed amount for the increased coverage. Engineer shall indemnify and hold harmless Owner from liability to third parties for personal injury



or property damage arising out of the Engineer's negligence or other actionable performance of work hereunder, provided, however, that such indemnity shall apply only to accidents occurring during the performance of work hereunder. Engineer's liability to Owner for the foregoing or other indemnity or for any damages arising in any way out of the performance of this contract is limited to the aforementioned insurances. In no event shall Engineer be liable for any indirect, special or consequential loss or damage arising out of the performance of services hereunder including, but not limited to, loss of use, loss of profit, business interruption or costs of field labor, equipment and materials, whether caused by negligence of Engineer or otherwise, nor shall Engineer be liable in any manner whatsoever for a failure attributable to design criteria provided by Owner, even though Engineer may have participated in the development of such criteria, and Owner shall indemnify and hold Engineer harmless from any such damages or liability. No indemnification, warranty, or hold harmless obligation regarding patents or other proprietary rights is assumed by Engineer, nor is any express or implied license under any prior patent or invention of Engineer granted Owner by virtue of this Agreement.

7. (a) All services hereunder will be performed in accordance with sound and generally accepted industry standards and practices. These services are to be performed by Engineer for Owner in consideration of the payments specified herein and with the obligation that should any of the services of Engineer hereunder not satisfy the aforementioned standards or practices, as a result of human error or omission on the part of Engineer, Engineer's sole obligation resulting therefrom will be to perform corrective services of the type originally undertaken by Engineer provided such corrective services are requested of Engineer by Owner in writing within one year from the completion (and delivery of the results thereof) of the services hereunder which include the alleged unsatisfactory services with no additional charge to be made for such corrective services.
 - (b) As to the warranty or guaranty of items of, or patent indemnity on, machinery, equipment or other products manufactured by others, or work of consultants, contract personnel or subcontractors, Engineer's responsibility with respect thereto is limited to the assignment by Engineer to Owner of the manufacturer's consultant's, contract personnel's, or subcontractor's warranty or guaranty and/or patent indemnity, and Engineer's cooperation with Owner in Owner's enforcement thereof.
8. Owner may, at its discretion, terminate the work under this agreement at any time by giving 10 days written notice. In such event, Owner shall assume all obligations, commitments, and claims that Engineer may have theretofore in good faith undertaken or incurred in connection with the work, and Owner shall pay Engineer an equitable portion of the Fixed Sum provided for in this agreement earned to date of termination by Engineer plus the costs of closing out of this work, less any amount previously paid to Engineer, plus a reasonable termination charge to be mutually agreed to between Owner and Engineer.



THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.



Scale 1" = 4 miles

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

TABLE A

HYDROELECTRIC SITE POTENTIAL

TANANA AREA

SITE NAME	Approximate Drainage Area in Sq. Miles	Average Annual Flow Based on 1 cfs/Sq. Mi.	W. S. El. at Reservoir	Elevation of Power Plant	Penstock Length in Feet	Gross Head in Feet	Net Head in Feet	Potential Plant Size *	Annual Power Production in KWH **	Reservoir Storage Volume in Ac-F
Bear Creek #1	28	28	630	300	30,000	330	210	420 KW	2,200,000	4,000
Jackson Creek	24	24	660	300	25,000	360	260	450 KW	2,400,000	3,500
Spicer Creek	20	20	625	300	21,000	325	245	350 KW	1,800,000	2,900
Schieffelin Creek	24	24	800	300	22,000	500	415	720 KW	3,800,000	3,500
Morelock Creek	47	47	600	300	11,000	300	255	860 KW	4,500,000	6,800
Bear Creek #2	51	51	750	350	27,000	350	240	910 KW	4,800,000	7,400
Canyon Creek	67	67	700	350	27,000	350	240	1150 KW	6,000,000	9,700

* Potential plant size is based on the net head, 85% overall efficiency and a full gate flow rate equal to average annual flow.

** Average annual power production based on a plant factor of .60.

*** Based on three (3) months of generation with no inflow.

FISCAL NOTE

I. REQUEST

House Bill ~~640~~ No. 640 - Title: An Act making a special appropriation to
the Alaska Power Authority for a study of hydroelectric development
in the Tanana area; and providing for an Date 1/30/80
 effective date.

Requested By 14 House Members

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development

Program Category Affected Economic Development

BRU, Program, or Subprogram(s) Affected Alaska Power Authority

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

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		35.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		35.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		35.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

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

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

A detailed reconnaissance study of the Tanana Valley area hydroelectric potential will cost approximately \$35,000. However, if hydrologic information is insufficient or not available the cost of obtaining this information could not be included in the cost of the study. The Power Authority would have to expend up to \$3,000 out of operating budget funds for proposal preparation, review, contract administration and study management.

IV. DATE 2/21/80 PREPARED BY Terry J. McGuire

AGENCY Alaska Power Authority

PHONE 276-2715

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

TANANA POWER CO.
BOX 74
TANANA, ALASKA 99777

Alaska Power Authority
333 West 4th Avenue
Suite 31
Anchorage, Alaska 99501

Attention: Mr. Eric Yould, Executive Director

Dear Mr. Yould:

We have recently contacted the U.S. Army Corps of Engineers with regard to their proposed timetable to study our area for potential hydroelectric sites. The Corps plans to study the area during 1980 and 1981, however, we feel that Congressional and budgetary constraints will slow the development of any hydroelectric sources for the Tanana Area.

Our consultant, Brown & Root/Marks Engineering have made an evaluation of existing topographic and hydrological information of the area in and about the Tanana Area and have identified seven (7) potential creeks that can serve Tanana's power needs.

Tanana Power Co. now serves 140 consumers with an annual consumption of approximately 2,000,000 kilowatt hours and a demand of 500 kilowatts.

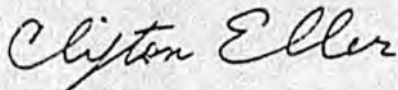
The attached map shows the potential dam locations, the drainage area limits, and location of power plants.

The attached table "A" lists information on each of the potential sites. It should be noted that in all cases, the reservoir is at a much higher elevation than the powerhouse. Higher dams could be employed to reduce the penstock lengths. Evaluations would have to be made to determine if higher dams with shorter penstocks are more suitable than the low dams with long penstocks shown in Table "A".

We are requesting that funds be made available by the Alaska Power Authority to proceed with a Reconnaissance Study in 1980 for the development of hydroelectric energy generation for the Tanana Area.

Your cooperation in this matter is sincerely appreciated.

Sincerely,



Clifton Eller, President
Tanana Power Co.

cc: Senator John C. Sackett
-Representative Pappy H. Moss

attachments (2)

HB

641

(7)

COMMITTEE REPORT

HOUSE

1/30/80

FURTHER: FINANCE

Date: 4 Feb 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 641

"An Act making a special appropriation to the Department of Community and Regional Affairs for a grant to the Senior Citizens of Kodiak, Inc.; and providing for an effective date."

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

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

**MEMBERS SIGNING
DO PASS**

Ben Paul

Charles Stang

Ray McEwen

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Ben Paul

CHAIRMAN

A M E N D M E N T

OFFERED IN THE HOUSE:

By: House C&RA

To: Fiancee

HOUSE BILL No. 641

SENATE BILL No. _____

PAGE: 1

LINE: 7 & 12

Line 7

Delete "Department of Community and Regional Affairs" and replace with "Department of Health and Social Services, Office of Aging"

Line 12

Delete "Department of Community and Regional Affairs" and replace with "Department of Health and Social Services, Office of Aging"



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE:

HB 641 Senior Citizens Appropriation/Kodiak

ORIGINAL SPONSOR: Zharoff

OTHER SPONSORS: _____

RECEIVED FROM: _____

FURTHER REFERRALS: _____

HEARING DATE:

2/1/80

MEMBERS PRESENT:

Bill Parker
Margaret Branson
Pat O'Connell

Pat Carney
Charlie Parr
Fred Zharoff
Ray Metcalfe

Testifying:

Holmberg, Dept. HEAA
Plotnick, Office of Aging
Pignalberi, DC&RA

COMMITTEE ACTION: Bill passed out.

TAPE #2 SIDE 1 Footage 899-1290



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HB641 Appropriation DC&RA for Senior Citizens of Kodiak.

ORIGINAL SPONSOR: Zharoff
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: Financa

HEARING DATE: 2/4/80

MEMBERS PRESENT: Bill Parker
Margaret Branson
Pat O'Connell

Pat Carney
Charlie Parr
Fred Zharoff
Ray Metcalfe

Murray - Project Director from Kodiak

Addresses inadequacy of existing services. Dept. of Social Services has been administering and it has been done poorly. AFN had the contract for homemaker services in 1979. Local administration is what is being sought. This could be considered a pilot program in Kodiak. The closer such programs get to the community, the more effective they are.

Parr -Dept. ameks decisions re who will administer. HESS still has responsibility for determining who receives help?

Murray - Local community would make this decision;

Parr - Has a problem with the local community making that decision.

Art Holmberg, Director of Div. of Social Services

Administration of Homemaker program has been a disaster. Particularly in the rural areas this has been a problem. HESS determines eligibility. No problem with idea of a pilot program. HESS would have to contract as they have no grant in aid authority. Can't pay money in advance. Administrative Procedures Act forbids this.

Parr - Doesn't understand that there couldn't be payment in advance. If the language says grant, it could be given as a grant.

Holmberg - Statewide contract recommended in HB616 for another year. Would like to see it all under one program. HB616 would have to be reworded.

Parr - Allocation made to Dept. to be proportionately dispersed. Would approximate need in each community be determined by the Dept? Otherwise money might run out.

Holmberg - Health home aids services have been added to HB 616. Homemaker and Home health can be split.

COMMITTEE ACTION:

Bill signed out of committee *with amendments*

TAPE # 2 SIDE 1 Footage 899-1330

House Bill 641
Zharoff

Homemaker Ser-
vices--Kodiak

February 21, 1979

Mr. Art Holmberg
State of Alaska
Division of Social Services
Pouch H-05
Juneau, Ak. 99811

Re: Delivery of Home-
maker services in
Kodiak Area



Dear Mr. Holmberg:

I have been the project director of the Senior Citizens of Kodiak, Inc since October, 1972. During the time I have served as director I have witnessed several arrangements for the delivery of homemaker services in the State of Alaska. As a result, I have developed definite feelings about the delivery of this service; and would like to share with you my perception of the past, present and what I envision as the realistic future of the delivery of this important service. Please recognize that my analysis is based upon my experience in the Kodiak area, but I strongly believe it can be extrapolated with some reliability to the remainder of the State. I would first like to comment on the past.

A. Past

I first became involved with clients seeking homemaker services in 1974. At the time the service was delivered by Alaska Homemaker Service. The division of family and children's services was the local contact to which I made referrals for service. They in turn contacted Alaska Homemaker-Homehelper Service to authorize the delivery of the service. It was the responsibility of AHHS to provide a homemaker to the client. However, they did not have the ability to handle this and relied on Div. of Family and Children's Service to find a homemaker and monitor the delivery in the home. This arrangement continued until June of 1977. By this time the Div. of Social Services had been created, and due to the adverse comment on this arrangement defunded Alaska Homemaker Homehelper Service, and contracted with Werner's Bookkeeping Service to handle the contract. More reliance was placed on the district social workers to administer the program. However, there did not exist a clear channel of communication as to who was to be responsible for what. Under this arrangement the funds allocated for the year were expended by mid-October with several clients left in an adverse situation--no homemaker. Again, this arrangement proved inadequate and unacceptable. Pressure was placed upon the division to develop a better program for the delivery of this service. An RFP was developed, and the Alaska Federation of Natives was awarded the contract for a State-wide service

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Dennis Murray
Project Director
Tel. 486-5630

for the present year FY 78-79.

B. Present

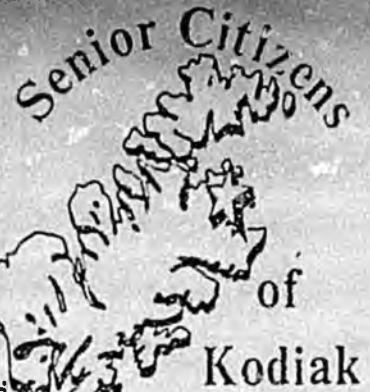
During this year I have been directly involved with the delivery of homemaker services in the Kodiak area. It has been my experience that the efforts of AFN can be compared with the arrangement between the state and Werner's Bookkeeping. That is to say that the quality of the service has not improved. I would like to sight an example where I was directly involved.

Ex. An elderly female, age 78, was admitted to the Kodiak Island Borough Hospital with general symptoms of dizziness, electrolyte imbalance, etc. In a day or two the patient improved substantially, and the physician determined that acute hospital was no longer appropriate. However, the patient was reluctant to return home complaining of loneliness, etc. In addition to the symptoms elicited upon admittance to the hospital the patient had two sensory deficiencies which were contributing to her overall health status. The patient has suffered substantial hearing loss during the past several years. Also, the patient has developed severe visual impairment due to the development of cataracts on both eyes. With this information the doctor attempted to secure authorization for admittance of the patient to the ICF facility in Kodiak. However, the medical review officer for the medicaid program determined that there was insufficient evidence to justify medicaid's payment for the cost of care in the ICF facility. It was recommended that the patient seek care at the custodial level. (Such care does not exist in Kodiak, and the patient would have to be transferred to Anchorage.)

It was decided by the family and myself that the patient's condition might improve if she were to move to the new elderly housing project recently completed. Crucial to the move was the placement of a homemaker in the home to assist the patient with daily living tasks. I contacted the local social services office regarding the application, and was asked my recommendation for a person to deliver the service. I recommended a neighbor of the client with whom the client had a comfortable relationship. The application was submitted by the social worker to Anchorage social services for authorization and transmittal to AFN for their final processing and approval. It is my understanding



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from Ms. Betty Davis, regional supervisor for the division of social services approved the request on February 5, 1979, and transmitted the request to AFN for final processing. To date the homemaker has not received a contract. The homemaker has been delivering services, but with no guarantee that payment will be made for services rendered.

It is my firm belief that under the present mechanism the example I have sighted is not the exception but, in fact, the rule. (Please remember, I am speaking from my vantage point, and will certainly modify my position where it can be demonstrated I am incorrect.)

At this point I would like to make some observations about the past and the present mechanisms for delivery of this service to the elderly in the State of Alaska.

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Project Director
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- #1 Attempting to provide a service on a state-wide basis by one contractor with insufficient administrative funds is an effort in futility.
- #2 Attempting to use the district offices of the division of social services is almost as difficult. It has been my experience that the primary emphasis of the division of social services has been and will continue to be the delivery of services to children. That is not to say that this is not proper, but it is a comment on the attitudes expressed or otherwise of social workers dealing with adult protective assistance and especially the delivery of homemaker services to the elderly. (I pose the question, "If all of your experiential background, your schooling and the major portion of your job description related to the delivery of services to children, would you have the empathy, understanding, etc. to deal with an occasional adult protective assistance need??") [Again, I will reaffirm my position---"I'm from Missouri---show me differently and I'll change my thinking.] I'll also pose a corresponding question, "How many district social workers have degrees in social work with emphasis in gerontology?????"
- #3 To my knowledge the division of social services does not have a clearly defined policy regarding adult protective assistance cases. There appears to be no prioritization of need based on established criteria. Without such information it seems to me that the utilization of funds under the adult protective assistance category is a misnomer and some placements are inappropriate given the need for conservation of limited resources. To further emphasize this point I would like to sight two examples.
 - a. Using the case of client mentioned earlier, I would feel this is to be given high priority. This person was at risk of being institutionalized inappropriately.



a. continued

With adequate homemaker support this person can continue to live independently for some time. The cost of that homemaker support may be \$500.00/mo. The cost of ICF care would be \$3,000/mo. minimum.

- b. The second case is an elderly gentleman living alone in his own home. He doesn't drive much anymore, and needs some assistance in cooking his meals. However, physically he is in fair condition. His situation is not ideal, but he is managing. If he can be delivered a meal from the senior center and provided transportation when needed he will be able to continue his present living situation. He, too, would be eligible for adult protective assistance services; but certainly he should not be delivered services ahead of the first case.

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#4 Since 1974 I am unaware of any consistent monitoring and evaluation of the delivery of homemaker services in the Kodiak area. The only monitoring and evaluation which has occurred has been through the efforts of the senior center.

#5 In addition to the division of social services other agencies have been involved in a myriad of programs delivering some form of homemaker services in the state. Some programs have been sponsored by the State Office of Aging. Others have used C.E.T.A funding, Title IX funding, etc. There exists, in my opinion, a serious fragmentation and lack of coordination in the delivery of this service. [Please find attached a resolution addressing this question. One similar to it was adopted by the Governor's Advisory Committee on Aging at their October, 1978 meeting in Ketchikan.]

By now I'm sure your tired of hearing about the negative so I'll close this part by saying I believe alot of persons have benefited from the services provided, but it is my strong belief those services can be provided in a more qualitative and cost effective manner. I would now like to make a case for what I consider to be a more effective delivery of this important service.

C. The Future

I think the division of social services and the state office of aging should develop and inter-agency agreement whereby the division of social services would allocate \$750,000 of the 1.6 million budget for adult protective assistance to the state office of aging for reallocation to senior centers in the following urban areas: Anchorage, Fairbanks, Juneau, Ketchikan, Kodiak and Sitka. Since the office of aging is already established to distribute monies via grant applications and the centers establish various categories of service, the proportion used

- C. The Future continued....
for administrative expense at both the state and local levels could be contained to 10% or less. This would leave 90% of the funds allocated for direct services to the recipients. I would like to sight Kodiak as an example of how this procedure could work.



1. Kodiak Homemaker Program

The office of aging through the competitive bidding process makes available to its grantees monies for the specific delivery of homemaker services. Emphasis is placed on the urban areas initially for response. [Although small projects may wish to tackle the service on a case by case basis, I believe the senior centers in the urban areas may be more capable of handling this program initially. I would not rule out the opportunity of the smaller senior programs from applying where an ability in the area has already been demonstrated]

Once the state office of aging has made the allocations (let us assume that Kodiak area receives \$30,000.00), the senior program will initiate the delivery of the service.

It would be my desire to proceed as follows:

- #1 I would hire a full-time homemaker supervisor. This person would be a licensed LPM. I would pay this person based on experience \$12,000--13,000 annually. This person would be responsible for performing direct services during 60--80% of his/her typical day. In addition, this person would be responsible for the necessary monitoring and evaluating of potential clients, paperwork for reporting services rendered, and supervising any part-time help hired to perform specific services. \$3,000-5,000 would be spent on fringe benefits for the workers, \$1,000 would be spent for overall center administration with the remainder used to hire part-time workers on an as-needed basis
- #2 One potential obstacle would be the present regulations regarding the limiting of services by our corporation to persons 60 years and above. I would attempt to modify the articles of incorporation of the center so that this barrier would be eliminated. This change is in recognition that adult protective assistance has a client population of persons age 18--over.

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C. 1. #3 I realize there needs to be more refinement of this proposal, but I believe that it is the first step toward a more comprehensive delivery of homemaker services in many Alaskan communities.

For those areas which do not come forward with a good plan for service in their communities I would allocate the remainder of the \$1.6 million to the division of social services for use by the district social workers for the delivery of this service.

I have certainly not expressed all of my thoughts regarding this program, but I feel I have provided you with a firm basis of my thinking. I challenge you and the division of social services to use my ideas to improve this very important service in the State of Alaska.

I would be happy to discuss my ideas with you or your representative at your convenience. I intend to testify at the public hearing in Anchorage on February 27 regarding the FY 80 social services plan and specifically adult protective assistance. I firmly believe a cooperative agreement can be made between your division and the office of aging to implement my thinking.

I thank you in advance for the opportunity to provide input on this matter.

Sincerely yours,

Dennis Murray
Dennis Murray

cc. Mr. Daniel Plotnick, State Office of Aging
Senator Bob Mulcahy
Representative Fred Zaroff
Project Directors for grantees of the office of aging

Attachments



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RESOLUTION NUMBER 5

V. WHEREAS, there exists throughout the State of Alaska a serious fragmentation in the delivery of in-home services with various levels of service being provided by persons with various levels of skills (and in some cases no skills) without adequate planning, training, monitoring and evaluation of the effects of these efforts; and

WHEREAS, this situation has created serious problems for communities delivering these services and more importantly the recipients of these services; and

WHEREAS, there exists within several departments of the local, state and federal government and the private sector, resources directed at this service delivery program [To Include: Comprehensive Employment Training Act (C.E.T.A.) within Community and Regional Affairs, 12 Regional Native Health Corporations, and others; Adult Protective Services within the Div. of Social Services; Senior Employment opportunities under Title IX of the Older American's Act, Title III of the Older American's Act for supportive services; Municipal health services in the larger communities; Public Health Nurses within DHSS; Medicare; etc.....; and

WHEREAS, the federal government and the State Government have identified in-home services as a State and National priority and legislation has been introduced which stresses the need for one central access point in any community for the delivery of this service,

Therefore Be It Resolved,

That the Department of Social Services to place in highest priority within its state plan the following: request

- 1) Identification of all agencies and groups providing this service at whatever level;
- 2) the development of a state-wide plan for the delivery of this service through coordinated efforts with all agencies involved.

This plan is to include:

- a. state-wide objectives which can be measurable as to the impact of in-home services on the programs, advantages and disadvantages to the consolidation of existing programs into a more community based central access point.,
- b. standardization of criteria for training, monitoring and evaluation of these programs,
- c. the pooling of resources to provide training of persons delivering these services,
- d. clear definition of the levels of services, how they inter-relate, how they are different, what should be the order of priority when a community considers a program in the area.

Continued

- 3) Once formalized, this information should be made available to all interested groups and individuals on a state-wide basis with particular attention to grantees of the office of aging.
- 4) The possibility of senior centers becoming that central access point on a state-wide basis for the delivery of this services. What are the advantages and disadvantages of this approach????

RESOLUTION

Delivery of Homemaker Services in the Kodiak Area

Whereas, The present mechanism for the delivery of homemaker services under the adult protective assistance provisions of the Division of Social Services FY 79 plan is inadequate, ineffective and poorly administered in the Kodiak area,

Whereas, The delivery of this service is vital to the well-being of the area's elderly population,

Whereas, The board of directors of the Senior Citizens of Kodiak, Inc., an advocate for improved services to the elderly of the Kodiak Island Community, has discussed the present situation at length,

Whereas, The board of directors recognizing the importance of this service has authorized in the past significant staff time towards the development of a more coordinated and cost effective use of the homemaker service in the area including the development with the Kodiak Mental Health Center of a homemaker training program [40 individuals received training under a subcontract with the Mental Health Center],

Whereas, The board of directors feel that the present system must be changed in order that the elderly receive the full benefit of this service thereby improving their general health status, and in some cases, preventing their inappropriate and premature institutionalization,

Whereas, The board of directors of the Senior Citizens of Kodiak feels that there should be local control for the provision of the homemaker service,

Whereas, the federal government also recognizes the need for the development of a focal point for the delivery of all services to our nation's elderly (a multi-purpose senior center), and has included language in the 1978 amendments to the Older American's Act expressing this desire,

Whereas, The board of directors feel that the senior center can provide this service in a qualitative and cost effective manner,

Therefore Be It Resolved, That the Division of Social Services allocate a portion of its resources under the adult protective assistance category of its FY 80 social services plan to the State Office of Aging for its reallocation to the Kodiak Senior Citizens Center to the delivery of homemaker services in the Kodiak Island Area.

This Resolution was adopted by the unanimous consent of the board of directors of the Senior Citizens of Kodiak, Inc. at their February 21 meeting



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4-5-79

Representative Fred Zharoff
Pouch V
Jubeau, Ak. 99811

Re: Homemaker Proposal



Dear Fred:

Upon returning to Kodiak several other matters kept me from completing the homemaker proposal. I have just now had the opportunity to finish it.

Please note in the proposal to Mr. Holmberg of the Division of Social Services that our community is requesting that a sub-contract be awarded to us from the contractor for the south-central regional area. It certainly is not clear whether this will be possible. It will be the decision of the regional contractor. [I should explain that the division of social services has requested proposals for homemaker services in 6 regional areas of the state. This is a program change from last year's request for a state-wide contract. However, as I indicated in my previous coorespondance with you, a regional contract does not help our Kodiak area.]

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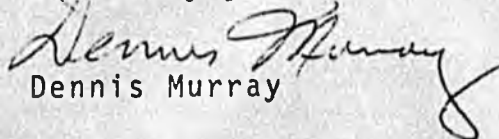
In my letter to Senator Mulcahy on behalf of my board of directors I asked him to intrjduce legislation which would appropriate fungs directly to our community for this service. I believe the board would also like you to introduce companion legislation in the house. It is the feeling of the board and various agency personnel that Kodiak can serve as a model for other communities in this area.

I feel that the strategy should be that this request is for a pilot program with language to include other areas if it is proven successful!

Further, I believe that your introduction of a bill would also serve the purpose of heightening the awareness of the division of social services that our community is serious on this matter. It may increase our chances of obtaining the sub-contract.

Should you have any questions about this, do not hesitate to contact me.

Sincerely yours,


Dennis Murray

Encl.