

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6474 SENATE RESOURCES

878

APR 9 1990

STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

WATER RESOURCES BOARD

3601 C STREET
P O. BOX 107005
ANCHORAGE, ALASKA 99510-7005
PHONE: (907) 561-2020

April 4, 1990

The Honorable Steve Cowper
Governor, State of Alaska
P.O. Box A
Juneau, Alaska 99811-0101

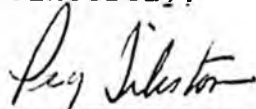
Dear Governor Cowper:

Enclosed are the correspondence and resolutions adopted by the Alaska Water Resources Board at our recent meeting in Juneau. The following resolutions were adopted by the Water Resources Board:

- Resolution 90-4: Fish Creek Restoration
- Resolution 90-5: Funding of Stream Crest Gages Along Road Systems by the Department of Transportation and Public Facilities
- Resolution 90-6: Ship Creek Watershed Protection, Chugach State Park
- Resolution 90-7: Indian River Stream Gaging, and Coordination of the Stream Gaging Program between the Division of Land and Water Management and the Division of Geological and Geophysical Surveys
- Resolution 90-8: Recovery of Departmental Expenses in Processing Unbudgeted Applications and Projects
- Resolution 90-9: Solid and Hazardous Waste Management
- Resolution 90-10: Support for Forest Practices Act, with Amendment
- Resolution 90-11: Kenai Peninsula Hydrologic Study
- Resolution 90-12: National Wetlands Policy Development
- Resolution 90-13: Matching Funds for Stream Gage Programs
- Resolution 90-14: Support for Oil Spill Legislation
- Resolution 90-15: STORET Program

The Water Resources Board looks forward to your response to these resolutions. Please call on us if we can be of assistance to you on these or any other issues.

Sincerely,



Peg Tileston, Chairwoman
Alaska Water Resources Board

cc: Lennie Gorsuch
Dennis Kelso
Mark Hickey
Larry Merculieff
Denby Lloyd
Penny Forsmo
Senate Resources Committee
House Resources Committee
Water Resources Board Members

ALASKA WATER RESOURCES BOARD

Resolution No. 90-4

Fish Creek Restoration

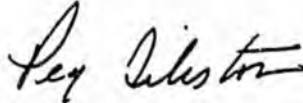
WHEREAS: The channelization and culverting of Fish Creek in Anchorage has contributed greatly to flooding in the Spenard area; and

WHEREAS: Fish Creek is little more than a run-off conduit, having lost fish and other biologic communities; and

WHEREAS: Reopening and restoring Fish Creek to its natural stream bed will improve flood control and water quality.

NOW THEREFORE BE IT RESOLVED: The Alaska Water Resources Board recommends funding for planning and design of Fish Creek restoration, water flow and pollution projects.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-5

Funding of Stream Crest Gages Along Road Systems by
The Department of Transportation and Public Facilities

- WHEREAS: The Alaska Water Resources Board has recently learned that the Alaska Department of Transportation and Public Facilities (DOTPF) has failed to obtain approval for its nominal budget request to continue its program of measuring peak stream flows through bridges and culverts along the State's road system; and
- WHEREAS: The data provided by these crest gages is invaluable for the proper design and construction of DOTPF facilities, to insure that all stream and river crossings are adequately sized and properly designed; and
- WHEREAS: Matching funds for the crest-gage program have been available through the U.S. Geological Survey's Small Streams program; and
- WHEREAS: The nominal cost to DOTPF of the crest-gage program is minuscule when compared to the future costs of repair and reconstruction of state highways and bridges which may be inadequately designed to accommodate peak stream flows, where such data is unavailable; and
- WHEREAS: The crest-gage data provided by DOTPF is also vital to the Alaska Department of Fish and Game and the Alaska Department of Natural Resources in fulfilling their statutory responsibilities for land, water, and habitat planning and management, particularly in areas of the state where no comparable data is available from other sources;

NOW THEREFORE BE IT RESOLVED: That the Alaska Water Resources Board urges the Governor and DOTPF make every effort to adequately fund the existing crest-gage stream measurement program, to insure the continuity of this valuable data for many important state functions.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-6

Ship Creek Watershed Protection, Chugach State Park

WHEREAS: Ship Creek Valley is a designated watershed for Ft. Richardson and the Municipality of Anchorage, and is a designated wilderness management zone in the Chugach State Park Master Plan; and

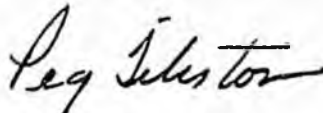
WHEREAS: The use of horses for recreation and hunting in Ship Creek Valley during the late summer and fall months has created a network of very muddy, flooded trails and bogs in Ship Creek Valley which have received significant adverse publicity and public comment; and

WHEREAS: The present management of Ship Creek Valley by the Alaska Division of Parks has been ineffective to prevent or mitigate the proliferation of muddy ditches and bogs which are nearly impassable to other trail users, and which have not been allowed to recover their stability and ground cover over time;

NOW THEREFORE BE IT RESOLVED: That the Alaska Water Resources Board requests that the Division of Land and Water Management and the Alaska Division of Parks jointly assess the adverse effects, if any, of the continued use of horses on the water quality of the Ship Creek watershed, taking into consideration the Valley's current management designation as municipal watershed, state park, and wilderness management zone; and

BE IT FURTHER RESOLVED: That the Board requests that the Department of Natural Resources report to the Board at its next meeting on the conclusions reached regarding the continued allowance of horses in Ship Creek Valley, and any options which the Department is considering to control this use and mitigate its effects.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-7

Indian River Stream Gaging, and Coordination of the Stream Gaging Program between the Division of Land and Water Management and the Division of Geological and Geophysical Surveys

WHEREAS: The gathering of accurate stream-flow data on Indian River has been important to support the State's ability to adjudicate all water claims and rights on Indian River; and

WHEREAS: The conclusion of the current water rights adjudication will not determine federal claims to Indian River, which will remain to be quantified or litigated at some future time; and

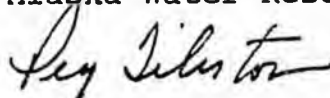
WHEREAS: The continuous historical record provided by the Indian River stream gage is vital to both that river drainage, and by extrapolation, to numerous other Southeast rivers which have no stream gage records.

NOW THEREFORE BE IT RESOLVED: That the Alaska Water Resources Board urges that the Division of Geological and Geophysical Surveys (DGGS) maintain the Indian River stream gage in its present location with its own funds, federal USGS matching funds, Department of Fish and Game participation, or any workable combination of funds which will assure continuation of the historical record provided by this gage; and

BE IT FURTHER RESOLVED: That the Board urges DGGS to closely coordinate and consult with the Division of Land and Water Management (DLWM) regarding any future plans to abandon stream gauges where an historical record of importance to the State has been established; and

BE IT FURTHER RESOLVED: That the Board urges DGGS to annually coordinate with DLWM concerning locations important for the installation of new stream gages, and the financial support for such installations.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-8

Recovery of Departmental Expenses in
Processing Unbudgeted Applications and Projects

WHEREAS: The divisions of the Department of Natural Resources are expected to annually develop work plans and budgets to support those plans; and

WHEREAS: Private-sector applications and projects which propose to use state lands, water or other public resources often require considerable unbudgeted agency time and effort to respond to these proposals; and

WHEREAS: Regular work schedules and budget allocations are often diverted to respond to such proposals, due to their publicity and high visibility.

NOW THEREFORE BE IT RESOLVED: That the Alaska Water Resources Board recommends that the Department of Natural Resources adopt regulations to charge for time and expenses incurred by department personnel for necessary work associated with the evaluation and processing of public sector projects or applications which are not included in its annual budget.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-9

Solid and Hazardous Waste Management

WHEREAS: Appropriate management practices for disposal of solid and hazardous waste are essential for the protection of Alaska's numerous public water supplies; and

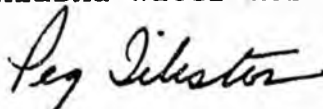
WHEREAS: Many communities in the state do not have adequate technical or financial resources to develop adequate waste management facilities; and

WHEREAS: Enforcement of the international marine pollution convention (MARPOL) will have an enormous and unplanned financial impact upon many coastal communities; and

WHEREAS: Recycling and solid waste reduction are important components of good waste management programs.

NOW THEREFORE BE IT RESOLVED: That the Alaska Water Resources Board strongly supports House Bills 478, 479, 480 and 481.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-10

Support for Forest Practices Act, with Amendment

WHEREAS: The Alaska Water Resources Board has repeatedly expressed concern about ground and surface water and the management of Alaska's forests; and

WHEREAS: Watershed protection is essential for maintenance of water quality and quantity; and

WHEREAS: The Alaska Water Resources Board encouraged the establishment of a Forest Practices Task Force to review and recommend changes to the Alaska Forest Practices Act; and

WHEREAS: SB 317 requires watershed, water quality and non-point source pollution considerations as well as riparian standards for stream protection in forest management plans; and

WHEREAS: Public forest lands are in the public trust even if managed or owned by a separate agency such as the University, Mental Health Board, or a city or borough, and therefore, should not be excluded from state forest practices regulation;

NOW THEREFORE BE IT RESOLVED: That the Alaska Water Resources Board urges passage of SB 317, if amended to include all non-federal public forest lands.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-11

Kenai Peninsula Hydrologic Study

WHEREAS: Alaska Water Resources Board resolution 89-16 previously addressed the need for hydrologic studies on the Kenai Peninsula; and

WHEREAS: Alaska Water Resources Board resolution 90-1 initiated the formation of a unique task force composed of representatives from state and local government, industry, and the public to design and direct the regional hydrologic study; and

WHEREAS: Industry has indicated a willingness to consider joint funding of this endeavor with the state; and

WHEREAS: It is imperative for the state to demonstrate its intent to support this endeavor.

NOW THEREFORE BE IT RESOLVED: That the Alaska Water Resources Board urges that the State continue to support and participate in the Kenai Peninsula Hydrologic Study; and

BE IT FURTHER RESOLVED: The Alaska Water Resources Board supports House Concurrent Resolution No. 13 and Senate Concurrent Resolution No. 15.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-12

National Wetlands Policy Development

WHEREAS: The National Wetlands Policy is of vital concern to the State of Alaska; and

WHEREAS: The State of Alaska is engaged in a dialogue with the Federal Government on the formation of that policy with the goal of securing consideration of Alaska's unique conditions; and

WHEREAS: The Commissioners of the Departments of Environmental Conservation, Natural Resources and Commerce have taken the state's lead position in these negotiations and have solicited input from other government agencies in order to address their concerns on Wetlands Policy; and

WHEREAS: There are wetlands users in Alaska whose interest will not necessarily be addressed by the government agencies.

NOW THEREFORE BE IT RESOLVED: That the Alaska Water Resources Board requests that these Commissioners be directed to solicit input from non-government wetlands users, including but not limited to mining, fishing, logging, and recreational groups.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-13

Matching Funds for Stream Gage Programs

WHEREAS: For many years the U. S. Geological Survey (USGS) has provided matching funds to the state for gaging the amount of water flowing in Alaska's streams; and

WHEREAS: This jointly funded procedure has accounted for the majority of stream flow data available in the state; and

WHEREAS: Over the past several years, the state has reduced the amount of matching funds available for stream flow gages; and

WHEREAS: Stream flow data is important for sound decision-making by both government and business; and

WHEREAS: The joint Senate-House Resources Committee requested that the Alaska Water Resources Board provide information concerning levels of matching funds between USGS and the Department of Natural Resources/Division of Geological and Geophysical Surveys (DGGs) and the Department of Transportation and Public Facilities (DOT/PF).

NOW THEREFORE BE IT RESOLVED: That the Alaska Water Resources Board requests the Department of Natural Resources, the Department of Transportation and Public Facilities and the USGS provide data concerning these matching funds to the Board.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-14

Support for Oil Spill Legislation

WHEREAS: Oil Spills can occur during the production, transportation and storage of petroleum products; and

WHEREAS: Oil from such discharge can and often does pollute surface or ground water; and

WHEREAS: Required implementation of oil spill contingency plans, determination of financial responsibility, authority to inspect facilities by state personnel, and strengthened penalties for oil spills are measures needed to help protect Alaska's water resources.

NOW THEREFORE BE IT RESOLVED: That the Alaska Water Resources Board supports SB 502/HB 565, SB 503/HB 566, SB 504/HB 567, SB 497/HB 409 and HB 315.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

ALASKA WATER RESOURCES BOARD

Resolution No. 90-15

STORET Program

- WHEREAS: During the years 1981 to 1984 the Department of Natural Resources, with assistance from a grant from the Environmental Protection Agency, began numbering river miles for stream reaches in the STORET system; and
- WHEREAS: When the funds for this project were discontinued work on the STORET system ceased; and
- WHEREAS: The STORET program identifies stream reaches on a mile-by-mile basis, making the computer storage and retrieval of information more readily available; and
- WHEREAS: The identification of river miles on streams is important for many reasons; such as instream flow designations, placer mining requirements, river corridor planning, and fish habitat management, to name a few;

NOW THEREFORE BE IT RESOLVED: The STORET program be funded and reactivated to complete the identification of river miles on USGS maps, enter this information into DNR's LAS computer system, and integrate this system with DNR's other water management computer systems.

Adopted this 15th day of March, 1990
Alaska Water Resources Board



Peg Tileston, Chairwoman
Alaska Water Resources Board

STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

WATER RESOURCES BOARD

3601 C STREET
P O BOX 107005
ANCHORAGE, ALASKA 99510-7005
PHONE (907) 561-2020

April 2, 1990

Senator Bettye Fahrenkamp
Chairwoman
Senate Resources Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Fahrenkamp:

During the meeting between the joint House and Senate Resources Committees and the Water Resources Board on March 14, 1990, you asked for information on the stream gaging cooperative program between the U.S. Geological Survey (USGS) and DNR's Division of Geological & Geophysical Surveys (DGGS). You also asked for information on the small stream cooperative program between USGS and the Department of Transportation and Public Facilities (DOTPF).

Funding for the cooperative stream gaging program between DNR's Division of Geological & Geophysical Survey (DGGS) and USGS has declined significantly during the last few years (since 1982). FY90 cooperative program funding is \$75,000, and DNR is projecting a similar commitment for FY91. The following table lists the history of state general funding for this USGS cooperative program.

<u>FY</u>	<u>(\$1000)</u>	<u>FY</u>	<u>\$1000)</u>
82	672.0	87	166.0
83	544.0	88	105.0*
84	515.0	89	98.0
85	345.0	90	75.0
86	310.0	91	75.0 (estimated)

*All DGGS hydrologists become seasonal, 10-month employees to to save funds.

There are several reasons for declining funding. Generally, cuts in funding for water resource activities correlate with decreases in general funds allocated to DGGS over the last few years. Second, increasing numbers of water resources "crisis" projects have demanded use of larger portions of the small budget and staff time. Examples include Kenai groundwater pollution, the proposed Alaska-Juneau Mine, and placer mining water studies. Third, USGS has increased their annual billing costs in terms of fewer gages

April 2, 1990

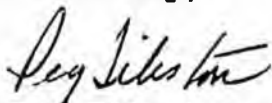
"per dollar." Fourth, DGGS has developed the skill and equipment to install and operate gages at less cost than USGS. DGGS operates approximately 30 gages other than the 8 USGS-DGGS cooperative gages. Thus, the total number of state-supported gages operated per year totals about the same number as when USGS operated all of the DGGS gages.

This cooperative stream gaging program is important to Alaska and should be supported by a larger general fund budget for DGGS, large enough to maintain DGGS hydrology programs and improve the DGGS-USGS cooperative activities. Also enclosed is a letter from the USGS describing recently discontinued stream gages.

Your second question relates to the small stream cooperative program between USGS and DOTPF. The small stream program involves collecting peak stream flow data at many sites throughout the state to assist in road and bridge design. This stream flow data is also useful to resource managers in other state departments, including DNR and ADF&G. In past years, the state through DOTPF has contributed \$160,000 annually to the USGS for a cooperative program. There has been no state funding for this program since October 1, 1989, but USGS has continued the program in hopes of getting the necessary state match. No state funding for this program has been requested for FY91. We have been informed that at least two of the DOTPF regions are still trying to locate funds. The Water Board believes this is a very valuable program and that funding is needed to continue the baseline data collection.

We appreciate your interest in the state's water resources data collection programs. If you have further questions, please contact me at the above address or phone 563-4375, or Bob Forbes, Director of the Division of Geological & Geophysical Surveys.

Sincerely,



Peg Tileston, Chairwoman
Alaska Water Resources Board

jls

cc: Lennie Gorsuch
Bob Forbes
Gary Gustafson
Alaska Water Resources Board Members
Mary Lu Harle



United States Department of the Interior

GEOLOGICAL SURVEY
Water Resources Division
4230 University Drive - Suite 201
ANCHORAGE ALASKA 99508-4664

RECEIVED
March 2 1990

March 22, 1990

Div. of Land & Water Mgmt.

Dear Water Resource Personnel,

In an effort to keep all interested parties informed of changes in U.S. Geological stream-gaging activities in Alaska, we have prepared the following list of stations that have been discontinued as of the dates indicated:

USGS No.	Station name	Drainage area sq. mi.	Years of Record	Remarks
Stream-gaging stations discontinued October 1, 1989				
15067900	Upper Mahoney Lk Outlet nr Ketchikan	2.03	12	(1)
15087690	Indian River nr Sitka	10.1	9	(2) (3)
15303010	Silver Salmon Creek nr Aleknagik	4.46	4	(4) (5)
15744500	Kobuk River nr Kiana	9,520	13	(2) (6)
15747000	Wulik R below Tutok Cr nr Kivalina	705	5	(2) (7)
Stream-gaging stations discontinued January 1, 1989				
15277600	East Fork Eklutna Cr nr Palmer	38.2	5	(8)
15277800	West Fork Eklutna Cr nr Palmer	25.4	5	(8)
Stream-gaging stations discontinued October 1, 1988				
15087545	Municipal Watershed Cr nr Petersburg	2.20	10	(9)
15087545	Rocky Pass Cr nr Point Baker	2.72	12	(10)
15106980	Tonalite Cr nr Tenakee	14.5	20	(10)
15637000	Gold Run Cr nr Teller	24.2	3	(11) (12)

Remarks-

- (1) Funded jointly by the Corps of Engineers and the USGS. This station was established because of the potential for hydroelectric development. It has served its original purpose for data collection.
- (2) Funded jointly by the Alaska Dept. of Natural Resources, Division of Geological and Geophysical Surveys (DGGS) and the USGS. Funding was discontinued by DGGS July 1, 1989.
- (3) Data from this station has transfer value to ungaged sites and it would be desirable to collect an additional 10 years of data for that purpose. Water downstream of the the gage is subject to several water-rights claims.
- (4) Funded jointly by the Alaska Department of Transportation-Public Facilities and the USGS. Discontinued because of the stage-discharge relationship continuously changed due to beaver activity.
- (5) Operated only during the open water season for 2 years and operated throughout the water year for another 2 years..

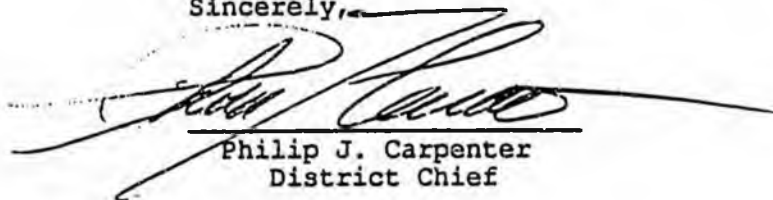
- (6) This station is the only remaining large stream north of the Yukon River in the USGS data base network. It would be desirable to operate this station indefinitely.
- (7) This station is downstream from the newly developed Red Dog Mine and is in an area where little data have been collected.
- (8) Funded jointly by the Municipality of Anchorage and the USGS. The station had served its original purpose to provide data on inflow to Eklutna Lake- A major source for Anchorage's water supply.
- (9) Funded by the USGS. The station served its purpose to provide data for regional network studies.
- (10) Funded by the U.S. Forest Service. This station served its original purpose.
- (11) Funded cooperatively by the Alaska Department of Transportation-Public Facilities and the USGS. The stage-discharge relationship was poor and stream-gaging activities were moved to the nearby site 15635000, Eldorado Creek nr Teller.
- (12) Operated only during the open-water season.

If your agency has a need for additional information or is interested in funding these or other sites, we would like to discuss our program with you. Please contact me or Ken Thompson at 271-4138 if you have questions or comments.

We are making every effort to operate as many stream-gaging stations as possible, but the number of stations continues to decline in response to a loss of matching funds from State and local agencies. Since 1972, the number of stations has decreased from 130 to 79. A bar graph showing the history of stream-gaging activity in Alaska by the USGS since 1945 is attached. Another discouraging trend shows the loss of numerous stations that have transfer value to ungaged sites in Alaska.

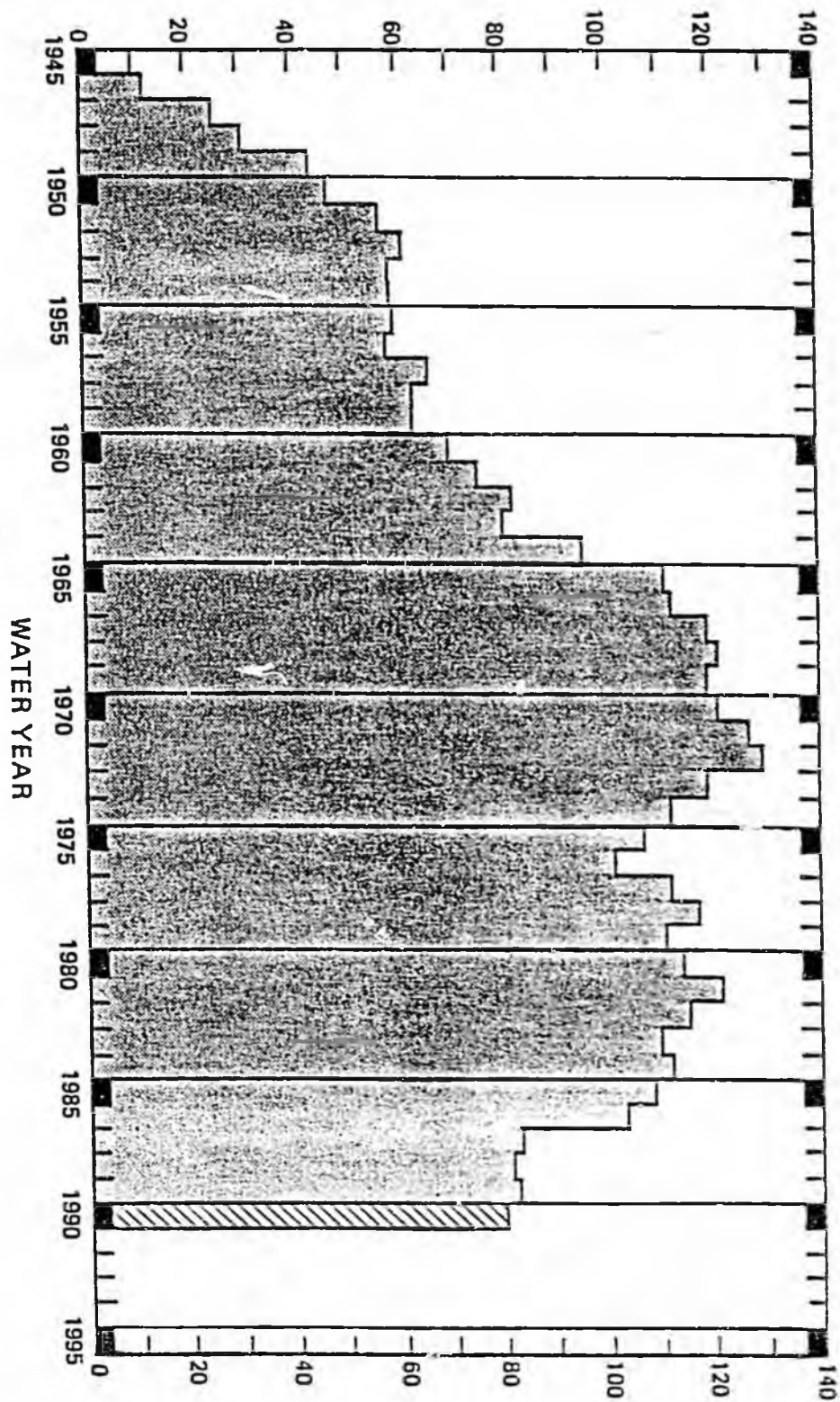
For your information, we have also attached a list of the remaining active stream-gaging stations operated by the USGS:

Sincerely,



Philip J. Carpenter
District Chief

NUMBER OF CONTINUOUS-RECORD STREAM GAGES OPERATED



Active stream-gaging stations in 1990 water year.
Updated March 15, 1990

SOUTHEAST

15022000	Harding River near Wrangell
15248000	Stikine River near Wrangell
15028300	Farragut River near Wrangell
15039900	Dorothy Lake Outlet near Juneau
15041200	Taku River near Juneau
15049900	Gold Creek near Juneau
15051008	Salmon Creek above canyon mouth near Juneau
15052500	Mendenhall River near Auke Bay
15056560	Klehini River near Klukwan
15070000a	Swan Lake (Falls Creek) near Ketchikan
15072000	Fish Creek near Ketchikan
15081497	Staney Creek near Klawock
15081580	Black Bear Lake Outlet near Klawock
15083500	Perkins Creek near Metlakatla
15085100	Old Tom Creek near Kasaan
15087570	Hamilton Creek near Kake
15090000a	Green Lake Outlet near Sitka
15101490	Greens Creek at Greens Creek Mine near Juneau
15101500	Greens Creek near Juneau
15106920	Kadashan River above Hook Creek near Tenakee
15129500	Situk River near Yakutat

SOUTHCENTRAL

15200280	Gulkana River near Sourdough
15212000	Copper River near Chitina
15214000	Copper River at Million Dollar Bridge near Cordova
15216000	Power Creek near Cordova
15226000b	Solomon Gulch near Valdez
15237360	San Juan River near Seward
15238648	Upper Nuka River near Homer
15238820	Barbara Creek near Seldovia
15238990	Upper Bradley River near Homer
15239000	Bradley River near Homer
15239050	Bradley River Tributary near Homer
15239070	Bradley River near tidewater near Homer
15239500	Fritz Creek near Homer
15258000	Kenai River at Cooper Landing
15266300	Kenai River at Soldotna
15271000	Sixmile Creek near Hope
15272200c	Placer River near Portage
15272280	Portage Creek at Portage Lake near Whittier
15272302c	Portage Creek at mouth at Portage
15272400c	Twentymile River near Portage
15274550	Little Campbell Creek at Nathan Drive at Anchorage
15274600	Campbell Creek near Spenard
15275100	Chester Creek at Arctic Blvd. at Anchorage
15276000	Ship Creek near Anchorage
15290000	Little Susitna River near Palmer
15292000	Susitna River at Susitna Station
15292700	Talkeetna River near Willow
15294005	Willow Creek near Willow
15294350	Susitna River at Susitna Station
15295700	Terror River at mouth near Kodiak
15297485	Kizhuyak River near Port Lions

SOUTHWEST

15302000	Nuyakuk River near Dillingham
15302500	Nushagak River at Ekwook
15303650	Tatalina River near Takotna (seasonal)
15304000	Kuskokwim River at Crooked Creek
15304393	Browns Creek near Bethel (seasonal)

YUKON

15344400	King Creek near Dome Creek (seasonal)
15356000	Yukon River at Eagle
15388950d	Porcupine River at Old Crow
15388960d	Porcupine River near International Boundary
15453500	Yukon River near Stevens Village
15476000	Tanana River near Tanacross
15484000	Salcha River near Salchaket
15485500	Tanana River at Fairbanks
15493000	Chena River near Two Rivers
15493700	Chena River below Moose Creek Dam near North Pole
15511000	Little Chena River near Fairbanks
15514000	Chena River at Fairbanks
15515500	Tanana River at Nenana
15518080	Lignite Creek near Healy
15564875	Yukon River at Pilot Station

NORTHWEST

15621000	Snake River near Nome
15743850	Eldorado Creek near Teller (seasonal)
15743850	Dahl Creek near Kobuk (seasonal)

ARCTIC SLOPE

15798700	Nunavak Creek near Barrow
15896000	Kuparuk River near Deadhorse
15906000	Sagavanirktok River Tributary near Pump Station 3 (seasonal)
15908000	Sagavanirktok River near Pump Station 3

Footnotes:

- a. Records furnished by power-plant operators.
- b. This site has 4 stations, but the records have to be combined to get the discharge at the mouth.
- c. Stations operated to obtain inflow to Turnagain Arm in a special project.
- d. Discharge records furnished by Water Survey of Canada.

STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

WATER RESOURCES BOARD

3601 C STREET
P. O. BOX 107005
ANCHORAGE, ALASKA 99510-7005
PHONE: (907) 561-2020

March 27, 1990

Lennie Gorsuch, Commissioner
Department of Natural Resources
400 Willoughby Avenue
Juneau, AK 99801

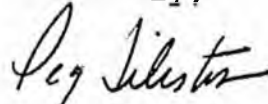
Dear Commissioner Gorsuch:

Re: Decision/Eklutna Utilities, Inc. Water Use Applications

It was with great interest and approval that we read your final decision referenced above.

We believe that your judicious decision and identification of the issues represented in this case is an outstanding example of the intent of and need for the water rights adjudication process provided for in the Alaska Water Use Act. Through the years, the Water Resources Board has strongly supported and promoted Alaska's water right adjudication process. The issues addressed in this case establish useful precedents which will hopefully expedite future decisions. Additionally, this case demonstrates to the public that water rights are important to protect the right to use water.

Sincerely,



Peg Tileston, Chairwoman
Alaska Water Resources Board

jls

STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

WATER RESOURCES BOARD

3601 C STREET
P.O. BOX 107005
ANCHORAGE, ALASKA 99510-7005
PHONE: (907) 561-2020

March 27, 1990

Ms. Penny Forsmo
Director of Boards & Commissions
Office of the Governor
P.O. Box A
Juneau, AK 99811-0101

Dear Ms. Forsmo:

Subject: Reappointment of Tom Meacham to Water Resources Board

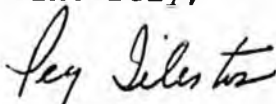
We request that Governor Cowper reappoint Tom Meacham to the Alaska Water Resources Board. The Water Resources Board is an effective advocate for water quantity and quality issues and for aggressive water management in the state.

Since the Water Resources Board only meets twice a year, it is important to retain members with knowledge of water issues and experience working with the Water Board.

Tom Meacham understands water resources issues, both from a legal and practical perspective, and has been an invaluable resource to the Water Board. We believe it would be a significant loss to the Board if he is not reappointed. Of the seven members, three have been on the Board less than one term and one has just started a second term.

We appreciate your careful consideration of this appointment. If you have any questions, please call me at 563-4375.

Sincerely,



Peg Tileston, Chairwoman
Alaska Water Resources Board

jls

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

WATER RESOURCES BOARD

3601 C STREET
P O. BOX 107005
ANCHORAGE, ALASKA 99510-7005
PHONE: (907) 561-2020

March 27, 1990

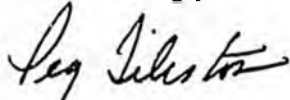
David Stone
Echo Bay Mines
3100 Channel Drive, Suite #2
Juneau, AK 99801

Dear Mr. Stone:

The Alaska Water Resources Board wishes to thank you for the time and labor involved in briefing us and giving us a tour the A J Mine facility. We appreciate your apparent regard for the water-related issues and the related concerns of the public.

We look forward to seeing the progress on this project and would be happy to take you up on your offer to go underground next year.

Sincerely,



Peg Tileston, Chairwoman
Alaska Water Resources Board

jls

***Executive
Order
75***

32. EO 75, Transferring management of bulk fuel and power development loan programs from DCED to APA

- A. Sponsor:
- B. Cosponsors:
- C. Date referred to committee: 1/9/89
- D. Further referrals:
- E. Requested by sponsor:
- F. Hearing date(s): 3/8/89
- G. Passed out on with following recommendations:
- H. Fiscal Note:
- I. Position Paper:
- J. CS prepared:
- K. Contacts:
 - 1) Bob LeResche, APA
 - 2) Sue White, APA, 3575

L. Issues:

- 1) Changes name to Alaska Energy Authority, reflecting a change in philosophy, direction.
- 2) Gives APA more control over the Power Development Revolving Loan Fund.
- 3) HSCR 1 was introduced to disapprove EO 75.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: APA consolidation

Agency Affected: Governor
BRU: _____

Sponsor: Rules
Requestor: Governor

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
----------------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
----------------	---	---	---	---	---	---

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: *R. Berche* Phone: 465-3575
 Division: APA Date: Jan. 5, 1989

Approved by Commissioner: *[Signature]* Date: Jan. 5, 1989
 Agency: DCED

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

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Transferring energy loan programs
to APA
 Sponsor: Rules Committee
 Requestor: Governor

Agency Affected: Commerce & Econ. Dev.
 BRU: Div. of Investments
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
----------------	------------	------------	------------	------------	------------	------------

REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
----------------	------------	------------	------------	------------	------------	------------

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Martin Richard, Director
 Division: Division of Investments

Phone: 465-2500
 Date: 1/4/1989

Approved by Commissioner: Larry Mercurieff, Commissioner
 Agency: Dept. of Commerce & Economic Development

Date: 1/4/1989

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

32. EO 75, Transferring management of bulk fuel and power development loan programs from DCED to APA

THE TWO MAJOR EFFECTS OF THE ORDER ARE:

1) CHANGES THE NAME TO THE ALASKA ENERGY AUTHORITY.

THIS REFLECTS A SHIFT IN DIRECTION FROM PROJECT SPECIFIC FEASIBILITY STUDIES TO A MORE COMPREHENSIVE PLANNING PROCESS, WITH MORE EMPHASIS ON ON MANAGING ENERGY DEMAND.

2) TRANSFERS RESPONSIBILITY FOR MANAGING TWO LOAN PROGRAMS:

A) BULK FUEL

B) POWER DEVELOPMENT REVOLVING LOAN FUND.

THIS ONE HAS CAUSED THE MOST CONCERN.

ASK BOB TO EXPLAIN HOW PROCEEDS FROM THE FUND ARE USED. WOULDN'T IT BE BETTER IF THEY WENT DIRECTLY TO THE GENERAL FUND? WOULD THE GOVERNOR VETO SUCH A BILL, IF IT PASSED?

TO TESTIFY:

BOB LERESCHE, Executive Director, Alaska Power Authority

**CONTRIBUTIONS OF POWER DEVELOPMENT REVOLVING LOAN FUND
TO GENERAL FUND**

Inception through 3/3/89

	<u>Power Development Revolving Loan Fund</u>	<u>PDRLF Insurance Reserve</u>	<u>Reappropriated to General Fund</u>
Original Appropriation (for 4-dam-pool loan)	\$210,000,000		
Construction of four dam pool	(\$183,697,931)		
Self insurance reserve	(\$6,500,000)	\$6,500,000	
Surplus Reappr. to General Fund	(\$19,802,069)		\$19,802,069
Power Sales Revenues			\$20,970,619
Interruptable Sales Revenues			\$354,950
Investment Income			\$18,095,945
Revenue Anticipation Encumbrance in FY89 Reappropriation	(\$1,956,545)		\$1,956,545
Tyee Contractor Settlement	\$2,357,400		\$3,642,600
Balances at 3/3/89	\$400,855	\$6,500,000	\$64,822,728 =====

Suggested Budget Amendments Concerning Power Development Revolving Loan Fund

	PDRLF Discretionary	PDRLF Insurance Reserve	Pwr Proj Loan Fund - Nenana	Change in General Fund
Balance 11/88	\$113,084	\$6,500,000	\$2,377,000	
Tyee Settlement (12/88)	\$2,357,400			\$3,642,600
Interrupt Sales (thru 6/30/90)		\$487,152		
Investment Income (thru 6/30/89)	\$1,024,203			
Four Dam Pool Sales (Aug 1989)	\$7,345,470			
FY89 Reappropriations	(\$4,436,900)			\$4,436,900
*Insurance Draw		(\$1,500,000)		
**DCED "Operating Expense" Charge	\$0			
***Nenana Reappropriation	\$2,377,000		(\$2,377,000)	
Available for FY 90	\$8,700,257	\$5,487,152	\$0	\$8,079,500

Suggested Uses:

***PCE Efficiency Appropriation	(\$2,500,000)			\$750,000
***Technical & Emergency Assistance Appropriation	(\$1,400,000)			\$750,000
Balance For Reappropriation	(\$4,880,257)			\$4,880,257
Balance end of FY90	\$0	\$5,487,152	\$0	\$14,459,757

=====

* Repair of Solomon Gulch Transmission Line Avalanche Damage.

** Requires Legislative Action (Allow Executive Order and reduce DCED Program Receipts budget by \$35,400).

*** Requires Legislative Action (Appropriation).

POWER DEVELOPMENT REVOLVING LOAN FUND
AS 44.33.600

SELF INSURANCE RESERVE

The Self Insurance Reserve (SIR) was established in the Power Development Revolving Loan Fund (PDRLF) in FY 86, to provide reasonable availability of funds for catastrophic losses that may affect the operating electric facilities constructed under the Energy Program for Alaska (AS 44.83.380); it was requested by the Alaska Power Authority and the State Division of Risk Management.

The SIR was also established in compliance with the contractual commitments in the Four Dam Pool Long Term Power Sales Agreement which became effective on October 28, 1985.

As directed by the State Division of Risk Management, the property, boiler and machinery risks associated with the Four Dam Pool Hydroelectric plants and the Anchorage-Fairbanks Intertie have been covered since 1983 by a commercial insurance program separated from any other insurance programs or reserve of the State and it has since remained unchanged.

The original SIR was set at \$7,000,000; with the reappropriations in SLA 1987, Ch. 95, \$500,000 was lapsed from the SIR to the General Fund, and, in February 1989, \$1,500,000 was borrowed by the Power Authority to repair the avalanche damages to the Solomon Gulch Transmission Line. The current SIR balance is \$5,000,000.

Should the SIR be eliminated, the State would to all effects be bare of necessary monies for the immediate containment of losses and for the repair and replacement of damages resulting from unforeseen catastrophic occurrences.

With reference to the need for and the amount of the SIR, the Division of Risk Management has recently stated that the major hazards of earthquake and flood remain at a 5% deductible of the structure(s) affected which creates a maximum self-insurance exposure of approximately \$7,500,000. Loss of this self-insurance reserve would not only impair reconstruction for State and communities served, but would also seriously jeopardize the State's present insurance program. It further specifically requested that these PDRLF monies be retained for self-insurance within the present PDRLF account structure.

In addition, affordable commercial property insurance is not available for transmission lines. In this assets group, the highest and most probable risk of loss is associated with the submarine transmission cable in the Tye Lake system. Replacement of that submarine cable is estimated to be \$7,000,000.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

October 21, 1988

Mr. Robert LeResche
Executive Director
Alaska Power Authority
P.O. Box AM
Juneau, AK 99811

Dear Mr. LeResche: *Bob*

After review and consideration of the Energy Policy Task Force recommendations, I am requesting that the Board of Directors of the Alaska Power Authority undertake the following actions, and am directing compliance of the appropriate state agencies as named below:

- (1) That the Alaska Power Authority (APA) emphasize local energy technical assistance through, for example, such programs as the proposed circuit rider plan and assistance with technical improvements to existing energy systems, including the more efficient use of energy by consumers. As part of this effort the APA should establish a program effort oriented to development of technical innovations relevant to Alaska's energy problems and the implementation of improved energy technology;
- (2) That APA, assisted by the Department of Community and Regional Affairs (DCRA), develop a five-year plan for increasing its technical assistance activities, including the circuit rider program, waste heat recovery projects, technical development and applications, and capital improvements designed to reduce long-term rural reliance on power cost equalization. This plan should be updated annually;

Mr. Robert LaResche
October 21, 1968
Page 2

- (3) That energy loan programs be consolidated in the APA so that local communities, utilities and individuals seeking assistance only have to work with one state organization. Consideration needs to be given to the integration of the various loan programs, perhaps into a single revolving loan fund. I will issue an executive order to implement this consolidation and integration;
- (4) That the APA Board of Directors consider formal adoption of "Integrated resource planning" as the guiding principle for state energy programs and for the evaluation of energy needs throughout the state. This approach calls for the shift from project-specific feasibility studies to a more comprehensive planning process, with increased emphasis on the management of energy demand. It is my understanding that such a planning policy can be implemented by the APA Board within the framework of the current APA statute;
- (5) That in recognition of these changes in emphasis and policy, the Alaska Power Authority be renamed the Alaska Energy Authority. This name change reflects that the APA's role in energy matters is now broader than its original focus on the development of electric power and transmission projects. The previously mentioned executive order will incorporate this name change;
- (6) That APA and the Alaska Public Utilities Commission (APUC), with the assistance of DCRA, complete in a timely manner their current efforts to establish efficiency standards for utilities participating in the Power Cost Equalization program. Again, it is my understanding that this approach can be put in place under current statute;
- (7) That APA, APUC and DCRA provide me with appropriate suggestions for legislation and budget to make the PCE program more efficient. Note that in item one I have requested a capital improvement plan to improve rural energy facilities which would assist in reducing long-term reliance on the PCE program;
- (8) That APA, in consultation with APUC, DCRA, rural communities and private industry, develop written guidelines defining the role of APA in its efforts to aid local communities. The guidelines should set out a working relationship which fosters private industry, but also protects the interests of individual communities and the State;

Mr. Robert LaRasche
October 21, 1988
Page 3

- (9) That DCRA and the Department of Law attempt to conclude the current court action over DCRA's residential thermal standards as soon as possible, and that these regulations, when adopted, be vigorously enforced by the Alaska Housing Finance Corporation (AHFC). I wish to see AHFC's compliance plan within 60 days of the effective date of the regulations.

These changes go a long way toward establishing a new, comprehensive energy policy based on local assistance, efficient use of energy, and updated technology.

Thank you again for your contributions, which made it possible for us to move forward with constructive changes in the state's energy programs.

Sincerely,



Steve Cowper
Governor

SC/MH/dmc 89F-932

cc Grace Schaible, Attorney General
David Hoffman, Commissioner, DCRA
Alaska Power Authority Board of Directors
Robert L. LaRasche, Executive Director, AFA
Alaska Housing Finance Corporation Board of Directors
Ron Lehr, Executive Director, AHFC
Alaska Public Utilities Commission

- D R A F T -

Mike Kelly, Fairbanks

Bob Martin, Juneau

Lloyd Hodson, Anchorage

Joe Usibelli, Healy

Richard Barnes, Anchorage

Dr. Joyce Murphy, Anchorage

Clarissa Quinlan, Anchorage

Phil Kaluza, Nome

Jeff Weitzin, Fairbanks

Nancy Lee-Evans, Anchorage

Rich Seifert, Fairbanks

Rocky Gutierrez, Sitka

Ex Officio members will include the Executive Director of the Alaska Power Authority, the Commissioner of the Department of Community and Regional Affairs, Chairperson of the Alaska Public Utilities Commission and Director of the Division of Policy in the Office of Management and Budget. Two representatives each from the Senate and the House will be named later this month.

The Task Force will hold meetings throughout the state to solicit views from the public on energy issues. The Task Force will submit its findings in a report to the Governor in January, 1988. The first meeting of the Task Force will be held August 24th, 1987 in Anchorage.

POWER DEVELOPMENT REVOLVING LOAN FUND
AS 44.33.600

SELF INSURANCE RESERVE

The Self Insurance Reserve (SIR) was established in the Power Development Revolving Loan Fund (PDRLF) in FY 86, to provide reasonable availability of funds for catastrophic losses that may affect the operating electric facilities constructed under the Energy Program for Alaska (AS 44.83.380); it was requested by the Alaska Power Authority and the State Division of Risk Management.

The SIR was also established in compliance with the contractual commitments in the Four Dam Pool Long Term Power Sales Agreement which became effective on October 28, 1985.

As directed by the State Division of Risk Management, the property, boiler and machinery risks associated with the Four Dam Pool Hydroelectric plants and the Anchorage-Fairbanks Intertie have been covered since 1983 by a commercial insurance program separated from any other insurance programs or reserve of the State and it has since remained unchanged.

The original SIR was set at \$7,000,000; with the reappropriations in SLA 1987, Ch. 95, \$500,000 was lapsed from the SIR to the General Fund, and, in February 1989, \$1,500,000 was borrowed by the Power Authority to repair the avalanche damages to the Solomon Gulch Transmission Line. The current SIR balance is \$5,000,000.

Should the SIR be eliminated, the State would to all effects be bare of necessary monies for the immediate containment of losses and for the repair and replacement of damages resulting from unforeseen catastrophic occurrences.

With reference to the need for and the amount of the SIR, the Division of Risk Management has recently stated that the major hazards of earthquake and flood remain at a 5% deductible of the structure(s) affected which creates a maximum self-insurance exposure of approximately \$7,500,000. Loss of this self-insurance reserve would not only impair reconstruction for State and communities served, but would also seriously jeopardize the State's present insurance program. It further specifically requested that these PDRLF monies be retained for self-insurance within the present PDRLF account structure.

In addition, affordable commercial property insurance is not available for transmission lines. In this assets group, the highest and most probable risk of loss is associated with the submarine transmission cable in the Tye Lake system. Replacement of that submarine cable is estimated to be \$7,000,000.

RESOLUTION NO. 89-4

A Resolution of the Bradley Lake Project Management Committee in Support of Executive Order No. 75.

WHEREAS the Governor, under authority of Article III, Section 23 of the Constitution of the State of Alaska, has proposed the transfer of certain loan programs from the Department of Commerce and Economic Development, including the Power Development Revolving Loan Fund, by Executive Order No. 75; and

WHEREAS, in 1988 the Governor's Energy Policy Task Force, which included members of the Bradley Lake Project Management Committee, had recommended consolidation of energy loan programs under the Alaska Power Authority; and

WHEREAS, the provisions for transfer of loan programs within Executive Order No. 75 are in the best interests of the State's efficient administration of such loan programs; and

WHEREAS, the Power Development Revolving Loan Fund was established to provide funding for the purposes of financing power projects acquired or constructed under the Energy Program for Alaska, and would be more appropriately administered by the Alaska Power Authority/Alaska Energy Authority as set forth in Executive Order No. 75, and;

WHEREAS, the Power Development Revolving Loan Fund's ability to finance energy and power projects, as currently established under AS 44.83.177 - 44.83.187, should be left intact, including the retainment of all earnings going back to the Power Development Revolving Loan Fund; and

WHEREAS, the earnings of the Power Development Revolving Loan Fund is important to those projects currently constructed and acquired under the Energy Program for Alaska and should be retained for the purposes of prudent future energy and power development throughout the State of Alaska.

NOW, THEREFORE BE IT RESOLVED, that the Bradley Lake Project Management Committee strongly supports Executive Order No. 75 and respectfully requests the Alaska State Legislature to also support the provisions as set forth in this order.

BRADLEY PROJECT MANAGEMENT COMMITTEE

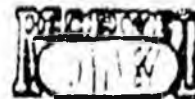
By: _____

Michael P. Kelly
Michael P. Kelly
Chairman

ATTEST:

By: _____

Robert LeResche
Secretary



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

October 21, 1988

Mr. Robert LeResche
Executive Director
Alaska Power Authority
P.O. Box AM
Juneau, AK 99811

Dear Mr. LeResche: *Bob*

After review and consideration of the Energy Policy Task Force recommendations, I am requesting that the Board of Directors of the Alaska Power Authority undertake the following actions, and am directing compliance of the appropriate state agencies as named below:

- (1) That the Alaska Power Authority (APA) emphasize local energy technical assistance through, for example, such programs as the proposed circuit rider plan and assistance with technical improvements to existing energy systems, including the more efficient use of energy by consumers. As part of this effort the APA should establish a program effort oriented to development of technical innovations relevant to Alaska's energy problems and the implementation of improved energy technology;
- (2) That APA, assisted by the Department of Community and Regional Affairs (DCRA), develop a five-year plan for increasing its technical assistance activities, including the circuit rider program, waste heat recovery projects, technical development and applications, and capital improvements designed to reduce long-term rural reliance on power cost equalization. This plan should be updated annually;

Mr. Robert LeResche

October 21, 1988

Page 2

- (3) That energy loan programs be consolidated in the APA so that local communities, utilities and individuals seeking assistance only have to work with one state organization. Consideration needs to be given to the integration of the various loan programs, perhaps into a single revolving loan fund. I will issue an executive order to implement this consolidation and integration;
- (4) That the APA Board of Directors consider formal adoption of "integrated resource planning" as the guiding principle for state energy programs and for the evaluation of energy needs throughout the state. This approach calls for the shift from project-specific feasibility studies to a more comprehensive planning process, with increased emphasis on the management of energy demand. It is my understanding that such a planning policy can be implemented by the APA Board within the framework of the current APA statute;
- (5) That in recognition of these changes in emphasis and policy, the Alaska Power Authority be renamed the Alaska Energy Authority. This name change reflects that the APA's role in energy matters is now broader than its original focus on the development of electric power and transmission projects. The previously mentioned executive order will incorporate this name change;
- (6) That APA and the Alaska Public Utilities Commission (APUC), with the assistance of DCRA, complete in a timely manner their current efforts to establish efficiency standards for utilities participating in the Power Cost Equalization program. Again, it is my understanding that this approach can be put in place under current statute;
- (7) That APA, APUC and DCRA provide me with appropriate suggestions for legislation and budget to make the PCE program more efficient. Note that in item one I have requested a capital improvement plan to improve rural energy facilities which would assist in reducing long-term reliance on the PCE program;
- (8) That APA, in consultation with APUC, DCRA, rural communities and private industry, develop written guidelines defining the role of APA in its efforts to aid local communities. The guidelines should set out a working relationship which fosters private industry, but also protects the interests of individual communities and the State;

Mr. Robert LeRasche
October 21, 1988
Page 3

- (9) That DCRA and the Department of Law attempt to conclude the current court action over DCRA's residential thermal standards as soon as possible, and that these regulations, when adopted, be vigorously enforced by the Alaska Housing Finance Corporation (AHFC). I wish to see AHFC's compliance plan within 60 days of the effective date of the regulations.

These changes go a long way toward establishing a new, comprehensive energy policy based on local assistance, efficient use of energy, and updated technology.

Thank you again for your contributions, which made it possible for us to move forward with constructive changes in the state's energy programs.

Sincerely,



Steve Cowper
Governor

SC/MH/dmc 89F-932

cc: Grace Schalble, Attorney General
David Hoffman, Commissioner, DCRA
Alaska Power Authority Board of Directors
Robert L. LeRasche, Executive Director, APA
Alaska Housing Finance Corporation Board of Directors
Ron Lehr, Executive Director, AHFC
Alaska Public Utilities Commission

- D R A F T -

Mike Kelly, Fairbanks
 Bob Martin, Juneau
 Lloyd Hodson, Anchorage
 Joe Usibelli, Healy
 Richard Barnes, Anchorage
 Dr. Joyce Murphy, Anchorage

Clarissa Quinlan, Anchorage
 Phil Kaluza, Nome
 Jeff Weltzin, Fairbanks
 Nancy Lee-Evans, Anchorage
 Rich Seifert, Fairbanks
 Rocky Gutierrez, Sitka

Ex Officio members will include the Executive Director of the Alaska Power Authority, the Commissioner of the Department of Community and Regional Affairs, Chairperson of the Alaska Public Utilities Commission and Director of the Division of Policy in the Office of Management and Budget. Two representatives each from the Senate and the House will be named later this month.

The Task Force will hold meetings throughout the state to solicit views from the public on energy issues. The Task Force will submit its findings in a report to the Governor in January, 1988. The first meeting of the Task Force will be held August 24th, 1987 in Anchorage.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
BUREAU ALASKA 99811
707 465 1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 27, 1989

SUBJECT: Constitutionality of Executive Order
 No. 75 (Transferring programs to the
 Alaska Power Authority)

TO: Representative Dave Donley, Chairman
 House Labor and Commerce Committee

FROM: Teresa B. Cramer *IBC*
 Legislative Counsel

You have requested an opinion concerning the constitutionality of Executive Order No. 75, transferring certain programs to the Alaska Power Authority (APA) and changing the name of the authority to the Alaska Energy Authority.

You question whether the transfer of the power development revolving loan fund (PDRLF), which makes loans to the APA, from the Department of Commerce and Economic Development to the APA itself violates the power of the governor under the state constitution to reorganize the executive branch of government. You also have asked whether the APA could encumber the revenue stream coming into the PDRLF and prevent the legislature from reappropriating those receipts.

In my opinion, Executive Order No. 75 is a valid exercise of the governor's powers under sec. 23, art. III, Constitution of the State of Alaska, which reads in pertinent part:

The governor may make changes in the organization of the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration. Where these changes require the force of law, they shall be set forth in executive orders.

The APA is an independent public corporation located in the Department of Commerce and Economic Development

Representative Dave Donley

Page 2

February 27, 1989

(AS 44.83.020). It is subject to the reorganization power of the governor.

The Executive Order does not make any substantive changes to the programs transferred. It transfers the PDRLF and the bulk fuel revolving loan fund to the APA. The fact that transferring the PDRLF to the APA permits the APA to make a loan from one fund under its control to another program under its control, though anomalous, is not a violation of the governor's powers of reorganization.

Your second question concerns the ability of the APA to encumber the receipts of the PDRLF.

Under Sec. 44.83.510(a) of the Executive Order (currently AS 44.33.610(a)), the PDRLF may be used for financing a power project acquired or constructed under the energy program for Alaska. The definition of "power project" in AS 44.83.230(4) is very broad, including a "plant, works, system, or facility" that is used for electrical or thermal energy production, waste energy utilization and energy conservation, or transmission, purchase, sale, exchange, or interchange of electrical or thermal energy. Therefore, the energy program for Alaska could include a wide variety of undertakings.

The energy program for Alaska is set out in AS 44.83.380 - 44.83.425. Under AS 44.83.380(b), the APA may acquire or construct power projects, but only if the project is submitted and approved under AS 44.83.177 - 44.83.187.

The legislative review process set out in AS 44.83.177 - 44.83.187 prohibits the APA from embarking on the engineering or design phase of a proposed new project for which legislative approval is required until the legislature has approved the project. However, under AS 44.83.187, certain kinds of projects are exempt from legislative approval. (Generally, projects that generate 1.5 megawatts of power or less, and those that generate more than 1.5 but not more than 25 megawatts and are financed by revenue bonds are exempt. Transmission lines that cost less than \$3,000,000 are also exempt.) Under Sec. 44.83.510(b) (currently AS 44.33.610(b)) the requirement for legislative approval under AS 44.83.185(c) applies only to those projects that are not exempted from legislative approval under AS 44.83.187. An exempt project could be undertaken as part of the energy program for Alaska without legislative review and the PDRLF

Representative Dave Donley
Page 3
February 27, 1989

could be used as a funding source.

If the APA encumbered the revenue stream from the PDRLF before the effective date of an appropriation depleting the fund, the encumbrance would defeat the appropriation to the extent of the amount obligated. If the project were one that fell within the exemption to legislative review, the APA could finance its acquisition or construction without prior legislative approval.

If I may be of further assistance, please advise.

TBC:gc
WkG7/062

TO: Senator Bettye Fahrenkamp

FROM: Bob LeResche

I sure enjoyed the discussion yesterday -- always do enjoy your committees. I dredged up the attached statistics regarding consumption under the PCE program and thought you or some of your committee members might find them interesting. They tell me that simply lowering the "cap" isn't an equitable answer to the problem.

Thanks

A handwritten signature in cursive script, appearing to read "Bob", followed by a horizontal line.

Average Monthly Electricity Consumption (KWH per Customer)

<u>United States</u>	<u>All Alaska*</u>	<u>Alaska PCE Utilities</u>	<u>Alaska "Urban" Utilities</u>
769	670	398	653

* "All Alaska" exceeds both Alaska PCE and Alaska "Urban" because data were not available from some of the larger urban utilities.

Some Interesting Comparisons of Monthly Consumption:

<u>Alaska/U.S.</u>	<u>PCE/Alaska</u>	<u>PCE/U.S.</u>
87%	59%	52%

Message: Although the program has no built-in incentive to conserve, PCE recipients nonetheless use much less power than do urban Alaskans not eligible for the program.

Alaska Power Authority

Who Has Received \$1.1 Billion in APA Energy Appropriations?

<i>House District</i>	<i>Appropriations Per Capita*</i>	<i>PCE Per Capita*</i>	<i>Total Subsidies Per Capita*</i>	<i>Loans Per Capita*</i>	<i>Total Benefits Per Capita*</i>
1	\$8,907	\$0	\$8,907	\$3,839	\$12,746
2	\$829	\$1,176	\$2,005	\$20	\$2,025
3	\$187	\$57	\$244	\$1,825	\$2,069
4	\$61	\$0	\$61	\$556	\$617
6	\$3,768	\$395	\$4,164	\$210	\$4,374
Railbelt**	\$1,210	\$5	\$1,215	\$2	\$1,217
22	\$216	\$1,001	\$1,218	\$0	\$1,218
23	\$202	\$1,631	\$1,834	\$0	\$1,834
24	\$155	\$1,717	\$1,872	\$200	\$2,072
25	\$240	\$1,074	\$1,314	\$104	\$1,418
26	\$1,078	\$1,076	\$2,154	\$593	\$2,747
27	\$7,118	\$282	\$7,399	\$8,845	\$16,244
Statewide	\$1,520	\$182	\$1,702	\$437	\$2,139

*Based on House Research Agency FY85 population figures.

**The Railbelt includes Districts 5, and 7 through 21.

Railbelt Appropriations include the Railbelt Energy Fund.

Totals

<i>Population</i>	<i>Appropriations</i>	<i>PCE Payments</i>	<i>Approp + PCE</i>	<i>Loans</i>	<i>All</i>
522,910	\$794,770,255	\$95,176,440	\$889,946,695	\$228,425,182	\$1,118,371,877

Figures include appropriations and PCE disbursements through fiscal year 1988.

1 IN THE HOUSE BY THE LABOR AND
COMMERCE COMMITTEE

2 HOUSE SPECIAL CONCURRENT RESOLUTION NO. 1

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Disapproving Executive Order No. 75.

6 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

7 WHEREAS the governor, under authority of art. III, sec. 23 of the

8 Constitution of the State of Alaska, has proposed the transfer of certain

9 programs from the Department of Commerce and Economic Development and the

10 Department of Revenue by Executive Order No. 75; and

11 WHEREAS the governor has submitted Executive Order No. 75 to the

12 presiding officer of each house of the legislature as required by AS 24.-

13 30.130(b); and

14 WHEREAS art. III, sec. 23 of the Constitution of the State of Alaska

15 provides that unless disapproved within 60 days of a regular session by

16 resolution concurred in by a majority of the members of the legislature in

17 joint session, an executive order becomes effective at a date thereafter

18 designated by the governor; and

19 WHEREAS Executive Order No. 75 significantly increases and diversifies

20 the jurisdiction of the Alaska Power Authority; and

21 WHEREAS the legislature is precluded from amending executive orders

22 during the review process; and

23 WHEREAS there are several measures concerning the scope and future of

24 the Alaska Power Authority now being considered by the legislature; and

25 WHEREAS the legislature has not had time to fully examine the issues

26 raised by Executive Order No. 75;

27 BE IT RESOLVED by the Alaska State Legislature that Executive Order

28 No. 75 is disapproved.

S B

22

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 3-2-89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER FINANCE

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

1/9/89

DATE TURNED INTO OFFICE 5-3-90

Mr. President:

RESOURCES

Committee considered SB 22

disposition of unclaimed real property interests

and recommended:

- replace with cs SB 22 (Res) same title
- attached amendment(s) and new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
Kirk Halford
[Signature]
[Signature]
[Signature]

Aulis Sturgulinski No Rec

[Signature]
Chairman signature and recommendation

Committee backup attached

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 22
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 7-Mar-89 Agency Affected: Natural Resources
 Title: SB 22, An act relating to the BRU: Land and Water Management
disposition of unclaimed property interests
 Sponsor: Senator Paiks Components: Land & Water Mgt
 Requestor: Senate Resource Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		46.0	46.0	46.0	46.0	46.0
TRAVEL		4.0	4.0	4.0	4.0	4.0
CONTRACTUAL		34.0	34.0	34.0	34.0	34.0
SUPPLIES		2.0	2.0	2.0	2.0	2.0
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	86.0	86.0	86.0	86.0	86.0

CAPITAL						
---------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		86.0	86.0	86.0	86.0	86.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	86.0	86.0	86.0	86.0	86.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Larry Ostrovsky Phone: 465-2400
 Division: Commissioner's Office Date: 7-Mar-89

Approved by Commissioner: Lennie Gorsuch Date: 7-Mar-89
 Agency: Department of Natural Resources

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

Position Title Natural Resource Officer II		No. of Positions 1	Range/Step 16A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District
Justification				
<p>Pursuing information furnished by department personnel, other state and federal agencies and members of the public. Sufficient background info must be gathered to present the potential escheat to the Attorney General's office for a judgement. Includes presenting escheats to state attorneys with a request for Superior Court judgement. Gathering any additional background information they need and recommending decisions on contested escheats. Giving the Regional offices sufficient information and notice so that processors can make best interest findings, appraisals and approved disposals. Also involves ensuring that money from escheated lands finds its way to the department's escheated real property trust account. Drafting written decisions with appeal rights for those undiscovered individuals who choose to pursue an administrative claim instead of a court claim to escheated land. Includes background support for state attorneys to support obtaining a judgement of escheat and most important the judgement itself.</p> <p>Contractural monies include the costs for appraisals, public notice and inspection of the site.</p>				
Type of Expenditure		Amount		
1	2	3		
Salary	46.0			
Benefits				
Premium Pay				
Other				
Total Personal Services	46.0			
Travel		4.0		
Contractual		34.0		
Commodities		2.0		
Equipment				
Other				
Total Cost		86.0		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	86.0		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For
New Position**

Agency Natural Resources
 BRU Land and Water Management
 Component _____

FY 90

Page 2 of 2
 Revised Date 3/7/89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 22 (Reg)

PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 7-Mar-89
 Title: SB 22, An act relating to the disposition of unclaimed property interests
 Sponsor: Senator Faiks
 Requestor: Senate Resource Committee

Agency Affected: Natural Resources
 BRJ: Land and Water Management
 Components: Land & Water Mgt

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		46.0	46.0	46.0	46.0	46.0
TRAVEL		4.0	4.0	4.0	4.0	4.0
CONTRACTUAL		34.0	34.0	34.0	34.0	34.0
SUPPLIES		2.0	2.0	2.0	2.0	2.0
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	86.0	86.0	86.0	86.0	86.0

CAPITAL						
---------	--	--	--	--	--	--

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

FUNDING: (Thousands of Dollars)

GENERAL FUND		86.0	86.0	86.0	86.0	86.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	86.0	86.0	86.0	86.0	86.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Larry Ostrovsky
 Division: Commissioner's Office

Phone: 465-2400
 Date: 7-Mar-89

Approved by Commissioner: Lennie Gorsuch
 Agency: Department of Natural Resources

Date: 7-Mar-89
3/Mar/90

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

Position Title Natural Resource Officer II		Nu. of Positions 1	Range/Step 16A	Hrg. Unit GGU																																																												
Time Status PFT	Staff Months 12	Location Anchorage		Election District																																																												
<table border="1"> <thead> <tr> <th>Type of Expenditure</th> <th>1</th> <th>2</th> <th>Amount</th> <th>3</th> </tr> </thead> <tbody> <tr> <td>Salary</td> <td></td> <td>46.0</td> <td></td> <td></td> </tr> <tr> <td>Benefits</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Premium Pay</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Personal Services</td> <td></td> <td>46.0</td> <td></td> <td></td> </tr> <tr> <td>Travel</td> <td></td> <td></td> <td>4.0</td> <td></td> </tr> <tr> <td>Contractual</td> <td></td> <td></td> <td>34.0</td> <td></td> </tr> <tr> <td>Commodities</td> <td></td> <td></td> <td>2.0</td> <td></td> </tr> <tr> <td>Equipment</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Cost</td> <td></td> <td></td> <td>86.0</td> <td></td> </tr> </tbody> </table>		Type of Expenditure	1	2	Amount	3	Salary		46.0			Benefits					Premium Pay					Other					Total Personal Services		46.0			Travel			4.0		Contractual			34.0		Commodities			2.0		Equipment					Other					Total Cost			86.0		Justification Pursuing information furnished by department personnel, other state and federal agencies and members of the public. Sufficient background info must be gathered to present the potential escheat to the Attorney General's office for a judgement. Includes presenting escheats to state attorneys with a request for Superior Court judgement. Gathering any additional background information they need and recommending decisions on contested escheats. Giving the Regional offices sufficient information and notice so that processors can make best interest findings, appraisals and approved disposals. Also involves ensuring that money from escheated lands finds its way to the department's escheated real property trust account. Drafting written decisions with appeal rights for those undiscovered individuals who choose to pursue an administrative claim instead of a court claim to escheated land. Includes background support for state attorneys to support obtaining a judgement of escheat and most important the judgement itself. Contractual monies include the costs for appraisals, public notice and inspection of the site.		
Type of Expenditure	1	2	Amount	3																																																												
Salary		46.0																																																														
Benefits																																																																
Premium Pay																																																																
Other																																																																
Total Personal Services		46.0																																																														
Travel			4.0																																																													
Contractual			34.0																																																													
Commodities			2.0																																																													
Equipment																																																																
Other																																																																
Total Cost			86.0																																																													
<table border="1"> <thead> <tr> <th colspan="2">Funding Source for Total Cost</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Federal Receipts</td> <td>1002</td> <td></td> </tr> <tr> <td>G. F. Match</td> <td>1003</td> <td></td> </tr> <tr> <td>General Fund</td> <td>1004</td> <td>86.0</td> </tr> <tr> <td>I-A Receipts</td> <td>1006</td> <td></td> </tr> <tr> <td>CIP Receipts</td> <td>1061</td> <td></td> </tr> <tr> <td>Other</td> <td></td> <td></td> </tr> </tbody> </table>		Funding Source for Total Cost		Amount	Federal Receipts	1002		G. F. Match	1003		General Fund	1004	86.0	I-A Receipts	1006		CIP Receipts	1061		Other																																												
Funding Source for Total Cost		Amount																																																														
Federal Receipts	1002																																																															
G. F. Match	1003																																																															
General Fund	1004	86.0																																																														
I-A Receipts	1006																																																															
CIP Receipts	1061																																																															
Other																																																																

**Request For
New Position**

Agency Natural Resources
BRU Land and Water Management
Component _____

Page 2 of 2
Revised Date 3/7/89

FY 90

BILL: SB 22

NAME:

TITLE: "An Act relating to the disposition of unclaimed real property interests."

PRIME SPONSOR: FAIKS

CURRENT STATUS: (S) FIN

STATUS DATE: 05/03/90

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP	SUBJ	EXIT	MENU	TEXT	PRINT	BWD	FWD		FIRST	LAST	QUIT
SB	22									Page 2	of 2

Bill/Resolution Floor Action

Current Status: (S) FIN

	Jrn-Date	Jrn-Page	Action
1	12/30/88		(S) PREFILE RELEASED
2	01/09/89	16	(S) READ THE FIRST TIME - REFERRAL(S)
3	01/09/89	16	(S) RESOURCES, THEN FINANCE
4	05/03/90	3854	(S) RES RPT CS 5DP 2NR SAME TITLE
5	05/03/90	3854	(S) FN TO SB & CS PUBLISHED (DNR)
6	05/03/90	3854	(S) REFERRED TO FINANCE

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP	SUBJ	EXIT	MENU	TEXT	PRINT	BWD	FWD	CMT/JRNL	FIRST	LAST	QUIT
BASIS	Journal	Text									

05/03/90

SENATE JOURNAL

PAGE 3854

SB 22

The Resources Committee considered SENATE BILL NO. 22 (An Act relating to the disposition of unclaimed real property

interests) and recommended it be replaced with

CS FOR SENATE BILL NO. 22 (Resources)

Senator Fahrenkamp, Chair, and Senator Sturgulewski signed "no recommendation." Senators Kerttula, Halford, Zharoff, Eliason and Frank signed "do pass."

Fiscal notes for SENATE BILL NO. 22 and the Committee Substitute published today from Department of Natural Resources.

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU		PRINT	BWD	FWD		FIRST	LAST	QUIT

BASIS Journal Text

05/03/90

SB 22

SENATE JOURNAL

PAGE 3854

The Resources Committee considered SENATE BILL NO. 22 (An Act relating to the disposition of unclaimed real property interests) and recommended it be replaced with

CS FOR SENATE BILL NO. 22 (Resources)

Senator Fahrenkamp, Chair, and Senator Sturgulewski signed "no recommendation." Senators Kerttula, Halford, Zharoff, Eliason and Frank signed "do pass."

Fiscal notes for SENATE BILL NO. 22 and the Committee Substitute published today from Department of Natural Resources.

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU		PRINT	BWD	FWD		FIRST	LAST	QUIT

B004-FIRST PAGE

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

March 7, 1989

The Honorable Bettye Fahrenkamp
Chair, Senate Resources Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Fahrenkamp:

Subject: SB 22, An Act relating to the disposition of unclaimed real property interests.

Background: The 1986 Legislature passed the real property escheat bill which transferred responsibility from the Department of Revenue to the Department of Natural Resources. SB 22 was before the 16th Alaska State Legislature as CSSB 16.

Position: SB 22 limits the department's land management options with respect to escheated real property. During the 14th Session of the Alaska State Legislature, the state's escheat real property statutes were amended to accomplish two primary objectives.

First, management responsibility was transferred from the Department of Revenue to the Department of Natural Resources. This transfer consolidated land management functions in the appropriate state agency with resultant cost savings.

Second, the legislation set up a process whereby escheated land transferred to the state is subject to a written best interest finding to establish its highest and best use. In this manner, the department is able to safeguard the public interest and avoid downstream land acquisition costs. SB 22 eliminates this process in favor of a requirement to sell all escheat properties.

Many parcels are located in public use areas and are desirable for retention or for future land exchanges. For instance, the Harry C. Robb tract in Talkeetna has considerable interest from the Talkeetna Historical Society because of the site's historic value to the community. Powder Island, a 12 acre island in Kachemak Bay has been proposed for exchange with the Seldovia Native Association.

Although all revenue enhancement opportunities must be explored, the escheat program is a small scale project which often involves parcels of land with significant public interests. The department lists eight escheat properties worth roughly \$300,000 in its inventory.

Concern has been voiced that the Department of Natural Resources is needlessly retaining lands that it has obtained from private ownership through the escheat process; however, the department is diligently working to make the lands available to the private sector. Powder Island (escheat #46) and the Talkeetna property (escheat #43, Harry Rob estate), discussed earlier, are examples of disposals. Additionally, a mining claim at Turnagain Pass (escheat #53) is in the disposal process, and the City of Nenana is seeking an escheat parcel (escheat #17) adjacent to the airport. The department believes it is more sensible to first determine whether the state should retain a parcel. It is our experience that this determination will often yield a higher purpose for the parcel. Should no higher purpose exist, the existing law already provides that the land may be sold at public auction.

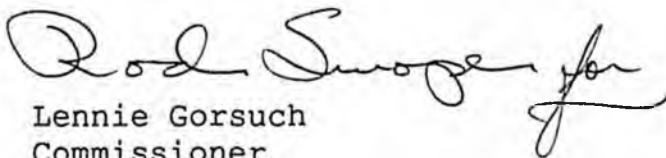
SB 22 does offer a few minor improvements to the existing escheat law, including the addition of a definition of "net proceeds" and a provision that claims must occur within one year after a minor reaches the age of 18 years.

In summary, we believe that the existing legislation should be retained and be given a sufficient opportunity to operate.

Technical changes: Line 14 of section 4 should be changed to read that the department shall "offer to sell" the lands. This same comment applies to line 21 of this section.

We look forward to working with you and the members of the committee on this legislation.

Sincerely,


Lennie Gorsuch
Commissioner

Senator Fahrenkamp

- 3 -

March 7, 1989

cc: Committee Members
Bill Sponsors
Bob Evans
Denby Lloyd
Gary Gustafson

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION : SB 22
PUBLISH DATE : _____

FISCAL NOTE

REQUEST:

Revision Date: 7-Mar-89 Agency Affected: Natural Resources
 Title: SB 22, An act relating to the BRU: Land and Water Management
disposition of unclaimed property interests
 Sponsor: Senator Faiks Components: Land & Water Mgt
 Requestor: Senate Resource Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		46.0	46.0	46.0	46.0	46.0
TRAVEL		4.0	4.0	4.0	4.0	4.0
CONTRACTUAL		34.0	34.0	34.0	34.0	34.0
SUPPLIES		2.0	2.0	2.0	2.0	2.0
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	86.0	86.0	86.0	86.0	86.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		86.0	86.0	86.0	86.0	86.0
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	86.0	86.0	86.0	86.0	86.0

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Larry Ostrovsky Phone: 465-2400
 Division: Commissioner's Office Date: 7-Mar-89
 Approved by Commissioner: Lennie Gorsuch Date: 7-Mar-89
 Agency: Department of Natural Resources

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

Position Title Natural Resource Officer II		No. of Positions 1	Range/Step 16A	Barg. Unit GGU
Time Status PFT	Staff Months 12	Location Anchorage		Election District
Type of Expenditure		Justification		
		Pursuing information furnished by department personnel, other state and federal agencies and members of the public. Sufficient background info must be gathered to present the potential escheat to the Attorney General's office for a judgement. Includes presenting escheats to state attorneys with a request for Superior Court judgement. Gathering any additional background information they need and recommending decisions on contested escheats. Giving the Regional offices sufficient information and notice so that processors can make best interest findings, appraisals and approved disposals. Also involves ensuring that money from escheated lands finds its way to the department's escheated real property trust account. Drafting written decisions with appeal rights for those undiscovered individuals who choose to pursue an administrative claim instead of a court claim to escheated land. Includes background support for state attorneys to support obtaining a judgement of escheat and most important the judgement itself.		
Amount		Contractual monies include the costs for appraisals, public notice and inspection of the site.		
1	2	3		
Salary	46.0			
Benefits				
Premium Pay				
Other				
Total Personal Services	46.0			
Travel		4.0		
Contractual		34.0		
Commodities		2.0		
Equipment				
Other				
Total Cost:		86.0		
Funding Source for Total Cost				
Federal Receipts	1002			
G. F. Match	1003			
General Fund	1004	86.0		
I-A Receipts	1006			
CIP Receipts	1061			
Other				

**Request For
New Position**

Agency Natural Resources
 BRU Land and Water Management
 Component _____

Page 2 of 2
 Revised Date 3/7/89

FY 90

Bill/Resolution History 11:07 AM 05/02/90
BILL: SB 22
NAME:
TITLE: "An Act relating to the disposition of unclaimed real property interests."

Page 1

PRIME SPONSOR: FAIKS

CURRENT STATUS: (S) RES THEN FIN STATUS DATE: 01/09/89

HEARING:(S) RES MAY 02 01:30 PM BUTROVICH ROOM 205

Selection=>
PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP SUBJ EXIT MENU TEXT PRINT BWD FWD FIRST LAST QUIT
SB 22 Journal & Committee Action Page 2 of 2
Current Status: (S) RES
Date Page Action
1 12/30/88 (S) PREFILE RELEASED
2 01/09/89 16 (S) READ THE FIRST TIME - REFERRAL(S)
3 01/09/89 16 (S) RESOURCES, THEN FINANCE
4 03/08/89 N/A (S) RES AT 1:30 PM BUTROVICH ROOM 205
5 03/08/89 N/A (S) MINUTE(RES)
6 03/08/89 N/A (S) MINUTE(RES)
7 05/02/90 N/A (S) RES AT 1:30 PM BUTROVICH ROOM 205

Selection=>
PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP SUBJ EXIT MENU TEXT PRINT BWD FWD JRNL FIRST LAST QUIT
BASIS Committee Minutes
Senator Fahrenkamp announced SB 22 to be up for discussion. Senator Faiks gave the background on the bill. She said it required DNR to sell escheated property unless the property is considered an historic site.

Senator Faiks said the essence of the bill is whether you want private sector property to remain in private sector hands or do you want it to increase the state's inventory of property.

Gary Gustafson, Director of the Division of Land and Water Management for the Department of Natural Resources, said he opposed the bill. He said they are required to do a best interest finding before disposing of escheated properties to find out what the highest and best use might be. There are currently seven escheated properties, three of which are going to be sold. The other properties are to be traded for the benefit of the public and the state.

Senator Kerttula asked how many employees were hired when

Selection=>
PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP SUBJ EXIT MENU TEXT PRINT BWD FWD FIRST LAST QUIT
BASIS Committee Minutes

the Department started handling the program. Mr. Gustafson answered one person. He said this program pays for itself.

Bill Glude, Alaska Environmental Lobby, opposed SB 22, because he thought there are some lands that should be retained in public ownership such as parks, public access, avalanche zones, and the flood plains which should not be developed. The state should be able to determine what the best use of those lands are before selling them.

Senator Halford asked Mr. Gustafson about the Powder Island land trade. He said that after public input, they decide what the best use is. The transfer through a land exchange to the Seldovia Native Association makes the most sense.

Senator Halford moved to pass SB 22 with individual recommendations and asked unanimous consent. Senator Kerttula objected. The bill moved out with individual recommendations.

Selection=>
PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP SUBJ EXIT MENU TEXT PRINT BWD FWD FIRST LAST QUIT
BASIS Committee Minutes

Senator Fahrenkamp said that regarding SB 22, there is a need for an amendment before it leaves committee.

Senator Kerttula said the amendment should say no property presently held and escheated by the state will be affected by this legislation.

Senator Halford moved to rescind their action on reporting out SB 22 and asked unanimous consent. There were no objections and it was so ordered. Senator Fahrenkamp said they would take up the amended bill again on Friday.

Selection=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU		PRINT	BWD	FWD		FIRST	LAST	QUIT



Official Business

Alaska State Legislature

Senate

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

January 17, 1989

JAN 18 1989

MEMORANDUM

TO: Senator Bettye Fahrenkamp, Chairman
Senate Resources Committee

FROM: Senator Jan Faiks, Chairman
Senate Judiciary Committee *Jan Faiks*

SUBJECT: SB 22 "An Act relating to the disposition
of unclaimed real property inter-
ests."

Senate Bill 22 has been referred to the Senate Resources Committee for consideration.

This bill, and the statutes it seeks to replace, concern escheated real property. "Escheat" refers to property which reverts to the state in situations where there is no one to inherit it.

SB 22 seeks to simplify the procedures for the disposition of escheated real property by requiring the State to sell such property, thereby creating revenue for the State and returning property to the private sector.

The Fourteenth Legislature adopted House Bill 182 relating to a Uniform Unclaimed Property Act. The Governor subsequently signed the bill and it became Chapter 133 of the Session Laws of 1986. This legislation is now codified in AS 13.16.381, and AS 38.95.200-270.

Under the current statutes, AS 38.95.200-270 enumerate the steps which must be followed by the Department of Natural Resources (DNR) when it has received escheated real property. My concern is that these steps are inefficient and costly. The steps are as follows:

1. DNR must first be informed or have reason to believe that real property has escheated to the State. (AS 38.95.210)

2. DNR must then bring an action in superior court to establish whether the property has escheated to the State, or it may maintain an action to recover the possession of escheated property, or the enforcement of the State's right to the property. (AS 38.95.210)
3. DNR must then get a court judgment of escheat. (AS 38.95.220)
4. DNR has two years from the judgment of escheat to determine the proper disposition of the property by making a "best interest finding". The Department may, at its option, sell, lease, exchange, assign, or otherwise manage the property. (AS 38.95.230) The method of disposition selected determines the procedures to be followed by the Department.
5. A series of procedural and valuation steps must then be consulted in the event that a claim to the property is filed within seven years from the judgment of escheat. (AS 38.95.240)

SB 22 has two significant effects on these statutes. First, it facilitates the disposition of escheated real property by requiring DNR to sell it, unless the property could be considered an historic site. By eliminating the other disposition options currently available, several procedural and valuation steps are also eliminated. Specifically, the two-year lag period for disposition, need for a written "best interest" finding, and the property appraisal requirements of AS 38.95.230 would be eliminated. Awards to plaintiffs would also be simplified by eliminating the present variables of AS 38.95.240, since the courts would award the property or an amount equal to the net proceeds of the sale.

Additionally, since DNR must then sell the escheated property by public auction, the property is returned to the private sector and revenue is created for the State.

The current statutes allow the State, at its option, to sell, lease, exchange, assign, or otherwise manage the property, thus taking more time for disposition, costing more money to maintain, and not effectively utilizing the property.

This bill contains the following provisions:

Section 1. DISPOSITION OF UNCLAIMED ESTATE BY PERSONAL REPRESENTATIVE. Amends AS 13.16.381 by requiring the personal representative of an intestate estate to handle the unclaimed real property of the estate in accordance with AS 38.95 (Miscellaneous Provisions under Public Lands).

Section 2. Amends AS 38.05.945(a) by requiring that notice be

given under the procedures of that statute of a proposed sale of escheated real property by the department under AS 38.95.230 (Disposal of escheated real property by the department).

Section 3. Amends AS 38.05.945(a) to provide that notice of the proposed sale of land which the department has leased for mineral rights, as well as notice of the proposed sale of land for which the department has issued a production license, must be given under the procedures of that section if the lease is subject to AS 38.05.945(a).

Section 4. DISPOSAL OF ESCHEATED REAL PROPERTY BY DEPARTMENT. Repeals and reenacts AS 38.95.230. Within 90 days after a judgement of escheat, and after notice has been given, the department must sell the escheated real property unless it issues a written finding that the designation of the property as an historic site would be in the best interest of the state. If so, the department must request the Historic Sites Advisory Committee to determine if the property should be designated an historic. If the committee decides not to recommend the designation or if the governor decides not to make the designation, the department shall make arrangements to sell the property as soon as possible after receiving notice of the decision.

Section 5. CLAIMS TO ESCHEATED REAL PROPERTY. Repeals and reenacts AS 38.95.240. Within seven years from the judgment of escheat, a person who was not a party to the escheat proceeding may bring an action in superior court to prove the person's claim to the real property, or may bring the claim directly before the department. If it is determined that the claim is valid, the department must transfer the property if the state still owns it, or must transfer an amount equal to the net proceeds from the sale of the real property.

Section 6. PROCEEDS OF SALE. The department must maintain the net proceeds from the sale of escheated real property in a trust account. The department may use that money to pay successful claimants under AS 38.95.240.

Section 7. DEFINITIONS.

Section 8. Repeals AS 38.05.945(g), which is incorporated into AS 38.05.945(f) by section 3 of the bill.

Section 9. Provides that this act applies to real property which is the subject of an escheat proceeding begun on or after the effective date of the act.

I would appreciate the committee's scheduling this

legislation at its earliest convenience. Should you need any additional information, please let me know.

Thank you.

Chapter 16. Probate of Wills and Administration.

Article

- 7. Duties and Powers of Personal Representatives (§ 13.16.381)
- 8. Creditor's Claims (§§ 13.16.470, 13.16.490)
- 9. Special Provisions Relating to Distribution (§ 13.16.600)

Article 7. Duties and Powers of Personal Representatives.

Section

381. Disposition of unclaimed estate by personal representative



Sec. 13.16.381. Disposition of unclaimed estate by personal representative. When there is no taker of an intestate estate, or if an heir, devisee, or claimant cannot be found and the missing person has no conservator, the personal representative shall handle the

- (1) unclaimed personal property of the estate in accordance with AS 34.45.280 — 34.45.780; and
- (2) unclaimed real property of the estate in accordance with AS 38.95. (§ 6 ch 133 SLA 1986)

Revisor's notes. — "AS 38.95" was substituted for "AS 38.05" at the end of the section in 1987 to correct a manifest error in the original enactment.

Article 8. Creditor's Claims.

Section

- 470. Classification of claims
- 490. Secured claims

Sec. 13.16.470. Classification of claims. (a) If the applicable assets of the estate are insufficient to pay all claims in full, the personal representative shall make payment in the following order:

- (1) costs and expenses of administration;
 - (2) reasonable funeral expenses;
 - (3) debts and taxes with preference under federal law and past due child support payments, except payments required under AS 47.23.120 — 47.23.130;
 - (4) reasonable and necessary medical and hospital expenses of the last illness of the decedent, including compensation of persons attending the decedent;
 - (5) debts and taxes with preference under other laws of this state;
 - (6) all other claims.
- (b) Preference may not be given in the payment of any claim over any other claim of the same class, and a claim due and payable is not entitled to a preference over claims not due. (§ 1 ch 78 SLA 1972; am § 16 ch 56 SLA 1973; am § 1 ch 115 SLA 1986)

(c) The director shall establish, by regulation, conditions attaching to the permit issued under (a) and (b) of this section. These conditions shall include the following:

(1) permits shall be issued for a period of not more than 10 years, with succeeding 10-year renewal options, if periodic use and occupancy is established, and the qualifications of (a) of this section continue to be met;

(2) a cabin shall be constructed and maintained according to reasonable specifications established by the director; one cabin constructed under a permit may contain not more than 400 square feet; however, in no case may another cabin constructed under the same permit exceed 192 square feet;

(3) a permit shall specify the number of cabins allowed to be constructed and indicate their specific geographical location; the director may establish a maximum number of cabins per person or otherwise limit their number because of the probability of adverse consequences;

(4) adequate provision must be made for waste and garbage disposal, as determined by the director;

(5) the payment of a trapping cabin permit fee of \$10.

(d) A permit issued under (a) and (b) of this section entitles its holder to use timber in the immediate vicinity of the cabin for personal noncommercial purposes only. No ownership rights to the land are conveyed by the issuance of a trapping cabin permit under this section.

(e) A person who makes a false statement as to any material fact relating to a permit issued under this section is guilty of a misdemeanor. A person who violates this subsection or any of the terms and conditions of a permit issued under this section may have the permit immediately revoked and is subject to payment of all costs required in dismantling the cabin structure. (§ 1 ch 115 SLA 1976; am § 40 ch 113 SLA 1981; am § 1 ch 41 SLA 1982; am § 76 ch 152 SLA 1984)

Effect of amendments. — The 1984 amendment substituted "commissioner may" for "director of the division of lands

shall" in the introductory language of subsection (a).

Article 5. Real Property Escheated to State.

Section

- 200. Real property subject to escheat
- 210. Enforcement of rights by department
- 220. Judgment of escheat
- 230. Management of escheated real property by department

Section

- 240. Time within which to claim escheated real property
- 250. Proceeds of sale or redemption
- 260. Disposition of sale proceeds seven years after the judgment of escheat
- 270. Definition

Sec. 38.95.200. Real property subject to escheat. (a) Real property in an intestate estate for which no taker can be found and real property devised by will for which no devisee, heir, or other claimant can be found escheats to the state.

(b) Real property of a defunct organization or corporation, for which no proceeding for distribution instituted has been instituted within four years after the organization becomes defunct, escheats to the state. (§ 12 ch 133 SLA 1986)

Sec. 38.95.210. Enforcement of rights by department.

(a) When the Department of Natural Resources is informed or has reason to believe that real property has escheated to the state, the department shall bring an action in superior court to establish whether the property has escheated to the state.

(b) The department may maintain an action to recover the possession of escheated property, or for the enforcement of the state's right to the property. (§ 12 ch 133 SLA 1986)

Sec. 38.95.220. Judgment of escheat. (a) If the superior court determines that the real property has escheated to the state, the superior court shall issue a judgment of escheat.

(b) A court order approving settlement of an estate that distributes real property to the state is a judgment of escheat. (§ 12 ch 133 SLA 1986)

Sec. 38.95.230. Management of escheated real property by department. (a) After a judgment of escheat under AS 38.95.220, the department may sell, lease, exchange, assign, or otherwise manage real property that has escheated to the state. In determining the proper disposition of escheated real property the department shall, within two years after the judgment of escheat under AS 38.95.220, make a written finding that it is in the best interests of the state either to

(1) obtain an appraisal of the fair market value of the real property and sell, lease, exchange, assign, or otherwise manage the property, including retention in state management; or

(2) retain the real property in state management without obtaining an appraisal.

(b) The appraised value of property handled under (a)(1) of this section, or the selling price from a sale under AS 38.05.055 if it is lower, less the expenses of sale or appraisal, is the established value of the property for purposes of redemption by an heir or other taker under AS 38.95.240(c).

(c) Seven years after the judgment of escheat, real property that has not been otherwise disposed of by the department becomes general state land for classification, disposal, and use. (§ 12 ch 133 SLA 1986)

Sec. 38.95.240. Time within which to claim escheated real property. (a) Within seven years after a judgment of escheat under AS 38.95.220, a person who is not a party to the escheat proceeding may bring an action in the superior court to prove the person's claim to the real property. If the plaintiff establishes the claim and establishes that the plaintiff had no knowledge of the prior escheat proceeding, the court shall award the plaintiff the property if it has been managed under AS 38.95.230(a)(2), or the appraised value of the property under AS 38.95.230(b) if the property has been managed under AS 38.95.230(a)(1).

(b) If it is determined that the plaintiff is entitled to the property, the department shall deliver the property to the plaintiff. The rents, profits, interest, or dividends that accrue to the state during its possession of the property are the property of the state and may not be recovered.

(c) If it is determined that the plaintiff is entitled to the appraised value of property that has been disposed of under AS 38.95.230(a)(1), at the department's discretion it may offer to the plaintiff land owned by the state and available for disposal that is of comparable value to the appraised value under AS 38.95.230(a)(1). If the department does not offer land of comparable value, or if the plaintiff refuses the department's offer, the plaintiff is entitled to the established value of the property under AS 38.95.230(b).

(d) The time limitation of seven years does not apply to a minor or an incapacitated person as defined by AS 13.26.005, but such a person must bring an action to prove the person's claim to the real property within one year after the incapacity ceases.

(e) This section does not prevent the state from transferring escheated real property to a person who provides proof satisfactory to the department that the person is the owner of the real property when the department determines the transfer to be appropriate. (§ 12 ch 133 SLA 1986)

Sec. 38.95.250. Proceeds of sale or redemption. The department shall deposit the proceeds of real property sold under AS 38.95.230(a)(1) less the expenses of sale, including attorney fees and appraisal and publication costs in an escheated real property trust account. The department shall maintain the proceeds in the account for a period of at least seven years after the date of the judgment of escheat. The department may use money in the trust account to pay claims made under AS 38.95.240. (§ 12 ch 133 SLA 1986)

Sec. 38.95.260. Disposition of sale proceeds seven years after the judgment of escheat. Seven years after the judgment of escheat, net proceeds from the sale of escheated real property may be transferred from the escheated real property trust account to the general fund and credited to the land disposal income account under AS 38.04.022, unless a person who was the owner or one of the owners of the property when the property escheated to the state has outstanding child support obligations, in which case the proportion of the net proceeds that is attributable to the ownership interest of the person shall be applied to the satisfaction of the child support obligations and the balance remaining after the satisfaction shall be credited to the land disposal income account. (§ 12 ch 133 SLA 1986)

Sec. 38.95.270. Definition. In AS 38.95.200 — 38.95.270, "department" means the Department of Natural Resources. (§ 12 ch 133 SLA 1986)

S B

30

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2/16/89
IN ACCORDANCE WITH UNIFORM RULE 23

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

FURTHER FINANCE

DATE TURNED INTO OFFICE 2/19/89

1/9/89

Mr. President:

RESOURCES Committee considered SB 30

repealing the 25-cent resident hunting, trapping, and sport fishing license and a related exemption from commercial fishing permit requirements.

and recommended:

replace with CS SB 30 (Rec) same title
 attached amendment(s) and new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero fiscal impact
 appropriation no FN attached Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Rick Halford
Brent
~~[Signature]~~
[Signature]
[Signature]

[Signature] No Pass
Chairman/signature and recommendation

Committee backup attached

Alaska State Legislature

Senator Paul Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269 H



State Senate

White in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3791

MEMORANDUM

TO: Senator Bettye Fahrenkamp, Chairman
Senate Resources Committee

FROM: Senator Paul Fischer *PF*

SUBJECT: Senate Bill 30
(repealing the 25-cent resident hunting, trapping,
and sport fishing license)

DATE: January 27, 1989

I would appreciate your scheduling the above referenced bill before the Senate Resources Committee at your earliest possible convenience.

As you are aware, this legislation received considerable review during the Fifteenth Legislature. The Department of Fish and Game has testified that there is no question that this program costs the state money to administer and does not generate revenue and, since there is absolutely no verification of an applicant's qualifications, the program is open to abuse.

I have attached fiscal notes from the Departments of Public Safety and Fish and Game, as well as a letter of support from The Alaska Outdoor Council.

Your consideration will be greatly appreciated.

PAF/sgn

BILL NO: SB 30

DATE: January 13, 1989

TITLE: "An Act repealing the 25¢ resident hunting, trapping, and sport fishing license..."

CONTACT: Captain C. G. Seibel
269-5509

DEPARTMENT OF
PUBLIC SAFETY

Passage of this bill would repeal the 25¢ resident hunting, trapping, and sport fishing license. All residents, except those included under AS 16.05.341 and AS 16.05.400, would be required to pay the full purchase price of \$32.00 for a resident hunting, trapping, and sport fishing license.

Residents who now purchase 25¢ licenses may engage in waterfowl hunting without having purchased a \$5.00 State Waterfowl Conservation tag as required under AS 16.05.340(a)(17). This bill would eliminate this exemption under AS 16.05.340(a)(17)(A)(i) and these residents would also be required to purchase the Waterfowl Conservation tag. This bill would also eliminate the provision under AS 16.05.660 allowing 25¢ license holders to take up to 2,000 pounds per year of tom cod, blue cod, smelt, pichera!, white fish, and spider crab from the waters of the state.

Passage of this bill is not expected to impact the Department of Public Safety.

The Department of Public Safety is neutral on this bill.


Arthur English
Commissioner

DEPARTMENT OF
PUBLIC SAFETY

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Repealing the 25¢ resident hunting, trapping, & sport fishing license.
Sponsor: Senator Fischer
Requestor: Senate Resources

Agency Affected: Public Safety
BRU: Fish and Wildlife Protection
Component: Enforcement

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

No fiscal impact is anticipated.

Prepared by: Captain Conrad G. Seibel
Division: Fish and Wildlife Protection

Phone: 269-5509
Date: 1-13-89

Approved by Commissioner: cl Arthur English
Agency: Department of Public Safety

Date: 1-22-89

Jm
1/21/89

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: An Act repealing the 25¢
resident hunting, ... license
 Sponsor: Fischer
 Requestor: Resources

Agency Affected: Fish and Game
 BRU: Wildlife Conservation and
Sport Fish
 Components: Wildlife Conservation
and Sport Fish

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	4.4	62.9	210.6	223.1	223.1	223.1
---------	-----	------	-------	-------	-------	-------

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Fish & Game		41.9	133.1	223.1	223.1	223.1
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: Beverly Reaume
 Division: Administration

Phone: 465-4120
 Date: 1/27/89

Approved by Commissioner: _____
 Agency: Fish and Game

Date: _____

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

SB 30 - 25 CENT LICENSES

ASSUMPTIONS: THE FIRST HALF OF FY90 WILL HAVE LICENSES SOLD AT 25 CENTS
 OVERALL SALES WILL DECREASE WITH THE CHANGE TO FULL PRICE
 THE INCREASED VALUE RECOGNIZES THE PROPOSED FEE INCREASE

SOLD IN FY88	NUMBER	VALUE
SPORT FISH	5600	1400
SPORT HUNT	6300	1575
TRAP	5600	1400
	17500	\$4,375

PROJECTED SALES IN FY90

	25 CENT	VALUE	NEW \$5 FEE	VALUE
SPORT FISH	3248	812	1645	8225
SPORT HUNT	3465	866	1985	9925
TRAP	2688	672	2025	10125
	9401	\$2,350	5655	\$28,275

PROJECTED SALES FY91

		\$5 FEE
SPORT FISH	4000	20000
SPORT HUNT	4425	22125
TRAP	4000	20000
	12425	\$62,125

PROJECTED SALES BY92 AND BEYOND

		\$5 FEE
SPORT FISH	4200	21000
SPORT HUNT	4725	23625
TRAP	4200	21000
	13125	\$65,625

FISCAL NOTE

REQUEST:

Revision Date: 03/09/89 Agency Affected: Fish and Game
 Title: "An Act relating to ... license for low income or indigent persons" BRU: Administration and Support
 Sponsor: Fischer Components: Administrative Services
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		7.5	7.5	7.5	7.5	7.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		7.5	7.5	7.5	7.5	7.5
CAPITAL						
REVENUE	4.4	69.8	154.4	154.4	154.4	154.4

FUNDING: (Thousands of Dollars)

GENERAL FUND		7.5	7.5	7.5	7.5	7.5
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See enclosed.

Prepared by: Beverly Reaume, Director Phone: 465-4120
 Division: Administration Date: 03/20/89
 Approved by Commissioner: Cliff B. Kelly Date: 3/20/89
 Agency: Fish and Game

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Internal Agency Use

- ASSUMPTIONS: (1) THE FIRST HALF OF FY90 WILL HAVE LICENSES SOLD AT 25 CENTS
 (2) 25% OF THOSE PREVIOUSLY PURCHASING 25 CENTS LICENSES WILL
 BUY A FULL PRICE HUNTING/FISHING COMBINATION LICENSE
 (3) HALF WILL BUY A \$5 LOW-INCOME LICENSE
 (4) SEPARATE LOW INCOME LICENSE CREATED

IN FY88 17,500 LICENSES WERE SOLD AT 25 CENTS PER LICENSE

THE VALUE EQUALED $17,500 \times .25 = \$4,375$

PROJECTED SALES IN FY90 (FIRST HALF OF YEAR AT 25 CENTS)

FIRST SIX MONTHS OF FY90	$9400 \times .25 =$	2350
SECOND SIX MONTHS OF FY90		
NEW LOW INCOME LICENSE	6075×5	\$30,375
COMBINATION LICENSE AT FULL PRICE	2025×22	\$44,550
TOTAL SALES FY90		\$77,275

PROJECTED SALES FY91 AND BEYOND

LOW INCOME LICENSES	13125×5	\$65,625
COMBINATION LICENSE AT FULL PRICE	4375×22	\$96,250
TOTAL SALES FY91		\$161,875

EXPENSES:

PRINTING 15,000 LOW INCOME LICENSES	\$5,000
DISTRIBUTION/POSTAGE COSTS	\$2,500
TOTAL EXPENSES	\$7,500

TOTAL SALES REVENUE FY90 \$77,275

TOTAL SALES REVENUE FY91 \$161,875