

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
5609 HOUSE COMMUNITY & REGIONAL AFFAIRS

5. SKYRIDE RESTAURANT

The Skyride Restaurant is situated on a ridge line at an elevation of 2,000 feet, offering a 180° panoramic view which includes Burnagata Arm, Clarier Creek Valley, Max's Mountain, etc. During the ski season the restaurant is operated as a food service/bar facility, in addition to providing restrooms and first aid. The facility is conveniently located, providing access to and from all the upper mountain chairlifts and trail systems. The mountain restaurant also helps distribute skiers throughout the ski area by allowing many skiers to remain on the upper part of the mountain. Correspondingly, the presence of this facility reduces base area congestion during the lunch hour.

The Skyride Restaurant is also a popular attraction during the summer, in conjunction with chairlift rides on Chair 1. During the summer months, the facility caters to resort guests, tour groups, and the general public. The popularity of the summer operating program has shown steady growth over the past few years.

Available seating in the Skyride Restaurant consists of approximately 115 bench seats in the food service section and another 58 seats in the bar. Given the current configuration and comfortable carrying capacities for lifts C-1, C-4 and C-2, a larger facility could be operated at this location. Specifically, a total of 100 seats could be provided based on 100 percent usage on Chair 2 and 25 percent usage of Chairs 1 and 4. These usage figures are represented by total skier capacity as shown below.

Total Skier Capacity:	900
Total Seat Turnover:	1.0
Total Seats Required:	100
Square Footage Required:	2,500

The existing capacity of the mountain facility is 125 seats short of the 100 seats which could be developed at this site.

6. PARKING

Alyeska's parking lots are situated downhill from the base area facilities and occupy approximately 7 acres, as depicted in Figure 1 - Existing Facilities Map. The major parking lots have been terraced to conform to the sloping site topography. Certain parking areas have not been terraced, including the vicinity below the Nugget Inn and the employee lot. These parking areas are not as efficient as the main lots, due to their sloping characteristics.

As stated previously, approximately 9 acres are currently available for parking at Alyeska. Ski area records show that this space can accommodate about 900 vehicles, depending upon the organization of parking by attendants and the number of buses. This equates to about 100 cars per acre.

The typical ski industry standard for persons per car is 2.8. This figure has been adjusted to 2.5 to more accurately reflect local conditions, counts and observations by the Resort. Accordingly, the current parking lot will handle about 2,250 people. The presence of buses will increase parking lot capacity since these vehicles use space more efficiently. Accordingly, on a peak day with 10 buses in the area, Alyeska's lots can support approximately 2,500 people. When the parking lots fill up on peak days, Alyeska skiers and visitors park along the access roads leading to the ski area.

Based upon ski area attendance records and available parking lot counts, it is evident that the available parking is becoming inadequate to meet Alyeska's present needs. The total parking capacity of 2,250-2,500 people currently provides for the mountain CCC of 2,500 skiers, however it must also accommodate 300-500 ski area employees and other site visitors. Depending on the number of employees present on peak days, the existing facilities can be overloaded on such occasions. This in combination with additional expansion at Alyeska will require an increase in parking. The proposed location for expanded parking will be addressed in the expansion of the resort facilities, - Section VIII.

7. FOOD SERVICE SEATING

Existing food service seating at Alyeska is divided between the base area and the mountain facility. The actual available seats for each food service facility are listed below.

Facility Name & Location	1976 Statistics	
	Food Service	Bar Seating
Base Area:		
Nugget Inn	100	50
Nugget Inn	175	101
Mountain:		
Skyride Restaurant	115	58
TOTAL	490	309

As stated previously, Alyeska has a high percentage of bar seats. Additionally, the available seats in the base area also accommodate some visitors and sightseers. Allowing for some non-ski use, the high percentage of available bar seats and periods of inclement weather on the mountain, the total number of seats for Alyeska's CCC of 2,500 should be 815*. The existing ski area food service seating capacity of 619 is 216 food service seats short of the 815 needed.

*Based on a turnover rate of 1.0 times per seat. This figure also compensates for the high proportion of available bar seats. Generally, a ski area with a CCC of 2500 has about 100 bar seats. Accordingly, the 669 food service seats and only 150 of the 269 available bar seats were used in arriving at a representative figure for total seating of Alyeska = 619 seats.

8. SPACE USE ANALYSIS

In this evaluation, the existing square footage for all key skier service functions are compared with space allocation standards as developed by Sun-engineering. These figures are based upon 24 years of experience in developing optimum space use for ski area day lodges and service functions.

VII. Master Plan for Mountain Support Facilities

A. ADDITION OF 60-PASSENGER AERIAL TRAM AND CHAIRS 6 AND 7

The installation of the aerial tram in Phase One and chairs 6 and 7 in future phases, in conjunction with other planned upgrades, will dramatically improve the ski experience at Alyeska. Chairs 6 and 7 will provide skiing opportunities for beginner, novice, low intermediate and intermediate skiers. The new ski trails developed in conjunction with Chairs 6 and 7 will help counteract the existing deficiency for this type of terrain at Alyeska. Chair 6 will also provide an access function, transporting skiers to and from the hotel site and the existing Alyeska base area.

The aerial tram will provide a third means of skier access to the upper mountain. In addition, the tram will allow foot passengers to use the new Skyride Restaurant facility in the mountain-top tram terminal on a year-round basis. The use of the tram will also enhance skier circulation by providing intermediate skiers with another means of descent to the hotel site or base area. This will help to reduce skier congestion in the Van Imhoff Drive area as well as the Turkey Trench. Concurrently, the tram will enable skiers to descend to the hotel site for lunch or other remains during the day.

B. SKYRIDE RESTAURANT

A new Skyride Restaurant facility will be constructed in conjunction with the installation of the 60-passenger tram. The restaurant facility and upper tram terminal will be placed in the vicinity of the existing structure. The tram and restaurant/food service/first aid facility will be integrated, allowing skiers convenient ski slope or indoor access. Foot passengers will also be protected from the outside weather as a result of the convenient interior access to the restaurant facility. The restaurant will be sized to complement seats provided in the base area food service facilities. As shown in the analysis of existing conditions, a 100-seat upper mountain restaurant facility is warranted. The new

Skyride Restaurant can be designed to accommodate sit-down and cafeteria-style food service in two levels. This will entice non-skiers to use the facility for sightseeing and dining purposes.

The development of the expanded Skyride Restaurant facility will necessitate the analysis of various water supply and sewage treatment/disposal alternatives. The outcome of these studies will determine the most feasible systems from an operational and environmental perspective.

C. CHAIRLIFT REPLACEMENT AND DEVELOPMENT

A number of chairlift upgrades and additions are planned for Alyeska. These alterations will not materially change the current lift/trail network, or Alyeska's CCC. Instead, the new and replacement lifts are planned to enhance the ski experience at Alyeska.

Chairs 1 and 4 are currently the primary access lifts to the upper mountain. A number of alternatives have been evaluated regarding the replacement and reconfiguration of these chairlifts. However, it has been concluded that the two lifts, with their mid-way loading and unloading stations, serve the terrain extremely well. Another good reason to leave these lifts intact is that the tram will provide another means of access to the terminals of C-1 and C-4.

Both the C-1 and C-4 lift alignments should remain the same at the time these chairlifts are replaced. This will prevent any further cutting of trees. Additionally, C-1 should be upgraded to an uphill capacity of 1,200 pph. C-4 should also be upgraded to 1,200 pph as well as modifying the unload at the Lower Racing Trail and shortening the lift by about 400 feet. Dropping the upper terminal down to the vicinity of the C-1 unload will eliminate the congestion problem at the Skyride Restaurant. These modifications will place three upper terminals at the Skyride Restaurant including C-1, C-4 and the tram. This site will become the upper mountain hub where skiers move in and out of the area. When the Skyride Restaurant is replaced, additional site grading along the ridge will create a larger milling area.

Since Chair 2 is the most popular lift at Alyeska, and the oldest, it should be replaced soon. The available terrain will accommodate a higher capacity lift at the time C-2 is replaced. A triple chair will maintain an acceptable skier density while increasing the uphill capacity from 1,000 to 1,800 pph. This upgrade will reduce lift lines from 18 to approximately 10 minutes. A quad chair with a 2,400 pph capacity could be installed to increase opportunities on days when all the terrain is skiable. Such a lift could operate at a lower capacity (i.e., 1,800 pph) when skiing is restricted to the formalized trail network. In either case, the variable operating speed capability of the lift will insure that acceptable trail densities will be maintained. Other alternate alignments have been considered for the replacement of C-2. Further field review of associated opportunities and constraints of the various alternatives will reveal the most practical lift location for the replacement of C-2.

At the time Chair 3 is replaced the density analysis indicates the available terrain will accommodate a triple or quad chair. A portion of this capacity upgrade will be used to transport skiers to the upper terminal of Chair 6 for the return trip to the hotel site.

A mid-station unload is recommended on Chair 5 for purposes of increasing chairlift utilization. The unload will allow novice and low intermediate skiers to utilize the lower half of the lift/trail system. This will increase the novice ski terrain as well as provide a ski opportunity for low intermediate skiers, which does not currently exist. It is also recommended that all race training should be moved to this lift in order to reduce skier conflicts and congestion on the Lower Racing trail. Certain racing events should also be moved to Chair 5 if possible.

A new lift is proposed which emanates from the new day lodge or "core area" of the existing Alyeska Resort. This lift is designed to eliminate the long walk between all base area lifts. Accordingly, a skier can arrive at the

The improved and extended portions of Arlberg Avenue will serve two basic functions: 1) Provide direct access to the proposed expansion of the resort and, 2) Provide a link between existing facilities and proposed expansion areas of the resort. As such, the road will serve as the entrance to the new section of the resort. The design intent is for the Arlberg Avenue Extension to serve as a transition from the "built" environment that borders the Alyeska Highway to the natural environment of Moose Meadow and its mountain backdrop.

At full development, Arlberg Avenue would be expected to carry between 70% and 1,500 vehicles per day. The high end of this range represents the two-way traffic volumes on a typical high volume day. There may be ten to twelve days per year when this volume is exceeded; well within the 85th percentile range used as a guideline for most road design. A detailed discussion of these traffic forecasts is presented as part of the more detailed traffic analysis included in Section X - Appendix.

There are several issues that are unique to the proposed development and the area through which the proposed alignment traverses. These factors are important to the development and understanding of the road design criteria.

Two Design Conditions

The road passes through two areas of distinctly different character. The first is the existing section of narrow two-lane road from Alyeska Highway to the end of the existing Arlberg Avenue. This section is bordered by parking areas that serve the Alyeska Resort and a number of single family residences and recreation homes. This existing road follows a winding alignment yet is totally contained within the 60 foot wide right-of-way.

The second area through which the proposed road will pass is characterized by the undisturbed natural environment of Moose Meadow and the wooded foothills of Mt. Alyeska. Important factors to be considered in the section of road from the end of existing Arlberg Avenue to the new portion of the Alyeska Resort include: impact on Moose Meadow and the wetlands, preservation of natural rock outcroppings, locations for public view points, and accommodation of storm water run-off and glaciation.

Preservation of the Natural Environment

Protection of the natural environment is considered to be a high priority in defining the road alignment and cross section. Moose Meadow and the associated wetlands area represent a delicate environment. A major objective of the road alignment is to minimize its impact by keeping the road, to the maximum extent possible, beyond the edge of the meadow. As noted previously, a Corps of Engineers permit to cross the short section of Moose Meadow has already been secured.

A second natural feature of importance are the large natural rock outcroppings that line the east side of the proposed road alignment. To accommodate these natural environmental factors, the road alignment and cross section must be designed with a moderate width while still maintaining necessary safety and maintenance features. The preservation of these natural elements is a very high priority of the Grandwood Community.

Year Round Use

The expanded Alyeska Resort will be an all-seasons resort; serving alpine and cross-country ski activities in the winter and hiking, camping and vacation opportunities in the summer. Throughout the year the expanded facilities will also provide an excellent site for conventions and meetings. A further objective for the expansion is to make Alyeska attractive as a mid-week destination for package vacation programs and special meetings and conventions. Peak weekend use is expected to increase by about 20 percent. This four-season use implies a greater need to serve a wide range of users including tourists, business visitors and vacationers. In addition to the regular local weekend population. This suggests the need for clear signing and accommodation for drivers unfamiliar with the area.

Modal Characteristics

The increased range of activities and users of the Alyeska Resort will also expand upon the use of Arlberg Avenue by buses, cross-country skiers, pedestrians, and cyclists. Accordingly, the road must be designed to accommodate this variety of uses. Furthermore, the road must serve the emergency needs (i.e., vehicle breakdown) of these vehicles, particularly buses. Pedestrian/bicycle/cross-country ski activity is expected to be higher than most resort areas because destinations within Grandwood and the Alyeska Resort are within easy walking/cycling/skiing distance.

Viewpoints

Some spectacular views across Moose Meadow will be available from the proposed road alignment. It is reasonable that the road design make some accommodation for viewing so people can enjoy the views without creating a safety hazard by stopping or slowing down on the road.

The architectural character of the Alyeska Resort Center has been developed to deal with the larger size of the building by making a virtue of its strength and mass. The dominant element of the building is its roof. Due to the siting and topography, the building is 7 1/2 stories on the "downhill" side and 6 1/2 on the "uphill". The roof form is a steeply pitched Mansard with a rythmical punctuation of dormers and a culminating tower. This roof form, which is lower on the downhill side, gives the building the appearance of being only 5 1/2 stories below the roof line.

The issue of the size and height of the building must be evaluated by considering the place from which it is being viewed. In the case of Alyeska, the viewpoint is quite varied, as is the resulting perception. When viewed from Girdwood, the Airport, Alyeska Highway or the existing resort, the building will not be visible except for an occasional glimpse of roof amongst the tree tops. From up close, the building will be equal to the 60 to 80 foot trees preserved from the forest or will protrude slightly above the tree line, but a full overall view of the structure is not possible due to the buffering of these trees. Nor is such a view possible from Arlberg Extension except where intentionally offered. The view from up on the mountain and the ski trails will reveal the overall composition of the plan, and here the organic organization of the composition will feel like an appropriate form in the landscape.

The materials and colors of the building, naturally weathering metal roof, stone base and "stone like" walls are also intended to blend the structure with its environment. In addition to these somewhat traditional materials and forms, the building has large glass areas in careful juxtaposition to the solid masses to further break down the overall scale. The glass "freezes" below the roof helps the roof form float above the wall, and the glass faced dormers which break the roof line, modulate the overall length and height of the form. The total effect of this architectural design strategy is to scale down the size of the building while imparting a distinctive "mountain" character.

2. RECOMMENDED MATERIALS

Due to the special quality of the site and its naturally dramatic surroundings, the mass of the hotel and its composing materials should combine to create a "mountain hotel". This quality is primarily achieved by the form of the roof, the strength and scale of the building mass, and the use of natural materials and intrinsic colors.

The roof is proposed to be a standing seam metal, which will readily shed snow, utilizing Terne coated stainless steel. This material is extremely durable and easily adaptable to the proposed roof configuration. The Terne coating is an alloy of lead and tin and will weather naturally to a warm gray color.

The building's walls are comprised of three principal elements; the base, which varies in height from the ground to the line of the second floor-elevation 270; the typical room exterior from the second floor to the top; and the window wall which refers to the large areas of glass which include the enclosure of the last floor before the roof, the face of the dormers which break through the roof line, and the public areas of the lower part of the building. The typical guest window is not included in this category, but is part of the base of the building. The proposed materials for these three elements are:

- 1) The base - this surface would be rugged stone, to be constructed as a facing to cast-in-place concrete, or as a pre-cast panel system with a rough cut stone veneer. The color of the stone would be selected from samples of local materials, or from other readily available sources. The feeling should be rough and variegated and the color of a moderate to deep earth tone.
- 2) The typical wall - This surface should appear finer and more finished than the base. It could be constructed of a pre-fabricated panel complete with structure, insulation, window and exterior cladding. This material will allow selection from a wide range of cladding (veneer) materials.

The surface could look like finished cut stone by using thin stone veneer, or large sized ceramic tiles. It could also be more monolithic in appearance by using stone or other synthetic coatings. The final selection will require more research and a careful study of relative costs. The color, however achieved, should be light and cheerful.

- 3) The window wall - this surface consists of glass and its glazing structure. The glass will be all insulated units utilizing a tinted exterior sheet. The color of the tint would either be gray or green. The glazing structure will be expressed as a very bold line. It will suggest a strong wood expression although it will probably be of aluminum construction. The color of these glazing members would be deep and rich, probably red brown or crimson.



ANCHORAGE ALASKA

MASTER PLAN AND PHASE ONE DEVELOPMENT

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Phase I Hotel

April - 1987

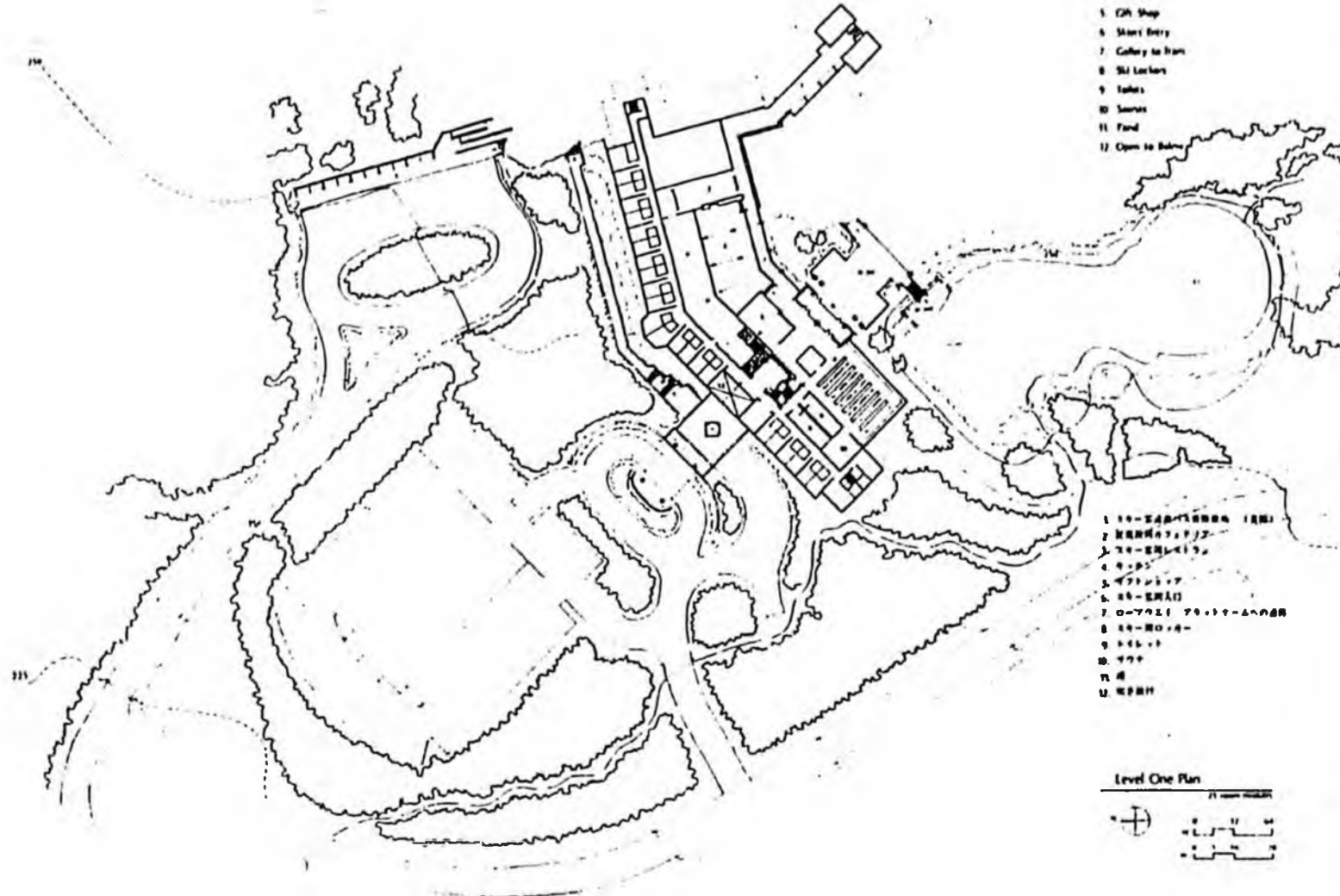
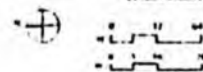
Sheet 3 of 8

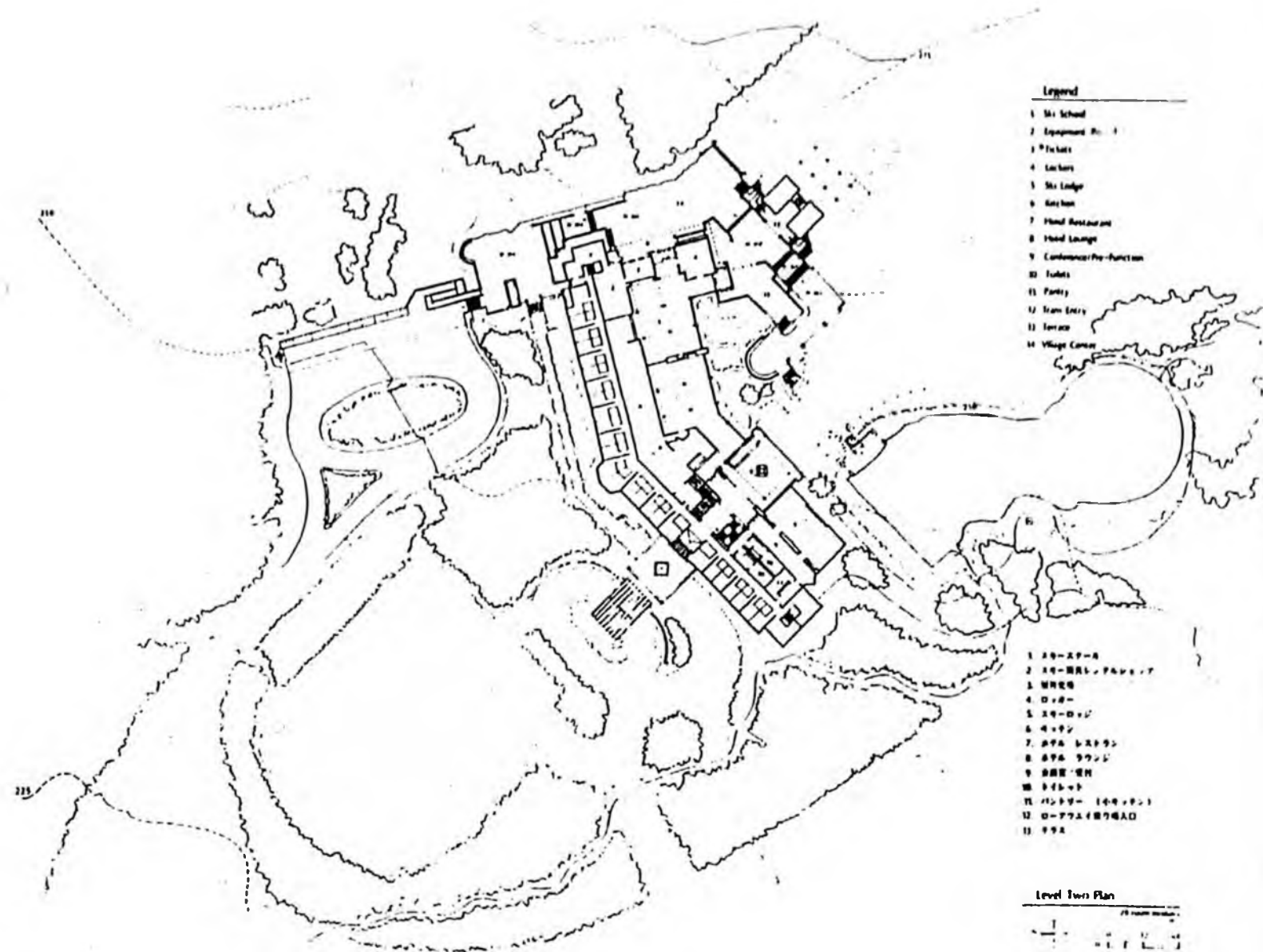
Legend

- 1 Day Spa/Spa/Hot Dip - 100
- 2 Employee Cafeteria
- 3 Skiers Restaurant
- 4 Kitchen
- 5 Gift Shop
- 6 Skiers Entry
- 7 Gallery to Tram
- 8 Ski Lockers
- 9 Tables
- 10 Seating
- 11 Foyer
- 12 Open to Below

- 1 10-200-10000 (100)
- 2 10000-10000 (100)
- 3 10-200-10000 (100)
- 4 10-200-10000 (100)
- 5 10-200-10000 (100)
- 6 10-200-10000 (100)
- 7 10-200-10000 (100)
- 8 10-200-10000 (100)
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Level One Plan



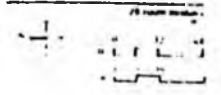


Legend

- 1 Ski School
- 2 Equipment Rm.
- 3 Ticket
- 4 Locker
- 5 Ski Lodge
- 6 Kitchen
- 7 Food Restaurant
- 8 Food Lounge
- 9 Conference/Pre-Function
- 10 Lobby
- 11 Party
- 12 Train Entry
- 13 Terrace
- 14 Village Center

- 1 29-27-8
- 2 29-28-1-7
- 3 29-28-1-7
- 4 29-28-1-7
- 5 29-28-1-7
- 6 29-28-1-7
- 7 29-28-1-7
- 8 29-28-1-7
- 9 29-28-1-7
- 10 29-28-1-7
- 11 29-28-1-7
- 12 29-28-1-7
- 13 29-28-1-7

Level Two Plan



MASTER PLAN AND PHASE ONE DEVELOPMENT

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 DENVER, CO. 80202

PREPARED BY
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Phase I Hotel

April 1967
 Sheet 4 of 5



ARCHITECTS

MASTER PLAN AND PHASE ONE DEVELOPMENT

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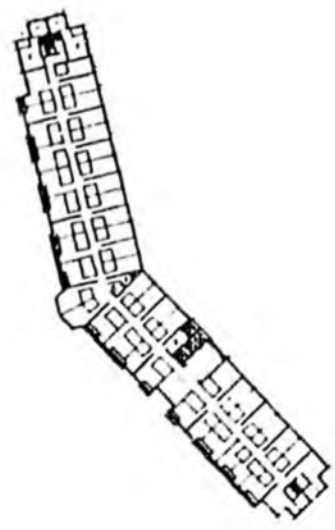
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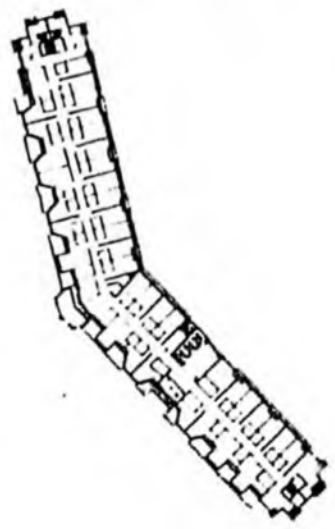
- Legend**
- 1 Apartment - Upper Floor
 - 2 Apartment - Lower Floor
 - 3 Retail Space - Typical
 - 4 Stairing - Typical
 - 5 Service - Typical
 - 6 Open to Below



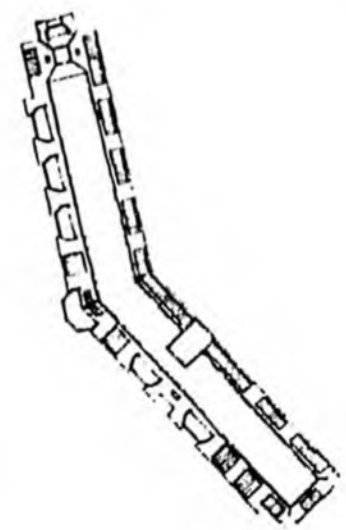
Penthouse Level
Scale: 1/8" = 1'-0"



Level Six Plan
Scale: 1/8" = 1'-0"

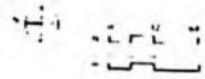


Level Seven Plan
Scale: 1/8" = 1'-0"



Rund Plan

- 1 10' x 10' - 100
- 2 10' x 10' - 100
- 3 10' x 10' - 100
- 4 10' x 10' - 100
- 5 10' x 10' - 100
- 6 10' x 10' - 100



Phase I Hotel

April 1987
Sheet 6 of 8

3. CONCEPT LANDSCAPE PLAN

The site of the phase one hotel is predominantly wooded with a mix of Spruce, Hemlock and Alder typical of the upland location. The forest floor is a rich carpet of native understorey plants and offers a contrast of green against the earthen tones of fallen needles and other forest floor materials. Natural clearings afford several views west across the open meadowland of the valley. Views to the east are to the rugged mountain backdrop of Mt. Alyeska's north north face.

The philosophy of the concept landscape plan is to insure that the hotel sits in harmony with natural, quiet beauty. During construction of the hotel, Arlberg extension, and parking areas, every effort will be made to minimize disturbance of the site. Generous buffer areas are provided to maintain natural screening and preserve major tree stands. The intent of the landscape plan is to return the site to its forest condition such that the road and the hotel appear as natural elements in the landscape.

To achieve this objective native materials will be used to reestablish conditions prior to the construction. Where possible, existing smaller trees will be retained and combined with additional native tree species to provide screening of parking areas or to reestablish the forest edge. Pedestrian surfaces, such as walks and outdoor seating areas, will consist of natural stone to blend with the base material of the hotel and the mountain backdrop.

Clearing for Arlberg Extension and for parking areas should be minimized and upon completion native grasses and forest floor plants will reestablish the forest edge reducing the impact of paved and graded surfaces. Where the road comes closest to the edge of Moose Meadow, native lowland grasses and wildflowers will be used to stabilize the Meadow edge. The Meadow character is extended across the road to the pond's edge, again using lowland grasses and wildflowers. The meadow is again allowed to cross the road at the drop-off entry from Arlberg Extension, providing a subtle expression of entry.

Landscape treatment of entry drives as well as to the base of the hotel are informal and natural to reflect the nature of the site's existing landscape materials. Shade tolerant ground covers are used in cleared areas along the base of the hotel and are supplemented with native, low growing evergreen plants. Where accent is justified, native broadleaf evergreens are used in masses.

Areas to be cleared for ski trails will be planted with a mix of native upland grasses which extend to the edge of the pond. Immediately at the base of the hotel on the east side, a large area of finer turf grass will allow summertime recreational uses such as volleyball, badminton and croquet.

Existing forest areas around the Parcel B parking lot will be preserved. Where natural openings in the forest currently provide views to the proposed parking, transplanted trees and supplemental Spruce and Hemlock plantings will be used to block such views. The open areas between the parking bays will be planted with a mix of lowland grasses and low vegetation since these areas must provide for snow storage in winter.

IX. Master Plan Summary

A. The Alyeska Master Plan represents a short and long term guide for the ordered growth and expansion of the Resort and meets the specifications for the master plan described in the agreement Selbu Alaska, Inc. has with the Municipality of Anchorage. Implementation of the plan will allow Alyeska to better meet the needs of its visitors, the community of Girdwood, the Glacier Creek Valley, and ultimately the State of Alaska. Such a role implies that the Resort develop into a four season recreation and service facility. The primary goal of the Master Plan addresses this issue directly:

"To provide for continued upgrading and expansion of the Alyeska Resort facility in order to increase winter and summer utilization while enhancing the quality of the ski and resort customer experience on a year round basis."

To meet this goal and satisfy the conditions of the agreement with the Municipality of Anchorage, the Master Plan provides for the following short-range improvements as part of the phase one expansion by Selbu:













INFRASTRUCTURE

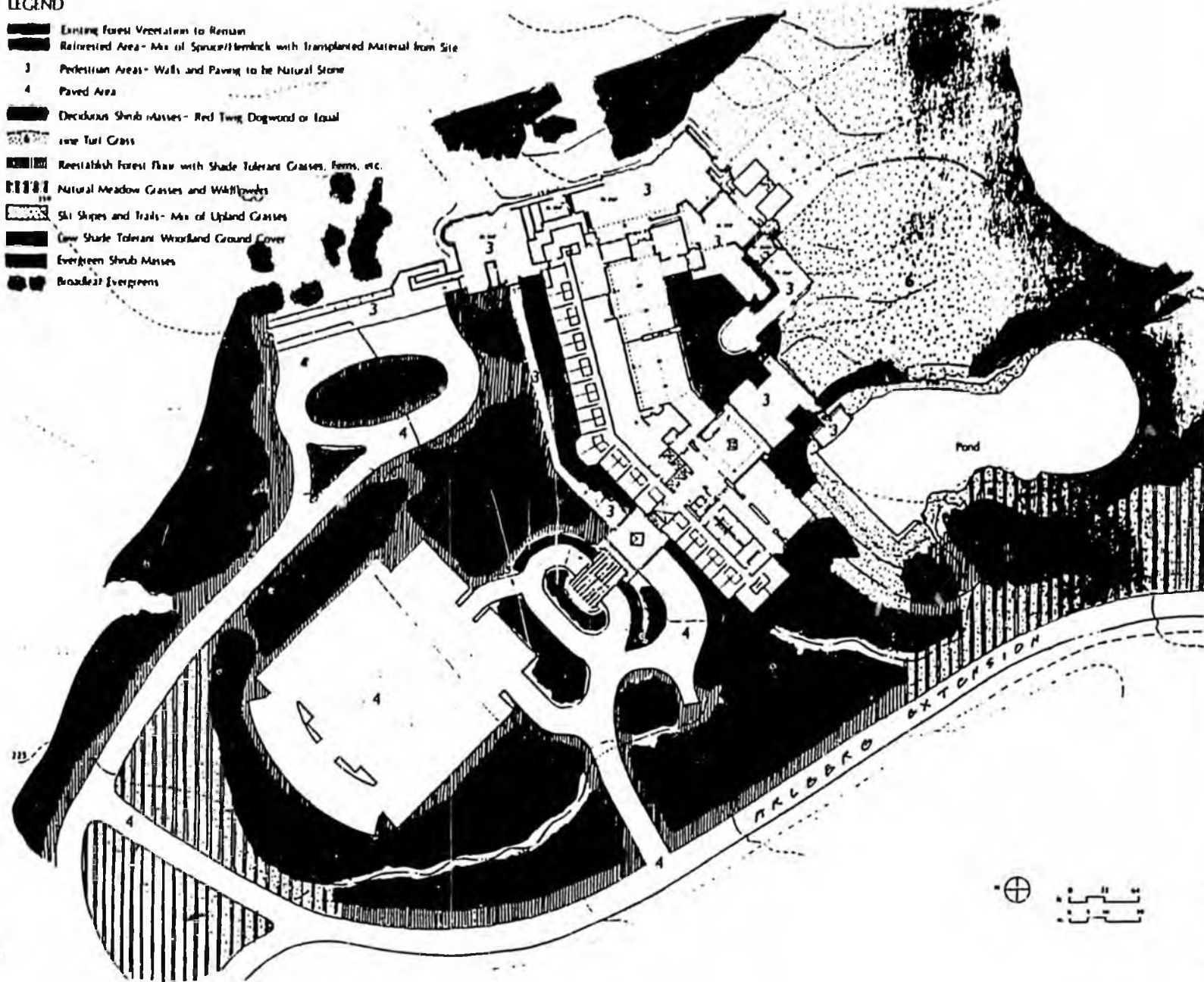
The existing section of Arlberg Avenue will be reconstructed from its intersection with Alyeska Highway to its current dead end at Moose Meadow. The new road will be a two-lane, 22' wide paved surface with appropriate shoulders and grassed swales for positive drainage.

An extension of Arlberg Avenue from this rebuilt section northerly to serve the phase one hotel on Parcel A and the parking area on Parcel B. This extension will also provide a 2-lane paved surface (22') with shoulders and drainage swales.

The Arlberg corridor and 60' right-of-way will also provide sufficient room to accommodate the addition of a pedestrian/bike/ski trail at a future time by the Municipality.

LEGEND

-  Existing Forest Vegetation to Remain
-  Reinvested Area- Mix of Spruce/Hemlock with transplanted Material from Site
-  3 Pedestrian Areas- Walls and Paving to be Natural Stone
-  4 Paved Area
-  Deciduous Shrub Masses- Red Twig Dogwood or Equal
-  Low Turf Grass
-  Reestablish Forest Floor with Shade Tolerant Grasses, Ferns, etc.
-  Natural Meadow Grasses and Wildflowers
-  Ski Slopes and Trails- Mix of Upland Grasses
-  Low Shade Tolerant Woodland Ground Cover
-  Evergreen Shrub Masses
-  Broadleaf Evergreens



MASTER PLAN AND PHASE ONE DEVELOPMENT

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Architect: Planning
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Consulting Architect:
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Consulting Architect:
 BRUNDAK ARCHITECTS
 1010 B Street, Anchorage, Alaska

Phase 1 Hotel
 SITE CONCEPT
 LANDSCAPE PLAN

April 1987

211

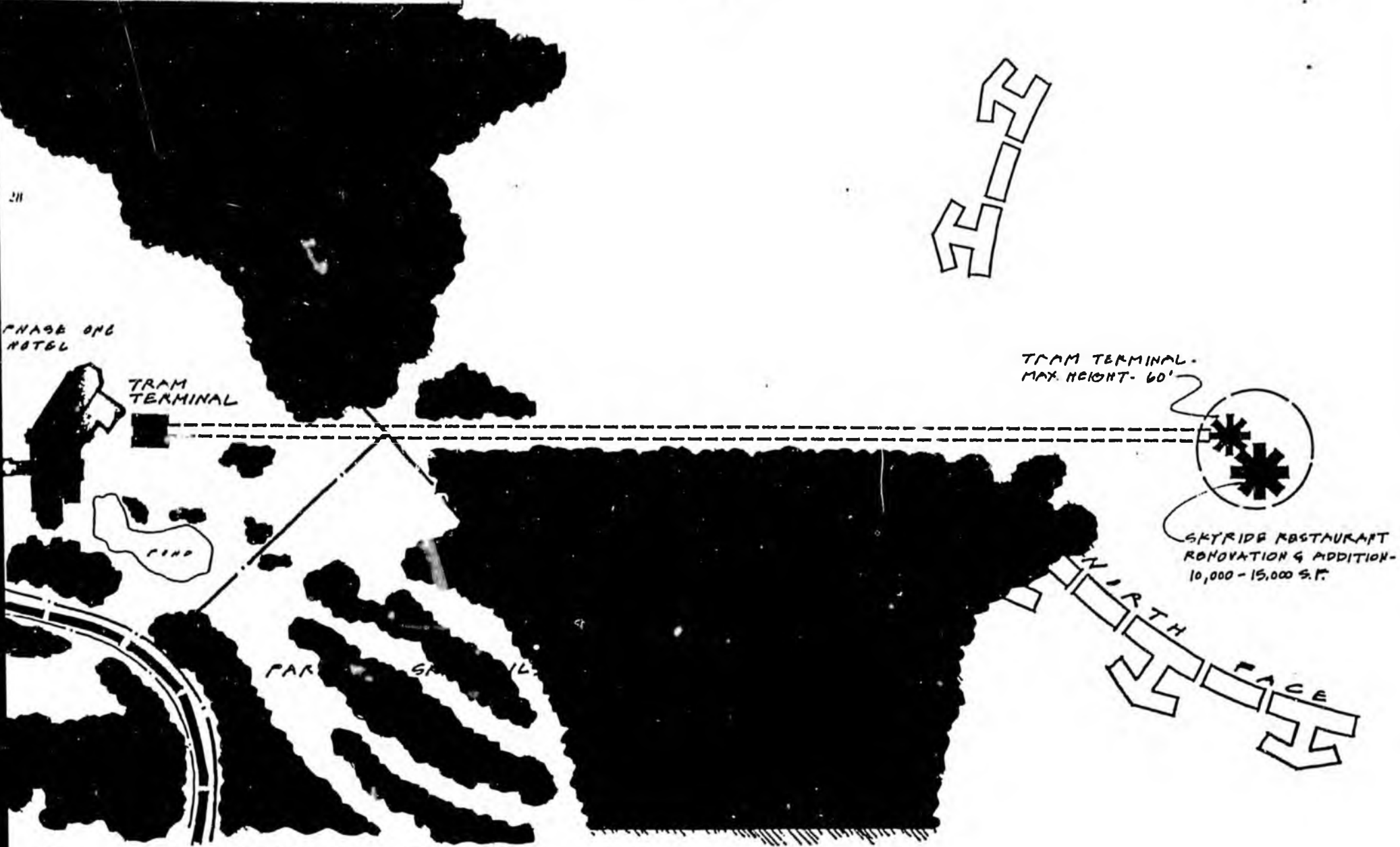
PHASE ONE
HOTEL

TRAM
TERMINAL

TRAM TERMINAL -
MAX. HEIGHT - 60'

SKYRIDE RESTAURANT
RENOVATION & ADDITION -
10,000 - 15,000 S.F.

AERIAL TRAM - SKYRIDE
RESTAURANT



day lodge, ride the "Pop Lift" and have skier access to all the base area lifts. Similarly, the lift will assist skiers in moving from the existing base area to the hotel site. The presence of this chairlift will also make C-5 more accessible for skiers moving from the hotel site.

All of the planned Alyeska lift and trail system upgrades and expansion will increase the Comfortable Carrying Capacity (CCC) of the ski facility. At the time when these various improvements are complete, the Alyeska CCC will be increased from 2,500 skiers to approximately 4,300 skiers. This represents an increase in CCC of 1,800 skiers for the resort. Throughout the development process, improvements and additions to the ski area operation must be designed and coordinated to maintain a balance among skier demand, ski area capacity (lifts and trails), and the supporting equipment and facilities (grooming machines, day lodge services and facilities, utility infrastructure, and parking). Such a carefully balanced mountain and support facility phasing program is a primary determinant for a successful resort operation.

D. TRAIL UPGRADING AND EXPANSION

A trail upgrading program has been designed to improve the quality of the skiing experience at Alyeska. Specifically, the upgrading plan focuses on existing problem areas such as the Goat Trail, Von Imhof Drive, Weir, Waterfall Easy Route, Turkey Trench, etc. In most instances, trail upgrading involves widening and/or reducing trail gradients. These improvements will be designed to make the ski descent more enjoyable for intermediate skiers. The installation of the aerial tram will create a new opportunity for a major expansion of ski terrain at Alyeska. From the hotel site to the Skyride Restaurant, the tram will follow an alignment on the south edge of the area known as the North Face. This is an extremely large and steep slope, which is approximately 1 mile in length and width. The terrain is suitable only for the expert skiers. Currently, the North Face is permanently closed due to difficult avalanche conditions.

With the development of the proposed phase one hotel and the aerial tram, it is anticipated that skiers will expect the North Face to be opened. Due to the extreme avalanche potential of this terrain, and other operational considerations, Alyeska is studying the feasibility of periodic openings on the North Face as part of the Master Planning process. This terrain comes under the jurisdiction of the U.S. Forest Service and accordingly, its use of this terrain for the tram alignment or for skiing purposes will require U.S. Forest Service approval and a revision of the Alyeska Special Use Permit boundary. A specific operating plan encompassing these uses must be submitted to the U.S. Forest Service as part of the agency's permitting process.

E. SNOWMAKING EXPANSION

The existing Alyeska snowmaking system will be expanded to include the Chair 5 ski terrain as well as the upgraded Von Imhof Drive. In addition, the new trail system for Chairs 6 and 7 will also be covered by snowmaking. This expansion will improve early season skiing by offering more trail acreage and a greater variety of ski runs for all ability levels.

F. BASE AREA SKIERS SUPPORT FACILITIES

New and upgraded skier support facilities will be located at the destination resort hotel complex (described in Section VIII) and the existing Alyeska base area. The resort hotel complex will provide ticketing, first aid, restrooms, rentals, retail shops, daycare, and food service seating. A potential new day lodge/administration facility could then be constructed at the site of the current buildings. This facility would provide centralized ticketing, ski school, rentals, food/bar service, restrooms, and administration. The skier support service facilities in the hotel complex and the new day lodge will be sized according to the overall ski area CCC. The upgrading program at the existing base area can occur after the completion of the Phase I resort hotel project.

G. EMPLOYEE HOUSING

Employee housing is one alternative being considered by Alyeska for the existing 29-room hotel. Such a short-term solution would provide much needed employee housing, while helping to attract qualified people to assume new job opportunities at the hotel complex and the ski area. Ultimately, employee housing could be located to the north of the new maintenance facility. At such a time when this housing is provided, Alyeska could use the 29-room hotel for other purposes, including administrative offices, condominiums, or economy hotel rooms.

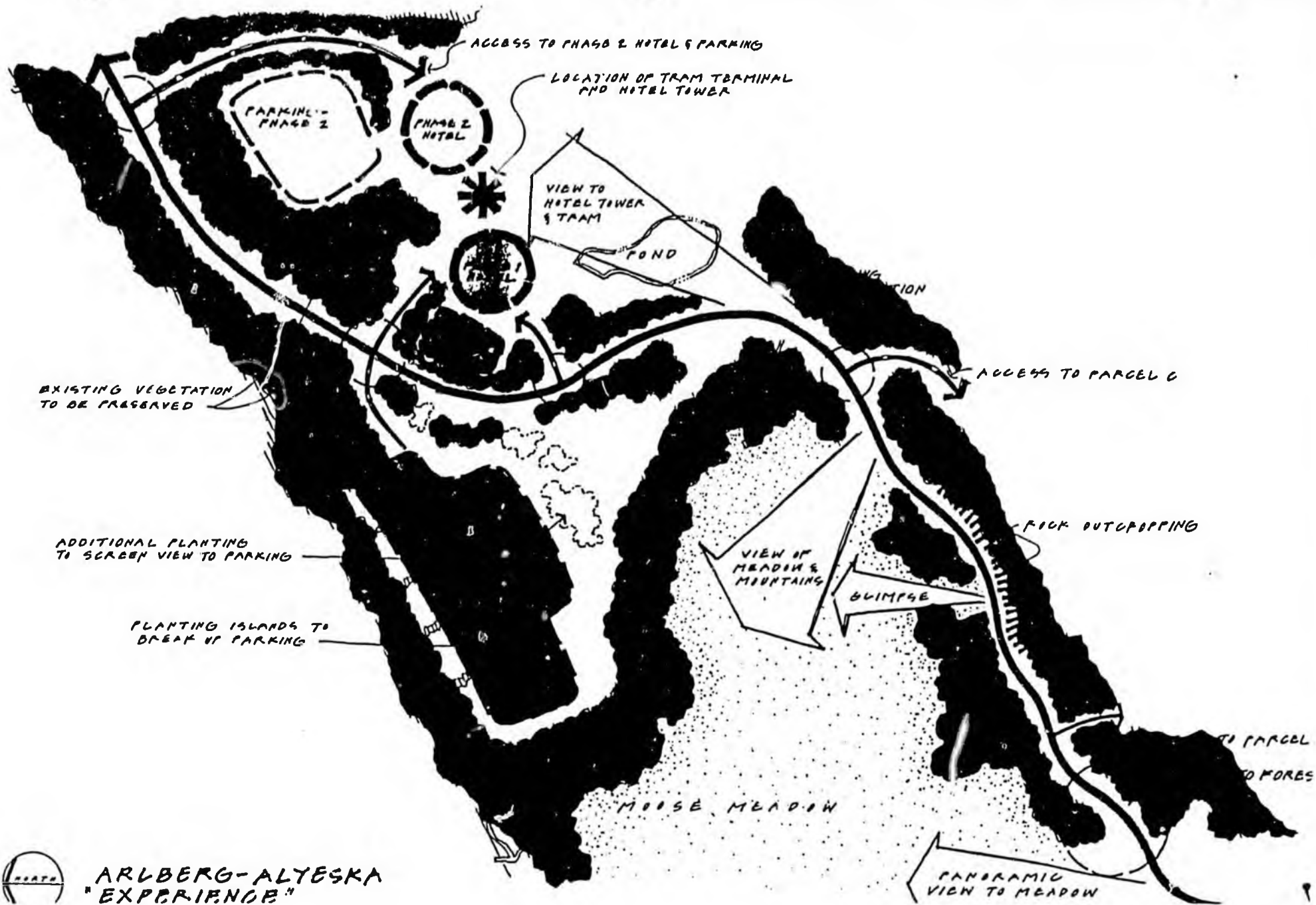
H. OTHER RECREATIONAL OPPORTUNITIES

The development of the resort hotel complex will spur a major increase in year-round use of the resort. During the winter months, the major recreational emphasis will be alpine skiing. The second most popular winter recreational activity will be nordic skiing. The presence of the hotel and the addition of a cross-country trail network will enable non-alpine skiing guests to participate in this sport. Many Anchorage residents will also be attracted to the nordic skiing opportunities at Alyeska, especially when complemented by the hotel support facilities. The proposed pond at the resort hotel will be maintained for winter ice skating.

For many guests and Anchorage residents, the tram ride to the new Skyride Restaurant may be the extent of their activity.

It is anticipated that the presence of a quality hotel complex will heighten the use of the Alyeska Resort ski facilities. As the area reaches such a threshold of use, other ski opportunities must be considered. The Winner Creek ski site has been identified as the most logical area for expansion. Advantages of developing the Winner Creek site in conjunction with operating Alyeska Resort include:

- Winner Creek would offset the deficiency of ski terrain found at Alyeska, since the site provides considerable low, intermediate, and intermediate skiing opportunities.



- Winner Creek is less than two miles from the Alyeska new resort hotel location, allowing for a physical connection of the sites with an aerial lift. Such a conveyance system would diminish the need to access the Winner Creek site with automobiles, thus lessening the development impact on the Glacier Creek Valley.
- Alyeska Resort could act as a support community for the Winner Creek development, providing a large portion of the bed base, support facilities, etc.
- The presence of the two ski area sites would promote greater market synergy, with a resultant increase in skier demand.

During the non-winter months, it is anticipated that the resort hotel will attract meeting groups, tourists, sightseers, package tour groups, etc. These various individuals and groups will use the resort's initial and future facilities and available recreational opportunities, including swimming, tennis, hiking, fishing, horseback riding, and tram rides. Tram rides to the Skyride Restaurant will become a major attraction for resort guests and the general public. Presently, the chairlift operation transports 35,000 summer visitors to the existing Skyride facility. The tram and new restaurant is expected to increase summer use dramatically. The tram affords safe and convenient access to an alpine valley where people can hike and enjoy the splendor of the setting. Other site users will enjoy the panoramic views from the Skyride Restaurant.

The Winner Creek ski site was identified in a 1982 U.S. Forest Service study entitled "Demand and Opportunities for Alpine Skiing on the Anchorage District of the Chugach National Forest". The Winner Creek site was selected as one of three potential ski development areas in the Chugach National Forest.

VIII. Master Plan for Destination Resort Center

The development proposed herein represents both a short and long-term plan for the growth of the Alyeska Resort to provide the improvements necessary to meet the requirements for major ski competitions as well as to make Alyeska an international destination resort facility. Such a facility not only offers benefits to the local economy of Girdwood but will also provide the area and the Municipality with first class alpine skiing and expanded recreation opportunities.

The Master Plan for development is driven by the following criteria:

- Ski slope expansion will allow the Resort to provide a greater percentage of beginner and intermediate facilities, thus broadening its appeal to the general public. The additional lift capacity will also help accommodate the projected increase in users.
- Expansion of the ski slope is necessary to provide a world class downhill course and adequate separation between downhill and other ski events.
- The existing hotel and lodge facility has limited accommodations (29 rooms) and limited expansion opportunities. The new area to be purchased from the Municipality of Anchorage will afford the space sufficient to provide a destination resort hotel with first class accommodations and the parking required to support it. The long range hotel buildout will provide a variety of residential accommodations which will help Alyeska diversify to a year round operation rather than their present exclusively winter orientation. Additionally, hotel construction on Parcel A will provide the critical mass necessary to create a strong identity for the resort village center and an enhanced image for Alyeska as an international destination resort.

The first phase hotel (300 rooms) and its lodge and ski facilities will provide the accommodations required to host race officials and attendant crews during race events. The parking area on Parcel B will serve the needs of resort visitors, cross country skiers using the Moose Meadow trails, and can act as a staging area for larger national and international events.

Finally, the importance of the site to the expandability of the resort cannot be overstated. With natural constraints and existing adjacent land use conditions, the north parcels offer the only opportunity to expand while directly integrating new expansion to existing facilities. This will create a stronger and more viable resort.

A. DESIGN PHILOSOPHY

The development of Parcel A, initially with a 300 room hotel and ultimately an alpine village center, responds to the Project Team's objective of creating for the over night visitor or day skier, an experience which is memorable and expressive of those unique and dramatic Alaskan qualities present at Alyeska and the surrounding Glacier Creek Valley. The creation of an "Alyeska Experience" begins at the point of entry, and consequently, the Arlberg extension road has been designed to introduce the visitor to the sites' unique features.

Initially, the main access road, Arlberg Extension, offers a panoramic view across Moose Meadow and down the valley towards Milk Glacier. This view quickly closes as the road turns northeast and heads into the spruce forest. Grading will be held to a minimum to allow the forest canopy and floor to dominate. The road curves gently to the east and hugs an existing rock ledge. This will allow minimum separation from Moose Meadow but natural openings in the spruce forest will afford periodic "glimpses" back to Moose Meadow. Just beyond the rock ledge a larger natural opening provides a full panoramic view of the meadow and south end of the valley. While access to Parcel C and D will be provided from Arlberg Extension, development on these parcels will be out of view of the motorist due to the dense vegetation and their position higher on the slope. Access points will be minimized to reduce visual disruption created by intersections and related regrading and removal of vegetation.

As the road rounds the top edge of the meadow an opening in the forest vegetation ahead will provide the first view of the new resort hotel. This view will be across a meadow lake which

will serve as an ice skating pond in the winter) to the tram terminal, with the hotel as a backdrop. This view will be quite dramatic and will quickly establish an identity for the hotel and a sense of orientation for the viewer. As the road continues its curve to the west, the view of the hotel is quickly closed by the spruce forest which will buffer visibility of the building from this point until arrival at the main entry drive. To the left, the large parking area on Parcel B will be screened. Existing trees, supplemented with transplanted material, will allow the lot to sit within a dense buffer of evergreen vegetation.

The main entrance to the phase one hotel is located just before the point at which the road turns again to the north. The hotel sits "in the woods" and guests will literally enter "through the woods". As the Arlberg Extension continues its curve up the valley, day skiers will be directed to the parking area on Parcel B. A drop-off point will also be provided for the day visitors at the east end of the hotel at the beginning of the village center. This point serves as the first phase termination of the Arlberg Extension in a "T" intersection with the access road to the Parcel A parking area and the drop off road to the village center. In the future the road can be easily extended further into the valley to serve other Heritage Land Bank parcels and to ultimately link with Crow Creek Road providing the valley with a "loop" road system.

F. DEVELOPMENT PROPOSAL: CONCEPTUAL RELATIONSHIPS

1. PARCEL A

As designated in the Concept Master Plan (Jan. 1986) this approximately 31.7 acre parcel is the principal site for the location of signature hotel facilities. Consistent with the "Commercial/Recreational" designation in the Concept Plan, this parcel will be the location of the principal hotels. The hotel development phases will be integrally designed with related retail facilities to create a resort village center. Ultimately, this center will support a range of ancillary uses such as a ski shop,

specialty shops, health club and restaurants. These support facilities will contribute a sense of animation to the resort village center both day and night, but more importantly will support the use of the resort and the valley as a four season recreational opportunity and visitor center.

The site characteristics of Parcel A are highly suited to the Master Plan objectives for the hotel. The gentle slopes and the orientation of the parcel allow the hotel to be sited with dramatic views of both Glacier Valley and the Alyeska ski slopes and at the same time, because of the dense spruce forest, the hotel literally sits "in the woods". The preservation of vegetation surrounding the site will soften the building's mass and natural building materials and colors will allow the hotel to sit in harmony with the site and its mountain backdrop.

The positioning of the phase one building relative to the proposed ski slopes on Parcel E takes advantage of the opportunity to ski back to the hotel as well as to the parking area on Parcel A. The phase one siting also takes advantage of maximum sun orientation for the hotel and public spaces. Within the hotel, public spaces such as the restaurant, lounge and conference room are also oriented to the slopes. The building's position allows the main tower element, which contains suite-style rooms, to afford guests with dramatic views to the ski slopes and the valley beyond. The tower also provides a clear reference "object" for visitors approaching the drop off and village center on their way to the tram terminal. From a distance, however, the site's vegetation will greatly diminish the buildings' presence and allow it to blend with the site.

Using the topography, an existing small stream and minor regrading, a reflection pond has been introduced at the southeast corner of Parcel A. The location of the pond will enhance the view to the hotel

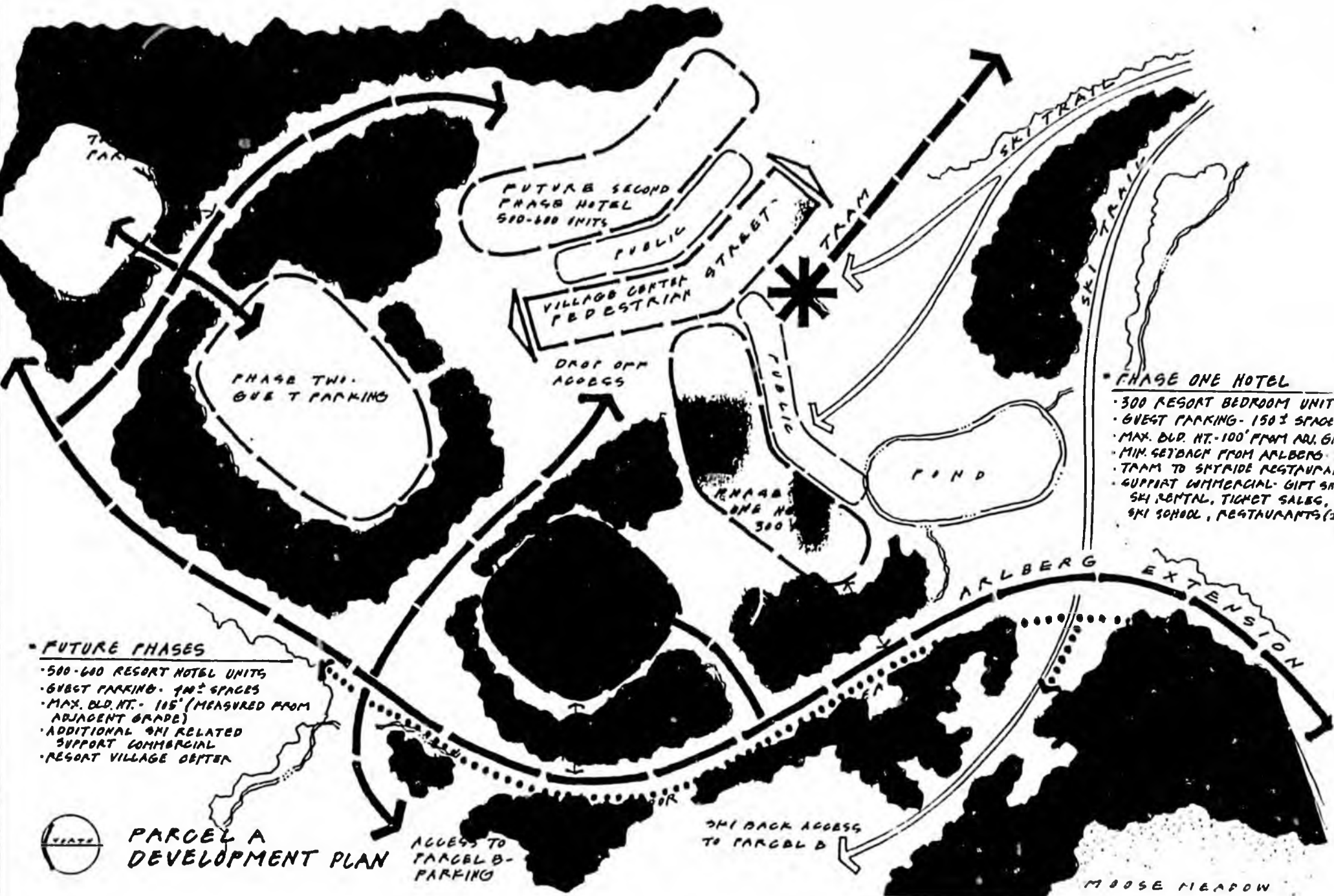
from Arlberg Extension as the forest suddenly opens to a vista across the pond to the hotel tower and the aerial tram. The reflection pond will serve multi-season functional objectives increasing its importance as an element of the design. Besides its obvious calming effect, the pond will provide for salmon rearing and an appropriate attraction for ducks and wild fowl. During the ski season, the pond will provide additional recreation as a skating area.

Minimal regrading of existing topography on the east side of the hotel is required to form the slopes in such a manner that this area can receive skiers from the ski trails and runs on Parcel E. This will also allow skiers access to the hotel, the tram terminal, and the parking area on Parcel B. Additional vegetation will be added to preserve the wooded character of Parcel E as it transitions into Parcel A.

Visitors to the phase one hotel will arrive via the entry drive on the building's west side. The entry drive, much in the same manner as the Arlberg Extension Road, provides a secluded "wooded" experience. Guest parking is completely screened by existing vegetation. A minimum setback of 75' will insure this preservation.

Day skiers and guests not staying at the hotel will park in the lot on Parcel B. Entry to this lot as well as a loop drive providing drop off facilities for skiers will occur 600' beyond the hotel entrance and form a "T" intersection with Arlberg Extension. This intersection will serve as the termination of Arlberg until second phase development begins.

The major public space on Parcel A will be the pedestrian "street" defined by the combination of the phase one hotel with the second phase hotel. Commercial uses, such as restaurants, shops and health club will anchor the east end of the street and provide an exciting visual element.



FUTURE SECOND PHASE HOTEL
510-600 UNITS

PUBLIC STREET

VILLAGE CENTER PEDESTRIAN

DROP OFF ACCESS



PUBLIC

PHASE ONE HOTEL

POND

SKI TRAIL

PHASE ONE HOTEL

- 300 RESORT BEDROOM UNIT
- GUEST PARKING - 1503 SPACES
- MAX. BLD. HT. - 100' FROM ADJ. GR.
- MIN. SETBACK FROM ARLBERG
- TRAM TO SKYRIDE RESTAURANT
- SUPPORT COMMERCIAL - GIFT SH.
- SKI RENTAL, TICKET SALES, SKI SCHOOL, RESTAURANTS

ARLBERG EXTENSION

FUTURE PHASES

- 500-600 RESORT HOTEL UNITS
- GUEST PARKING - 1402 SPACES
- MAX. BLD. HT. - 105' (MEASURED FROM ADJACENT GRADE)
- ADDITIONAL SKI RELATED SUPPORT COMMERCIAL
- RESORT VILLAGE CENTER



PARCEL A DEVELOPMENT PLAN

ACCESS TO PARCEL B - PARKING

SKI BACK ACCESS TO PARCEL B

MOOSE MEADOW

The second phase hotel, located somewhat higher on the slope, will be sited with an east/west orientation and have its main entrance on the north side. This orientation will provide guests with views down the valley and to the Village street, the lake and the foot of the ski trails from parcel E. Access to this hotel will be provided from Arlberg Extension which would be extended from its termination point in Phase One, northerly along the east edge of Parcel A. Visitor parking for the hotel would again be set "in the woods" and completely screened from Arlberg. The design of this hotel will be integrated with the first phase hotel to insure the cohesiveness of the Alyeska Village Center.

2. PARCEL B

This triangular shaped parcel, located on the west side of Parcel A and Arlberg Extension, is approximately 21 acres in size and relatively flat with an existing grade of 1% or less. The parcel is defined on all three sides by heavily vegetated stream corridors which provide a natural buffer to uses on Parcel B.

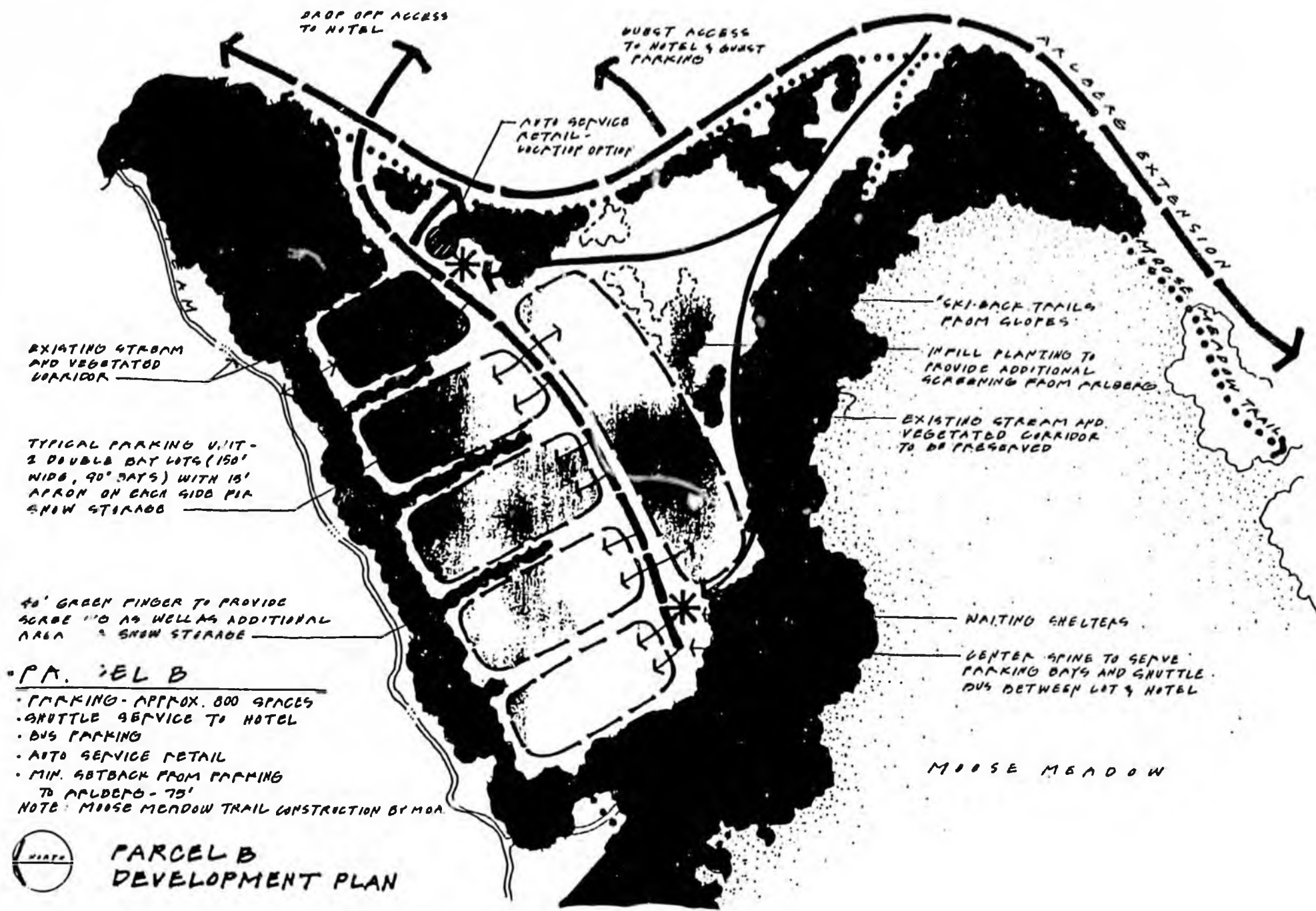
Consistent with the Concept Master Plan, Parcel B is the primary parking area for the Resort and will serve not only day skiers and visitors of the village center, but cross country skiers to Moose Meadow, summertime users of the valley's trail system, and ultimately potential visitors to the valley's expanded recreation opportunities. The development of the parking on Parcel B will serve the goal of opening the valley to additional recreational activities while containing the automobile and preserving the natural beauty of the valley.

The design of the lot will allow parking to expand from first phase development to a long range capacity of approximately 800 spaces plus bus parking, which is located in the southwest corner of the lot. Entry to the lot occurs at the north end and aligns with the drop-off loop road. The first bays are set back 125' from the road to afford maximum screening. Double bays are oriented east/west to provide for drainage mitigation and are separated by 30-40' which will provide for snow storage and vegetation to diminish the impact of the sequence of parking bays. Access to the bays is provided by a main two-way circulation spine. The vegetated stream corridors are preserved and will screen the lot from view. Additional screening will be provided along the northeast edge of the lot where existing vegetation thins out into a small meadow. Revegetation will be primarily ever-green to insure a year round buffer.

The design of the parking lot and the central circulation spine accommodates the use of a shuttle which would transfer lot users from the parking area to the drop off area at the village center along the north end of the phase one hotel. Two small waiting shelters are located at each end of the spine for the comfort of the lot's users.

Skiers will have access to the lot from a trail which connects Parcel E with the parking area. This trail follows the natural grade and is proposed to pass under the Arlberg Extension and along the open edge of the stream corridor to the east edge of the lot.

Employing the adjusted standard of 2.5 people per car, the Parcel B lot will have a capacity of approximately 2,000 skiers and other short term users. Coupled with existing lot capacities the Resort's parking will accommodate approximately 4,250-4,500 site visitors when the Parcel B lot is fully constructed. Based upon the increase in ski area CCC of 1800 skiers as a result of improvements and additions to the Alyeska lift and trail system, and the need for parking by other site users (cross-country skiers, employees, sightseers, etc.), the approximately 800 parking spaces planned for Parcel B are projected to be fully utilized on peak occasions.



EXISTING STREAM AND VEGETATED CORRIDOR

TYPICAL PARKING UNIT - 2 DOUBLE BAY LOTS (150' WIDE, 90' DEPT) WITH 15' APRON ON EACH SIDE FOR SNOW STORAGE

40' GREEN FINGER TO PROVIDE SCRIBE AND AS WELL AS ADDITIONAL AREA FOR SNOW STORAGE

PARCEL B

- PARKING - APPROX. 800 SPACES
- SHUTTLE SERVICE TO HOTEL
- BUS PARKING
- AUTO SERVICE RETAIL
- MIN. GETBACK FROM PARKING TO PALBERG - 75'
- NOTE: MOOSE MEADOW TRAIL CONSTRUCTION BY MOA.

SKI-BACK TRAILS FROM GLOVES

INFILL PLANTING TO PROVIDE ADDITIONAL SCREENING FROM PALBERG

EXISTING STREAM AND VEGETATED CORRIDOR TO BE PRESERVED

WAITING SHELTERS

CENTER SPINE TO SERVE PARKING BAYS AND SHUTTLE BUSES BETWEEN LOT & HOTEL

MOOSE MEADOW



PARCEL B DEVELOPMENT PLAN

3. PARCEL C

This approximately 23 acre parcel is located on the east side of the Arlberg Extension between the planned ski trails of Parcel E and the 200' wide Winner Creek Trail corridor. The area, designated in the Concept Master Plan as "commercial/recreational" development, is moderately sloped with an average grade of 15%. The eastern corner of the parcel levels to 5% grade as part of the small plateau which contains Secret Pond just beyond the parcel boundary line. The pond area is particularly beautiful and affords views of the valley in all directions. The area will be protected and a generous buffer of existing vegetation (Spruce/Hemlock forest) will remain between the pond and future development on Parcel C.

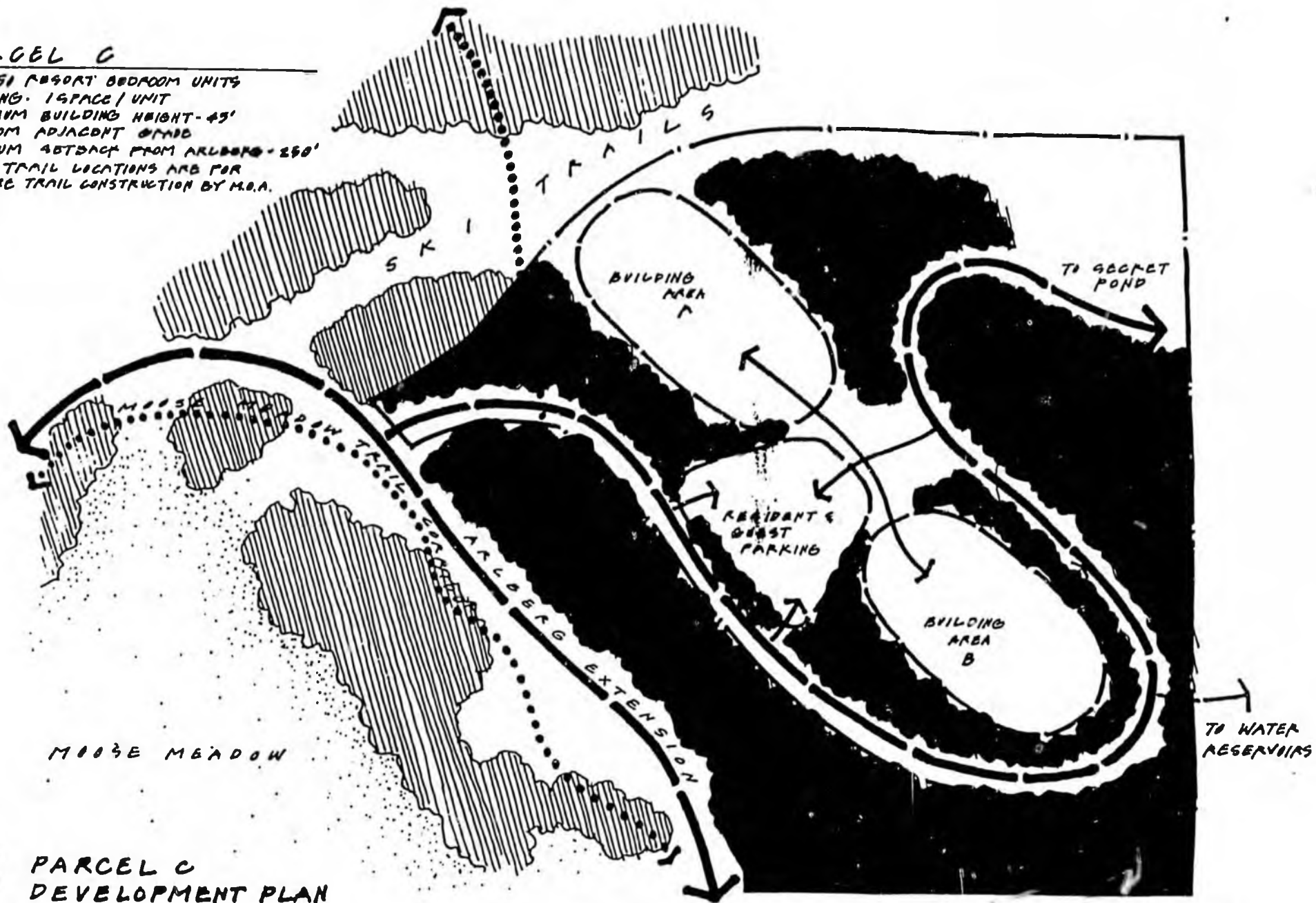
The higher slopes and subsequent well-drained soils contribute to the dense forest covering the site. This wooded character in combination with the topography provide the guiding criteria for the site's development. The entry road serving Parcel C is located approximately 3/4 mile from the Arlberg intersection with Alyeska Highway. The road's alignment responds to the steepness of the topography to achieve a reasonable vertical alignment (10-12%), and of equal importance, allows the existing vegetation to screen the road from view, minimizing its impact. The road terminates at the parcel's south boundary but could be extended if future access to existing Alyeska land were required. It will also provide access to the location of proposed water reservoirs on existing Alyeska property.

Two development areas are identified for future accommodation of 200-250 resort bedroom units. These building nodes are screened from the road serving the parcel by a minimum 50' preservation buffer. The Winner Creek Trail corridor below provides an additional buffer of 200' from Arlberg Extension. The nodes are located in response to slope conditions as well as the relationship to the main parking area. The parking area will also be screened by a minimum 50' buffer and is intended to serve the majority of parking needs. The building nodes will also provide for some small percentage of resident parking closer to the units. A 45' maximum building height (measured from adjacent grade) would allow the option of locating some parking under units (i.e., Townhouse style) while keeping building height below the forest canopy. The translation of bedroom units into building type and quantity will be determined in a future design phase.

The total number of bedroom units designated for the site yields a density of from 8 to 10 per acre. Parking is planned for one space per unit. Access points to the building areas and the major parking area are held to a minimum to reduce cutting and clearing of vegetation.

PARCEL C

- 200-250 RESORT BEDROOM UNITS
 - PARKING - 1 SPACE / UNIT
 - MAXIMUM BUILDING HEIGHT - 45'
FROM ADJACENT GRADE
 - MINIMUM SETBACK FROM ALBERG - 250'
- NOTE: TRAIL LOCATIONS ARE FOR
FUTURE TRAIL CONSTRUCTION BY M.O.A.



PARCEL C
DEVELOPMENT PLAN



4. PARCEL D

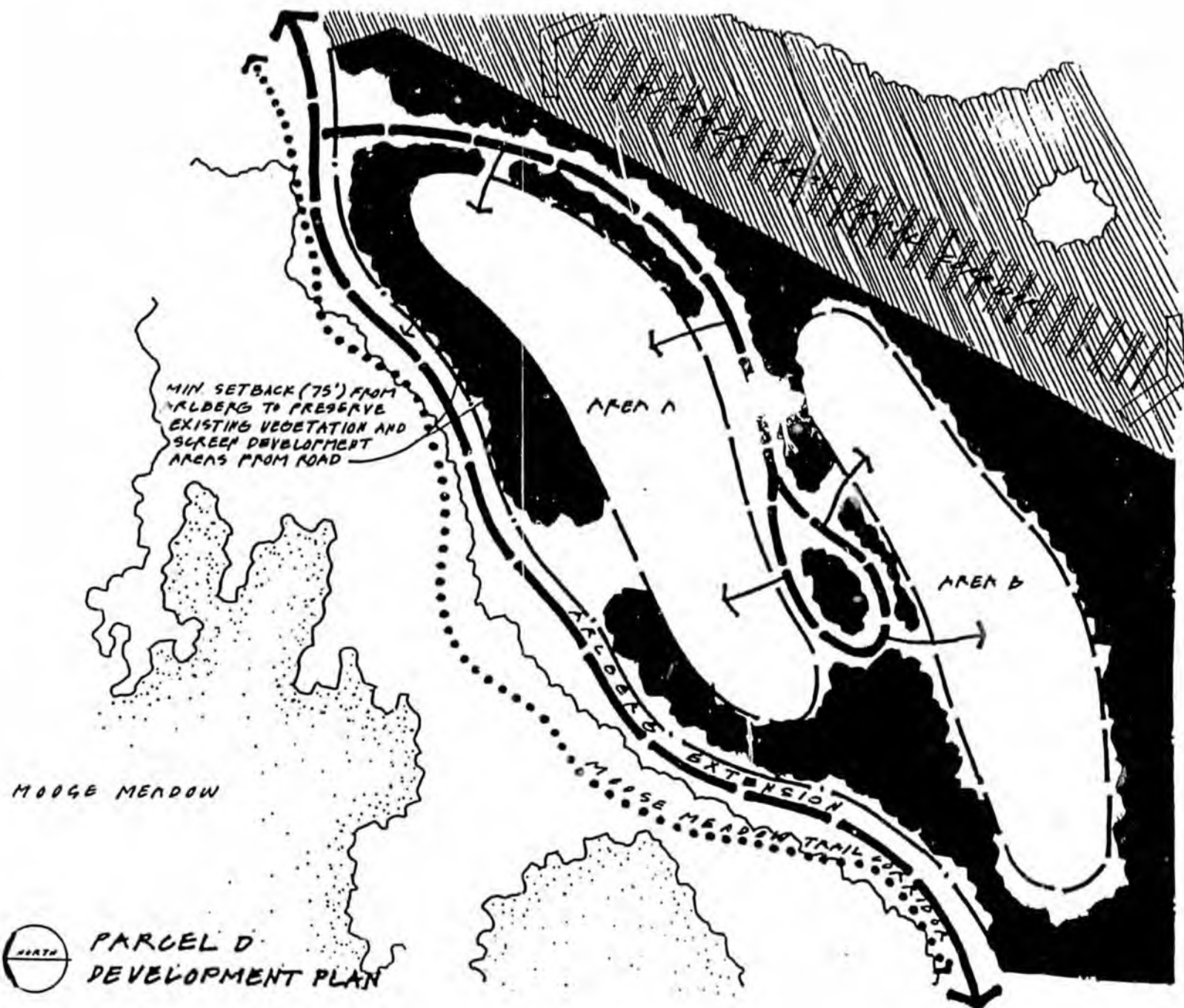
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This area, approximately 9.9 acres in size, is located immediately below (west) of the Winner Creek Trail corridor and east of the Arlberg Extension. It is the first development parcel as one enters the expansion area on Arlberg Extension. The land is more moderately sloped than Parcel C with an average grade of under 10%. Spruce and Hemlock cover the majority of the site. While views of the valley are more limited than Parcel C, the site will have somewhat better sun exposure and views through the trees to Moose Meadow will be quite good.

The Concept Master Plan designated the use of this parcel for "commercial/recreational" development. The development philosophy for this parcel is similar to that of Parcel C with a slightly lower density and building height (35') to relate to existing development immediately to the south. Access to the parcel is provided by a cul-de-sac from Arlberg Extension. This road will provide entry to the two development areas identified by the plan. To minimize the impact of future development on Arlberg and to preserve its natural character, only one access road will be provided. The use of a cul-de-sac is desirable for several reasons. It provides more security for the resort guests by discouraging flow through traffic and it reduces the number of intersections along Arlberg Extension.

The development nodes are separated from Arlberg Extension by a minimum 75' buffer of existing vegetation. A total of 50 to 100 resort bedroom units with parking (1 space/unit) can be accommodated on the parcel within the two areas shown, preserving a 75' buffer from Arlberg Extension and from existing development to the immediate south.

A decision on specific building type will be made at a future phase. The unit count planned for the site represents a density range of from 5 to 10 units per acre.



• PARCEL D

- 50-100 RESORT BEDROOM UNITS
- PARKING: 1 SPACE/UNIT
- MAXIMUM BLD. HT. - 5' FROM ADJACENT GRADE
- MINIMUM SETBACK FROM ALBERG - 75'
- NOTE: TRAIL LOCATIONS ARE FOR FUTURE TRAIL CONSTRUCTION BY M.O.A.

MOOSE MEADOW

PARCEL D DEVELOPMENT PLAN



5. PARCEL E

40 Parcel E, approximately 27 acres in size, represents a vital component in the expansion of the Alyeska Resort. This parcel provides the direct ski slope linkage, between existing facilities, slopes and trails, and the proposed phase one hotel and aerial tram.

The parcel has a variety of grade conditions ranging from very steep (up to 50%) at its southern end to a more gradual 10% as it transitions to Parcel A at its north end. There are a number of site conditions which preclude development on this parcel: shallow bedrock, high water table and peat deposits. Thus the parcel is planned exclusively for ski trails which will be carved out of the existing Spruce/Hemlock vegetation presently covering a large percentage of the parcel.

Parcel E will permit much needed expansion of beginner and intermediate slopes. The new trail network will eventually provide five ski runs designed to accommodate beginner, novice, low intermediate and intermediate skiers. A trail will also be located to provide skiers parked in the Parcel B lot access to the lot from the slopes. The remaining trails will "arrive" at the phase one hotel where skiers can access the hotel's facilities or the aerial tram to return to the top of the mountain.

The parcel also accommodates the Winner Creek Trail as it traverses east to the Chugach National Forest. A significant portion of this parcel will remain wooded and undisturbed from its present condition.



PARCEL E
DEVELOPMENT PLAN

HOTEL
ACCESS

PARCEL A

PROPOSED
HOTEL

AKLBERG
EXTENSION

TO PARKING

PROPOSED
LAKE

TO HOTEL

TO TRAIL

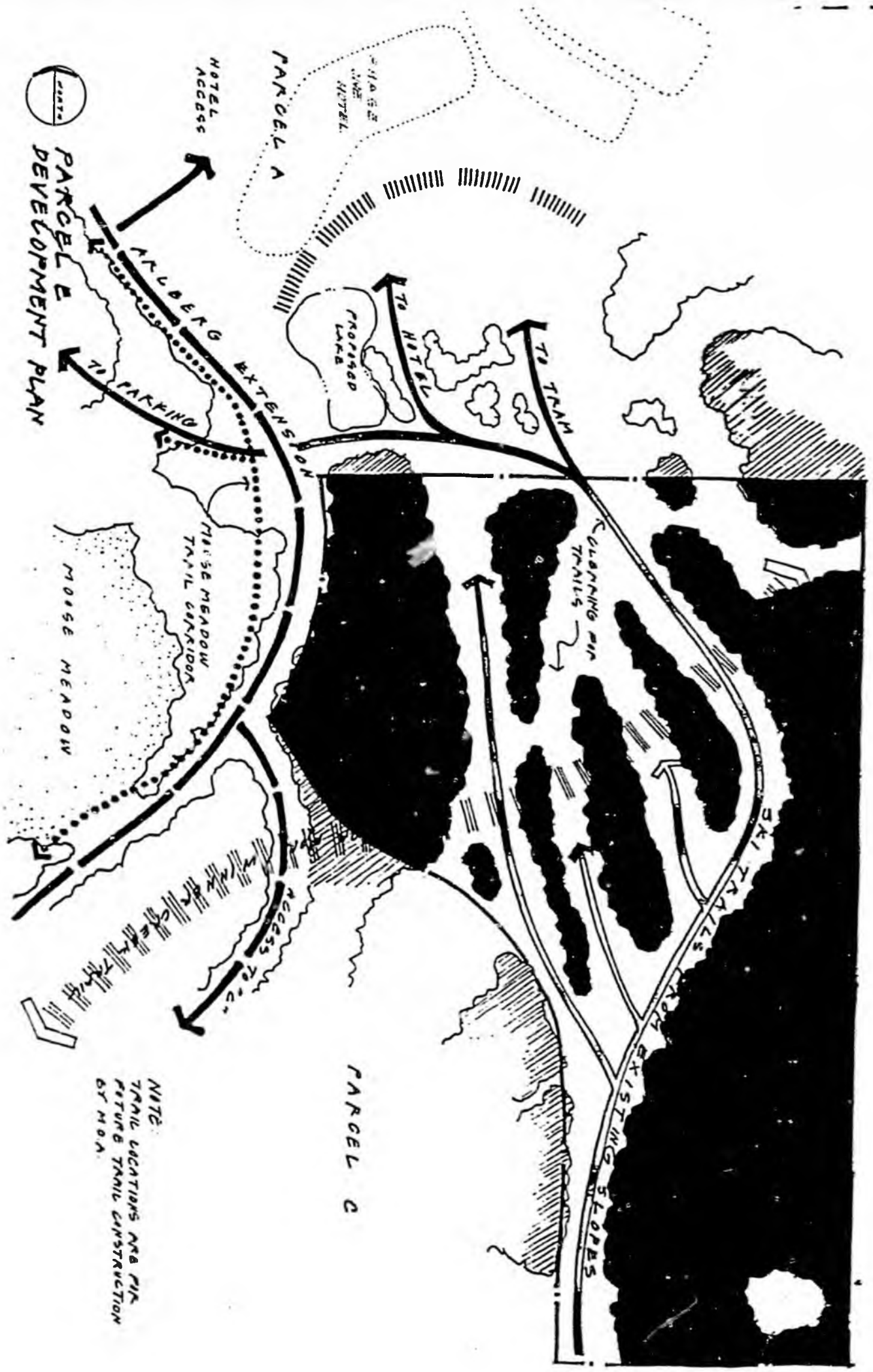
MOOSE MEADOW
TRAIL CORRIDOR

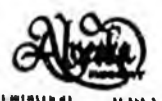
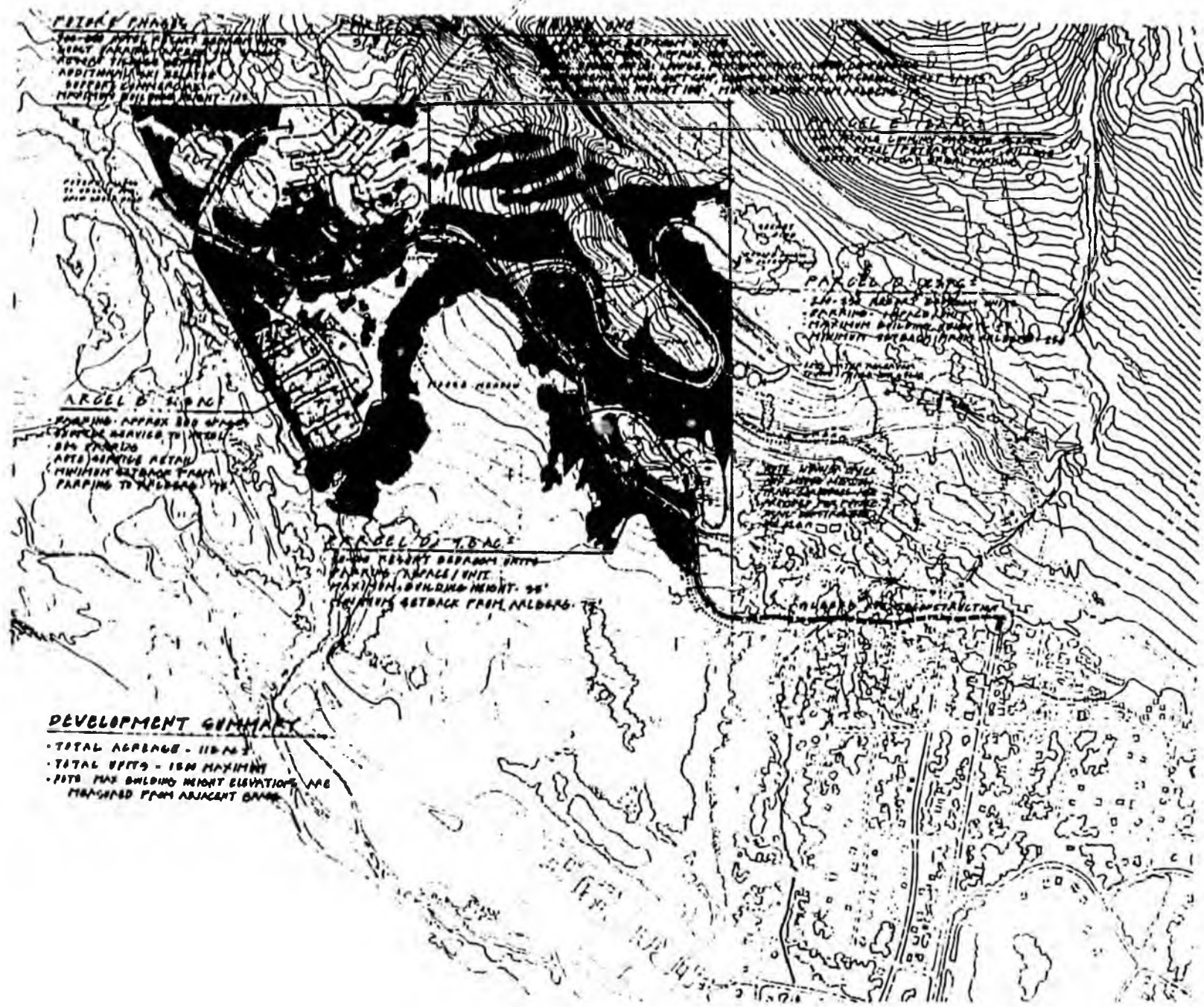
CLEANING
MIX
TRAILS

NEW TRAILS
FROM EXISTING
SLOPES

PARCEL C

NOTE:
TRAIL LOCATIONS AND MIX
RETURN TRAIL CONSTRUCTION
BY M.O.A.





**MASTER PLAN:
 AND
 PHASE ONE
 DEVELOPMENT**

**SEIBU
 ALASKA,
 INC.**

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Planning Architect:
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Site Plan Architect:
PERKINS+WORTH
 800 W. 10th Avenue, Anchorage, AK

Site Plan Architect:
BRUNNER ARCHITECTS
 1111 W. 10th Avenue, Anchorage, AK

**PARCEL
 DEVELOPMENT
 MASTER PLAN**

Scale: 1" = 100'
 April 1987

C. PROPOSED INFRASTRUCTURE

1. WATER SYSTEM

The proposed water system will be developed around two wells along Glacier Creek, northwest of the phase one hotel development. Based on exploratory drilling and pump tests, it is estimated that each 10" well will produce approximately 1000-1500 gpm. The two wells will be installed several hundred feet apart in order to minimize the drawdown influence on each other.

Such a system will meet the peak needs of the proposed expansion at maximum buildout. The peak water demand is estimated at 1200 gpm exclusive of fire flow and snow making needs. The system will ultimately be augmented by two-one million gallon reservoirs. These reservoirs will satisfy emergency storage as well as fire flow needs. Only one reservoir, however, is required for the first phase development.

Snow making needs will be met through a surface source taken directly from Glacier Creek. This nonpotable source will be delivered through a separate line to service the needs of the ski slopes.

It is intended that the new water system will ultimately tie into the existing Alyeska Subdivision System, replacing current sources. The existing wells, with a combined production capacity of 475 gpm, would probably be maintained as a back-up source.

2. SANITARY SEWER SYSTEM

The existing Alyeska Subdivision is served by 10- and 12-inch collection lines. As stipulated by the Development Agreement, Salbu will provide a sanitary sewer system designed to service the proposed development. Salbu intends to service the phase one hotel development by extending a trunk line through the Girdwood Airport property. Conceptual easements have been approved by the Alaska DOT/PP, the airport owners.

All future development within Parcel A will be served by this trunk line. This line may also be extended northward in the future to serve Municipality owned lands. Parcels C and D will be served by a separate sewer line which ties back into the existing development.

3. MISCELLANEOUS UTILITIES

Girdwood and Alyeska Resort are served by Chugach Electric Association (CEA). Standby generators are used to power ski lift operations during system failures. The utility has agreed to the concept of extending service along the proposed Arlberg Avenue Extension to the phase one developments. If the underground electricity requires looping, as has been suggested, the lines would share the sewer and water easement back through the Girdwood Airport property.

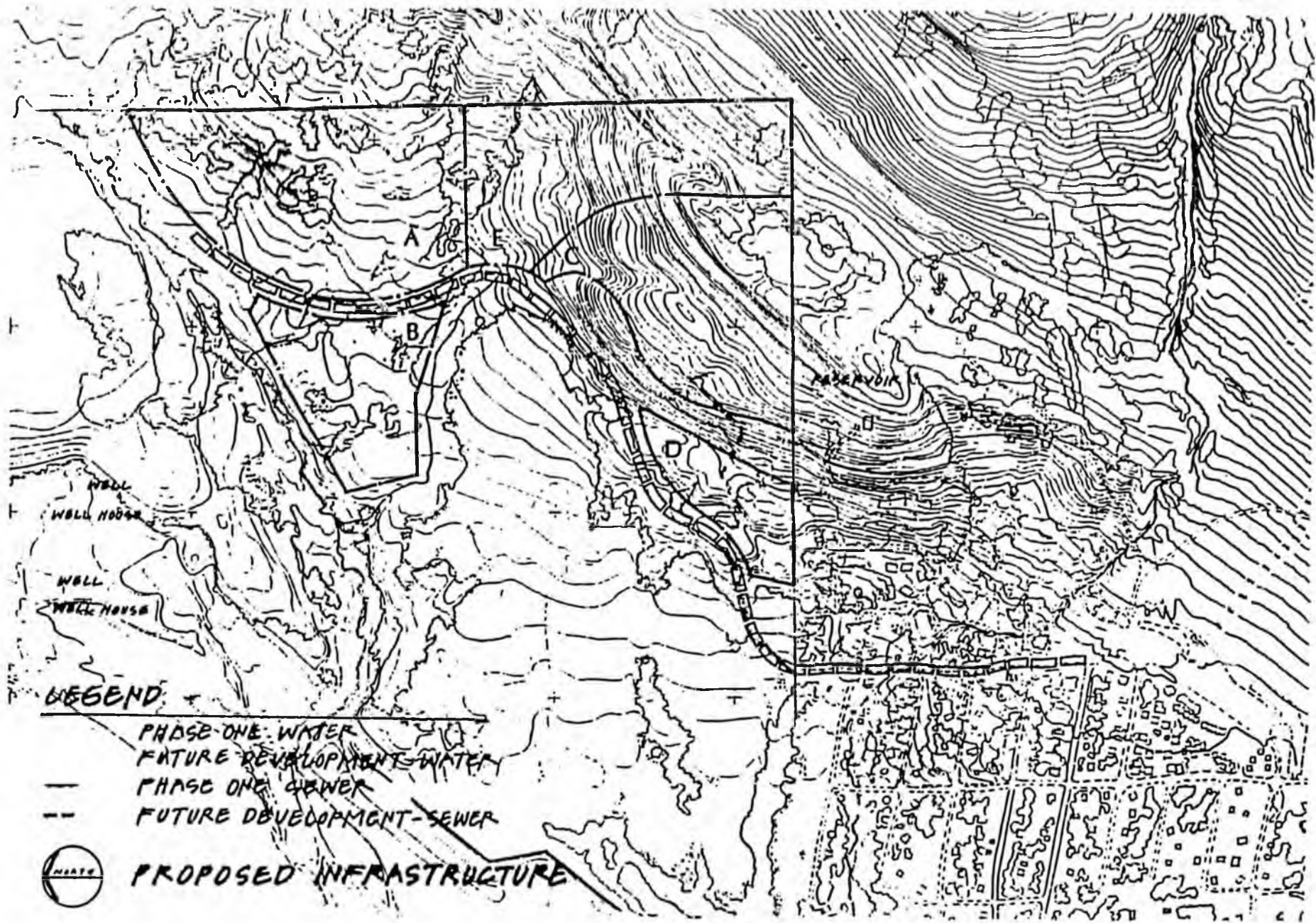
Telephone service is provided by Anchorage Telephone Utility. The existing service will be extended along Arlberg out to the phase one development within an easement shared with CEA. Telephone service will not continue beyond this point, since no looping is required. For internal operating needs, the resort uses a radio communication system consisting of two base stations, twenty portables, and one mobile unit.

Natural gas is not presently available in Girdwood. However, Enstar Natural Gas has initiated discussions regarding the eventual extension of service to the area. The requirements necessary to provide natural gas service to the proposed expansion area will be addressed when more is known of Enstar's plans.

Diesel and gasoline fuels are presently stored at the site of the old maintenance facility. During the summer of 1987, fuel storage will be moved to the new maintenance facility. A 5,000-gallon diesel tank and a 1,000-gallon gasoline tank will be installed at that time according to the terms of the conditional use permit granted for the maintenance facility. The permit requires that the tanks be buried and equipped with automatic shut off valves and that they be inspected by the State Department of Environmental Conservation prior to occupancy of the building.

4. ARLBERG AVENUE EXTENSION AND IMPROVEMENTS

The access road to the proposed Alyeska expansion area is a northerly extension of the existing section of Arlberg Avenue. Two basic cross-sections have been developed: One to serve the road from Alyeska Highway to the end of the existing road; and the other to extend from the end of Arlberg Avenue to the proposed development site. Based on preliminary traffic forecasts, both road sections will be two lanes wide with swale drainage. The section along the existing Arlberg Avenue should be developed to allow for a separated pedestrian/bicycle/ski path that will connect with the existing path that runs along the north side of Alyeska Highway. This road cross section, including the pedestrian path, can be accommodated within the 60 foot right-of-way. The pedestrian/bicycle/ski path north of the existing road terminus can meander on a separate alignment in order to minimize impacts to the natural landscape. While there may be some revision to the alignment of the intersection of Alyeska Highway, Arlberg Avenue and the entry to the Resort, preliminary design suggests that this can be provided within the existing right-of-way and can easily accommodate the forecasted traffic volumes.





Official Business

Alaska State Legislature

P.O. BOX V
State Capitol
Juneau, Alaska 99811

May 8, 1989

Yoshiaki Tsutsumi, President
Kokudokeikaku Company
6-35-1
Jingumae
Shibuya-ku
Tokyo 150 Japan

Dear Mr. Tsutsumi:

We are very pleased that Seibu Alaska Inc. is committed to the construction of its new hotel facility in Girdwood, Alaska.

The State of Alaska recognizes that efforts must be initiated now to diversify the economy and promote year-round tourism projects such as the one you now are undertaking. Your project presents all Alaskans with a significant opportunity and we are committed to supporting your project.

We understand that the water system operated by your corporation in Girdwood is substandard and we recognize the development for upgrading the water system and extending water and sewer service to the hotel site is essential to the successful completion of your project.


We are prepared to support this infrastructure development at a cost of \$6.1 million in exchange for your commitment through the Anchorage Economic Development Corporation for the prompt construction of the hotel and associated facilities, employment of Alaskans during construction and operation phases, and appropriate international marketing of the facility to attract visitors to Alaska.

As you may be aware, the Alaska Legislature recently appropriated \$5.0 million for a Winter Sports Training Facilities Reserve which is intended to be used to facilitate the Anchorage Organizing Committee's effort to attract the 1998 Winter Olympics to Anchorage. If the effort is successful, as we expect, it is our intent that the amount of this reserve would be increased during the next legislative session, or a separate reserve established to fund the cost of your infrastructure development. If that effort were unsuccessful, it is our intent that this reserve would be

available to meet the cost of the infrastructure development described above.

We applaud your vision and encourage your commitment to the immediate construction of the hotel facility. We look forward to working with you to diversify our economy through the expansion of your facilities in Girdwood.

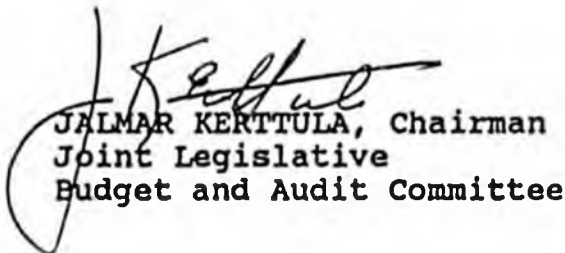
Very truly yours,



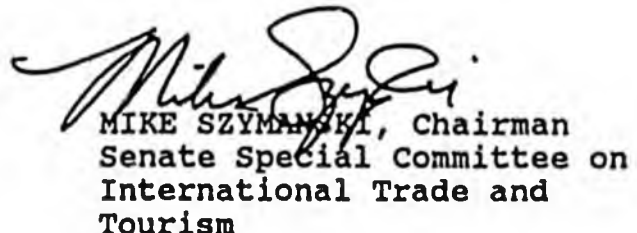
TIM KELLY
Senate President



SAM COTTEN
Speaker of the House



JALMAR KERTTULA, Chairman
Joint Legislative
Budget and Audit Committee



MIKE SZYMANSKI, Chairman
Senate Special Committee on
International Trade and
Tourism

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 12, 1989

Yoshiaki Tsutsumi, President
Kokudokeikaku Company
6-35-1
Jingumae
Shibuya-ku
Tokyo 150 Japan

Dear Mr. Tsutsumi:

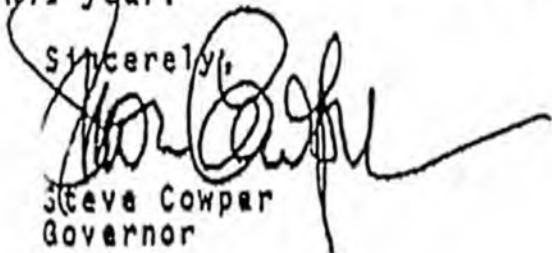
I have been informed that Seibu Alaska Inc. will be constructing a new hotel in Girdwood, Alaska.

The existing water system is inadequate for a facility as large as the one envisioned by your company. I am prepared to submit to the Alaska Legislature a proposal to build an appropriate water system for \$6.1 million, to be financed by the State of Alaska and the Municipality of Anchorage, in order to secure Seibu's commitment to the expanded facility under the conditions mentioned in the letter of May 8, 1989, to you from the Alaska Legislative leadership.

I deeply appreciate your understanding of the potential for winter sports in Alaska. We look forward to working with you and with Seibu Alaska, Inc., in the future.

My personal regards to you, and I hope the Seibu Lions win the championship again this year.

Sincerely,


Steve Cowper
Governor

Municipality of Anchorage



OFFICE OF THE MAYOR

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4431

TOM FINK,
MAYOR

May 11, 1989

Mr. Yoshiaki Tsutsumi, President
Kokudokeikaku Company
6-35-1
Jingumae
Shibuya-ku
Tokyo 150 JAPAN

Dear Mr. Tsutsumi:

The Municipality of Anchorage is very enthusiastic about the plans of Seibu Alaska, Inc., to develop a destination resort in Girdwood. We feel that the prestige of your company and the quality of the resort you have planned will lead to the development of a strong winter tourism industry in Anchorage.

It is my belief that traditional public works facilities, such as water systems, should be provided by government to projects like the one Seibu is proposing. I fully support the purchase of Alyeska Utilities, Inc., by the Anchorage Water and Waste-water Utility, and will use my best efforts to secure the necessary appropriation of public funds.

The letter of support from the leadership of the Alaska Legislature that was recently sent to you is a strong and significant statement. Although I cannot speak on behalf of the legislature and governor, it is my belief that the water and sewer funding will be forthcoming from the 1990 legislative session.

Please do not hesitate to contact my office if I can assist you in any way with your very impressive plans.

Very truly yours,

Tom Fink

ANCHORAGE WATER & WASTEWATER UTILITY



Tom Fink,
Mayor

3000 Arctic Boulevard
Anchorage, Alaska 99503-3898
(907)



Owned by the Municipality
of Anchorage

February 6, 1990

Representative Jim Zawacki
Box V
Juneau, Alaska 99811

Re: Girdwood Water System

Dear Representative Zawacki:

With the Legislative Session fully upon us, the Anchorage Water and Wastewater Utility (AWWU) would like to take this opportunity to list for you the funding scenario for the Girdwood Water Project. Your support is very important to us and if you should have any questions on this information please contact me.

These funding requests are included within the Municipality of Anchorage's 1990 Legislative Program that was presented to the Legislators early in December.

Girdwood Water System

Alyeska/Siebu Water System (New Const)	\$3,000,000	
Alyeska/Siebu Sewer System (New Const)	800,000	
Alyeska WID #389*	<u>2,300,000</u>	<u>\$6,100,000</u>

*Upgrade of both the Alyeska Utilities Inc. (SIEBU) and the Alyeska Basin Subdivision Utilities (Alyeska Basin Corporation) Water Systems - this funding request is a portion of the local share required for the Alaska Department of Environmental Conservation (ADEC) 50% Matching Construction Grants Program - see breakout on next page). A project map for this WID is attached for your use.

The \$6.1 million request is the Number One Priority for the Municipality of Anchorage. This amount has been requested from the Railbelt Energy Fund.

Page 2
February 6, 1990
Representative Zawacki

The funding scenario for the total water upgrades in Girdwood (both the SIEBU and the Alyeska Basin Subdivision Water Systems) follows. This funding breakout is for the proposed Alyeska WID #389.

<u>Railbelt Energy Funds</u> (listed previously)	\$2,300,000	
<u>ADEC 50% Matching Grant</u> (listed in the 1990 Anchorage Legislative Program Proposal as Priority #1 for District 7 (Page 5(A)-1).	3,900,000	
<u>Assessments</u> (to be paid by the property owners)	<u>1,600,000</u>	<u>\$7,800,000</u>

If I can be of further assistance in any way, please do not hesitate to telephone me at 786-5506.

Sincerely,



RICHARD L. BESSE, P.E
General Manager
Anchorage Water & Wastewater Utility

cc: Will Gay
Executive Manager
Enterprise Activities

Attachment



PHIL THINGSAD
President

WESTERN ALASKA BUILDING & CONSTRUCTION TRADES COUNCIL AFL-CIO

South of the 63rd Parallel
1818 W. Northern Lights, Ste. 104
Anchorage, Alaska 99517
(907) 268-4766
(907) 276-3533



MATT GROSKE
Secretary/Treasurer

March 13, 1990

Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Johnny,

I am sure you know the importance of the Saibu project at Alyeska to the Anchorage Building Trades.

I hope you will make every effort to see that the related water projects in Girdwood breeze through the legislature. Thanks.

Sincerely,

Phil Thingsad
President
Western Alaska Building Trades

PAT/eh

cc: Tyler Jones

BCA COMPANY

GENERAL CONTRACTORS

4001 Turnagain Blvd. East
Anchorage, Alaska 99517
(907) 243-3455 FAX (907) 243-1684
Contractor's License #A18414

March 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 407

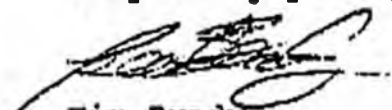
Dear Representative Ellis:

A hearing has been scheduled on House Bill No. 407 before the Community and Regional Affairs committee on Thursday, March 15, 1990, we would like to urge you and the rest of the legislature to support H.B. 407, which proposes that the State of Alaska reimburse Seibu Alaska, Inc. for the construction of water and sewer lines.

Our support of this measure is based on the merits of the agreement between Anchorage Economic Development Corporation and Seibu Alaska, Inc. This agreement calls for Seibu to increase the size and scope of its development as well as bring the project on line in a shorter time period than originally planned. No state money goes to Seibu Alaska, Inc. until it has fulfilled its responsibilities according to the agreement.

We feel this is an excellent example of state and private sector cooperation to produce additional construction and permanent jobs for the Alaskan economy.

Very truly yours,



Tim Brady
President



**LEASE
KISSEE
CONSTRUCTION
CO.**

GENERAL CONTRACTORS

7801 East 38th Avenue • Anchorage, Alaska 99504
(907) 333-6516

March 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 407

Dear Representative Ellis:

This letter is being written in support of H.B. 407 which proposes that Seibu Alaska, Inc. be reimbursed for the construction costs of water and sewer lines for its' new development at Alyeska.

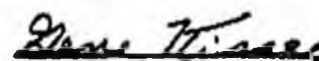
Our support of this measure is based on the merits of the agreement between Anchorage Economic Development Corporation and Seibu Alaska, Inc. This agreement calls for Seibu to increase the size and scope of its development as well as bring the project on line in a shorter time period than originally planned. No state money goes to Seibu until it has fulfilled its responsibilities according to the agreement.

We feel this is an excellent example of state and private sector cooperation to produce additional construction and permanent jobs for the Alaskan economy.

This fine project has the potential for creating a positive long-range effect on our economy and we urge your support of H.B. 407.

Sincerely,

LEASE KISSEE CONSTRUCTION CO.


Gene Kisse, President

GK/nc



M-B CONTRACTING CO., INC.

7101 DeBarr Rd., Anchorage, Alaska 99504 • Phone (907) 333-5527 • FAX 333-5871

March 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 407

Dear Representative Ellis:

We would like to urge you and the rest of the legislature to support H.B. 407 which proposes that the State of Alaska reimburse Seibu Alaska, Inc. for the construction of water and sewer lines.

Our support of this measure is based on the merits of the agreement between Anchorage Economic Development Corporation and Seibu Alaska, Inc.. This agreement calls for Seibu to increase the size and scope of its development as well as bring the project on line in a shorter time period than originally planned. No state money goes to Seibu until it has fulfilled its responsibilities according to the agreement.

This is a good investment for the State of Alaska in the Alaskan economy.

Again, we urge your support of House Bill 407.

Sincerely yours,

A handwritten signature in cursive script that reads "Kirk Wilson".



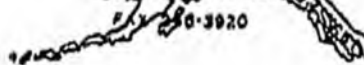


Ken Brady Construction Company, Inc.

GENERAL CONTRACTORS

4001 TURNAGAIN BLVD. EAST • ANCHORAGE, ALASKA 99517

TELEPHONE 261-3920



March 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 407

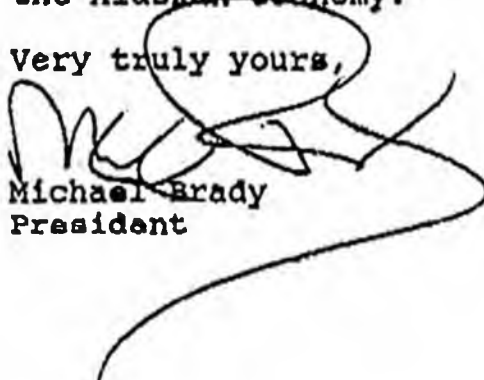
Dear Representative Ellis:

On Thursday, March 15, 1990, we urge you to support House Bill 407, which proposes that the State of Alaska reimburse Seibu Alaska, Inc. for the construction of water and sewer lines to the new hotel at Alyeska Ski Resort.

We believe that the merits of the agreement between the Anchorage Economic Development Corporation and Seibu Alaska, Inc. warrants our support. This agreement calls for Seibu to increase the size and scope of its development as well as bring the project on line in a shorter time period than originally planned. No state money goes to Seibu Alaska, Inc. until it has fulfilled its responsibilities according to the agreement.

This is an excellent example of state and private sector cooperation to produce additional construction and permanent jobs for the Alaskan economy.

Very truly yours,


Michael Brady
President



C. R. Lewis Co. Inc.

MECHANICAL CONTRACTORS · CUSTOM SHEET METAL

1500 POST ROAD, ANCHORAGE, ALASKA 99501 · 907-276-3624

March 14, 1990

Rep. Johnny Ellis
Alaska House of Representatives
P. O. Box V
Juneau, AK 99811

Subject: HB 407 Community & Regional Affairs Hearing
March 15, 1990

Dear Representative Ellis:

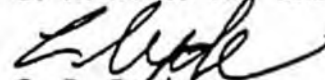
It is my understanding that HB 407 will support the expansion of the Ski Resort at Mt. Alyeska and advance the completion date of said expansion.

The result would be additional construction jobs for our Alaskan workforce and, even more important, additional permanent jobs and a continuing injection of additional dollars into our economy for the uncertain times that lie ahead.

As a taxpayer I am concerned about the way the legislature is letting our budget expand but, if my information is correct and it will result in a long-term gain, I heartily support HB 407.

Thank you for your efforts in Juneau in our behalf.

Very truly yours,
C. R. LEWIS CO. INC.



C. R. Lewis

CRL:de



TAM CONSTRUCTION INC.

GENERAL CONTRACTOR

P.O. Box 111186

Anchorage, Alaska 99511

Telephone (907) 344-4581

Tuesday, March 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 407
Tam File # 90T.00

Dear Representative Ellis,

I understand that the Community and Regional Affairs committee is about to consider H.B. 407. *Please give your full support to this bill.*

In these times of economic crisis in Alaska, it seems to me that, every effort should be made to support the development of industries which will add to future economic growth. Certainly, tourism is one such industry. Seibu's continued effort to improve the international marketability of Alyeska Ski Resort, is good for tourism, and good for Alaska.

It is my belief that the agreement between Anchorage Economic Development Corporation and Seibu Alaska, Inc. is a prime example of the kind of cooperation between private industry and state government, which will build a solid economic foundation for the future.

My employees and I hope you will support H.B. 407.

Sincerely yours,

Bill McKeever

WILLIAM A. McKEEVER
President

H B

4 2 6

HOUSE COMMITTEE REPORT

(5)

Date Referred: January 19, 1990

FURTHER REFERRALS:

STATE AFFAIRS

Date of Committee Action: 2/20/90

The COMMUNITY & REGIONAL AFFAIRS Committee considered:

HB 426

HOUSE BILL NO. 426

PUBLICATION OF PROPOSED REGULATORY ACTION

"An Act relating to the notice requirements for adopting, amending, or repealing a regulation."

RECOMMENDATIONS:

- [] be replaced with CSHB 426 (C&RA) [] the same title
[] a new title
[] have attached amendment(s)
 do pass
[] do not pass
[] no recommendation
[] individual recommendations
[] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s): _____
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- 10 fiscal impact X
5 zero fiscal note _____
1 zero with analysis _____

- [] fiscal note(s) _____
[] zero fiscal note(s) _____
[] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not
Pass
No Rec
Amend

Eileen P. Murhean
Richard (Dole)
Cheryl Davis
Eugene M. Kubina

	Do Not Pass	No Rec	Amend

Eileen P. Murhean
Chairman's Signature

JAN 26 1990

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 23, 1990

SUBJECT: Sectional summary of HB 426
TO: Representative George Jacko
FROM: Theresa L. Bannister *TLB*
Legislative Counsel

You have requested a sectional summary of the above described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 requires that a notice of the adoption, amendment, or repeal of a regulation be published in a local publication in a community, in addition to any other publication requirements, if the proposed adoption, amendment, or repeal will significantly affect the community and if there is a local publication that is distributed on a regular basis in the community. Defines "community".

If I may be of further assistance, please advise.

TLB:pl
WKP1/035

House of Representatives

While in Session:
Box V
Juneau, Alaska 99811
(907) 465-4942

P.O. Box 47001
Pedro Bay, Alaska 99647
(907) 850-2208



Chair
Special Committee on Foreign Trade
Vice Chair
Resources Committee
Member
Health, Education &
Social Services Committee

Rep. George Jacko, Jr.

MEMORANDUM

TO: Representative Eileen MacLean
Chair of Community & Regional Affairs

FROM: Representative *George* Jacko, Jr.

DATE: January 22, 1990

SUBJECT: Hearing For House Bill 426

I respectfully request a hearing be scheduled for House Bill 426, "An Act relating to the notice requirements for adopting, amending, or repealing a regulation." The legislation addresses a current and ongoing problem with the distribution of public notices. If the notices will have a significant impact on the communities, it mandates that they be published in a locally distributed paper. It does not limit their current distribution.

House Bill 426 was drafted in response to some constituent concerns. A discrepancy in the current system allows Public Notices to be published in a paper of general circulation, but not necessarily in the locally distributed newspaper of the community affected. House Bill 426 mandates a change, making the distribution of public notice more equitable.

Thank you for your consideration of this matter.

GJ/eij

JUL 2 p noon

Please respond by fax to 563-0208 by Monday noon with your comments for quotation. (you may recall that this is the matter you were asked to do something about last year)

Rural Alaskans Hurt by Legal Loophole

What do a stolen Aleut child, a shipwreck which releases oil that fouls set net sites, the theft of money from a rural borough, and foreclosures in rural Alaska that no one hears about until their land is lost all have in common? The answer is that each was a story in rural Alaska recently and each occurred as a result of big city lawyers using a gaping loophole in Alaska's public notice requirements to take advantage of the residents of rural Alaska.

Alaska law requires that public notice be given before children can be adopted, property foreclosed, contracts let, and damage claims settled. But, unlike most states, Alaska merely requires that the notice be posted in a public place and published in a newspaper of general circulation. It does not require that the notices reach the people whom they will affect.

The public place most often chosen is a bulletin board in a public building. But the public building can be in Anchorage or Seattle or Houston or some other place where there is little or no chance of any rural resident ever seeing it. The same is true of a newspaper of "general circulation". All newspapers in the United States are legally in general circulation so all newspapers in the United States qualify as a place to publish legal notices related to rural Alaska. Thus the required legal notice about adopting a village baby or setting a deadline to file oil spill claims might be published in Anchorage or Boston or someplace elsewhere where rural relatives and fishermen are almost certain never to see it.

Many rural newspapers, of course, pursue such information and see that the rural public gets it. But the lawyers are presently able to get around that also. Consider the case of the the AOYAGI MARU which went aground at Lost Harbor (near Akutan) on November 16, 1988. On the 29th of June of this year the ship's attorney filed a notice in Federal Court giving Akutan residents and anyone else who says they were damaged by the grounding and resulting spill until Wednesday August 2 to file claims. But they did not publish the required public notice in the back pages of the classified section of the *Anchorage Daily News* until Friday July 28, five days before the deadline to file claims.

Anyone familiar with rural Alaska will note that the local newspaper, in this case the *Aleutian Eagle*, is a weekly as are most rural Alaska papers. It comes out on Friday. Thus the lawyers hired by the ship owners to minimize the claims from rural Alaska just happened to publish the notice both where no rural residents would see it and when it would be too late for the local newspaper to find it and warn its readers.

Similar obscure events come to mind such as the Bristol Bay Borough's recent tax foreclosure notices being published in Anchorage because our attorney "has always done it that way" to the successful defense of some of the North Slope Borough Indictments on the basis that the contracts were not secret and illegal even though no one in the Borough knew about them because public notices were published in Seattle.

This has been going on for a long time. A few weeks ago a poignant reunion occurred between a young native woman and the surviving members of her family. She had been taken from her village as an infant and finally ended up with a non-native family thousands of miles away. They published an adoption notice, apparently in Boston, which her family never saw or heard about. Then her adopted parents led her to believe that she was an Athabascan instead of an Aleut in order to keep her from finding her brothers and sisters. Years later, someone finally admitted she was an Aleut and she began the long search of finding her native family, and succeeded. "We have been searching for you for twenty five years," said an emotional uncle.

Legislators and former legislators say they are appalled that Alaska's anti-rural public notice practices have been allowed to continue. They say that Alaska should require that the notices be given locally as is required in most other states and promised to do something about during the next legislative session.

Said

Papers: Aleutian Eagle, Bristol Bay News, East Aleutian Advocate, Borough Post, Valdez Pioneer, Barrow Sun, All Alaska Weekly. (not in Alaska Commercial Fisherman)

JAN 15 1990

Alaska



Newspaper Association

c/o P.O. Box 798
Wrangell, AK 99929
907/874-2301
FAX: 907/874-2303

FOUNDING MEMBERS
Incorporated Dec. 6, 1980

ROBERT B. ATWOOD
The Anchorage Times

KATHERINE FANNING
Anchorage Daily News

LOREN STEWART
Chukotka News, Kenai

MAX SWEARINGEN
Peninsula Clarion, Kenai

GLEN COBB
The Frontiersman, Palmer

TOM GIBBONEY
Homer News

JIM C. MARTIN
Alaska Journal of Commerce

G. KENT STURGIS
Fairbanks Daily News-Miner

LEW WILLIAMS
Ketchikan Daily News

CARL SAMPSON
Juneau Empire

TOM SNAPP
All-Alaska World

Honorable Rep George Jacko Jr. ¹¹²
Box V
Juneau, Alaska 99811

Dear Representative Jacko:

As president of the Alaska Newspaper Association I wanted to comment on your proposed House bill concerning published notices for agency actions. I am pleased to see that someone is putting such a requirement into law. Too often our members find that actions are not announced to the public affected by those actions. In addition, we find that statewide actions (which affect everyone) are noticed in only one or two large daily newspapers (Juneau and Anchorage) and the rest of the state doesn't hear about the plan until it begins affecting their lives.

When your proposed bill says that an action "significantly affecting a community" must be subject to public notice, does that include statewide actions? For example, if a department promulgates a regulation that applies statewide, does a public notice have to be published in every single newspaper statewide? Or, does your requirement apply only when a proposed action applies just to one town? Unless statewide public notices are required, I imagine your requirement would have limited application. For example, I think it would be extremely rare that the Department of health and Social Services would promulgate a regulation that applies only to Wrangell.

Thank you for seeking our opinion on your proposed legislation.

Sincerely yours,

Ann D. Kirkwood, President

THE

DELTA

PAPER



TriDelta, Inc.

Loretta Nistler, Editor
Patti Dull, Advertising
Christopher Brann, Printer

P.O. Box 988
Delta Junction
Alaska 99737

January 31, 1990

Rep. George Jacko Jr.
House of Representatives
Juneau, Alaska

FAX #463-5661

Dear Rep. Jacko,

We apologize for the delay in replying to your FAX message of January 11.

The Delta Paper would like to go on record as favoring your proposed change in statute (Section 1. AS 44.62.190).

We have long felt that publication of notices in major cities' newspapers is not always the best way to get the information to the general public.

For instance, DCRA is currently proposing changes in regulations governing day care assistance. Our LIO sent us a copy of the notice and asked that we cut or edit the information and publish what we could in re: the upcoming teleconference. The information I got from the LIO indicates that the notice is being advertised in an Anchorage paper, the Fairbanks paper, the Juneau Empire, one other I've forgotten, and the Tundra Drums. None of these is circulated widely in this community, though some people do get the Fairbanks paper. I called DCRA, was told (politely) that they could not afford to publish in all papers (it would probably cost millions) and that notices had been sent to those in this community who would be affected. The local LIO staff person says interested locals have not received personal notification.

Generally ad rates are less costly in smaller, community newspapers. I think it could be done for less than "millions".

Please keep us posted on the progress of your bill. (And thanks for asking our opinion!)

Cordially,

Loretta Nistler
Editor

The Delta Paper

(Serving the entire Delta Junction - Port Greely area)

At the End of the Alaska Highway

Article 4. Committees.

Section

180. Committees

182. Review of administrative regulations by standing committees of the legislature

Section

184. Termination of interim committee membership

Sec. 24.05.180. Committees. (a) Each house shall have standing committees to facilitate the transaction of business in accordance with the rules of the legislature. The rules may provide for the appointment of special committees, as needed, by the presiding officer of each house. The legislature shall provide for the use of joint committees to facilitate and expedite business.

(b) *Repealed by § 7 ch 100 SLA 1963.* (§ 20 ch 157 SLA 1959; am § 1 ch 143 SLA 1961; am § 7 ch 100 SLA 1963)

Collateral references. — 2 Am. Jur. 81A C.J.S., § 55.
2d, States, Territories, and Dependencies,
§§ 50-54.

Sec. 24.05.182. Review of administrative regulations by standing committees of the legislature. (a) A standing committee of the legislature furnished notice of a proposed action under AS 44.62.190 shall review the proposed regulation, amendment of a regulation, or repeal of a regulation before the date the regulation is scheduled by the department or agency to be adopted, amended, or repealed.

(b) A standing committee conducting a review of a regulation under (a) of this section shall determine whether the regulation properly implements legislative intent.

(c) A standing committee shall conduct preliminary reviews under this section while the legislature is in session and during the interim between legislative sessions.

(d) If a standing committee determines that a regulation, amendment to a regulation, or repeal of a regulation does not properly implement legislative intent, the standing committee's findings shall be transmitted to the Administrative Regulation Review Committee. (§ 4 ch 1 SLA 1982)

Revisor's notes. — Enacted as AS 24.99.001. Renumbered as AS 24.37.010 in 1982. Renumbered again in 1985.

CHAPTER 4.

PUBLIC NOTICE

A. Procedure:

As stated in Chapter 2 of this manual, AS 44.62.190 requires that the adopting agency give notice of the proposed adoption of regulations. (It is advisable for the agency to consult the Department of Law for help in drafting the notice.) Subsection (a) of that section provides:

(a) At least 30 days before the adoption, amendment, or repeal of a regulation, notice of the proposed action shall be

(1) published in the newspaper of general circulation, or trade or industry publication, that the state agency prescribes and in the Alaska Administrative Journal;

(2) mailed to every person who has filed a request for notice of proposed action with the state agency;

(3) if the agency is within a department, mailed or delivered to the commissioner of the department;

(4) when appropriate in the judgment of the agency, (A) mailed to a person or group of persons whom the agency believes is interested in the proposed action, and (B) published in the additional form and manner the state agency prescribes;

(5) furnished the Department of Law together with a copy of the proposed regulation, amendment, or order of repeal for the department's use in preparing the opinion required after adoption and before filing by AS 44.62.060;

(6) furnished to all incumbent State of Alaska legislators and the Legislative Affairs Agency;

(7) furnished to the standing committee of each house of the legislature having legislative jurisdiction over the subject matter treated by the regulation under the Uniform Rules of the Alaska State Legislature, together with a copy of the proposed regulation, amendment, or order of

repeal for the committee's use in conducting the review authorized by AS 24.05.182;

(8) furnished to the staff of the Administrative Regulation Review Committee.

Observe, first of all, that this statute requires notice 30 days before adoption -- not before the public hearing. (For some agencies, adoption will occur at the hearing, but, for most of them, it will not.) Nevertheless, it is recommended that, to assure adequate notice and preparation time, there be at least 30 days' notice before the hearing (or written comment deadline). This interpretation is expressly set out in the California APA; see Cal. Gov. Code sec. 11346.4(a). The shorter the amount of notice time, the more difficult it will be to defend the adoption in court if the regulation is challenged. Absent an emergency (in which case the emergency regulation procedures probably should be followed) it would be extremely difficult to defend anything less than 10 days to two weeks. Remember, the notice requirement is primarily for the benefit of the public, not merely the convenience of the agency. Since our APA does not expressly answer the question, it is necessary to determine the length of time that would be "reasonable" to allow the public time to prepare for a legislative type of hearing. Some programs might be subject to additional requirements under federal law.

Second, this statute requires in paragraph (1) that the notice be published in the newspaper or trade journal that the agency prescribes. It does not require publication in more than one. Nevertheless, it is recommended that the adopting agency not rely on this minimal requirement. See Moore v. State, 553 P.2d 8, 21 -- 22 (Alaska 1976), for discussion of "general circulation." Some newspapers in this state now have a separate heading in their classified ad section for "Regulations" or "Notices/Regulations." In addition, press releases and more eye-catching ads might be useful in trying to assure public awareness of proposed regulations. Although the Moore case provides some guidance in interpreting the statute's term, "general circulation," it is often simply good policy to include additional publicity in some of the more remote areas such as Kodiak, Bristol Bay, the Aleutians, Barrow, Petersburg, etc. Consider a press release for local papers and radio and television stations.

Third, paragraph (1) does not specify the number of times the notice must be published. Literally, one publication would suffice. But again, it is recommended that this minimal requirement not be interpreted as a maximum.

Fourth, paragraph (1) was amended by sec. 3, ch. 59, SLA 1985 to require publication in the Alaska Administrative Journal. Under AS 44.62.175(a) (enacted by sec. 2, ch. 59, SLA 1985), the lieutenant governor is to publish the journal weekly. This means that the adopting agency must anticipate the journal's

publication schedule when setting up its own adoption schedule. Contact the lieutenant governor's office for instructions.

Fifth, although paragraphs (6) -- (8) provide for some redundancy, the legislature, by its enactment of ch. 1, SLA 1982 even over the governor's veto, has clearly indicated that it wants that redundancy. Furnishing notice just to the Legislative Affairs Agency or just to each incumbent legislator is not sufficient. Notices to the Legislative Affairs Agency should be sent to its executive director, at P.O. Box Y, Juneau, Alaska 99811. During legislative sessions (January -- May of each year, plus occasional special sessions), notices to legislators should be sent to them individually, at P.O. Box V, Juneau, Alaska 99811. When the legislature is not in session, get the legislators' addresses from the Directory of State Officials, published twice a year by the Legislative Affairs Agency. To determine the appropriate standing committee of the Alaska Senate and House of Representatives, refer to Appendix Q of this manual which sets out Rule 20, Uniform Rules of the Alaska State Legislature, describing committee jurisdiction; then send notice to the chair of that committee in both the Senate and the House, using the P.O. Box V address. For the Administrative Regulation Review Committee, send notice to the staff of that committee, also using the P.O. Box V address.

Remember, the objective of publishing this notice is reasonably to assure that the public is notified. Each agency must consider the adequacy of publication on a case-by-case basis, depending upon such things as the significance of the regulation, the areas and people and industries covered by it, prior expressions of public interest, and other relevant factors.

In Kenai Peninsula Fisherman's Cooperative Ass'n, Inc. v. State, 628 P.2d 897, 908 (Alaska 1981), the Alaska Supreme Court stated that

The purpose of the notice and hearing provisions of the APA is twofold. First, it gives notice to interested parties of proposed agency actions which may affect their interests. Next, it gives the administrative agency the opportunity to receive information and comments from those interested parties on its proposed action. [Footnote omitted.]

In addition, AS 44.62.175(a)(7) requires the lieutenant governor to publish in the Alaska Administrative Journal (AAJ) "the text or a summary of the text of a regulation or order of repeal of a regulation for which notice is given under AS 44.-62.190(a)."

To help assure that the public is appropriately informed and is not surprised by the taking of effect of a regulation for which notice was published long ago, a one-year stale-

ness rule-of-thumb is applied. I.e., if a year or more has elapsed between the time the original notice was published and the time the regulation will take effect, a supplemental notice should be published. If a year has passed by the time the agency adopts a regulation, it should publish a supplemental notice. It should not expect that the Department of Law will be able to review and approve the project immediately upon the agency's adoption.

This one-year rule, which is not in the Alaska APA, is somewhat flexible, taking into account the nature and significance of the regulation. A shorter period possibly should apply to a controversial, important regulation affecting a great number of people. In sec. 3-106(b) of its 1981 revision of the Model State Administrative Procedure Act, the National Conference of Commissioners on Uniform State Laws has recommended a generally applicable six-month rule, measuring from the later of publication of notice or end of oral proceedings to the date of adoption. Cf. Cal. Gov. Code sec. 11346.4(b), providing a one-year rule, measuring from publication of notice to submission of the adopted regulation to the Office of Administrative Law for review (sec. 11343(a)).

Essentially, this staleness rule is part of the expression of the policy against "secret law." As Professor Arthur Bonfield has mentioned,

nothing is more pernicious than a system in which the operative principles employed to settle the rights of individuals are kept hidden from them.

Bonfield, "The Iowa Administrative Procedure Act: Background, Construction, Applicability, Public Access to Agency Law, the Rulemaking Process," 60 Iowa L.Rev. 731 at 785 (1975). His article also briefly discusses the Iowa staleness rule; *id.* at 857 -- 858. Also see Bonfield, State Administrative Rule Making (Little, Brown and Company, 1986), sec. 6.6.2, regarding time for adoption of regulations. An unreasonable delay in adoption and effective date has the effect of masking the new law from the public. Depending upon various circumstances, such as the amount of public interest shown in or the significance of a particular project, this effect could be mitigated by a supplemental notice mentioning that the regulation was adopted and stating its effective date. The Alaska APA does not provide express direction in this situation.

Sometimes it will be necessary or advisable to publish a supplemental or corrected notice. In the text of such a notice, be sure to mention its relationship to the earlier one and make clear what the difference (i.e., the supplementation or correction) is. For example, the additional notice might extend the comment period or set a new date for an oral hearing, or it might correct an error in the original notice. Having the caption describe the notice as supplemental, etc., is also helpful. A

supplemental notice should be distributed in the same manner as the original notice. Also, if the final version of a regulation is significantly different from the version originally distributed, it is advisable to publish an additional after-the-fact notice describing the change (subject to budgeting considerations).

B. Content:

AS 44.62.200 deals with the contents of the notice. In that section, (a)(1) requires "a statement of the time, place, and nature of proceedings for adoption, amendment, or repeal of the regulation." Since most actual "adoptions" occur quietly in the office of the head of the agency, by his or her simply signing an adoption order, this statute has been interpreted as referring to the time and place of the public hearing or deadline and address for written comment.

Paragraph (a)(2) requires a reference to the statutory authority, and (a)(3) requires "an informative summary of the proposed subject of agency action." When amending AS 44.62.-200(a)(3) in 1970, the House Judiciary Committee stated in part (1970 House Jour. 916 -- 918):

* * * * *

. . . Two objectives must be borne in mind when dealing with a notice requirement for administrative regulations: (1) the need to give the public reasonable notice of agency action; and (2) the need to allow some administrative flexibility. The committee substitute attempts to meet these objectives, providing some guidance for the agencies and protection of the public.

By way of example, the committee believes that notice by an agency that it is going to consider regulations setting a limit on bear in a particular area of the state should be sufficient to support agency action setting any limit, or no limits, in that area. Similarly, notice that the agency will consider a regulation opening the fishing season on a particular date is sufficient notice to support any date, since the subject matter of the regulation (opening the season) remains the same. . . .

The committee recognizes the difficulty in maintaining the balance between generality and specificity in writing notices which give members of the public sufficient information to decide whether their interests could be affected by the agency action and thus whether to make their opinions known to the agency. It would appear that almost

any statutory language, short of a provision that omits a notice requirement altogether or one that requires the notice to contain the regulation verbatim, will necessitate an administrative decision on an issue such as the content of "reasonable notice."

* * * *

At the same time that paragraph (3) was amended, the legislature enacted AS 44.62.200(b) to read:

(b) A regulation that is adopted, amended or repealed may vary in content from the summary specified in (a)(3) of this section if the subject matter of the regulation remains the same and the original notice was written so as to assure that members of the public are reasonably notified of the proposed subject of agency action in order for them to determine whether their interests could be affected by agency action on that subject.

The 1970 House Judiciary Committee report is consistent with and expands upon a 1959 Opinion of the Attorney General -- No. 26. However, since the statute in effect at the time that that opinion was written provided for "the express terms" or an informative summary, the portion of that opinion that discusses the appropriateness of setting out the express terms of a proposed regulation is no longer applicable. As a general rule, it is recommended that the express terms not be set out in the notice because they could be unduly restrictive if the adopting agency wants to change substantially the original proposed version after receiving public testimony at the hearing. (The California Court of Appeal rejected such a limitation on an agency, however, in applying the "express terms or an informative summary" requirement, so long as the subject of the regulation is the same. Schenley Affiliated Brands Corp. v. Kirby, App., 98 Cal. Rptr. 609, 621 [1971]. Nevertheless, it is better to avoid the argument altogether.)

The informative summary of proposed action should not just give the citation of the regulation being adopted, amended, or repealed. A citation can be helpful, but it should always be accompanied by a description. Citations of existing provisions must be used with caution, however. Depending upon the accompanying description and upon whether a member of the public could reasonably determine whether his or her interests would be affected, a citation could actually be misleading if the agency wants to amend a different provision as its final act on the matter. In other words, if the description is not adequate, the citation could be unduly restrictive. That would mean starting over.

For new regulations, the informative summary should describe their substance. For amendments of existing regulations, the summary should describe the CHANGE being made, relating it to the substance of the existing text. This applies to notices for emergency regulations as well as to regular regulations.

For repealers, describe the provisions being repealed. Don't just cite them, and don't just give a one- or two-word identifier. In 1988, the legislature passed CSSB 384(Jud), sec. 3 of which would have amended the notice requirement of AS 44.-62.200(a)(3) as follows:

(3) an informative summary of the proposed subject of agency action and of the action's intended effect on persons subject to the action; the summary must include a description of the substance of each repealed regulation or group of related regulations and a description of the intended effect of the repeal.

(The underlined wording is the material that would have been added by the 1988 amendment.) The governor vetoed the bill, but not because he objected to its sec. 3. In his June 9, 1988 veto message, he stated "I do not disagree with the intent of sec. 3 of the bill" and "I will be instructing all of my departments and agencies to begin implementing this change in the public notice process." 1988 Senate Jour. 3857.

Expanding upon the governor's statement, his chief of staff distributed to the cabinet members an August 15, 1988 memo suggesting that all agencies observe the following guidelines:

- (1) All descriptive summaries of proposed changes should include statements that describe:
 - what is being changed
 - how it is being changed
 - why it is being changed.
- (2) If a regulation is being repealed, don't simply cite the regulation number. Describe the regulation and provide a statement of why it should be repealed.
- (3) Keep your audience in mind and don't use technical jargon or other terms not generally understood by the public. Remember the purpose of these notices is to inform the public. That requires clear and effective communication.

Points (1) and (2) in the chief of staff's list are consistent with the Alaska Supreme Court's suggestion that an agency's regulation-adoption record "should at least explain the reasons for the agency's action." Johns v. Commercial Fisheries

Entry Comm'n, 758 P.2d 1256, 1261 (Alaska 1988). That part of the record assists the court in its review function.

In Kingery v. Chapple, 504 P.2d 831 (Alaska 1972), our supreme court held that a notice that included the language "other equipment -- including mirrors, windshields, . . . motorcycle and scooter requirements concerning goggles, face shields, helmets, handlebars and standards for [those items]" was a valid informative summary of regulations requiring mirrors, windshields, goggles, face shields, and helmets, setting standards for them, and specifying the height of handlebars. Id. at 834. That language appeared in a general notice of a comprehensive revision of rules of the road.

In State v. First National Bank of Anchorage, 660 P.2d 406 (Alaska 1982), the court held that a notice that identified (by number and heading) the statute being implemented and then listed the headings of the six articles of regulations being adopted was sufficient under AS 44.62.200(a)(3). In support of its ruling, the court cited the legislative history of AS 44.62.-200, including the 1970 House Judiciary Committee report quoted above. The court noted that "it is clear that the legislature intended that the 'informative summary' requirement be liberally construed." Id. at 425, n.32. However, there has been legislative objection to notices that rely on mere headings to convey the informative summary. It would be wise to write a better description than the court has held (minimally) acceptable, as indicated in the chief of staff's memo quoted above.

In addition, in the Kenai Peninsula Fisherman's Cooperative case, the court observed in a footnote that a notice that mentioned setting fishing season dates was not adequate to cover adoption of a long-term management policy for Upper Cook Inlet, even though implementation of the policy would affect fishing season dates. In other words, the policy covered more than those dates -- subjects of which the public was not reasonably notified. 628 P.2d 897, 906, n.21.

In Chevron U.S.A., Inc. v. LeResche, 663 P.2d 923, 929 -- 930 (Alaska 1983), the court upheld oil and gas exploration regulations that were challenged for, among other things, differing from the draft that was available when notice of the proposed adoption was published. In addition to a chapter numbering change, the final regulations added to a requirement for submission of initially processed geophysical exploration information a requirement that subsequently processed information also be submitted. Relying in part on AS 44.62.200(b), the court held that this addition was valid. "[T]he subject matter remains the same: submission of test data." Id. at 930.

Paragraph (a)(4) of AS 44.62.200 is merely a reminder that there might be other statutes that require some additional point to be covered in the notice. Paragraph (a)(5), enacted in 1980, requires inclusion of a summary of the fiscal information

prepared under AS 44.62.195; see Chapter 18 and Appendices A and B of this manual.

Notice with regard to emergency regulations will be discussed below in Chapter 5.

When preparing a notice, the drafter should imagine standing in the shoes of a member of the public -- especially that portion of the public being regulated -- and anticipate that person's interest and concern.

SAMPLES OF NOTICE INTRODUCTIONS AND INFORMATIVE SUMMARIES, BASED ON THE FORMS IN APPENDICES A AND B, TO PROVIDE SOME GUIDANCE IN VARIOUS SITUATIONS:

I. Adoption of new material only:

- (A) Notice is given that the Alaska Public Utilities Commission, under the authority of AS 42.05.151, AS 42.05.311, and 42.05.321, proposes to adopt regulations in Title 03 of the Alaska Administrative Code, dealing with joint use of electric and telephone utility equipment and facilities by cable television (CATV) utilities,* as follows:

The proposed regulations would add a new Article 5 to 3 AAC 52, relating to CATV joint use of electrical and telephone utility facilities. The sections are made applicable to all electric, telephone, and CATV utilities in the state, regardless of whether the utilities are regulated or are exempt from the commission's general regulatory powers. The proposed regulations encourage the affected utilities to agree to terms for joint use, and indicate that the commission will generally not exercise its authority to order joint use and determine the terms of joint use, as long as the utilities appear to be acting consistent with the policies underlying AS 42.05. If the commission sets rates for joint use of utility-owned poles or conduits, the rates will equal the additional costs of modifications or additions necessitated by the joint use, and an annual rate equal to the total cost of a pole or conduit multiplied by the ratio of the space occupied by the CATV facilities to the total usable space on the pole or the conduit.

Unless the utilities submit studies indicating that other figures are appropriate, the commission will presume that the occupied space for a CATV pole attachment is one foot, and that the total usable space on a pole is 13.5 feet. The commission will consider the following elements of cost

to the owning utility: depreciation, taxes, return on investment, maintenance, and administrative expense. The owning utility's cost calculation shall be based on the investment in its pole or conduit accounts, divided by the number of poles or the number of feet of conduit in service.

The regulations also set out a procedure for resolving joint-use disputes and require final resolution within 360 days after the filing of a complaint.

* Department of Law File No. 993-86-0026;
Commission Docket No. R-85-002.

[[[Although the adopting agency will not always know the Department of Law file number at the time notice is published, it is a good idea to include it in the notice when it is known. This practice will facilitate accurate filing and responding to public inquiries.]]]

- (B) Notice is given that the State Board of Education, under the authority of AS 14.07.060, proposes to adopt a regulation in Title 4, Chapter 05, of the Alaska Administrative Code, dealing with local education, to clarify a term used in the statutes, as follows:

4 AAC 05.020 is proposed to be amended by adding a new paragraph, defining "education" to include the process of formal training at a facility that . .

- (C) Notice is given that the Department of Labor, under the authority of AS 23.10.360, proposes to adopt a regulation in Title 8 of the Alaska Administrative Code, dealing with Employment of Minors, to implement AS 23.10.325 -- AS 23.10.370 as follows:

amend 8 AAC 05 by adding a new section to prohibit the employment of children under 18 as canvassers, peddlers, solicitors for door-to-door contributions, or as "outside salesmen" (as that term is defined in 8 AAC 15.910(10)) in house-to-house sales.

This proposed prohibition would apply only where an employee-employer relationship exists, and would not affect individuals engaged in the activity of a nonprofit religious, charitable, educational, or service organization where an employee-employer relationship does not exist and where services rendered to the organization are on a volunteer basis. This prohibition is proposed to avoid the exploitation and abuse of minor

workers that has been experienced in these occupations in Alaska and across the country.

II. Adoption of new with amendment of old material:

- (D) Following notice such as in Example A, above, something like the following could be added, just above the file and docket numbers:

In addition, 3 AAC 50.100(a), dealing with the application and purpose of regulatory policy standards, is proposed to be amended to include a reference to telephone utilities, in light of the new material proposed for 3 AAC 52, as described above.

III. Repeal of old material:

- (E) Notice is given that the Department of Health and Social Services, under the authority of AS 18.07.101, proposes to repeal 7 AAC 07.080(f), dealing with the final administrative decisions for appeals under the Certificate of Need program. This subsection provides that the decision of a hearing officer will be the final administrative decision regarding the disposition of a matter concerning a certificate of need. To ensure proper program oversight, this repeal is intended to retain final decision-making in the commissioner.

IV. Repeal of old with adoption of new material:

- (F) Notice is given that the division of insurance, under the authority of AS 21.05.090, proposes to repeal and adopt the following regulations in Title 3 of the Alaska Administrative Code, dealing with agents, brokers, solicitors, and adjusters:
1. 3 AAC 23.050, PRODUCING GENERAL AGENTS, is repealed. This regulation required licensed general agents to secure an agent's license if they wished to act as a producing agent for the same or another insurer. This regulation has been superseded by the amendment of AS 21.09.280(b), which grants that authority to the general agent without having to apply for an additional license.
 2. 3 AAC 23.070 is a new section which codifies a one-year period as the length of time an insurance licensing examination score is valid. If licensure is not obtained within that one-year period, the applicant must retest.
 3. 3 AAC 23.080 is a new section which requires retesting for any applicant whose prior Alaska

insurance license was revoked for any reason, including nonpayment of annual continuation fees.

V. Miscellaneous amendments:

(G) [[[Following an appropriate introductory paragraph:]]]

Article 3 (7 AAC 50.310 -- 7 AAC 50.620), dealing with licensing of child foster homes is proposed to be amended. The proposed child foster home regulations contain the basic standards of care that foster parents must meet in order to be licensed to care for foster children. Some of the proposed changes include: more direct involvement by the foster parents in a foster child's plan of care; annual foster parent training; new time limit restrictions on emergency and provisional licenses; and a section entitled "Reports" which lists the reports and time frame in which a foster parent must submit the report to a placement agency. The effect of these changes is intended to be to facilitate placement of foster children, while assuring the protection of their best interests.

(H) Notice is given that the Medicaid Rate Commission, under authority vested by AS 47.07.073 and 47.07.180, proposes to amend regulations in 7 AAC 43, dealing with establishment of a rate-setting process for payment of services for medical assistance programs to facilities, to implement AS 47.07, as follows:

1. 7 AAC 43.675(f) is proposed to be amended to clarify commission voting procedures.
2. 7 AAC 43.679(a) is proposed to be amended to reflect Accounting Manual changes.
3. 7 AAC 43.680(j) is proposed to be added to establish a procedure for corrected reports.
4. 7 AAC 43.686(d) is proposed to be amended to further define allowable costs included in determining a prospective rate.
5. 7 AAC 43.691(c), dealing with commission waiver of year-end conformance that is otherwise required by (a) and (b) of that section, is proposed to be repealed.
6. 7 AAC 43.697(j) is proposed to be amended to require electronic recording of commission proceedings.

ette tax program, interpreting and implementing AS 14.07.020(1), AS 14.11.100(b), AS 43.50.140, and AS 43.50.150 as follows:

4 AAC 36.010, related to cigarette tax distribution, is amended by revising the requirement for a separate bank account to a requirement for separate fund accounting.

The necessary accountability requirements can be met without the added workload and expense of maintaining a separate bank account.

VI. Amendment of material adopted by reference; supplemental notice:

(K) SUPPLEMENTAL NOTICE OF PROPOSED
CHANGES IN THE REGULATIONS OF
THE ALASKA DEPARTMENT OF LABOR

Notice is given that the Alaska Department of Labor, under authority vested by AS 18.60.020, proposes to amend a regulation in Title 8 of the Alaska Administrative Code dealing with occupational safety and health standards, which are adopted by reference, and proposes to adopt and amend safety and health standards in Subchapter 03, Telecommunication Code, dealing with recordkeeping requirements in connection with required employee training, to implement AS 18.60.010 as follows:

1. 8 AAC 61.010 is proposed to be amended to reflect amendments to Subchapter 03, Telecommunication Code, adopted by reference in it.
2. Subchapter 03, Telecommunication Code, is proposed to be amended by requiring employers to prepare and maintain a certification record of all safe practices training that has been provided to employees.

The proposed changes to these regulations provide minimum safety and health requirements for employment and places of employment in the state, and are at least as effective as those promulgated by the U.S. secretary of labor.

This is a SUPPLEMENTAL NOTICE adding to the NOTICE OF PROPOSED CHANGES that was issued on January 4, 1988 concerning these proposed regulation revisions. The SUPPLEMENTAL NOTICE is being issued because the Department of Labor has decided to hold oral hearings on these proposed revisions. The hearings will be held as follows:

.....

January 26, 1990

To: Governor Steve Cowper, and
Members of the Sixteenth Legislature

From: DADS AGAINST DISCRIMINATION
Sandy Armstrong, Member
Child Support Subcommittee
FAMILY SUPPORT TASK FORCE

Sandy

Subj: Child Support for Children:
FAMILY SUPPORT TASK FORCE RECOMMENDATIONS
35 and 36



The central goal of the Family Support Act of 1988 is to enable families to move off public assistance and to stay off welfare rolls. Of all the Family Support Task Force recommendations, the "Pay Family Arrearages First" Recommendations 35 and 36, attached, will contribute the most to the financial independence of fragile post-AFDC families. These two recommendations implemented would mean cash in the hands of between 1,700 and 6,000 custodial families---back child support payments being made by DADS (and Moms).

Child Support Enforcement Division (CSED) has estimated that noncustodial parents are making \$1.6 million in back, or arrearage, child support payments annually, over and above the current monthly child support owed. Today, that \$1.6 million is going to the State of Alaska first to reimburse public assistance provided to the custodial family, even though "Mom and the Kids" are also owed a back child support bill. Today, that \$1.6 million is funding the Public Assistance and Support Enforcement programs, instead of going to the children for their very real support needs that all state officials are fond of "talking" about.

The Childrens Caucus has successfully secured over \$20 million to fund much-needed "preventive" childrens programs in the last two sessions. Today, DADS calls on that Caucus to seek full funding for the "Pay Family Arrearages First" Task Force recommendations 35 and 36, so that children get the back support their DADS (and Moms) are paying and so that Public Assistance and Support Enforcement can continue their services at current budget levels.

OREGON HAS BEEN PAYING "FAMILIES FIRST" FOR THE PAST TWO YEARS!!! In a year of high oil prices, an estimated state budget surplus of \$50 million, in a very wealthy state, DADS maintains that there is no excuse whatever for not paying Family Arrearages First.

The Governor did not put funding for "Family Arrearages First" Recommendations 35 and 36 in his budget. The state agencies, who agreed to these two recommendations in the Task Force, did not request funding to implement Recommendations 35 and 36 in their budget requests. DADS AGAINST DISCRIMINATION respectfully insists that the Sixteenth Legislature - Second Session give child support that is being paid to the children first!

FAMILY SUPPORT TASK FORCE "FAMILY ARREARAGES"
 RECOMMENDATIONS 35 and 36 WOULD PAY THE CHILDRENS'
 BACK CHILD SUPPORT DEBT FIRST, THEN THE STATE DEBT

FACTS	1989	1990	1991
John and Mary get divorced. Mary has custody of the two children.	Mary and children go on Public Assistance. (AFDC) Child Support assigned to the state. (AFDC Regulation)	Mary finds a job and goes off Public Assistance.	Mary still employed.
John ordered to pay Child Support for two children at \$300/month.	John enrolls in 2-year retraining program.	John still in school.	John graduates from school, gets a good job.
	No Child Support being paid.	No Child Support being paid.	John starts paying \$450/month for Child Support.
	\$3,600 back Child Support debt accrues to reimburse Public Assistance.	\$3,000 back Child Support debt accrues for Mary and children.	\$300 goes to Mary and the children for current monthly Child Support.

* \$150 payment towards the back Child Support owed is now going to pay the state debt first.

* CSED estimated that \$1.6 million in back Child Support payment being made by non-custodial parents each year, could go to between 1,700 and 6,000 custodial families.

Pay Family Arrearages First If AFDC Fully Funded

RECOMMENDATION 35:

TO THE EXTENT ALLOWED BY FEDERAL LAW, AND PROVIDED THAT THE LEGISLATURE APPROPRIATES ADEQUATE FUNDS, CSED SHOULD DISTRIBUTE AMOUNTS IN EXCESS OF THE CURRENT MONTH'S CHILD SUPPORT OBLIGATION TO PAYMENT OF ARREARAGES IN THE FOLLOWING ORDER:

- (1) First, to the obligee, who is not receiving public assistance, support arrearages accrued after the obligee stopped receiving public assistance;
 - (2) Second, to the State for unreimbursed public assistance; and
 - (3) Third, to the obligee, support arrearages which accrued before the obligee received public assistance, and which exceed the amount of public assistance paid to the family.
-

RECOMMENDATION 36:

THE LEGISLATURE SHOULD APPROPRIATE FUNDS TO MAKE UP THE ESTIMATED \$1.6 MILLION SHORTFALL CAUSED BY RECOMMENDATION 35.

Issue

How should child support arrearages collected by the Child Support Enforcement Division in cases involving former AFDC recipients be distributed by the State?

FSA Requirement

Section 122 of the Family Support Act requires that states distribute child support payments and arrearages they collect within time limits to be set forth in federal regulations.

Rationale

On August 4, the federal government issued final regulations establishing the time limits for distribution of child support payments and arrearages, as required under Section 122 of the Family Support Act. Those regulations indicate that the states have discretion to distribute a portion of child support arrearages to the family before satisfying state liens for prior AFDC payments. Before the new regulations were issued, it did not appear that the states had this discretion.

The new regulations address only the question of the timeframes for distribution, and do not directly control the substantive authority of the states to redirect the distribution of child support arrearages to the family. Additional federal regulations specifically addressing the states' substantive authority will be issued in the near future.

Members of the subcommittee expressed a preference for the policy of payment to the family first, to the fullest extent permitted under federal law. These recommendations reflect limitations on that policy imposed by federal law. The subcommittee felt that the fiscal impact on the State was justified by the policies inherent in the Family Support Act of reducing welfare dependence and encouraging the development of stable family ties.

Cost

Recommendation 35 will result in an estimated \$1.6 million reduction in child support collections which are currently being applied to the AFDC grant budget. This procedure will also increase administrative expenditures.

Benefit

We believe this fiscal consequence is justified, in order to enable custodial parents to support their children with the child support payments made by the children's other parents, and to assist custodial parents in remaining off public assistance.

HB

444

HOUSE COMMITTEE REPORT

(5)

Date Referred: January 24, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: 3/20/90

The COMMUNITY & REGIONAL AFFAIRS Committee considered:

HB 444

HOUSE BILL NO. 444

APPROP: MCGAHAN UTIL. WATER SYS. UPGRADE

"An Act making a special appropriation for payment as a grant to the Kenai Peninsula Borough for the McGahan Utilities, Inc., water system upgrade; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
- [] _____ [] a new title
- [] have attached amendment(s)
- [] do pass
- [] do not pass
- [] no recommendation
- individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- [] fiscal impact _____ [] fiscal note(s) _____
- [] zero fiscal note _____ [] zero fiscal note(s) _____
- [] zero with analysis _____ [] zero fn/analysis _____

SIGNING DO PASS:

Eileen P. Mulvaney
Richard [Signature]

SIGNING:
(Check approp. column)

	Do Not Pass	No Rec	Amend
[Signature]	 	 	
[Signature]	 	 	
<i>Christi Davis</i>		✓	
<i>Eugene Kubler</i>		✓	

Eileen P. Mulvaney

 Chairman's Signature

MCGAHAN UTILITIES, INC.
P.O. BOX 8446
NIKISHKA, ALASKA 99635

June 24, 1989

Dennis Kelso, Commissioner
Department of Environmental Conservation
3220 Hospital Drive
Box 0
Juneau, Alaska 99811

Mr. Kelso:

McGahan Utilities, Inc. presently furnishes water to approximately 400 people, plus several businesses which includes two canneries.

October 12, 1988, D.E.C. came out to check our water utility. Although they believed there was contamination in our water at that time, they did not see fit to inform us that there was a problem and they had known there was a problem since August of 1988.

In December, Jane Tonkin from D.E.C. called and set up an appointment with my daughter, to sample our system, at that time we were finally informed there was thought to be contamination in our water. December 28, 1988 D.E.C. pushed the panic button by running headlines in the local newspapers, over the radio and even on CNN News. This resulted in a panic in the community which caused a lot of problems; loss of home sales, loss of renters and some people quit paying their water bills.

The local D.E.C. said they feel they have found the source of contamination which is near the fire station and service station where a laundry used to be located, approximately 600 ft. from our wells. This contamination would have happened in August of 1977, at which time D.E.C. wrote up the owner of the laundry, Duane Johnson. We were never informed of the possible contamination to our wells. Although Mr. Johnson closed his business due to contamination and his dealings with the State over this, **WE WERE NOT INFORMED OF THE CONTAMINATION.** I believed he had closed his business due to the fact I had informed him that he must bring his water account current or move, as he was buying water from McGahan Utilities at that time, Now, 12 years later, I find he closed his business due to contamination found by D.E.C.

D.E.C. has known since August of 1977 there was contamination in the soil near my wells, and yet they have done nothing whatsoever to clean it up. I am requesting that D.E.C. take responsibility for their past actions, or lack of action, and clean up the contamination.

D.E.C. made us shut down one of our wells and we need both wells to be certain there is enough water supply for the residents, businesses and the two canneries to operate. Due to D.E.C. finding this contamination in our water system, it appears that it will no longer be feasible for McGahan Utilities to continue operation without financial assistance. We should not have to pay for D.E.C's mistakes in allowing a contaminate to remain in the soil and therefore destroying our water system.

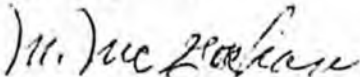
We will need financial assistance, if this water system is to continue to operate and serve the people and businesses of this community. McGahan Utilities, Inc. does not have sufficient funds to drill another well, which is desperately needed to serve the community, it's businesses and canneries.

We need the canneries in this area, as they provide jobs for many of the local people and their families. If the canneries must close down due to lack of water it will affect the entire community.

The State is spending millions in Valdez, on seals and seagulls. I would like to think they would put as much value on human lives as well.

The State's lack of responsibility is the cause of this hardship and we are requesting that they assist in cleaning it up.

Sincerely,



M. McGahan
McGahan Utilities, Inc.

cc: Honorable Ted Stevens
United States Senate
522 Hart Building
Washington D.C. 20510

Senator Jalmar Kerttula
Box 2
Palmer, Alaska 99645

Representative Jim Zawacki
Box 783
Girdwood, Alaska 99587

Honorable Donald E. Young
United States House of Rep.
2331 Rayburn House Ofc. Bldg
Washington, D.C. 20515

Honorable Frank H. Murkowski
United States Senate
709 Hart Building
Washington, D.C. 20510

Ray Wipperman
Alaska Public Util. Comm.
420 "L" Street, Suite 100
Anchorage, Alaska 99501

MCGAHAN UTILITIES, INC.
P.O. BOX 8446
NIKISHKA, ALASKA 99635

August 4, 1989

Governor Steve Cowper
Juneau, Alaska 99811

Honorable Governor Cowper;

Enclosed find a copy of the letter sent to D.E.C., Dennis Kelso, and our legislators.

Since this letter was sent, we have not heard anything on this matter until August 2, 1989, at which time Ms. Tonkin from the Soldotna D.E.C. office came out and took water samples. The result of these samples according to Jane Tonkin's phone call early this morning, show 11 ppb of tetrachloroethylene.

D.E.C. is sending out a public notice warning people not to use the water. This includes not using it for fish processing, and as we have two fish processing plants on our water system in dire need of the water supply for this is their busy season, we need funding to locate and develop a new source of water to serve the approximately 400 people on our water system as well as the businesses which include these fish processing plants.

The use of hazardous spill/waste fund may be one way to help mitigate the problem.

Immediate action is necessary as this affects many people and the economy of this area as well.

Sincerely,



M. McGahan, President
McGahan Utilities, Inc.

cc: Garrey Peska
Bob Evans

HEALTH ADVISORY

As a result of the continued analysis of water from the McGahan Utilities water system in Nikiski, Alaska, it has been found that the water again exceeds proposed federal standards for tetrachloroethylene. Samples drawn from residential taps in late July and early August, 1989, showed tetrachloroethylene concentrations of 9 to 11 parts per billion (ppb). The proposed federal standard for tetrachloroethylene is 5 ppb.

Alternate drinking water sources and methods of eliminating contaminants from this public drinking water system are currently being sought by the Alaska Department of Environmental Conservation (ADEC). In the meantime, customers of the McGahan system should not use water from this system for drinking or for cooking that requires large amounts of water. The water is safe for use in washing and cleaning.

An extensive investigation conducted this spring by ADEC determined that the source of the contamination was the site of an old laundromat/drycleaners formerly located in the vicinity of the McGahan production wells. Copies of the report generated by this investigation are available for review at ADEC's Kenai District Office, located in the Blazy Mall in Soldotna, 262-5210.

An information sheet on tetrachloroethylene is attached. Copies of the latest health advisories are also available at ADEC's Kenai District Office and at the Nikiski Fire Station, 776-8400 or 283-4388.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
P.O. BOX 0, JUNEAU, ALASKA 99811-1800

Telephone No.
465-2600

August 23, 1989

The Honorable Jim Zawacki
Alaska House of Representatives
3111 "C" Street, Suite 415
Anchorage, AK 99503

Dear Representative Zawacki:

Thank you for your letter of June 7 regarding the McGahan Water Utility in Nikiski. The 1977 contamination incident and possibility of financial assistance are addressed in my enclosed letter to Mr. McGahan. Therefore, let me address your request for information on the specific contamination levels at the McGahan site, and the dangers involved.

I have attached a summary of all the samples which have been taken related to the McGahan site. There were three main contaminants found in the McGahan water system. Tetrachloroethylene (also known as perchloroethylene or PCE) was found at levels as high as 26.2 parts per billion (ppb) (McGahan well #1 2/7/89). All of the nine samples taken from the McGahan well #1 were well above the proposed federal maximum contaminant level for drinking water of 5 ppb. Additionally, there were 14 samples from the distribution system above the level of 5 ppb.

The second contaminant found was 1,1,1-trichloroethane. Although this contaminant was detected in a number of samples, it was never found in any concentration near the federal maximum contaminant level of 200 ppb.

The third prominent contaminant found was nitrate-N. The state and federal maximum contaminant level for this contaminant is 10 parts per million (ppm). All samples analyzed for this contaminant were significantly below this level.

Tetrachloroethylene, which is ranked by the Environmental Protection Agency as a probable human carcinogen, is the contaminant of most concern in the McGahan Water Utility. Lifetime exposure to PCE at the levels found in the McGahan well #1 may result in excess cancer risk of approximately six in one million.

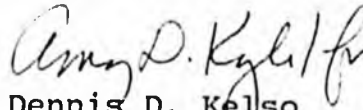
The Honorable Jim Zawacki

-2-

August 23, 1989

Thank you for your interest and concern in this serious and unfortunate situation. I know you share my desire to see this situation resolved as soon as possible. We will continue to inform your office of our progress.

Sincerely,


Dennis D. Kelso
Commissioner

Enclosure

McGAHAN WATER SYSTEM LAB RESULTS
(compilation date 7/17/89)

<u>LOCATION</u>	<u>SAMPLE DATE</u>	<u>LAB USED</u>	<u>SAMPLE NUMBER</u>	<u>PCE (ppb)</u>	<u>1,1,1-tric. (ppb)</u>	<u>Nitrate-N (and other)</u>	
McGahan Well #1	12/30/88	DEC	88KB013A	12.7	6.0		
	1/9/89	DEC	88JFT008	11.7	3.9		
	1/31/89	DEC	89PDH002	15.2	6.6	5.5 ppm	
	2/7/89	DEC	89JFT002A	22.5	3.0		
	2/7/89	CG	89JFT002B	26.2	2.9		
	2/16/89	DEC	89JFT015	18.9	<3.0#		
	2/23/89	DEC	89PDH008	12.9	<3.0#	4.10 ppm	
	3/7/89	DEC	89JFT028	17.7	<3.0#		
	5/8/89	URC	1-D. Rappe	23.1	1.5		
McGahan Well #2	12/30/88	DEC	88KB012A	3.7	9.9		
	1/9/89	DEC	88JFT007	<2.0#	7.0		
	1/31/89	DEC	89PDH001	<2.0#	5.38	3.83 ppm	
	2/7/89	DEC	89JFT003A	3.8	8.3		
	2/7/89	CG	89JFT003B	2.70	10.0		
	2/16/89	DEC	89JFT016	4.3	7.4		
	2/23/89	DEC	89PDH007	5.0	7.5	5.71 ppm	
	3/7/89	DEC	89JFT027	4.4	8.4		
	5/8/89	URC	6 (D. Rappe)	4.7	10.5		
	7-19-89	URC	(M McGahan)	9.4	13		
McGahan Distribution System: 8-2-89		NTL	89JFT098	11	11		
			89JFT099	11	11		
<u>Line #24</u>							
Fred's Radiator	1/9/89	DEC	88JFT010	12.9	7.0		
	2/7/89	DEC	89JFT001A	3.7	8.7	2.3 ppb p+m-xylene 1.4 ppb o-xylene 1.6 ppb toluene	
	2/16/89	DEC	89JFT018	4.8	7.1		
	2/24/89	DEC	89JFT025A	4.7	6.8		
	2/24/89	CG	89JFT025B	7.70	12.2		
	3/7/89	DEC	89JFT029	4.2	7.6		
	Tristata	12/22/88	CG	88DL003	24.7	9.82	
	<u>Line #25</u>						
Mac McGahan Home	12/13/88	DEC	88JFT001	14.2	7.5		
	12/22/88	CG	88DL002	23.3	9.26		
	3/27/89	URC	263	5.0	9.0		
	6/14/89	URC	Aurora Hts.	4.8*	12.5*	0.6* ppb 1,1-di- chloro- ethylene	
Kevin Williams Home	1/9/89	DEC	88JFT009	15.7	8.8		

p.2

<u>LOCATION</u>	<u>SAMPLE DATE</u>	<u>LAB USED</u>	<u>SAMPLE NUMBER</u>	<u>PCB (ppb)</u>	<u>1,1,1-tric. (ppb)</u>	<u>Nitrate-N (and other)</u>
McGahan Distribution System (cont.)						
<u>Line MCH</u>						
Steve's Chevron	9/23/88	ARI	88KAK318	4.9	7.6	
	12/13/88	DEC	88JFT002	14.2	7.5	
	12/22/88	CG	88DL001	12.0	9.63	(1.7ppb tol)
D. P. Toloff Crane	1/9/89	DEC	88JFT011	13.5	8.1	
	2/16/89	DEC	89JFT017	5.1	7.4	
Land & Marine Rentals	2/7/89	DEC	89JFT004A	3.2	8.2	
	2/7/89	CG	89JFT004B	4.23	9.94	
	2/24/89	DEC	89JFT024A	4.9	6.9	
	2/24/89	CG	89JFT024B	7.87	12.2	
	3/7/89	DEC	89JFT030	4.2	7.8	
<u>Line WDM</u>						
Nikishka Laundromat	1/9/89	DEC	89JFT012	14.9	8.3	
<u>Line "Trunk"</u>						
Nikiski Fire Station	12/22/88	CG	88DL004	23.4	9.54	
Dee Rappe Home	12/28/88	ARI	88KB007A	0.20	7.1	
	12/28/88	CG	88KB007	ND	5.83	
	1/9/89	DEC	88JFT013	<2.0	4.5	
	1/31/89	DEC	89PDH003	<2.0	4.7	
	2/24/89	DEC	89JFT022			5.58 ppm
Oilfield Salvage, Inc.	12/27/88	ARI	88XB003A	0.15	0.6	
	1/9/89	DEC	88JFT006	<2.0	<3.0	
	2/24/89	DEC	88JFT020			3.63 ppm
Tuboscope	2/30/88	DEC	88XB014A	<2.0	<3.0	
	1/9/89	DEC	88JFT005	<2.0	<3.0	
	2/24/89	DEC	89JFT021			5.45 ppm
Cook Inlet Processors						
Potable Well	1/31/89	DEC	89PDH005	<2.0	<3.0	<.05 ppm
Nonpotable Well	1/31/89	DEC	89PDH006	<2.0	<3.0	<.05 ppm
Barbara Dominick Home (Lot 12)	12/30/88	DEC	88XB010A	<2.0	<3.0	
	3/15/89	DEC	89JFT026			<.05 ppm
North Kanai Realty (Ren Johnson)						
	12/28/88	ARI	88KB009A	0.20	0.20	
	1/31/89	DEC	89PDH004	<2.0	<3.0	<.05 ppm
	2/24/89	DEC	89JFT023			<.05 ppm

p.3

<u>LOCATION</u>	<u>SAMPLE DATE</u>	<u>LAB USED</u>	<u>SAMPLE NUMBER</u>	<u>PCE (ppb)</u>	<u>1,1,1-tric. (ppb)</u>	<u>Nitrate-N (and other)</u>
Nikiski High School	12/28/88 6/15/88	ARI CG	88KB008A NIK HS, WELL2	0.2U	0.2U	ND
Offshore Systems-Well #1 (Marathon)	12/27/88	ARI	88KB002A	0.2U	0.2U	
Offshore Systems-Well #2 (Marathon)	12/27/88	ARI	88KB001A	0.2U	0.2U	
Northern Fabrication	12/27/88	ARI	88KB005A	0.2U	0.2U	
Elaine Carpenter Home	12/30/88	DEC	88KB011A	<2.0	<3.0	
Jack Brewer Home	12/30/88	DEC	88KB015A	<2.0	<3.0	
Rediske Home	12/30/88	DEC	88KB016A	<2.0	<3.0	
Sleepers Trailer Court (Well #3)	12/30/88	DEC	88KB017A	<2.0	<3.0	
North Kenai DOT Yard	12/30/88	DEC	88JFT003	<2.0	<3.0	
Margaret Howell Home	12/30/88	DEC	88JFT004	<2.0	<3.0	

KEY

- CG - Chemical and Geological Laboratories
- ARI - Analytical Resources, Inc.
- DEC - DEC Douglas Laboratory
- URC - Umpqua Research Company
- ND - None detected
- U - Indicates compound was analyzed for but not detected at the given detection limit
- J - Indicates an estimated value when result is less than specified detection limit
- * - Result listed is verbal notification only, hard copy not yet received by KDO
- # - Indicates some analyte present, but levels below detection limit

NIL - Northern Testing Lab

NOTE: The McCahan water system switched from Well #1 to Well #2 on 2/1/89. The system had run on Well #2 during the summer of 1988; it is unknown exactly when the system was switched to Well #1, but it is believed to be sometime in September, 1988.

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
P.O. BOX 0, JUNEAU, ALASKA 99811-1800

Telephone No.
(907) 465-2600

August 23, 1989

Mr. M. McGahan
McGahan Utilities, Inc.
P.O. Box 8446
Nikishka, AK 99635

Dear Mr. McGahan:

Thank you for your letter of June 24. I regret the problems you are currently experiencing with your water system. I hope and expect that this Department can provide both technical and financial support to help solve your problem.

Before discussing methods of correction I must first address a few basic misunderstandings that I believe you hold. You state that Alaska Department of Environmental Conservation (ADEC) personnel "had known there was a problem since August of 1988" and that at the time of the regular inspection of your water system on October 12, 1988, knew there was "contamination in [your] water" but "did not see fit to inform" you. Please bear in mind that the tetrachloroethylene (PCE) contamination in the McGahan Public Utilities was found by accident. In November 1988, water used to clean drilling augers for a contaminated site investigation was found to contain PCE and 1,1,1-trichloroethane (TCA). The Department determined that this auger rinse water had been drawn from your water system. By late November, a plan had been set up to test water from your system. Because you were in Texas at that time, it took a week or so to locate someone else (namely, your daughter, Dee Rappe) to assist ADEC personnel in the sampling process. At a meeting with your daughter in December 1988, ADEC personnel informed your daughter of our concerns

The Department did not "push the panic button" on December 28, 1988. A health advisory was issued on that date, but only after three sets of water samples had been analyzed by three different approved laboratories. Each set of samples had shown both PCE and TCA contamination, and the last two sets of samples indicated PCE concentrations considerably over the maximum contaminant level (MCL) of five parts per billion (ppb) proposed by the U.S. Environmental Protection Agency (EPA). Fortunately, TCA levels were found to be well below the MCL for that chemical. The health advisory was issued to inform users of the McGahan Public Utility of what the Department found in the water they were drinking.

August 23, 1989

Although ADEC discovered that wastewater was being illegally discharged from a laundromat in August 1977 and prosecuted the violation, we were unaware that there was anything other than laundry wastewater being discharged to the surface of the ground behind the establishment. The PCE found in your wells and in soils and groundwater adjacent to the old laundromat, appears to have come from used dry cleaning solvent dumped onto the ground behind the dry cleaners. This was not a part of the case against the laundromat. Because soap and water is rarely a threat to a well at the distance the contamination occurred from your well, the Department would not have seen a need to notify you specifically of this event.

The Department did ask you to use only one well in order to reduce PCE concentrations in your water system, which enabled the Department to revoke the health advisory. According to extensive analyses of your water, the PCE concentration in one of your two wells was consistently over the proposed MCL for this chemical and just under the MCL for the second well. Consequently, the Department asked you to use only the second well to supply water to the McGahan Public Utility and to regularly monitor PCE levels in the second well. It was on the basis of your agreement to these restrictions that ADEC was able to rescind the health advisory in March 1989. The monitoring of the second well has now shown PCE at levels above the proposed MCL and, consequently, the health advisory had to be reissued on August 4, 1989.

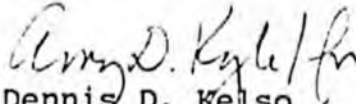
Regardless of past events, you are still faced with a very real contamination problem that you did not create. This contamination is a hardship not only for you but for the majority of the residents of Nikiski as well. Because we are not aware of any methods that could be used to decontaminate the aquifer and allow its use as a public water supply, another source of water is needed.

We are prepared to assist you and those Nikiski residents your system serves by conducting drilling and water testing to determine if a water source of sufficient quantity and quality is available at greater depths or in other nearby locations. If we find that potable water can be obtained at a reasonable cost, by deepening the existing well or drilling another well, we will make the modifications using funds provided by the Governor and Legislature to deal with contamination on the Kenai Peninsula. We would intend to try to recover our costs from the person responsible for contaminating the aquifer, if possible.

August 23, 1989

Again, I regret the problem you now face and I understand your frustration. I am pleased that we may be able to help with the solution. However, the ultimate solution will require the continued cooperation and assistance of area legislators, the Borough, the residents, yourself, and others. I look forward to the effort and a successful outcome.

Sincerely,


Dennis D. Kelso
Commissioner

cc: Senator Ted Stevens
Senator Frank Murkowski
Representative Don Young
Senator Jalmar Kerttula
Representative Jim Zawacki
Ray Wipperman, Public Utilities Commission