

785 SCRA KODIAK REPORT - HJR 62

STATE OF ALASKA

dora

JAY S. HAMMOND, Governor

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

POUCH B
JUNEAU, ALASKA 99811

January 18, 1980

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

Dear Senator *Clem* Tillion:

In accordance with the provision of House Concurrent Resolution No. 7 as amended, presented herewith is a report reviewing the progress made to provide services to the "urban" resident of the Kodiak Island Borough not residing within the City of Kodiak.

The report is a brief summary of the existing situation in Kodiak, progress that has been made this past year, and recommendations for further action to resolve the problems that still exist before water and sewer services can be provided to residents living outside the City of Kodiak boundary.

Sincerely,



Lee McAnerney
Commissioner

Enclosures

REPORT TO THE
SECOND SESSION OF THE
ELEVENTH LEGISLATURE
RELATING TO REVIEW OF
SERVICES PROVIDED TO THE
RESIDENTS IN THE KODIAK ISLAND BOROUGH

PREPARED AND SUBMITTED PURSUANT
TO HOUSE CONCURRENT RESOLUTION NO. 7AM
BY THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

JANUARY 18, 1980

Background

As a result of a petition to annex a small area into the City of Kodiak the Local Boundary Commission (LBC) held two public hearings, one on December 12, 1977 and the other on May 20, 1978, to take public testimony on the annexation of a larger area to the City of Kodiak. This area included the Spruce Cape area, the Mill Bay Road area, the Monashka Bay area, and the United States Coast Guard Station. Following the public hearing the LBC recommended to the First Session of the Eleventh Legislature that all of the areas, except the Coast Guard Station, be annexed to the City of Kodiak. The Legislature disapproved this annexation by adoption of House Joint Resolution 10. The Legislature, in House Concurrent Resolution No. 7 amended, requested the Department of Community and Regional Affairs to study the various options to provide "services throughout the road system extending North and Northeast of the City of Kodiak" and to submit a report to the Legislature by January 20, 1980.

Progress to Date

During 1979, the City of Kodiak and the Kodiak Island Borough worked together to devise an acceptable compromise to provide services to the residents of Service District #1 which includes the area proposed by the LBC for annexation. The Department was kept apprised of these negotiations, and it was clear that the City and Borough wished to work its problem out without C&RA involvement.

The negotiations centered around providing water and sewer service to an area referred to as Service District #1, which includes the Island Lake and Spruce Cape areas. The City of Kodiak indicated in writing in December, 1979, that "the City's attitude does not preclude small annexations as requested through the presentation of 100% petitions, but does reject the idea of major annexations". This attitude would also preclude the provision of services by instituting a step annexation. The Local Boundary Commission has also stated that it will not pursue annexation in the City of Kodiak area on its own and will only become involved if petitioned.

The method of providing service through a service district approach appears to have the mutual support of the City and Borough. The City is willing to provide water at the city boundary to Service District #1 and to treat effluence from this area. The City will provide water meters to allow for the billing to the Borough for the residents getting water and sewer service in the area outside the city.

The major concerns that need to be resolved deal with the operation and maintenance of the water and sewer utility service. A rate study needs to be conducted and the City and Borough have not, as of this date, reached an agreement on selection of a consulting firm to do this work. The City has stated that it does not wish to become involved in any contractual arrangement to operate and maintain the water and sewer systems within Service District #1. City Mayor Al Beardsley states that this "maintenance (within Service District #1) can just as easily be contracted (by the Borough) with a private firm". Agreement has been reached to allow the City inspection privileges during

installation of sewer lines to minimize infiltration into the sewer collection system within Service District #1.

Public Meeting

On January 12, 1980 Commissioner Lee McAnerney convened a public meeting for the purpose of receiving public comment regarding the "best" way to provide services to those residents of the Kodiak "urban" community outside the City of Kodiak. The managers of both the City and Borough, the city mayor, seven other assembly or council members, and fourteen public participants were present at the meeting.

Thirteen persons testified during the meeting. The overwhelming majority of those testifying favored the direction that the City and Borough have taken in negotiations between these two local governments. The testimony expressed a feeling that the service district approach gives the residents involved more alternatives in the level of service they will receive.

One person testified in favor of annexation of Service District #1 to the City of Kodiak as the best short-term alternative with unification of the City and Borough being the long-term or ultimate solution.

Future Outlook

This Department is prepared to assist the City of Kodiak and the Kodiak Island Borough in their attempt to work out remaining differences between them. Both the City and Borough should be commended for the progress that has been made to date. There is no reason to think that the remaining

differences cannot be worked out within the next few months.

The question of unification will again appear on the October, 1980 ballot. If this proposition is approved, jurisdictional problems in providing services to Kodiak Island residents would be resolved.

The Department concludes that no further action is required by the Legislature, the Local Boundary Commission or this Department, at this time, in the matter of provision of municipal services to residents living within the Kodiak "urban" area.

HCR

67

Committee Log Book - 1980

Tape Number XXX

SENATE C/RA // Chairman Sturgulewski

Side Number 1

Committee

Present: Senators Kelly, Stimson, Mulcahy

Dates 5/20/80 to ---

Absent: Senator Rodey

Bill Numbers Discussed

HCR 67	CSHB 932								
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Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2:15 5/20/80	000	HCR 67	Chrmn Sturgulewski opened meeting.
		039	Sen. Kelly moved to pass out. / No objection.
	050	CSHB 932	Chrmn. Sturgulewski gave summary of bill.
	113		Sen. Mulcahy moved to adopt SCS / No Objections
			Additional amendments were discussed - and
			Sen. Mulcahy moved to adopt amendments
	190		Gordon Stockdale, AA to Rep. Duncan, Bill Sponsor
	265		Chrmn Sturgulewski/ Concern 44.19.226 (Staff)
	309		Sen. Kelly moved to delete 44.19.226
	320		Sen. Stimson - questions
	353		Sen. Stimson/ Kelly - sunset questions
	467		Sen. Stimson moved that amendment clearly showing repeal be made. No objections.
	513		Sen. Stimson - Questions: Council size, term length, etc.
	590		Sen. Stimson moved to pass SCS CSHB 932 with w/ individual recommendations. No objections.
	625	Next Mtg	Meeting with HUD Washington D.C. officials
	645	INTERIM WORK	Brief Discussion/ Summary

678 MEETING ADJOURNED

May 13, 1980

HOUSE JOURNAL

1331

Representative Metcalfe changed his vote from "nay" to "yes."

CSHB
1031

And so, CSHB 1031 passed the House.

Representative Anderson moved and asked unanimous consent that the roll call on the passage of CSHB 1031 be considered the roll call on the effective date clause. There being no objection, it was so ordered.

CSHB 1031 was referred to the Chief Clerk for engrossment.

SECOND READING OF HOUSE RESOLUTIONS

HOUSE CONCURRENT RESOLUTION NO. 67 (relating to the Inuit Circumpolar Conference) was read the second time with the Community and Regional Affairs Committee report (page 1303 of the journal).

HCR
67

Representative Anderson moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION NO. 67 (same title) be adopted in lieu of the original resolution.

Representative Malone objected.

Representative Zharoff moved and asked unanimous consent that he be allowed to change his recommendation on the Community and Regional Affairs Committee report from "do pass" to "do not pass as amended." There being no objection, it was so ordered.

The question being: "Shall CSHCR 67 be adopted?" The roll was taken with the following result:

HCR 67 MOTION
67

Yeas: 16 Barnes, Beirne, Bettisworth,
Chatterton, Freeman, Halford, Hayes,
McKinnon, Martin, Meekins,
Montgomery, O'Connell, Parr,
Phillips, Randolph, Smith

Nays: 22 Anderson, Branson, Brown,
Buchholdt, Carney, Cotten, Duncan,
Eliason, Fuller, Gardiner, Guy,
Hurlbert, Malone, Metcalfe, Miles,
Miller, Moss, Munson, Osterback,
Parker, Rogers, Zharoff

Not
Voting: 2 Haugen, Schaeffer

And so, CSHCR 67 was not adopted.

The question then being: "Shall HCR 67 pass the House?"
The roll was taken with the following result:

HCR 67

Yeas: 23 Anderson, Bettisworth, Branson,
Brown, Buchholdt, Cotten, Duncan,
Eliason, Fuller, Gardiner, Guy,
Hurlbert, McKinnon, Malone, Martin,
Miles, Miller, Munson, Osterback,
Parker, Rogers, Smith, Zharoff

Nays: 13 Beirne, Carney, Chatterton,
Freeman, Halford, Meekins, Metcalfe,
Montgomery, Moss, O'Connell, Parr,
Phillips, Randolph

Not
Voting: 4 Barnes, Haugen, Hayes, Schaeffer

Representative Meekins changed his vote from "yea" to
"nay."

Representative Carney changed his vote from "yea" to
"nay."

Representative Halford changed his vote from "yea" to
"nay."

Representative Moss changed his vote from "yea" to "nay." HCR 67

Representative Freeman changed his vote from "yea" to "nay."

And so, HCR 67 passed the House.

Representative Randolph served notice of reconsideration of the vote on HCR 67.

Not taken up 5-13-80

ANNOUNCEMENTS

Republican Caucus	Capitol 207	Upon recess
HESS Meeting cancelled		5/13
Republican Luncheon Senator Bradley, Speaker	Capital Room	Noon, 5/13
Interior Delegation Brown Bag Lunch	Capitol 124	Noon, 5/13
Legislative Dinner Honoring retiring members	Gold Room	7:00 p.m., 5/13

RECESS

Mr. Anderson moved and asked unanimous consent that the House recess until 1:00 p.m. There being no objection, the House recessed at 11:40 a.m.

AFTER RECESS

The House was called to order at 1:06 p.m. and reverted to

COMMITTEE REPORT

HOUSE

4/25/80

FURTHER:

Date: 2 Aug 80

Mr. Speaker:

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HCR 67
"Relating to the Inuit Circumpolar Conference."

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 H.C. 67 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:

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: HCR 67 Re Inuit Circumpolar Conference

ORIGINAL SPONSOR: House C&RA
RECEIVED FROM: _____

OTHER SPONSORS: _____
FURTHER REFERRALS: _____

HEARING DATE: 5/2/80

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

Rep. Parker reviewed the Resolution and discussed the purpose of the Circumpolar Conference as being an awareness builder and reinforcement for cultural identity.

The committee decided to eliminate the wording related to "delegation" p. 1 lines 26-29

A committee substitute will be drafted to reflect this change and the bill, as a CS, was passed out of Committee.

*HS. "CS" was voted
down on floor 5-13-80*

COMMITTEE ACTION: CS to be drafted to reflect above indicated intent and the bill was signed out.

TAPE # 10 SIDE 1 Footage 298-444

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST.
 Bill/Resolution No. Committee Substitute for House Concurrent Resolution No. 67
 Title Relating to the Inuit Circumpolar Conference
 Requested by Rep. Bill Parker Date 5-5-80

II. FISCAL DETAIL
 Agency Affected Legislative Affairs Agency
 Program Category Affected General Government
 BRU, Program, or Subprogram(s) Affected Legislative Council
 (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		-0-				
200 TRAVEL		-0-				
300 CONTRACTUAL		-0-				
400 COMMODITIES		-0-				
500 EQUIPMENT		-0-				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	NONE					
FULL TIME						
PART TIME						
TEMPORARY						

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

No fiscal impact anticipated.

IV. DATE 5/6/80 PREPARED BY Sharon Sturrock, Accountant
 AGENCY Legislative Affairs Agency
 PHONE 465-3352
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



Alaska State Legislature
House of Representatives
Juneau, Alaska 99811

May 16, 1980

To Senator Arliss Sturgulewski
Senate CRA Committee Chair

From Rep. Thelma Buchholdt *TJB*
House HESS Chair

Subject HCR 67 am (Inuit Circumpolar Conference)

Arliss, I'd appreciate it if you'd schedule the above resolution and report it out as soon as possible so that it can get Senate floor action before we adjourn. I'm available to testify before your committee, if necessary.

I attended the first Inuit Circumpolar Conference in Barrow. I don't expect to attend this second conference that will be held in Nuuk which is the subject of HCR 67 am.

As far as the selection of participating legislators to the Second Inuit Circumpolar Conference, I assume 2 would be appointed by the Speaker and 2 by the President of the Senate.

Enclosed for your review are: 1) A booklet published following the Barrow conference which contains the list of participants and resolutions passed by the delegates; and 2) Informational material on the forthcoming conference in Nuuk from June 28 to July 1, 1980.

Thank you.





MAYOR EBEN HOPSON, SR., CHAIRMAN
INUIT CIRCUMPOLAR CONFERENCE

ilisimatitsissut.

pisussaaffiga malillugu ataqinaatitut ilisimatitsisutiginiarpara ICC-p 1980-imi ataatsimeersuarniessa junip 28-anit julip 1-anut pisussaammat Nuummi Kalaallit Nunaanni. nuannaarutigalugu nalunaarutigisseavara Namminersornerulernermi oqartussat Landetingimi oqartussaanerup Jonathan Motzfeldt-ip siulersugaata taasinertiguv ataatsimeersuarniessamut tassunga qaaqqu-sisuummata.

ICC-p 1977-mi Barrow-imi Alaskami ataatsimeersuarnerata kingor-nagut immikkut ittumik ataatsimiititaliaq suliarisimaasaminik nalunaaruteqassaaq.

inuit nunagisamik ilaanni nunamilu tamarmi oqartussatut qiner-neqareimasut (tamanit immikkut 18-usussat) Alaskamit Canadamit Kalaallillu Nunaannit suleqatigiinnissat malittarisassaatut siunnersuut issitormiut suleqatigiinnissaata pilersinneranik imaqartoq tigusussavaat.

ataatsimeersuarnermi aggululluta suliaasat makkununga tunnga-sut suliariniassavut:
kultuurikkut kingornussarsiat.
nunaqarfiit atortulersornissaat ineriartornissaallu.
ilinniarititaaneq inuillu oqaasii.
avatangiisitta illersornissaat piniakkallu nungutsaalinissaat.
issittumi isumalluutitta iluaqtiginissaat maanakkullu ator-tut illersugassarlu.
peqqinnissamut inunnillu isumaginninnermut tunngasut.
issittumi assartorneq ataqatigiinnerlu.

inuit eqqumiitsuliortutut suliaqartut suliamik ilaat saqqummer-sissavaat inuillu kingornussarsiaasa oqaluttuussartaat Kalaal-lit Nunaata katersugaasiviani saqqummersinneqassapput. Filmit lysbilledilli inunnut issitormiunullu tunngasut takutinneqa-ssapput. inuit tivasaartut qitittartullu, erinarsortartut isi-ginnaartitsisartullu Nuummi ataatsimeersuarnerup nalaani alii-kkuseruisssapput.

inisaqartitsinissamut nerisaqartitsinissamullu peqataasut pe-riarfissaat killilerujussuupput. taamaattumik pisariaqarluinnar-poq peqataarusuttut ilaajumanerminnik allaffissaq uuma ataanit-toq atorlugu nalunaaruteqassasut, taanalu kingusinnerpaamik April-ip 1-anni 1980-imi nassiutereersimassalluni. ilaajumaner-mik allatsinnissamut akiliutissaq inunnut ataatsimut 100,00 dollarsiuvoq. akuerineqanermillu nalunaarutip tiguneranik ullut 30-it qaangiutoinnagit nalunaarutigineqassalluni. inisaqarni-ssamut nerisaqartitsinissamullu akuersineq Maj-ip 1-at tikitinnagu nalunaarutigineqassaaq tamatumalu nalaani angalanissamut peri-arfissaat ujaajangersorneqareersimallutik paasissutissisautigi-neqassapput.

eqqaasasiuk Danmarkimi inatsisit malillugit kinaluunniit Kalaal-lit Nunaaliartooq apuunnervini atortuusumik paaqqartussammat.

Borgmeester Eben Hopson
inuit issitormiut ataatsimeersuarfiata siulittuassua.

Nuummi Kalaallit Nunaanni issitormiut 1980-imi ataatsimeersuar-niessaat peqataaffigeruuppara. ilaaniissamut atortuusumik nassi-tlarsinga.

atoq: _____ telefonit: _____

najugaq:
aqqusineq: _____ illoqarfik: _____ nuna: _____

inuit peqatigiiffiinut ilaavunga - aap: _____ nuagga: _____

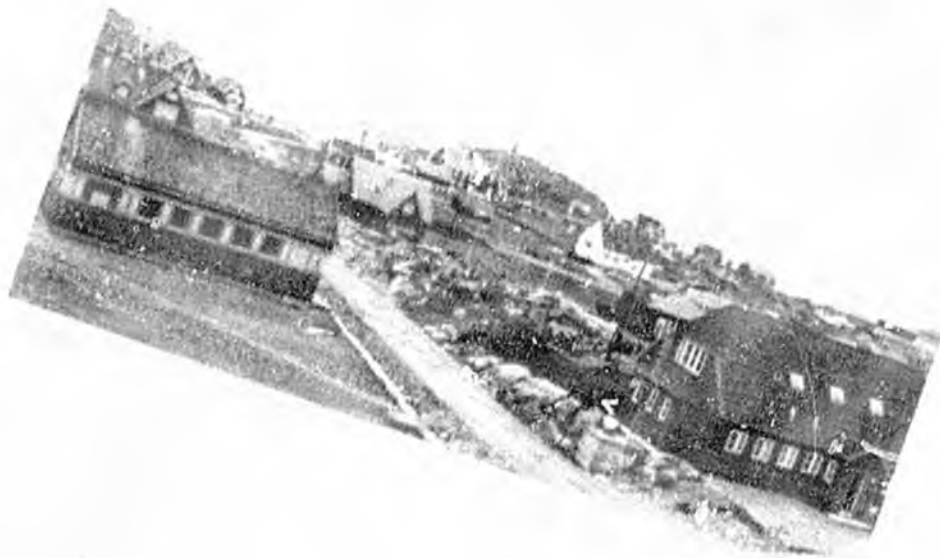
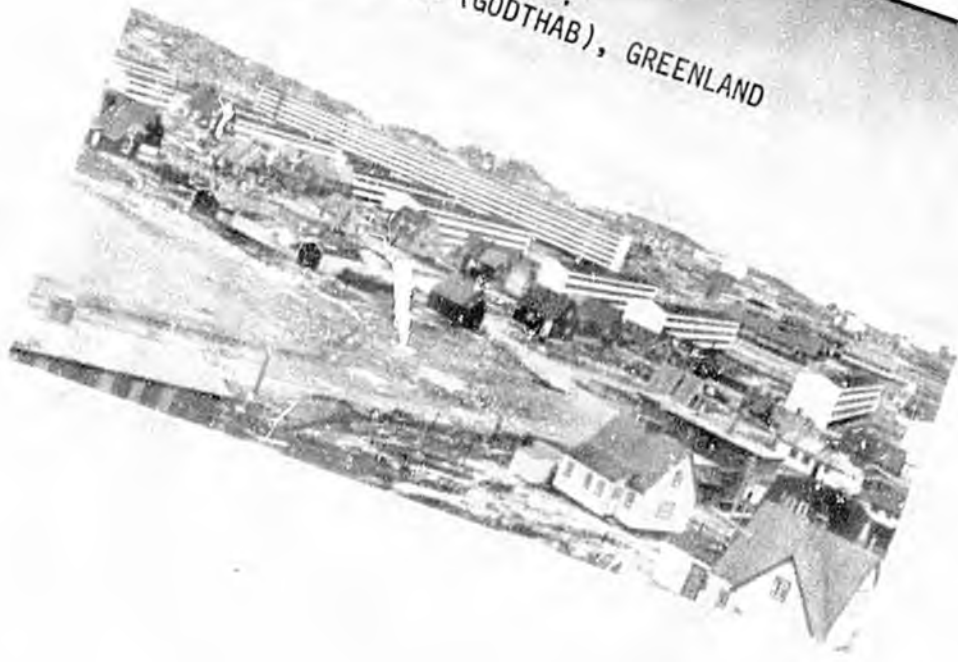
ilaaguit peqatigiiffiup aqqa: _____

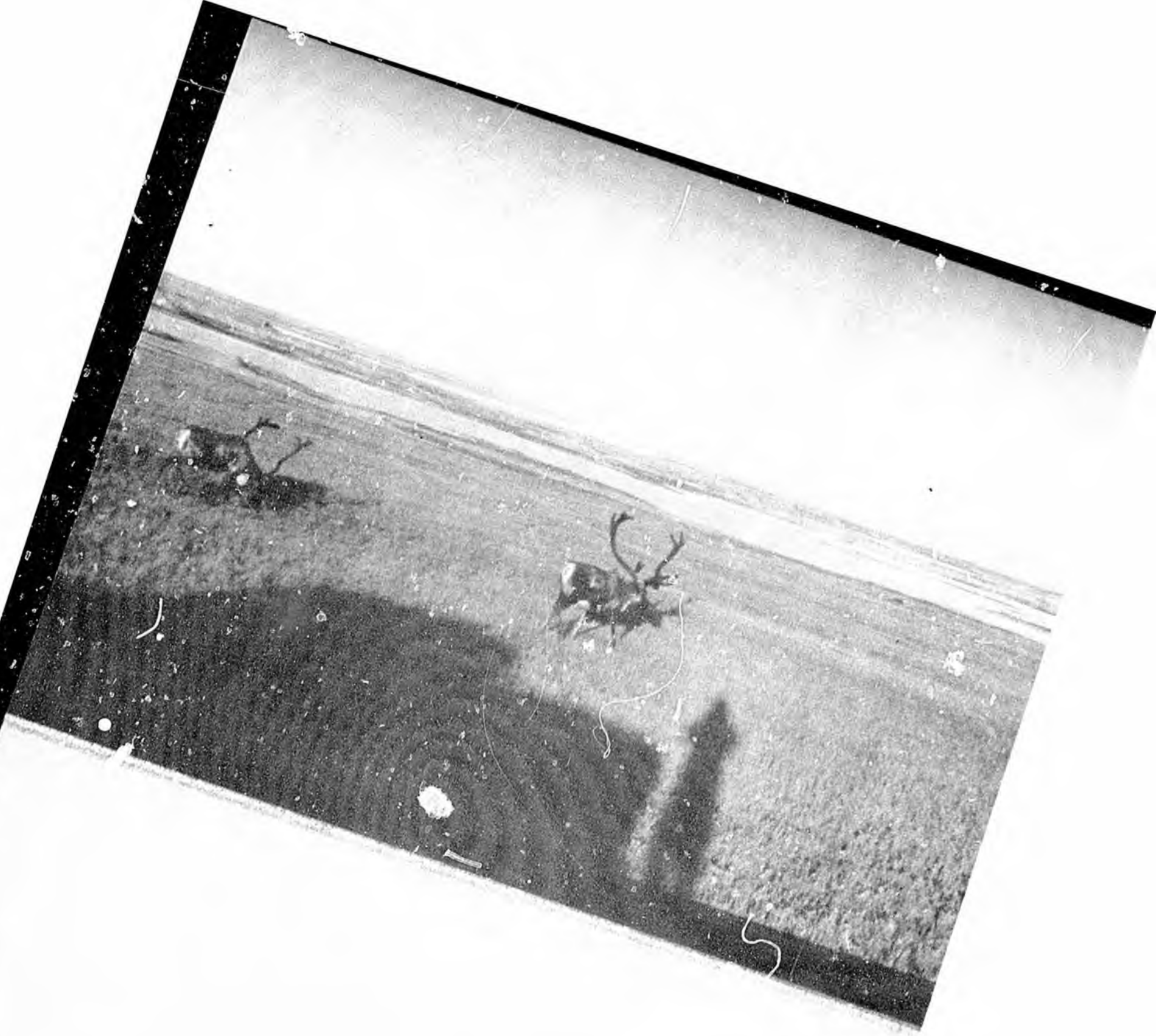
ilaangikkuit issitormiunut qanoq atassuteqarnerit:

postkorti taanna kingusinnerpaamik april-ip 1-at 1980 tikitinnagu nassiuguk uunga:

Mayor
Eben Hopson, Chairman
Inuit Circumpolar Conference
P.O.Box 570
Barrow, AK 99723

NUUK (GODTHAB), GREENLAND





INUPIAT TAPIKLUKI ATQUTCHIMUGNIQ

July 15-18, 1980

Nuuk (Godthab, Greenland)

ILISIMARAKSPAQ

Quyyatigiqpakkiga ijtchuqipkaitquyumammanna IPupiat tapilluqi kasimaniqtuatigun 1980-mi Nuuk, Greenland-mi July 15-mi aqiaan July 18-mun. Quyyatigimmigikput kavamatthanaata pitqurruqtinisa aullarriqaqtuat Premier Jonathan Motzfeldt-mik piyummatigivlugu aiyugaagmatigut taamani kasimatquvluta.

Executive Resolutions Committee-uruat qaitchiqiaqtut tavrani kasimaruani panmanuaglaan savaquruaniq piraksriagunaruaniq Utqiaqvigmi kasimammata 1977-mi.

Ilauruat taaptumuga atautchimugniqmun Alaska-millu, Canada-millu, Greenland-millu maqpiqaaq maligiraksrauniqtuaniq qanuqititica-gaksriqaaqmiq.

Ukua uqausiginiqatich tavrani kasimallagmik:

- IPuuniagmiq Taimaqqaaqaa
- Nunaaqqich Igliginiqat
- Ijisagmiq IPupiatllu Uqaiuat
- Nunaptigun Qaunakaaqmiq Niqrusiqiniq
- Panmapaglu Tikisaksraglu Ikayuutauruaniq Nunaptiginiq
- Timikullu IPuuniagmikullu Ikayuutit
- Igligutillu Uqaitautillu

IPupiat savaaniq IPuuniagmiqniq apqusaanaragich qitititaagu-niaqmiq National Museum-nani Greenland. Qitigaaqianik IPuuniagmik nunapta qitititichimilutit aasisuli aggirinik naagaa atuqtiniglu piuraaqtiniglu qitiginiqmiqut Nuuk-millapta.

Iniksragmiqniq sigiginiqniqman kasimayyaqkuapayaat utitittuksra-gigaat maqpiqaaq ukunuga ilauruq tikiniqniqniq April 1, 1980. Tavrunagumaruat akititruksraurut tallimakipiatun ijtchuqipqaaqmiq iniksraaqtilaamik IPuuniag qulit uvlut naqiniqniqniq. Iniksra-qaaqtilaagmiq igliviksraatigullu kiliktaunfaqtusi May 1, 1980 naqiniqniqniq. Itqaaqmiq pitquraqatut Denmark-lu Greenland-lu IPupiyaaq taavunaqniqtuq Passport-qantuksrauruk.

MAYOR EBEN HOPSON
CHAIRMAN

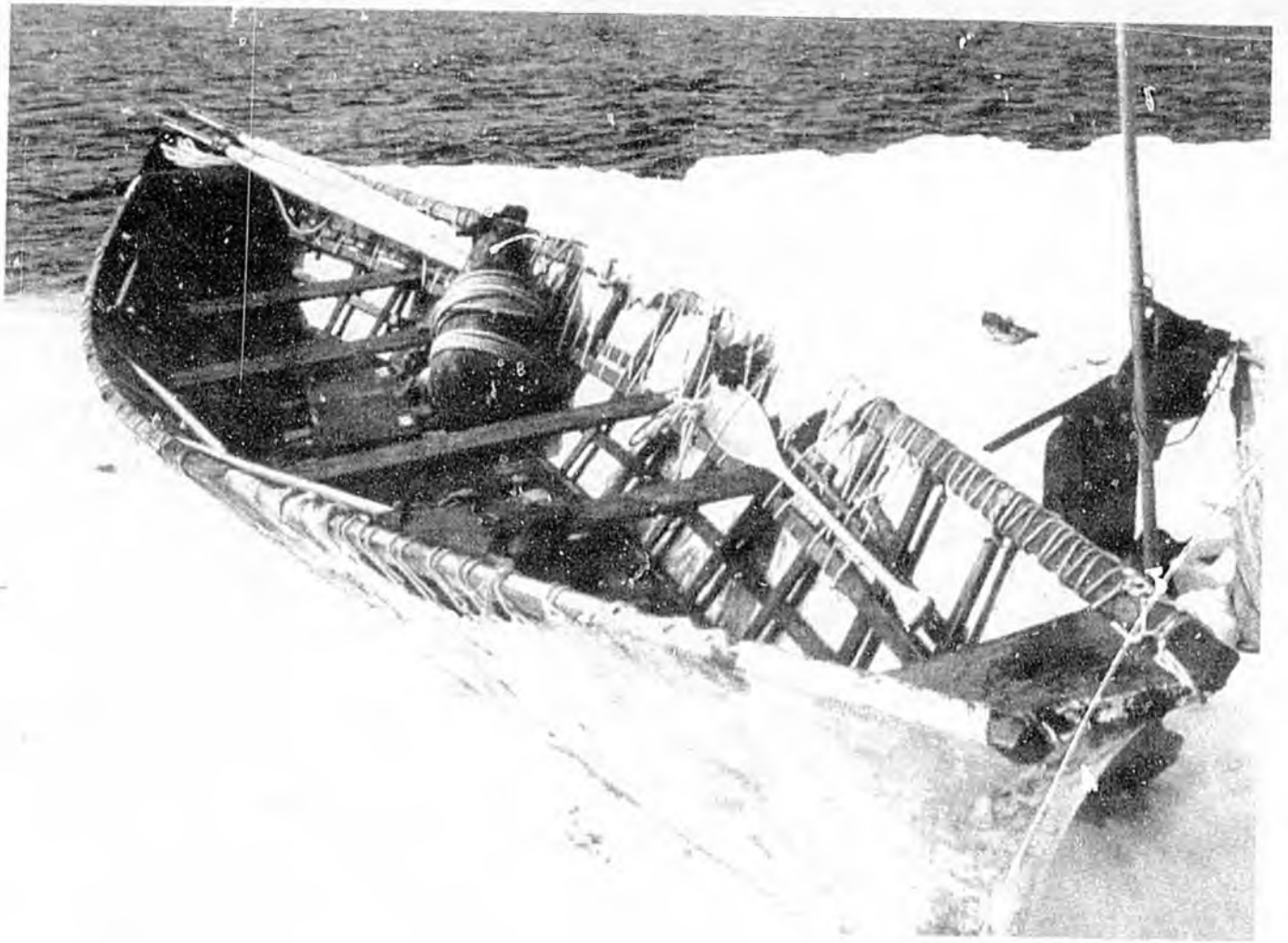
INUPIAT TAPIKLUKI ATQUTCHIMUGNIQ
Nuuk, Greenland

Piyummatiqatuna 1980-mi IPupiat tapilluqi atautchimuktuan
Nuuk, Greenland-mi. Tuvuqiniq ilisimaraksramnik.

Atiga _____
(Telephone)

Aimaqviq _____
Street City State/Province/Territory

Ilauruq IPupiani atautchimunmun igliviniqniq. Ii _____ Naumi _____
Aniqvich suna atiga: _____
Nalliatigun ilaavich: Member: _____ Board Member: _____ Officer: _____
Ilaqatigma kasimayyaqaaq: _____ Ii _____ Naumi _____
Naumiqvich aglitikki nunaptiginiq apqusaanaratin: _____



Quyaunga uumek nallunairturiqatallemnek tua-i 1980-mi ukut Inuit Circumpolar Conference-aamek at'leget quyurteqatallratnek, Nuuk, Greenland-ami July 15-18, 1980-mi. (Una Yupiit Inuit-llu uitatutit Alaskami, Canada-mi cali-llu Greenland-ami quyurcaraqaat.) Quyaukut kelgucimtenek umum angelriamun quyurtevkaucimtenek nutaramek kavmentalegmek ellmegnek picirkiuryaurtellriamek yuut vote-aryaraitgun atanermun Jonathan Motzfeldt-aamun.

Ukut Executive Resolutions Committee-t nallunairturiciqut qaillun ayullranek picirkiullmng pitacianek allami piurtellriamek Barrow, Alaskami quyurtellermeggni.

Ukut ciuliqagcestet nunanek yuut quyurtaaryaraitgun Alaskamek, Canada-mek, cali-llu Greenland-amek (akimiaq pingayunek cipluku yuut ataucimek nunarpagmek piarkauluteng), tua-i pisqumalriamek akurturarkauluteng picirtengnaqellranek Yupiit Inuit-llu pingnaqsuutkaatnek.

Makut qalarutkeciqaput quyurteqtaallemteni:

- Ciuliamta piciryarallrit
- Nunat yuita piyarait naparcillerkait-llu
- Elitnauryaraq cali-llu Yupiit Inuit-llu qaneryarait
- Ellam kellutarkaa cali-llu pitarkanek aulukiyaraq
- Maantellria cali-llu picirtengnaqerkaa Arctic-aami aturarkat nunamelnguut napartellerkaat
- Ayaniyaraq yuungnaqsaraq-llu
- Qaillun ayagayaraq qaillun-llu qalaruciyaraq Arctic-aami.

Inuit Yupiit-llu calinguayulriit calingua-teng tamaani yugnun tangrresqelluki paivv-luki piciqut, cali-llu Inuit Yupiit-llu piciryarait nasvaumaciqut National Museum-aami Greenland-aami. Cali tangercetaarciqut Arctic-armiunek. Inuit Yupiit-llu yurrtet, aturtet, pinguartet-llu piciqut tamaani.

Allaniviit amlessiyaanrilata makut quyurtaaliyaryulriit imirisqumaaput pinritevkenaki kalikamek uum aalianek utercelluku-llu April 1, 1980 -rpailgan. Imirillrem quyurtellrianun ilagautnaluni akiliutekai yuinaat tallimaugut yug'em ataucim akiliutekaa tua-i akiliutnguarkauluni pellug-pailgata wrenret yuinaq qula cipluku picircimarillran kinguani uitavigkiuruciarput. Uitavigkiurutelput piciruciacetun nallunrirciqaput May 1, 1980 -mi, cali-llu qaillun ayallerkaq nallunairturciqerput taum tungiini. Cali umyuaqekiu man'a Denmark-aam alerqutii, cali-llu Greenland-aam, yuk picirkiurumaq tamaavet nunatellria nunacesauutengqerresqumaluni nutaramek kemyunarqellriamek.

Major Eben Hobson
Chairman

Inuit Circumpolar Conference
Nuuk, Greenland

Quyurtaalriit ilaliryugyaaqanka maa-irpak 1980 Inuit Circumpolar Conference-aqatalriit Nuuk, Greenland-aami. Tuyuusqua kalikanek imirarkanek picirtengnaqissuutnek.

Atren _____ Qararcuutevet
Naaqutii

Uitaviin _____
Tumyaraq Nuna Nunarpak

Wiinga ekumaunga Yupiit pingnaqsaraitnun. Aa-ang _____ Qang'a _____

Aa-angaaquvet, atra Yupiit pingnaqsaraitnun igausgu _____

Caucin tuani Yupiit pingnaqsaraitni cauga? _____

Member: Board Member: Officer:

Pingnaqsaramta pisqumaatnga. Aa-ang _____ Qang'a _____

Qangaaquvet calalten Alaskami, Canada-mi wall' Greenland-aami igauski: _____

Una kalikaq uterceskiu April 1, 1980 -rpailgan.



КОНФЕРЕНЦИЯ ИНУИТОВ /ЭСКИМОСОВ/ ПРИПОЛЯРНЫХ ОБЛАСТЕЙ
28 июня - 1 июля 1980 года
Нуун /Годтаб/, Гренландия

ОБЪЯВЛЕНИЕ

Я, майор Эбен Хопсон, Председатель, имею честь объявить, что очередная Конференция 1980 года инуитов /эскимосов/ приполярных областей будет проведена 28 июня - 1 июля 1980 года в Нууне, Гренландия. Мы с удовольствием сообщаем, что в результате голосования Парламента новых автономных /гомрульнов/ правительство Гренландии, возглавляемое премьер-министром г-ном Йонатаном Мотцфельдтом, считает нашу Конференцию весьма важным событием, приглашает нас собраться в их стране.

Исполнительный Комитет представит собранию доклад о своей деятельности на основе резолюций, принятых на Конференции 1977 года инуитов /эскимосов/ приполярных областей, проведенной в Барроу, Аляска.

Уполномоченные делегаты от региональных и национальных организаций инуитов на Аляске, в Канаде и в Гренландии /по 18 делегатов от каждого из этих трёх больших регионов, трёх инуитских народов/ получат проект Хартии, объявляющей с созданием постоянной приполярной организации.

В сессиях Конференции мы обсудим следующие проблемы и вопросы:

- культурное наследие;
- техническое оснащение стойбища и его прогресс;
- образование и инуитский язык;
- защита природы и регулирование охоты;
- развития арктических ресурсов в настоящем и будущем;
- здравоохранение и благосостояние;
- транспорт и связь в Арктике.

Инуиты-мастера народных промыслов организуют в Национальном Музее Гренландии выставку "Культурное наследие инуитов", в которую войдут неч изделия современных мастеров, так и их предшественников. Будут показаны фильм и слайды о коренных обитателях Арктики. Во время нашего пребывания в Нууне инуиты-танцоры, певцы и актеры покажут нам своё искусство.

Размещение участников Конференции в Нууне - ответственная задача, поэтому абсолютно необходимо, чтобы каждый желающий принять участие в Конференции известил нас об этом, заполнив и переслав нам прилагаемую анкету не позднее 15 апреля 1980 года. Регистрационный взнос равен 100 долларам с каждого участника и должен быть уплачен в течение 30 дней с того момента, как вы получили подтверждение об этом до 15 апреля 1980 года, и этому же времени мы сообщим вам подробную информацию о маршруте. Исключительно важно помнить, что по законам Дании, составной частью которой является Гренландия, лицо, въезжающее в Гренландию, должно иметь на руках непросроченный, действительный паспорт.

Майор Эбен Хопсон,

Председатель.

КОНФЕРЕНЦИЯ ИНУИТОВ /ЭСКИМОСОВ/ ПРИПОЛЯРНЫХ ОБЛАСТЕЙ

Нуун, Гренландия

Я желаю принять участие в Конференции 1980 инуитов /эскимосов/ приполярных областей в Нууне, Гренландия. Будьте добры прислать мне регистрационные материалы.

Ф.И.О. _____ .Номер телефона _____ .

Адрес _____
Страна _____ Область/Край _____ Город _____ Улица _____

Я являюсь членом организации инуитов /эскимосов/. Да _____ Нет _____
Если "да", укажите название организации: _____

Мой статус в организации: Член _____ Член руководства _____

Моя организация одобрила моё участие: Да _____ Нет _____

Если Вы не член организации инуитов /эскимосов/, укажите, каким образом и как давно Вы связаны с Арктикой _____

Анкета должна быть возвращена не позднее 15 февраля 1980 года.

INUIT CIRCUMPOLAR KONFERENCE

28 Juni - 1 Juli 1980

Nuuk (godthaab) Grønland

Det er mig en Ære og fornøjelse at meddele at Inuit Circumpolar Konferencen 1980 skal holdes i Nuuk, Grønland fra den 28 Juni til 1 Juli 1980. Det er os en glæde at den nye Hjemmestyre Regering ved Parlamentets valg under ledelse af premierminister Jonathan Motzfeldt har inviteret denne betydningsfulde konference til at møde der.

Den Executive Bestemmelses Komite vil give rapport til Konferencen om det fremskridt der er fundet siden resolutionerne ved Inuit Circumpolar Konferencen i Barrow, Alaska i 1977.

De officielle deltagere fra regionale and nationale Inuit organisationer i Alaska, Canada og Grønland (18 personer fra hver nation) vil modtage et foreslaaet document for oprettelsen af en permanent Circumpolar Organisation.

Vi vil i smaa grupper diskutere problemer og resultater paa omraader som:

Kultur og Arv
Udsteds Teknologi og Udvikling
Undervisning og Inuit Sproget
Milieu Bevarelse og Dyrebeskyttelse
Eksisterende og Fremtidig Arktisk Naturkilde Udvikling
Arktisk Transport og Forbindelse

Inupiat kunstnere vil udstille nogle af deres arbejder og Inuit kunstgenstande vil blive udstillet i Grønlands National Museum. Film og lysbilleder vil blive vist. Inuit dansere, sangere, og skuespillere vil give mange opvisninger under besøget i Nuuk.

Der er yderst begrænsede hotelmuligheder for konferencens deltagere, saa derfor er det nødvendigt for alle der ønsker at deltage at vise deres interesse ved at returnere det vedhæftede postkort ikke senere end 1 April 1980. Registreringsbeløbet er \$100 pro persona, og maa betales inden 30 dage fra hotelreservationen er bekræftet. Reservationen vil blive bekræftet inden 1 Maj 1980 og endelig oplysning om transport ruter vil blive givet paa det tidspunkt.

Vær venlig at huske at lovene for Danmark, inklusiv Grønland, kræver at enhver deltager der rejser ind i grønland har et gældende pas.

Borgmester Eben Hopson

Formand

INUIT CIRCUMPOLAR KONFERENCEN

Nuuk, Grønland

28 Juni - 1 Juli 1980

Jeg er interesseret i at deltage i Inuit Circumpolar Konferencen i Nuuk, Grønland i 1980. Vær venlig at sende mig registreringsform osv.

Navn: _____ Telefon _____

Adresse: _____

Gade/Vej By Stat/Provins/Omraade

Jeg er medlem af en Inuit Organisation Ja _____ Nej _____

Hvis ja, nævn organisationen _____

Din stilling i organisationen: medlem _____ Bestyrelsesmedlem _____

formand _____ andet _____

Hvis nej, gør rede for Arktisk tilknytning _____

Tilbagekend dette kort inden 1 April 1980.

INUIT CIRCUMPOLAR CONFERENCE

June 28 - July 1, 1980

Nuuk, (Godthab), Greenland

It is my honor and privilege to announce the 1980 Inuit Circumpolar Conference to be held in Nuuk, Greenland, on June 28 - July 1, 1980. We are pleased that the new Home-Rule Government by vote of the Parliament, under the leadership of Premier Jonathan Motzfeldt has invited this important convention to meet there.

The Executive Resolutions Committee will report to the Convention on the progress achieved since resolutions were adopted by the 1977 Inuit Circumpolar Conference in Barrow, Alaska.

The official delegates from regional and national Inuit organizations in Alaska, Canada and Greenland (18 persons from each nation) will receive a proposed Charter for the establishment of a permanent circumpolar organization.

We will in workshops discuss the problems and issues in the areas of:

- Cultural Heritage
- Village Technology
- Education and Inuit Language
- Environmental Protection and Game Management
- Existing and Projected Arctic Resource Development
- Health and Welfare
- Arctic Transportation and Communication

Inuit Artistic people will display some of their works and the history of Inuit heritage will be exhibited in the National Museum of Greenland. Film and slides in and around the people of the Arctic will be shown. Inuit dancers, singers, and actors will offer many performances during our stay in Nuuk.

There are extremely limited accommodations for convention participants; therefore, it is absolutely necessary for everyone wishing to attend indicate their interest by returning the attached postcard no later than April 1, 1980. The registration fee will be \$100.00 per person, and must be paid within 30 days of confirmation of accommodations. Accommodations will be confirmed by May 1, 1980, and definite information about transportation routes will be provided at that time. Please remember that the laws of Denmark, including Greenland, require any person entering Greenland to have a currently valid Passport.

MAYOR EBEN HOPSON,
CHAIRMAN

INUIT CIRCUMPOLAR CONFERENCE
Nuuk, Greenland

I am interested in attending the 1980 Inuit Circumpolar Conference in Nuuk, Greenland. Please send me registration materials.

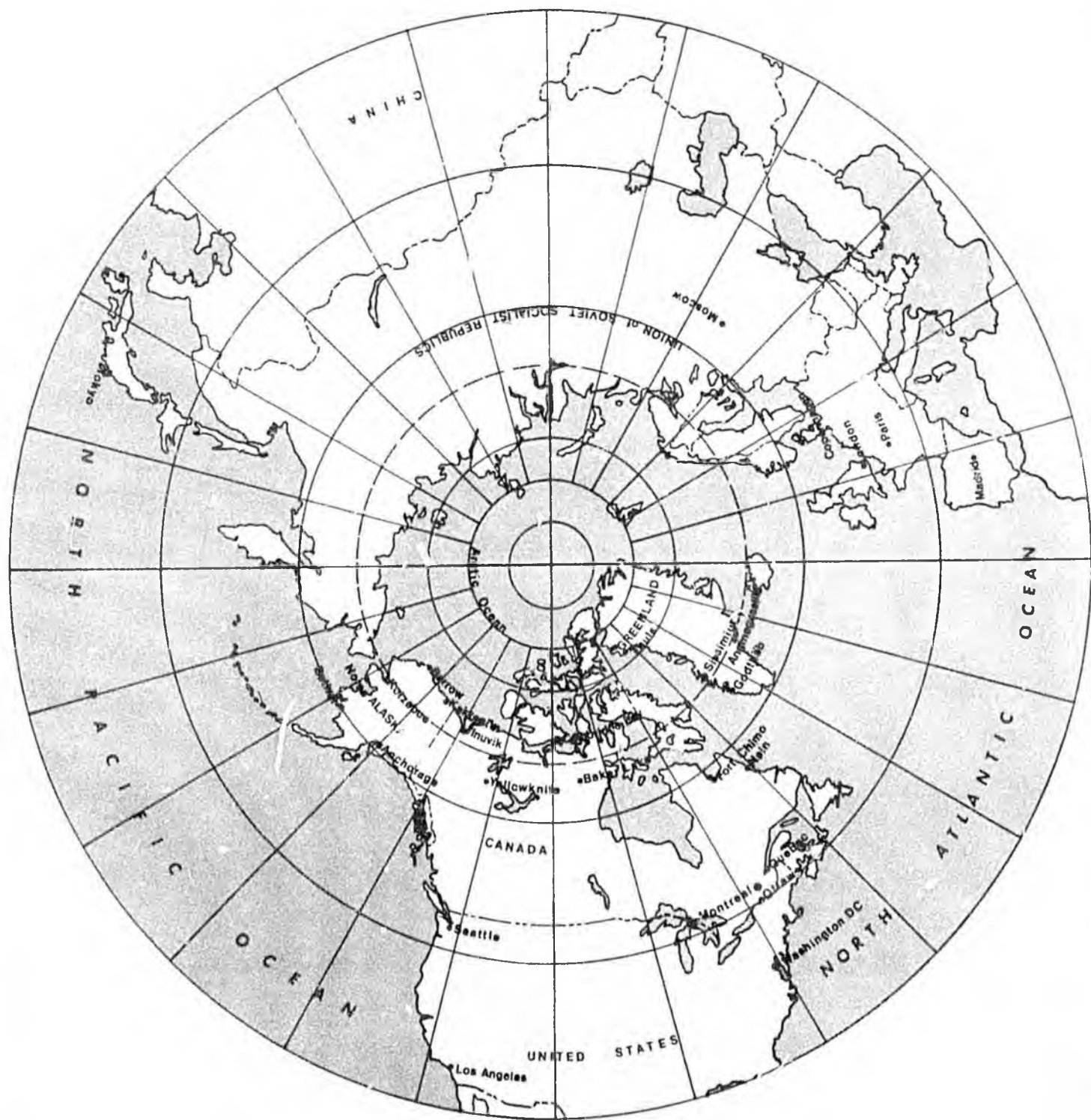
Name _____ Telephone _____

Address _____
Street City State/Province/Territory

I am a member of an Inuit Organization. Yes _____ No _____
If yes, name of organization: _____
Position in Organization: Board Member: _____ Member: _____ Officer: _____
My organization has endorsed my participation: Yes _____ No _____

If no, state Arctic experience: _____

Return this card no later than April 1, 1980, to:
Mayor Eben Hopson, Chairman
Inuit Circumpolar Conference
P.O. Box 570
Barrow, Alaska 99723



HJR

10



Official Business

Alaska State Legislature

Senate Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Terry Stimson
Senator Tim Kelly
Senator Patrick Rodey
Senator Mike Colletta
Senator Ja'mer Kerttula
Senator John Sackett
Senator M.E. Dankworth
Senator Pete Meland
Senator Bill Summer
Senator Robert Ziegler
Senator W.E. Bradley
Senator Bettye Fahrenkamp
All Interested Parties

FROM: Arliss Sturgulewski *AS*
Chairman

SUBJECT: COMMITTEE MEETING - BUTROVICH ROOM, 207 Capitol Building

Thursday, February 22, 1979

1:30 p.m.

SB 2 - An Act relating to the Comprehensive Recycling and Reduction of Litter and Imposing a Litter Reduction Assessment; and providing for an effective date.

*Added HJR 10
f HCR 7 AM*

Committee Log Book - 1979

Tape Number 1

SENATE C/RA
Committee _____

Side Number 1

Dates 2/22/79 to _____

Bill Numbers Discussed

HJR 10	HCR 7,am	SB 2							
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Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
2/22/79 1:33	0002		Chairman Sturgulewski called Hearing to order.
	0019	HJR 10	(Sen. tors Mulcahy & Stimson Absent)
	0019	HCR 7,am	COMMITTEE "DO PASS"
	26	SB 2	Chairman Sturgulewski
	32		Sen. Kelly, Motion for CS
	37		Chairman Sturgulewski
	40		Recess/CS handouts given audience
	41		Chairman - call back to order.
	79		Senator Colletta, Sponsor
	157		Sen. Sturgulewski
	160		Commissioner McAnerney, Dept. C/RA (from audience)
	166		Eric Lee, Director, Div. Community & Rural Dev.)
	182		Chairman Sturgulewski
	186		Eric Lee
	270		Sen. Rodey
	278		Mr. Lee
	294		Sen. Rodey
	302		Chairman Sturgulewski
	313		Mr. Lee
	316		Sen. Rodey
	317		Mr. Lee
	318		Chairman Sturgulewski
	320		Mr. Lee
	334		Sen. Kelly
	337		Mr. Lee
	341		Chairman Sturgulewski
	343		Mr. Lee
	392		Christine Foster
	394		Virginia del Piaz
	401		Ms. del Piaz
	504		Chairman Sturgulewski
	505		Senator Kelly

506 Ms. Piaz	970 Mr. Murphy (from audience)
511 Chairman Sturgulewski	971 Mr. Dickey
513 Sen. Colletta	981 Sen. Kelly
546 Chairman Sturgulewski	983 Mr. Dickey
547 Sen. Rodey	990 Sen. Sturgulewski
559 Sen. Colletta	997 Mr. Dickey
567 Sen. Rodey	999 RECESS
582 Sen. Colletta	3:30 Meeting called to order
598 Sen. Rodey	1002 Commissioner Ernie Mueller (Dept. of
599 Sen. Colletta	Environmental Conservation)
607 Sen. Rodey	Plus Jon Tillinghast, from Dept.
611 Sen. Sturgulewski	13 Mr. Tillinghast
613 Mr. Mitch Gravo/ Municipality	23 Sen. Sturgulewski
of Anchorage	27 Commissioner Mueller
644 Chairman Sturgulewski	30 Sen. Sturgulewski
645 Sen. Rodey	31 Mr. Mueller
649 Sen. Sturgulewski	60 Sen. Rodey
653 Ron Murphy	68 Commissioner Mueller
665 Sen. Sturgulewski	69 Mr. Tillinghast
674 Mr. Murphy	74 Sen. Kelly
759 Sen. Kelly	78 Commissioner Mueller
671 Mr. Murphy	84 Sen. Sturgulewski
766 Sen. Kelly	92 Sen. Kelly
768 Mr. Murphy	94 Commissioner Mueller
778 Sen. Kelly	97 Sen. Kelly
785 Mr. Murphy	98 Commissioner Mueller
804 Sen. Sturgulewski	99 Sen. Sturgulewski
805 Sen. Rodey	101 John Messenger (Acting Commissioner, Dept.
806 Mr. Murphy	of Revenue)
809 Sen. Rodey	134 Sen. Sturgulewski
810 Sen. Kelly	138 Mr. Messenger
811 Mr. Murphy	142 Sen. Sturgulewski
824 Sen. Rodey	144 Mr. Messenger
826 Mr. Murphy	145 Sen. Kelly
843 Sen. Rodey	147 Mr. Messenger
844 Mr. Murphy	152 Sen. Kelly
846 Sen. Sturgulewski	153 Sen. Sturgulewski
849 Mr. Murphy	160 Sen. Rodey
861 Sen. Sturgulewski	163 Sen. Kelly
865 Mr. Don Dickey (Alaska	164 Sen. Sturgulewski/Sen. Kelly
Chamber of Commerce)	166 Mr. Messenger
949 Sen. Sturgulewski	169 Sen. Rodey
950 Sen. Kelly	171 Sen. Sturgulewski
958 Mr. Dickey	175 Sen. Kelly
963 Sen. Rodey	1179 ADJOURNED 3:50 p.m.
966 Mr. Dickey	

HJR

39

COMMITTEE REPORT
SENATE

FURTHER: None

4/24/79

Date: 4-24-79

Mr. President:

The Committee on COMMUNITY & REG. AFFAIRS has had HJR 39
Urging the President and Congress of the United States to retain the federal
General Revenue Sharing Program

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

Tim Kelly
Bob [unclear]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

HJR

62

Committee Log Book - 1980

Tape Number XX

SENATE C/RA

Side Number 1

Committee

Dates 3/27/80 to _____

PRESENT: Senators Kelly, Mulcahy, Stimson, Rodey and
Chairman Sturgulewski

Bill Numbers Discussed

SB 389	SB 408	HJR 62							
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Date & Time	Tape Meter Number	Bill	Significant Information (Witness, Action)
3/27/80 389	005	SB 389	Chairman Sturgulewski overview (received testimony but did not put bill up for action as CS not yet received.
	084		Mary Ross
	221		Vivian Lovelace
	269		Carl Hagerup
	435	HJR 62	Sen. Kelly
	450		Bob Speed, AA to Rep. Gardiner
	483		Sen. Sturgulewski
			Bill was passed out with no objections
	540	CSSB 408	Sen. Sturgulewski
	618		Sen. Mulcahy Moved "CS" do pass w/rec. Sen. Sturgulewski "Do Pass" // no objections
	668		MEETING ADJOURNED



Official Business

Alaska State Legislature

Senate Committee on Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

March 24, 1980

TO: Senator Bob Mulcahy
Vice-Chairman
Senator Tim Kelly
Senator Pat Rodey
Senator Terry Stimson
Senator Mike Colletta
Senator Brad Bradley
Senator Glenn Hackney
Senator Robert Ziegler

Senator Jalmar Kerttula
Senator Ed Dankworth
Senator Bettye Fahrenkamp
Senator Don Bennett
Representative Terry Gardiner
Representative Oral Freeman
Representative Ernie Haugen
Representative Richard Eliason

FROM: Arliss Sturgulewski *sl*
Chairman

SUBJECT: Committee Meetings, Capitol Building

Tuesday, March 25, 1980 - 1:30 p.m. (Butrovich Room)

SB 370 - An Act relating to fire prevention.

SB 309 - An Act requiring the preparation of a local government impact statement.

SB 348, 349, 492 - (Part of the Local Government Study Package)

Wednesday, March 26, 1980 - 1:30 p.m. (Beltz Room)

SB 348, 349, 492 - Local Government Study Package Work Session

Thursday, March 27, 1980 - 1:30 p.m. (Butrovich Room)

SB 408 - An Act making a special appropriation to the Department of Community and Regional Affairs for village gardening projects; and providing for an effective date

HJR 62 - An Act relating to the Alaska Power Authority and the incurring of revenue bond indebtedness of the APA for the Tye Lake hydroelectric generating project near Petersburg and Wrangell, and for the Swan Lake hydroelectric generating project in the Ketchikan Gateway Borough.

SB 389 - An Act relating to the senior citizens tax exemption.

Friday, March 28, 1980 - 1:30 p.m. (Governor's Conference Room)

HB 932 - Creating Office of Rural Development and Rural Development Council
Joint C/RA meeting (teleconference)



Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

BILL NUMBER AND TITLE: HJR 62 Tye & Swan Lakes Hydroelectric Projects

ORIGINAL SPONSOR: Freeman, Haugen, Gardiner OTHER SPONSORS: _____
RECEIVED FROM: & Ellison FURTHER REFERRALS: Finance

HEARING DATE: 2/26/80

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

Eric Yould, Executive Director, Ak. Power Authority

Yould gave the history of the projects and discussed the finances and feasibility of the hydro facilities. Indicated that \$500,000 had already been expended in studying the feasibility of the projects (during 1977-78) and that \$3.1 Million has been expended on the Swan Lake project and \$2 Million on the Tye.

Estimates indicate it would cost Petersburg \$5,000,000 extra to convert to electricity.

Yould indicated that in fact it might be a viable alternative to run Tye to Ketchikan.

It appeared that on the life cycle analysis, Swan Lake is preferable to Mahoney.

The relationship between hydro and development is not always clear but the presence of cheap power can stimulate development.

Yould responded to the questions (see attached) asked by the Chairman.

Carney questions the feasibility of having later users share in the major costs of building the hydro projects. Response indicated that there would be potential psychological problems in voting on a bond which someone else was going to be paying for. This restriction on a bond might effect its marketability.

COMMITTEE ACTION: Passed bill out.

TAPE # 3 SIDE 1 Footage 0-024

Bill from Maynard

AREAS FOR DISCUSSION

Among the projects submitted by the Alaska Power Authority, how do Tyee and Swan Lake rank in terms of priority for funding?

Explanation of the funding approach involved in the projects-- you might want to have "subordinated loans" explained.

What community growth rate was calculated in the development of the user and cost figures?

Was the public involved in the discussion of the relative costs of the alternatives explored?

What is the "backup" system requirement? Does it have to be a certain % of the capacity of the main system? And if so, does building a larger hydro facility necessitate a larger diesel backup and therefore increase the costs to the consumer? ✓

More Specific questions

What is the status of the City Creek hydroelectric project in Petersburg and how does it relate to the Tyee project?

Has there been full exploration of the possibility of Tyee serving the Ketchikan community? Or of Swan serving the Petersburg/Wrangell areas?

Intertie possibilities?

It appears that a factor which may lessen the adverse effect of excess capacity of the Swan Lake facility is the possible sale of power to Louisiana Pacific Corp. How likely is this possibility? Have the relative costs to the consumer of carrying the excess capacity anticipated in both these projects been evaluated? Have the merits of a facility with smaller capacity been fully explored?

Questions generated by 2/25/80 hearing on bill:

Testimony was given that the existing diesel generators are old and will eventually need replacement. Was the cost of this replacement calculated in the cost figures for the hydro projects?

*Different financial options - review
Petersburg/Wrangell - dependent on electrical conversion*

Report
to the

ALASKA POWER AUTHORITY

in regard to

**the Plan of Finance of
the Tye Lake Hydroelectric Project**

FIRST *Southwest* COMPANY

Anchorage, Alaska

Dallas, Texas

INTRODUCTION

The Thomas Bay Power Commission, having made the decision to discontinue its reliance on the use of diesel electric generation to meet existing and future power demands, has requested the assistance of the Alaska Power Authority (the "APA") in the financing and construction of the Tye Lake Hydroelectric Project (the "Project") as a capital project of the State. The Thomas Bay Power Commission is composed of the Cities of Petersburg and Wrangell (the "Cities").

This report is a preliminary analysis of four alternatives containing various combinations of State funding and revenue bond funds. The impact of each alternative on electric costs has been estimated, based upon certain assumptions set forth in the report.

THE PROJECT

The Project is a major hydroelectric generating facility located at Tye Lake, approximately 40 miles southeast of the City of Wrangell, Alaska. Tye Lake is a natural lake perched 1,370 feet above the Bradfield Canal.

The Project, Stage 1 of two stages, consists of a ten foot diameter unlined tunnel, 6,785 feet in length, between Tye Lake and Bradfield Canal, a gate shaft and gate, a surge tank, a steel penstock, a powerhouse containing two 10,000 KW impulse turbine-generator sets and a 115 KV transmission line approximately 83 miles in length connecting the Project with the Cities of Wrangell and Petersburg. (See Figure 1.) Stage 2 (a potential future addition) consists in large part of the addition of a dam.

The Project is designed to have an installed capacity of 20,000 KW and a firm capacity of 8,900 KW. It is designed to be capable of delivering 114,100,000 KWH average annual energy and 75,200,000 KWH of firm annual energy.

Robert W. Retherford Associates, a division of International Engineering Company, Inc., concluded in their Definite Project Report dated December, 1979, that the Project "is the most economical means by which the Cities can meet the immediate and future energy requirements of their service areas".

Although the Project output is not expected to be fully utilized for 11 years, the Cities will derive long term benefits from the Project by replacing their diesel generating facilities with power from relatively fixed cost hydroelectric facilities.

THE CITIES

The City of Petersburg, a community located in Southeast Alaska, has a current population of approximately 3,200. Petersburg has a total of 7,630 KW installed capacity, 79% of which is diesel generation and 21% of which is hydroelectric generation. During the year ended December 31, 1979, Petersburg sold approximately 19,600,000 KWH and has experienced a load growth of approximately 4.7% per year over the last five years.

The City of Wrangell, located approximately 32 miles from Petersburg, has a current population of approximately 3,200. Wrangell has a total of 7,750 KW primary installed capacity, all of which is diesel generation. During the year ended December 31, 1979, Wrangell sold approximately 11,600,000 KWH and has experienced a load growth of

approximately 5% per year over the last five years.

PROPOSED PLAN OF FINANCE

It is proposed that APA revenue bonds be issued pursuant to an Indenture of Trust between APA and a trustee bank. From the proceeds of this bond issue and a proposed subordinated State loan, the Project would be constructed. APA would own and operate the Project and sell power to the Cities pursuant to a Wholesale Power Sales Agreement. APA would covenant to set its wholesale rates at the level projected to be necessary to generate gross revenues at least equal to (a) 1.25 times debt service on the Bonds, (b) projected operation and maintenance expenses of the Project, and (c) debt service requirements of the State loan. The funds the APA generates from the 25% coverage requirement would be used for improvements and extensions of the Project and to provide funds that could be used to redeem the APA revenue bonds (thus lowering future debt service requirements).

A Reserve Fund equal to average annual debt service requirements and a Contingency Fund equal to 6 months average annual debt service requirements would be capitalized from bond proceeds. The Contingency Fund could be used to pay extraordinary repairs and maintenance on the Project and, if needed, to pay debt service on the Bonds. Both funds would have to be replenished if drawn upon.

The Bonds would be amortized over 40 years with the Revenue and Contingency Funds being used to pay the last 18 months' debt service.

THE NEED FOR STATE ASSISTANCE

The need for State assistance arises when the Project is reviewed from the standpoint of financeability. The long term economic feasi-

bility of the Project appears to be established in that diesel fuel prices are expected to continue rising over time while the costs of capital intensive hydroelectric generating facilities are relatively fixed. The most critical concern in terms of ability to finance the Project in the tax-exempt bond market is the substantial excess capacity that may exist in the early years of Project operation and its adverse effects on electric costs in the short run. In the first full year of Project operation (1985), its firm energy of 75,200,000 KWH will result in significant excess capacity relative to the projected 33,726,000 KWH of energy from diesel generation which the Project would displace in that year. Thus, rates must be increased to the extent necessary to satisfy the debt service requirements attributable to this 41,474,000 annual KWH excess. Although high electric rates are certainly undesirable from the personal financial standpoint of the Petersburg/Wrangell consumer, they also increase the bond market's perceived risk of an obligation in that economic growth in the area may be retarded.

There are three significant factors which together may lessen the adverse effect of excess capacity on the Cities' electric costs. The first factor is the possible sale of a block of power in the distant future to Ketchikan Public Utilities ("KPU"). This sale could only occur after terms of the sale are negotiated following elimination of excess capacity in the Swan Lake Project and after a transmission line is constructed between the three electric systems (see fig. 2). The sale, in any case, could only assist the Project in the long run.

The second factor is the potential increased demand from conversion of oil-fired residential heating in the Cities to the use of electric

heatpumps. The extent and timing of such conversion cannot now be projected.

The third factor which ameliorates the adverse cost effects of excess capacity is a loan from the State, repayment of which would not be required until after full capacity is reached. State assistance in the form of a subordinate loan is justified in that the ability to obtain conventional financing for the Project under reasonable terms is enhanced. The State loan would lower electric rates in the following ways:

- (1) Interest payments on the loan would be partially deferred and principal repayment fully deferred until full capacity is attained, thereby minimizing the adverse rate effects of excess capacity in the early years of Project operation.
- (2) The loan is subordinated to the APA revenue bonds, thus enabling the APA to obtain a more favorable interest rate than would otherwise be possible.
- (3) The 25% debt service coverage requirement would not be applied to the loan debt service requirements, thus resulting in significant rate relief.

The terms of the loan as proposed approximate the terms of the Sitka-Green Lake loan and are described in more detail in Appendix B. The assumed 7% interest rate approximates the State's own cost of borrowing. Although the actual interest rate could range from 5% to 7%, the more conservative rate was used in the analysis.

ANALYSIS OF STATE FUNDING ALTERNATIVES

Four alternative financings, assuming four different levels of State subordinated funding, are illustrated in Appendix B, based upon

the assumptions set forth in Appendix A. The estimated average wholesale cost per KWH for each alternative are set forth below:

	Estimated Average Cost per KWH			
	(1985)	(1986)	(1991)	(1996)
I. No State Loan*	20.7¢	20.2¢	14.4¢	12.0¢
II. \$ 5,000,000 State Loan	19.0¢	18.7¢	13.7¢	11.8¢
III. \$10,000,000 State Loan	17.4¢	17.1¢	13.0¢	11.6¢
IV. \$15,000,000 State Loan	15.8¢	15.5¢	11.0¢	9.7¢

The estimated average retail cost per KWH for each alternative and for each city are calculated in Appendix C and set forth below:

Petersburg

	Estimated Average Cost per KWH			
	(1985)	(1986)	(1991)	(1996)
I. No State Loan*	16.1¢	16.4¢	14.2¢	13.2¢
II. \$ 5,000,000 State Loan	15.1¢	15.5¢	13.7¢	13.0¢
III. \$10,000,000 State Loan	14.1¢	14.5¢	13.1¢	12.9¢
IV. \$15,000,000 State Loan	13.2¢	13.5¢	11.7¢	11.4¢

Wrangell

	Estimated Average Cost per KWH			
	(1985)	(1986)	(1991)	(1996)
I. No State Loan*	24.7¢	24.2¢	18.8¢	16.8¢
II. \$ 5,000,000 State Loan	23.1¢	22.6¢	18.0¢	16.6¢
III. \$10,000,000 State Loan	21.5¢	21.0¢	17.3¢	16.4¢
IV. \$15,000,000 State Loan	19.9¢	19.4¢	15.3¢	14.5¢

*Without a State loan, the actual interest rate would be higher than the assumed rate, thus resulting in electric costs higher than the estimates set forth here.

The retail costs for Petersburg are materially lower than the Wrangell costs because of the low cost of hydroelectric facilities presently existing in Petersburg. Although all of the above cost estimates appear high, they are reasonable in comparison to future diesel generated energy if the price of diesel fuel continues to increase faster than the rate of inflation.

The assumptions used to derive the above cost estimates (set forth in more detail in Appendix A) are, in our opinion, conservative but realistic. Conservatism is required in any analysis involving the question of financeability. Any changes in the assumptions will have a material effect on the projections. In particular, the assumptions as to future Petersburg/Wrangell demand, the levels of inflation of construction costs and operating expenses and the terms of the State loan yet to be determined are all assumptions that have a material bearing on the results.

SUMMARY AND CONCLUSION

The Project appears to be needed by the Cities of Petersburg and Wrangell in order to discontinue their present reliance on diesel electric generation and to meet their future power needs. The Project appears to be technically and economically feasible. The excess capacity of the Project in its early years will increase electric costs during that period, thus raising the question of financeability. Although some of that excess capacity may be used to produce power to sell to Ketchikan Public Utilities at some time in the distant future and some conversion of oil-fired residential heating to electric heatpumps may occur, a State loan will mitigate the adverse cost effects of excess capacity if repayment of the loan is delayed until full capacity is reached.

We therefore recommend that at the very minimum a \$10,000,000 State loan in support of the Project be authorized and that serious consideration be given to a \$15,000,000 or greater loan amount to insure a more favorable financing in light of the high electric costs during the early years of Project operation. We believe that a large State loan is justified in light of the following:

- (1) Without substantial State assistance, the Project, in our opinion, cannot presently be financed in the tax-exempt bond market at a reasonable rate of interest.
- (2) A large loan would provide funding for the Project during the early stages of the construction period. The loan would provide timing flexibility for the revenue bond financing, thus enhancing APA's ability to obtain the lowest possible interest rate.
- (3) State assistance in the form of a large subordinated loan would strengthen the overall Project financing, thus increasing assurance of repayment of both the APA revenue bonds and the State loan.

**Report
to the**

ALASKA POWER AUTHORITY

in regard to

**the Plan of Finance of
the Swan Lake Hydroelectric Project
of the
Ketchikan Public Utilities System**

FIRST *Southwest* COMPANY

**Anchorage, Alaska
Dallas, Texas**

INTRODUCTION

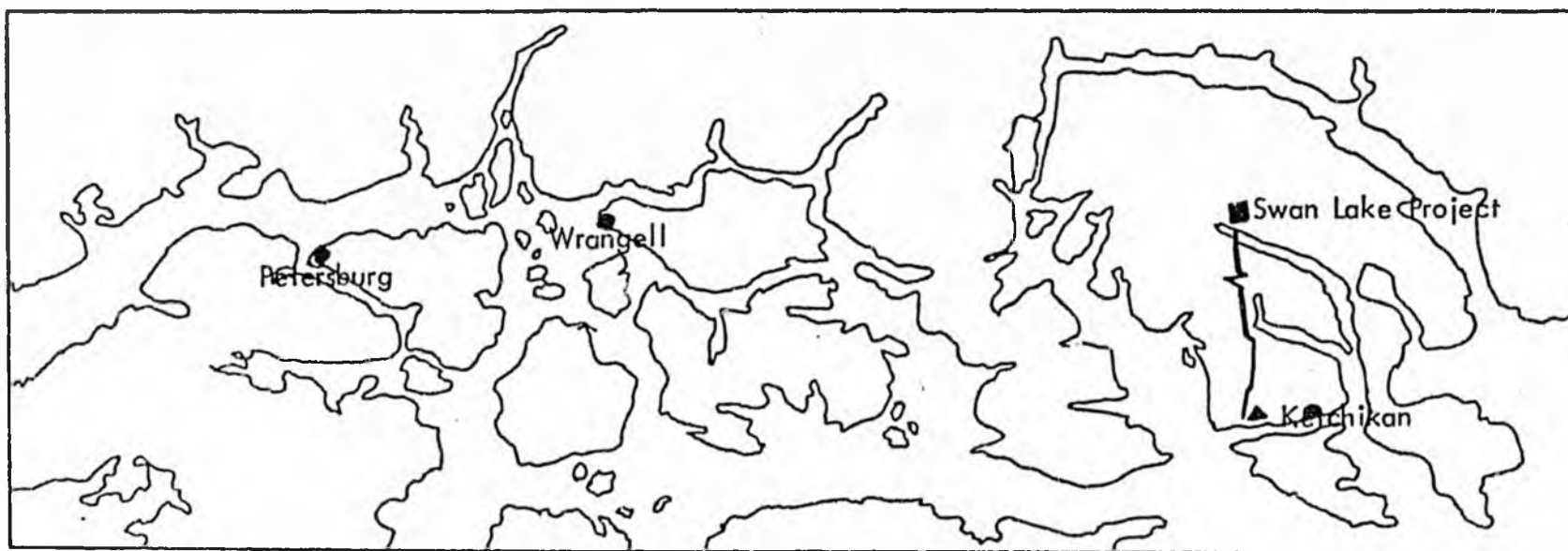
The City of Ketchikan, Alaska, having made the decision to discontinue its reliance on the use of diesel electric generation to meet existing future power demands, has requested the assistance of the Alaska Power Authority (the "APA") in the financing of its Swan Lake Hydroelectric Project (the "Project").

A plan of finance is proposed for the Project and a preliminary analysis of four alternatives containing various combinations of State funding and revenue bond funds is set forth. The impact of each alternative on electric cost has been estimated, based upon certain assumptions set forth in the report. The report concludes with our recommendation and justification thereof.

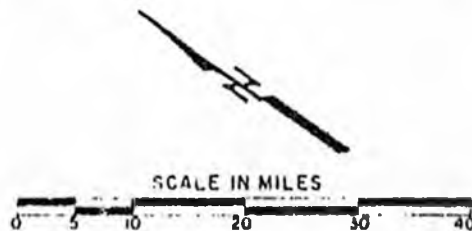
THE PROJECT

The Project is a major hydroelectric generating facility located at Swan Lake, approximately 22 air miles northeast of Ketchikan near the north end of Carroll Inlet. Swan Lake, a low-elevation lake surrounded by mountains, drains westward through a narrow gorge into Carroll Inlet via Falls Creek. (See Figure 1.)

The Project consists of a 190 foot high thin arch concrete dam located downstream from the outlet of Swan Lake, a concrete lined power tunnel leading to a powerhouse, a permanent port facility, access roads connecting the dam, powerhouse and port facility, a switchyard and approximately 30.5 miles of 115 KW wood pole transmission lines.



Petersburg-Wrangell-
Ketchikan Area
Location Map



PETERSBURG-WRANGELL-
KETCHIKAN AREA

Figure 1

The Project is designed to have an installed capacity of 22,000 KW and a dependable capacity of 18,900 KW delivered to the load center. It is designed to be capable of delivering 85,400,000 KWH average annual energy and 66,700,000 KWH of firm annual energy to the load center.

R. W. Beck and Associates, Engineers and Consultants, concluded in their Evaluation Report dated June 1978 that the "Project is technically and environmentally feasible." Nevertheless, R. W. Beck's Demand and Energy Forecast dated January 11, 1980 indicates that "it appears that even if electrical loads grow at the highest projected rate in future years, there would still be significant amounts of both firm and secondary energy available for sale during the initial years of Project operation."

Booz, Allen & Hamilton, Inc., Consultants, have reviewed the Project reports and generally concur with the findings as to technical and economic feasibility. Their assessment is contained in Appendix A.

The central factor emphasized in all of the economic feasibility reports is the long term benefits KPU will derive by replacing its diesel generating facilities with relatively fixed cost hydroelectric facilities.

THE CITY

The City of Ketchikan, a community located in Southeast Alaska has a current population of approximately 8,600. Ketchikan Public Utilities ("KPU"), the municipally-owned public utility system, operates the electric, water and telephone system and provides electricity for a service area with a population of approximately 12,600.

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THE CITY

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The existing hydroelectric facilities have produced average annual energy of approximately 63,000,000 KWH and the existing diesel facilities could produce 77,900,000 KWH.

During the fiscal year ended December 31, 1979, KPU sold 72,213,615 KWH and has experienced a load growth of approximately 4.6% per year over the last 10 years.

PROPOSED PLAN OF FINANCE

It is proposed that contract revenue bonds be issued by APA pursuant to an Indenture of Trust between APA and a trustee bank. From the proceeds of this bond issue and a proposed subordinated State loan, the Project would be constructed. Although APA would nominally own the Project when construction is completed, KPU would operate the Project, control its output and would obtain title to the Project through a bargain option to purchase after all obligations have been repaid. APA would enter into a contract with KPU under which KPU would agree, in consideration for its use of the facilities, to timely pay (a) amounts to the trustee equal to the principal and interest on the Bonds; and (b) principal and interest requirements on the State obligation. All payments to be made by KPU pursuant to the Contract would constitute reasonable and necessary operating expenses of KPU. The Indenture of Trust and the Contract must insure that KPU's obligation to pay its reasonable operation and maintenance expenses, including payments due under this contract, has priority over its obligations to make principal and interest payments on any of its other debts. KPU would covenant to set rates projected to be necessary to generate gross revenues at least

equal to (a) 1.25 times the payments under this Contract, (b) projected operation and maintenance expenses and (c) all other debt service payments in the upcoming year. The funds KPU generates from the 25% coverage requirement would be used to finance capital expenditures of the electric, water and telephone system and to provide funds that could be used to redeem the APA contract revenue bonds (thus lowering future debt service requirements).

A Reserve Fund equal to average annual debt service requirements and a Contingency Fund equal to 6 months average annual debt service requirements would be capitalized from bond proceeds. The Contingency Fund could be used to pay extraordinary repairs and maintenance on the Project and, if needed, to pay debt service on the Bonds. Both funds would have to be replenished by KPU if drawn upon.

The Bonds would be amortized over 40 years, with the Reserve and Contingency Funds being used to pay the last 18 months' debt service.

To implement the proposed plan of finance, defeasance of KPU's outstanding revenue bonds may be required.

THE NEED FOR STATE ASSISTANCE

The need for State assistance arises when the Project is reviewed from the standpoint of financeability. The long term economic feasibility of the Project appears to be established in that diesel fuel prices are expected to continue rising over time while the costs of capital intensive hydroelectric generating facilities are relatively fixed. The most critical concern in terms of ability to finance the Project in the tax-exempt bond market is the substantial excess capacity that may exist in the early years of Project operation and its adverse effects on electric cost in

the short run. In 1985, the Project's average annual energy of 85,400,000 KWH, when added to the 63,000,000 KWH from KPU's existing hydroelectric facilities, will result in significant excess capacity relative to the projected 96,000,000 KWH sales. This estimate of sales was prepared by R.W. Beck and Associates in January, 1980 and represents the low load and energy forecast based upon conservative growth assumptions. Thus, rates must be increased to the extent necessary to satisfy the debt service requirement attributable to this potential annual excess of 52,400,000 KWH. Although high electric rates are certainly undesirable from the personal financial standpoint of the Ketchikan consumer, they also increase the bond market's perceived risk of an obligation in that economic growth in the area may be retarded.

There are two significant factors which together may lessen the adverse effect of excess capacity on KPU electric costs. The first factor is the possible sale of a block of power to Louisiana Pacific Corporation ("LPK"). The size of this block of power could range from 5,000,000 KWH to 25,000,000 KWH per year. The exact dimensions of the purchase and the price and terms have yet to be negotiated and will depend on LPK's power alternatives. The actual cost effect will be a function of the amount of power purchased and the differential between the LPK price and KPU's average cost per KWH. Nevertheless, even under the most favorable circumstances, some excess capacity is projected to exist until 1993.

The second factor which ameliorates the adverse cost effects of excess capacity is a loan from the State, repayment of which would not be required until after full capacity is reached. State assistance in the form of a subordinated loan is justified in that the ability to obtain conventional financing for the Project under reasonable terms is enhanced. The State loan would lower electric

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ANALYSIS OF STATE FUNDING ALTERNATIVES

Four alternative financings, assuming four different levels of State subordinated funding, are illustrated in Appendix C, based upon the assumptions set forth in Appendix B. The estimated average cost per KWH for each alternative are set forth below:

Dam projects win House okay

7/17/80

The Associated Press

JUNEAU — Two multi-million dollar hydroelectric projects in Southeast Alaska received the formal go-ahead from House lawmakers Wednesday.

The House unanimously passed a resolution approving the design plans for both the Tyee Lake hydroelectric project near Petersburg and the Swan Lake project near Ketchikan. The resolution now goes to the Senate.

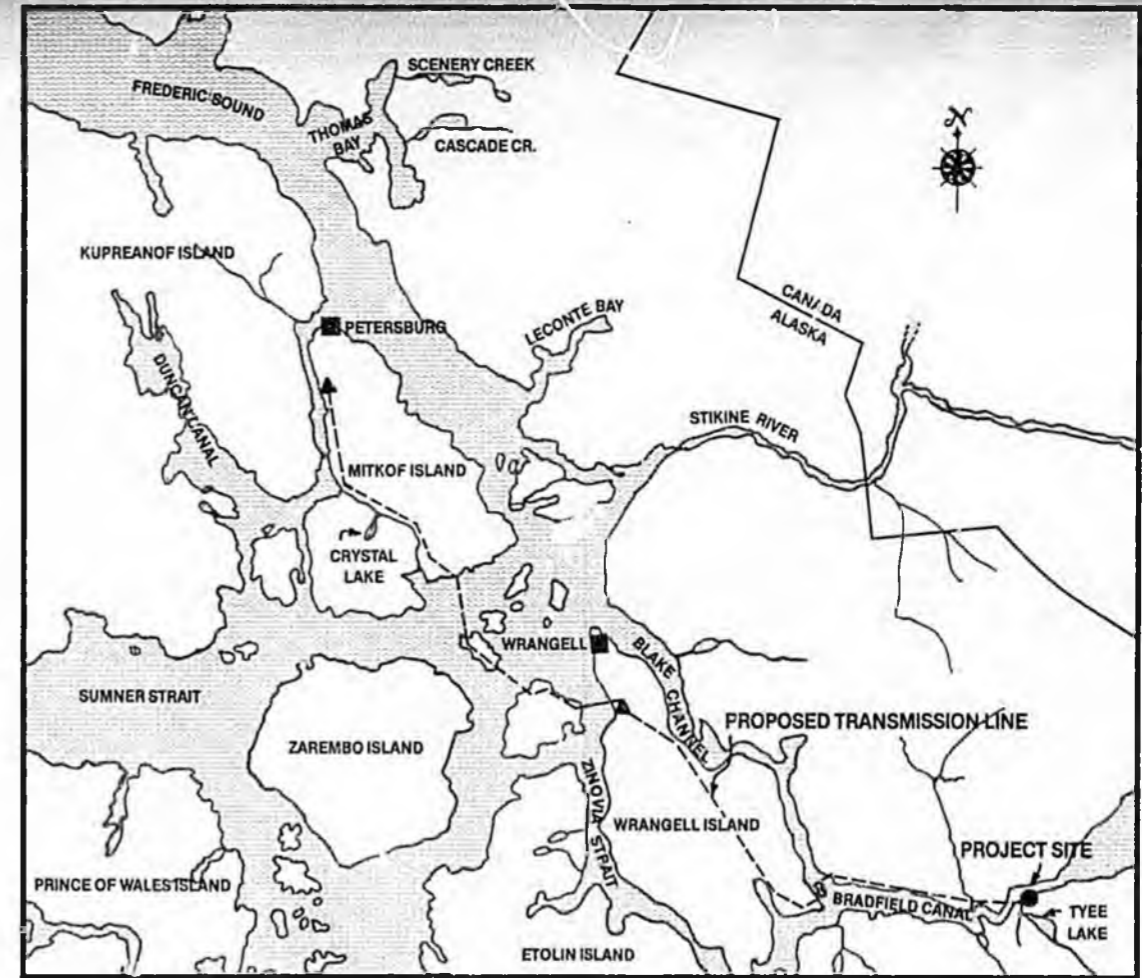
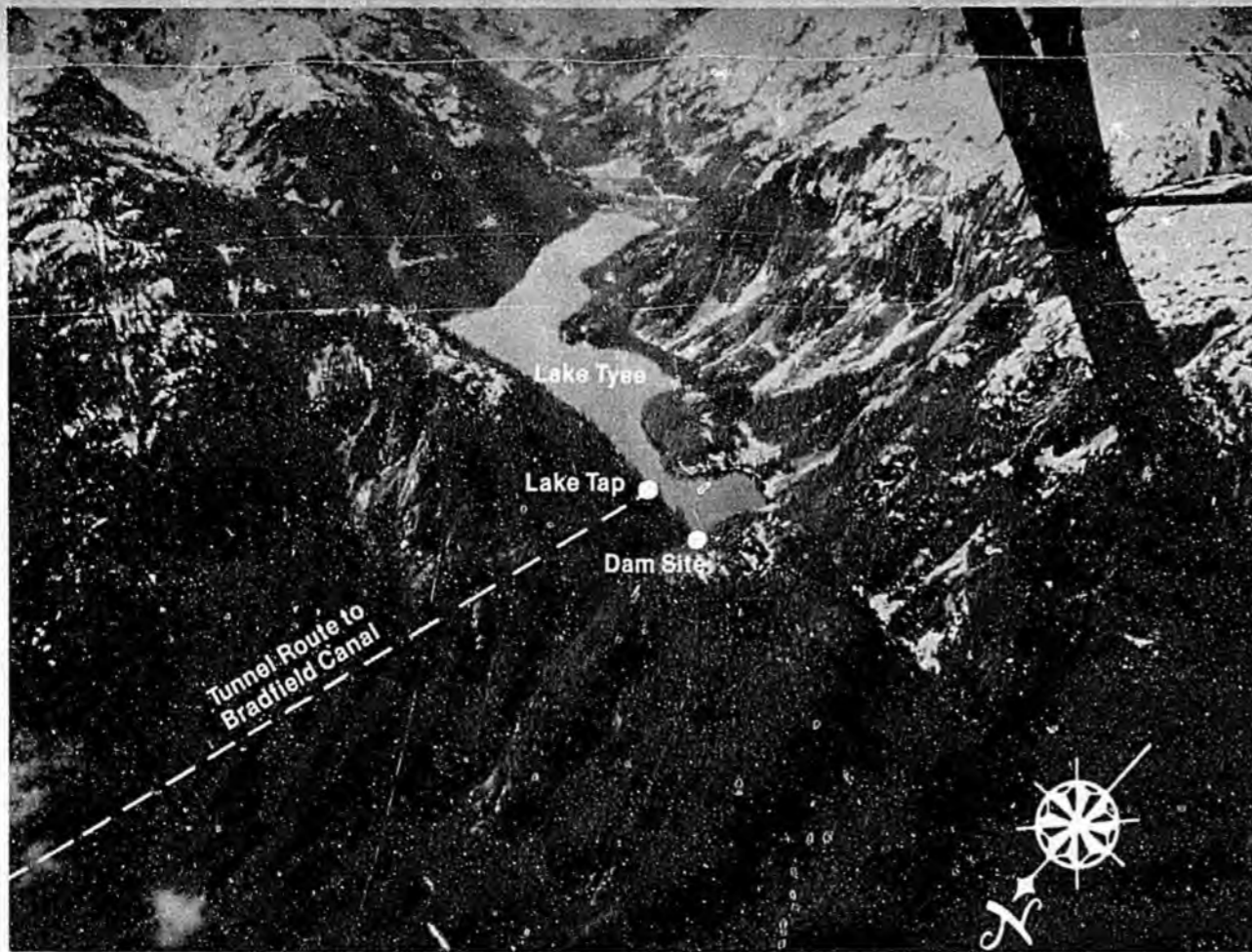
The resolution (HJR 62) authorizes the Alaska Power Authority to proceed with revenue bond sales of up to \$70 million for the Tyee project and up to \$120 million for the Swan Lake project.

Rep. Oral Freeman, D-Ketchikan, explained to his colleagues that the the Alaska

Power Authority already has completed feasibility studies and general design work on the two projects. However, he said state law requires the authority to receive legislative authorization to proceed with bond sales.

Several other state bonding authorities are not required to get legislative approval, although Finance Chairman Russ Meekins, D-Anchorage, said lawmakers are considering a requirement that all bonding authorities get legislative approval prior to issuing bonds.

The Tyee Lake project is to be designed, built, financed and owned by the power authority. The Swan Lake project is to be financed by the authority, while it is to be designed and built by the City of Ketchikan under an agreement worked out with the power authority.



TYEE LAKE HYDROELECTRIC PROJECT - PETERSBURG & WRANGELL, ALASKA

TYEE: Looking Toward The Year 2000 And Beyond

Efforts by the Thomas Bay Power Commission, in conjunction with work being done by the Alaska Power Authority, may result in ample and cheaper electric power for Petersburg and Wrangell residents. The Thomas Bay Power Commission was formed in 1973 to promote and develop dependable hydroelectric power for the area and to discontinue reliance on expensive diesel power generation. Its efforts have focused on the Tyee Lake Hydroelectric Project, located about 40 miles southeast of Wrangell in some of the most rugged wilds of Alaska.

"The Thomas Bay Power Commission originally investigated building a hydroelectric facility at Thomas Bay, but the proposal proved

too costly," explains Richard Ballard, chairman of the commission.

Harry Sundberg, secretary of the commission, said they then focused studies on Tyee Lake and turned to the Alaska Power Authority for feasibility studies and engineering assistance.

The Power Authority's investigation indicates that Tyee Lake could free Petersburg and Wrangell from the economic stranglehold of diesel generation, at an investment cost of \$53,333,000. This figure approximates the value of taxable property in both Petersburg and Wrangell, which is about \$56 million each.

Diesel fuel prices are going nowhere but up. In 1973, the Petersburg utility could

produce electricity at a cost of about one cent per kilowatt hour. Today, the same amount costs seven cents per kilowatt hour. The reason is that in 1973, diesel fuel cost the utility 13 cents a gallon; today (January 1980) it costs 87 cents and is skyrocketing almost monthly.

Tyee power will not be cheap during the early years of operation. In fact, for the initial years of operation, Tyee may result in higher utility bills than would otherwise be realized from diesel generation.

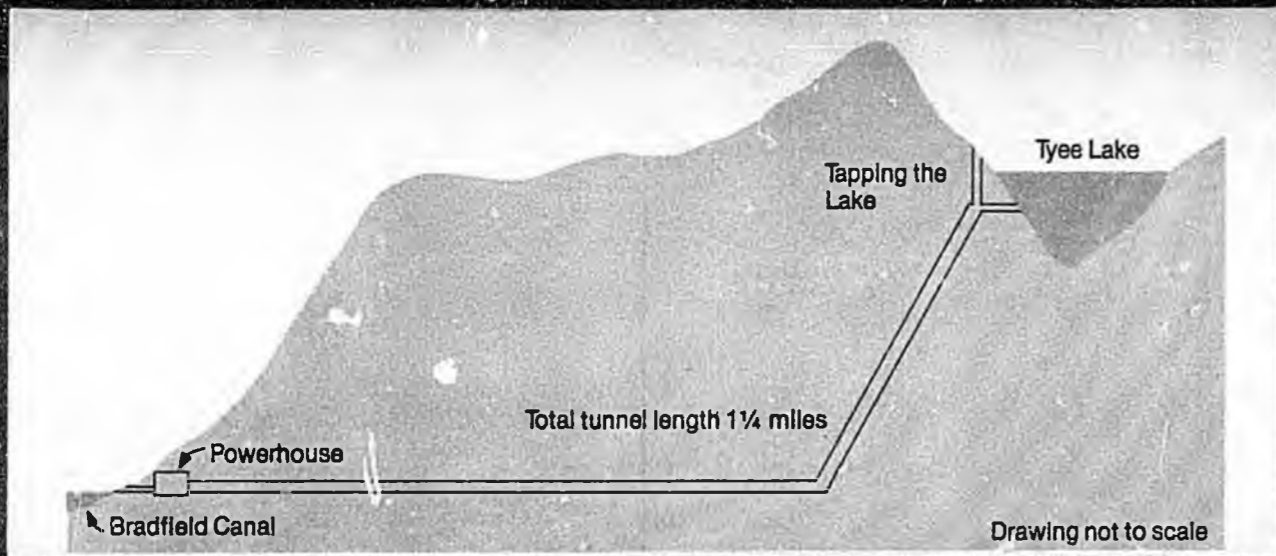
After the excess energy has been fully absorbed by the two communities, however, and during the remainder of the Tyee project life, power costs in Petersburg and Wrangell will be significantly lower than diesel

generation.

The beauty of hydroelectric power generation is that once a plant is producing power, energy is derived from falling water and the costs remain relatively constant. For example, electric bills for Petersburg residents already are materially lower than for Wrangell residents because of the existence of hydroelectric facilities in Petersburg.

The hydroelectric potential of Tyee Lake has been recognized for many years. Efforts were made as early as 1921 to build a dam at the Tyee Lake outlet, but the project never materialized.

The Tyee Lake Hydroelectric Project, designed to deliver 20 megawatts of power,



would come on line early in 1984 and serve the residents of Petersburg and Wrangell and their service areas through an 83-mile long transmission line, nine miles of which would be under water.

During the first phase of the Tye project, water drawn from the lake would pass through a 10-foot diameter tunnel into an underground powerhouse containing two turbine generators (there are provisions to add a third turbine about 1995) and then would be released into Bradfield Canal.

Engineering studies conducted by the Alaska Power Authority indicate that the total 20 megawatt output would be fully used within 11 years from the time Tye goes on line. It is then that Tye Phase II—a dam at the lake's outlet to raise the water level—would be constructed. Plans are to have the dam and the third turbine generator on line by the year 2000.

Where would the money come from to construct the Tye Lake Project?

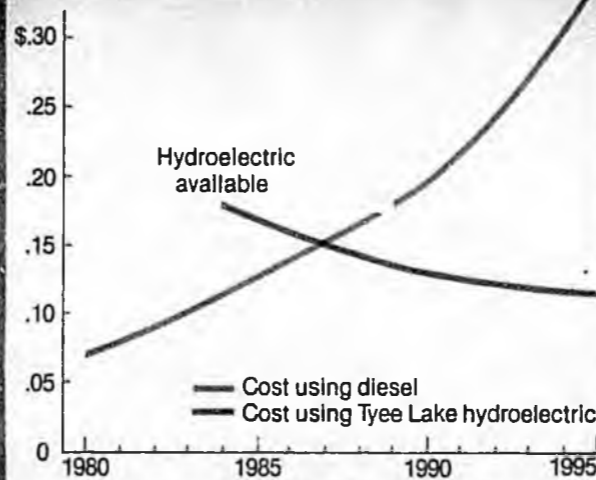
The Alaska Power Authority would issue revenue bonds in cooperation with a trustee bank, as well as receive a loan from the State of Alaska.

The Authority would own and operate the project and supply electricity to Petersburg and Wrangell through wholesale power sales agreements, or by lease agreements with the Thomas Bay Power Commission.

The mile-and-a-quarter long tunnel, above, measuring 10 feet in diameter, will draw water from Tye Lake into an underground powerhouse containing two turbine generators. The water is released into Bradfield Canal. If tunnel construction begins in mid-August 1981, as planned, it will be completed by May 1982. Below are some of the more than a dozen permits and clearances required for the Tye Lake project. These must be obtained before even the first shovel of earth can be dug. The Federal Energy Regulatory Commission (FERC) is the agency which issues license for construction.



BUSBAR COST/KWH



This graph shows the cost of generating electricity in the Petersburg/Wrangell area. The orange line shows the continued use of diesel power generation based on 1980 fuel prices and escalated at 10 percent a year. The solid blue line represents the intermediate (expected) load factor for diesel for the Tye Lake Hydroelectric Project. The initial costs of Tye are higher than diesel for the first years of operation. As potential power output is more fully used, the cost goes down. This decreasing cost trend would be accelerated if homeowners, faced with rising fuel oil prices, convert to electric heating after Tye Lake power is available.

SCHEDULE FOR CONSTRUCTION OF TYE PHASE I

- 1980-81 Site planning at Tye Lake
- 1981-82 Tunnel excavation at Tye Lake
- 1981-82 Transmission line intertie between Petersburg and Wrangell. Construction completion
- 1982-83 Transmission line between Tye and Wrangell
- 1983-84 Transmission line from Tye to Petersburg
- 1984-85 Initial construction of hydroelectric powerhouse

Tye Lake

Hydroelectric Project

Thomas Bay Power Commission
Richard Ballard, Chairman

Alaska Power Authority
Eric Yould, Executive Director

March 1980

ALASKA POWER AUTHORITY

SWAN LAKE HYDROELECTRIC PROJECT

SUMMARY AND

FINANCING STATEMENT

This report summarizes key characteristics of the Swan Lake Hydroelectric Project for the purpose of satisfying requirements of Section 180 of Alaska Statute 44.56.

ALASKA POWER AUTHORITY

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Project Description

Existing Capabilities and Projected Demand

Alternatives Considered

Environmental Impacts

Air and Water Quality

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Economic Feasibility

Project Costs and Financing

Conclusion

ALASKA POWER AUTHORITY

INTRODUCTION

The Ketchikan Public Utilities (KPU) submitted a Federal Energy Regulatory Commission (FERC) license application in February of 1979. Approval of the license for construction is expected by July of 1980. Ketchikan Public Utilities has applied for and received Project loans from the Water Resources Revolving Loan Fund and \$3,450,000 in loans from the Power Project Revolving Loan Fund administered by the Power Authority. Loans to date have been principally for the preconstruction costs of Project development and for purchase of equipment to automate the KPU generation control system. The City of Ketchikan has requested that the Alaska Power Authority issue revenue bonds to finance construction of the Project.

The Alaska Power Authority desires to assist KPU by issuing revenue bonds to finance construction, interest during construction and a reserve fund for the Swan Lake Project. The financing will be accomplished through the tax exempt municipal market with security provided only by the merits of the Project and the strength of sales contracts for Project power. A request for \$18,000,000 in state assistance in financing construction of the Project has been requested. This amount will permit flexibility in entering the bond market for the remainder of the construction financing needs, diminish the amount of bond indebtedness by \$25,000,000, and indicate state support and interest in the Project to the benefit of the overall Project financing. State assistance in the form of a subordinate loan to the Project debt with graduated interest payments and/or deferred principal payments will permit lower cost power in the early years of operation and contribute to the overall security of the Project.

ALASKA POWER AUTHORITY

PROJECT DESCRIPTION

The Project site is located at Swan Lake in a remote area approximately 22 air miles northeast of Ketchikan near the northern end of Carroll Inlet. Swan Lake, a low-elevation lake surrounded by mountains, drains westward through a narrow gorge and into Carroll Inlet via Falls Creek. Historical stream gaging records and correlations with nearby basins indicate that the basin yields an average of 335,000 acre-feet of runoff per year. The site is extremely well suited for the development of a hydroelectric generating facility and, based on the optimization studies conducted, a project arrangement has been selected which will permit the maximum economical utilization of the site potential.

The selected Project arrangement will consist of: a 190 foot high thin arch concrete dam located approximately one mile downstream from the outlet of Swan Lake; a 2,280 foot long concrete lined power tunnel leading to a powerhouse located just north of the mouth of Falls Creek near tidewater; a permanent port facility located at tidewater approximately 1,000 feet north of the powerhouse site; about one mile of access roads connecting the port facility, powerhouse and dam; a switchyard located just north of the powerhouse; approximately 30.5 miles of 115 KV wood pole transmission line crossing Carroll Inlet from the powerhouse site with a single overhead span, extending south along the west side of the Inlet, and then west across the northern tip of George Inlet up the White River Valley and past Ward Cove and then south to the proposed substation site near the existing S. W. Bailey Diesel Plant. The Project will have an installed capacity of 22,000 KW, will operate under an average gross head of 311 feet and have a dependable capacity of 18,000 KW delivered to the load center. It will be capable of delivering 85,400,000 kwh average annual energy and 66,700,000 kwh of firm annual energy to the load center. For the scheduled on-line date of November 1983, the Project is estimated to have Total Capital Requirements of \$107,000,000 including inflation, interest and issue costs.

Existing Capabilities and Projected Demand

The KPU system includes 8,550 KW of existing hydroelectric capacity which produces 62.7 Gwh of energy, and 17,320 KW of diesel generation capacity to supplement all additional demand. Peak power and average annual energy forecasts for Ketchikan are:

<u>Year</u>	<u>Peak Power MW</u>	<u>Annual Energy kwh X 106</u>
1975	14.5	76.6
1980	17.3	97.7
1985	22.5	124.7
1990	28.0	158.0

ALASKA POWER AUTHORITY

The capacity and energy of Swan Lake will be fully utilized by 1989 if the 10 year historic load growth of 5%/year is maintained. All excess energy may be marketed to the Louisiana Pacific Ketchikan Pulp Mill through a power sales contract, in which case the Project power may be fully utilized upon first operation.

Alternatives Considered

Lake Grace, Mahoney Lakes, and continued use of diesel generation were alternatives considered to the Swan Lake Project. Lake Grace is larger than Swan Lake and has potential environmental constraints that would preclude development since it is located in a restricted land status area. Mahoney Lakes, which has roughly 1/2 the power and energy potential of Swan Lake, was determined to be too small to meet long term needs of the Ketchikan system. Continued dependence on diesel generation is determined to be the least feasible of all alternatives.

Environmental Impacts

The environmental impacts of the Swan Lake Project and associated transmission line are principally associated with the construction activity itself, and the visual distractions the completed system will have on the presently undisturbed surroundings. Over the long run, imbalances or alterations in the existing wildlife and fishery ecosystems of the area are not anticipated. There are no endangered species known to inhabit the Project area.

Air and Water Quality

Operation of the Project would not degrade air quality. However, some temporary impacts on air quality may be experienced during construction, due to exhaust and crankcase emissions from vehicles and construction equipment and the dust generated by drilling and movement of equipment. Noise levels will increase due to blasting, machinery operation, and other construction activities. Project operation will result in some increased noise, particularly in the vicinity of the powerhouse. However, this impact is expected to be minor.

Construction of the dam and dikes would introduce sediment into Falls Creek. Other surface waters may experience increased sediment loads due to clearing and earth moving operations along the transmission line route and quarrying and land clearing operations in other Project areas. During Project operation fluctuations in the water level of Swan Lake may cause soil erosion which would introduce sediments into Falls Creek.

ALASKA POWER AUTHORITY

Land Use

Direct impacts on land use would stem from the inundation of 450 acres of land presently covered with shrub and the removal from alternative uses of 240 acres along the transmission line routes. The impact of the Project on regional land use patterns is not expected to be severe. The inundated acres represent an addition to an existing reservoir. The main transmission line would be constructed in a route containing limited timber and recreational uses. The existence of the line would interfere with the area's scenic and aesthetic qualities.

Social and Economic Impacts

Project construction activity would focus on the Ketchikan area. The level and duration of social and economic impacts would depend on a number of factors, including the need to import a Project workforce, the number of workers who would be accompanied by dependents, their length of stay, and the ability of Ketchikan to absorb a small increase in demand for housing, public services and consumer goods. Most workers will be physically located at a temporary field camp near the powerhouse location. These impacts would be primarily secondary, short-term economic impacts associated with personal consumption expenditures of the Project workforce.

Engineering Considerations

The dam site 2,800 feet upstream from the mouth of Falls Creek is a suitable location for a concrete arch dam. The crystalline schist bedrock at the site would provide an adequate foundation for this type of structure. To eliminate the hazard of locating a surface penstock through an area which might be subject to landslides and snowslides, a concrete lined power tunnel constructed in bedrock is proposed. The powerhouse site adjacent to the mouth of Falls Creek on Carroll Inlet has adequate bedrock for the foundation of the powerhouse. The spillway preliminary design accommodates only 50% of the probable maximum flood inflow into the reservoir, therefore the non-overflow portions of the arch dam must be designed to accommodate this infrequent occurrence. The 115 KW transmission line is adequately sized to accommodate Swan Lake power transmission. The necessity to upgrade the transmission line to accommodate additional sources of power should be considered prior to construction.

Economic Feasibility

The Swan Lake Project was compared to the Lake Grace, Mahoney Lake, and all diesel alternatives in an economic analysis. Results of the analysis are that any hydroelectric alternative is superior to continued dependence on diesel. The Mahoney Lakes Project has a lower cost/KW than the Swan Lake Project, however, reliance upon supplemental diesel generation

ALASKA POWER AUTHORITY

occurs from first power-on-line of this Project which is too small to satisfy long term needs. The Lake Grace Project has environmental problems, it is larger than Swan Lake, and the cost/KW of power is equal to Swan Lake. The Swan Lake Project satisfies the long term needs of the KPU system, and depending upon the rate of escalation of diesel fuel over the normal rate of inflation, the Project can achieve cost savings to the system of between \$2 and \$22 million over the first 10 years of Project operation.

Project Costs and Financing

Without state assistance, an estimate of Project costs are:

Land and Land Rights	\$ 572,000
Powerplant Structures and Improvements	4,010,000
Reservoirs, Dams and Waterways	23,232,000
Water Wheels, Turbines and Generators.	5,866,000
Accessory Electric Equipment	1,649,000
Miscellaneous Power Plant Equipment.	3,430,000
Construction and Access Facilities	9,082,000
Transmission Facilities.	<u>11,428,000</u>
 Subtotal - Direct Construction Cost	 \$59,269,000
 Sales Tax	 <u>-0-</u>
 DIRECT CONSTRUCTION COST	 \$59,269,000
Contingencies,	<u>8,761,000</u>
Subtotal.	\$68,030,000
Engineering.	<u>8,396,000</u>
 TOTAL CONSTRUCTION COST.	 \$76,426,000

The total amount of the revenue bond issue will be approximately \$107,000,000 to include interest during construction, funding of reserve funds, and costs of issuance. This amount could be decreased by \$25 million if the recommended amount and form of state assistance is approved. The \$18,000,000 loan to the Ketchikan Public Utilities would be subordinate debt to the bond indebtedness, with graduated interest payments and deferred principal and interest payments to shape overall Project debt service in a manner to improve the revenue bond Project financing.

The ability of the Project to be financed without state assistance is questionable due to the Project size, amount of the bond issue, and the potential for power excess to system needs in the early years of operation. Without state assistance, an interest penalty on the overall bond issue will result in even higher power costs for Ketchikan consumers.

ALASKA POWER AUTHORITY

The Power Authority may issue contract revenue bonds (under an Indenture of Trust between the Power Authority and a trustee bank) for the difference between Project capital requirements and a subordinated State loan. Under the plan, the Power Authority would own the Project, KPU would have the option to purchase after obligations are repaid, KPU would operate/maintain the facilities, KPU would be responsible for debt service, KPU would set rates to collect revenues with a stipulated coverage. The bonds would be amortized over 40 years, with the Reserve and Contingency Funds paying the last years and one-half debt service.

ALASKA POWER AUTHORITY

CONCLUSION

This summary was prepared by the staff of the Alaska Power Authority to comply with Section 44.56.180 of the enabling statutes of the Power Authority. The maximum amount of bonds estimated to be necessary to finance the Swan Lake Project is \$120 million. The Power Authority intends to assist the Ketchikan Public Utilities to finance the Project with state assistance in the form of an \$18 million subordinate loan. The Power Authority does not intend to design, construct, or operate the Project itself. The Project will be designed, constructed, and operated by Ketchikan Public Utilities, with rights to the capacity remaining with the Utility, and ownership of the Project determined by the optimal acceptable form of revenue bonds issued for the Project. Ultimate ownership rights upon retirement of debt service will remain with the Utility. The general design and financial feasibility of the Swan Lake Project is acceptable, and the Project should proceed to construction. The Power Authority recommends that the Legislature adopt a joint resolution approving the general design and financial feasibility of the Swan Lake Project, approve action of the Power Authority to issue bonds in a maximum amount of \$120,000,000 for the Project, and approve state assistance in the form of an \$18 million subordinate loan for the Project.

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 HOUSE BILL NO. 967

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Power Authority and
7 approving the general design and maximum amount of
8 bonds for power projects; and providing for an effective
9 date."

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

11 * Section 1. Actions taken by the legislature before the effective date
12 of this Act to approve the general design and maximum amount of bonds for
13 power projects are confirmed and the Alaska Power Authority is authorized to
14 issue its bonds for the following power projects in the maximum principal
15 amount set out after each:

- 16 *Kenai Pen.* — (1) Solomon Gulch, \$20,000,000;
17 *Kodiak* — (2) Terror Lake, \$120,000,000;
18 (3) Golden Valley Electric Association waste heat, \$110,000,000;
19 (4) Tyee Lake, \$70,000,000;
20 (5) Swan Lake, \$120,000,000;
21 (6) Glacier Highway Electric Association, \$800,000;
22 (7) Cordova Electric Cooperative, \$6,500,000;
23 (8) Matanuska Electric Association, \$2,500,000;
24 (9) Homer Electric Association, \$3,360,000; and
25 (10) Naknek Electric Association, \$730,000.

26 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).

*Use
revised
to give
last 20.*

*All other
present*

ERIC E. WOHLFORTH
ROBERT B. FLINT
TIMOTHY G. MIDDLETON
PETER ARGETSINGER
W. J. PAT SORSBY

LEAD OFFICES
WOHLFORTH & FLINT
A PROFESSIONAL CORPORATION
900 WEST 5TH AVENUE, SUITE 505
ANCHORAGE, ALASKA 99501

*Rule
req by John Jensen*

TELEPHONE
AREA CODE 907
276-6401

March 17, 1980

Hon. Bill Miles
Co-Chairman/Resources Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

Re: Ability of Alaska Power Authority to Issue Revenue Bonds in
Light of State v. A.L.I.V.E. Voluntary (No. 2022, February 19,
1980) - Our File No. 3610.

Dear Representative Miles:

On March 14, 1980 during a drafting session in regard to HB 953 we indicated to you that we had advised the Alaska Power Authority that in view of the recent Alaska Supreme Court decision in the A.L.I.V.E. Voluntary case referenced above the Authority could not now issue any of its revenue bonds even though previously approved by resolution. At the conclusion of that discussion we agreed to reiterate that opinion in the form of a letter to you, enclosing a bill which we believe will remedy the problem. Eric Yould has also requested that we communicate this information to Representative Gardiner with whom he has also discussed the matter.

The Alaska Power Authority Act in AS 44.56.180(c) provides that the Authority may not design, acquire and construct a new project, nor may it issue its bonds in that regard unless the Legislature has adopted "a joint resolution approving the general design and maximum amount of bonds". In addition, AS 44.56.180(b) requires prior approval of the Legislature by joint resolution before the Authority may proceed with the engineering or design phase of power projects the financing of which will include a guarantee of indebtedness by the permanent fund or an appropriation from the general fund. An occasion to utilize the latter of these approval processes where a project will be "subsidized" has not yet been presented. However, the Legislature has previously passed AS 44.56.180(c) joint resolutions approving the issuance of bonds in regard to three projects and joint resolutions approving an additional eight projects are now pending. In addition, HB 953 as introduced on March 11, 1980 would provide that the Legislature by concurrent resolution may prevent the Authority from proceeding beyond the completion of a reconnaissance study in regard to a new power project.

The Supreme Court of the State of Alaska in the A.L.I.V.E. Voluntary decision recently held that the Legislature may not annul a

regulation of an agency or department of the State by adopting a concurrent resolution which so provides. Holding that this method of proceeding violates Article II of the Alaska Constitution, the Court indicated that while the Legislature may express its views and desires (i.e., recommend or act in an advisory capacity) by resolution, when it is expected to speak with the force and effect of law (i.e., exercise its legislative power) it must follow the constitutional safeguards which surround enactment of a bill. As Justice Matthews stated in writing the A.L.I.V.E. Voluntary decision,

"Of course, when the legislature wishes to act in an advisory capacity it may act by resolution. However, when it means to take action having a binding effect on those outside the legislature it may do so only by following the enactment procedures. Other state courts have so held with virtual unanimity."
[Slip Opinion at pp. 10, 11]

In view of the Court's decision and after an analysis of the language of the decision, including that quoted just above, we have advised the Alaska Power Authority that, under the present language of the Alaska Power Authority Act which provides for legislative approval of Authority bond issues by joint resolution, it may not issue bonds which have been approved by resolution.

Further, we have advised the Authority that, in our opinion, the approval by resolution provisions of the Act are not severable so that the Authority may not go forward in the absence of legislative approval which meets the mandate of the Alaska Constitution as interpreted by the Supreme Court in A.L.I.V.E. Voluntary. Faced with such a situation we believe that a court would hold that the Legislature clearly had in mind a process involving approval by the Legislature prior to the issuance of bonds and that, therefore, the court would hold that the bonds could not be issued until the process was lawfully completed, or the approval requirement modified by the Legislature.

In view of the doubtful constitutionality of the use of a joint resolution to approve the bonds of the Authority, we have drafted legislation in the form of a bill which would allow the Authority to issue its bonds to finance the projects heretofore approved or expected to be

approved this Session by joint resolution. A copy of that bill is attached.

Very truly yours,

WOHLFORTH & FLINT

By 

Pete Argetsinger

PA:jr

cc: Hon. Terry Gardiner
Mr. Eric P. Yould