

# Memorandum



## Borough Manager John Moosey

DATE: March 10, 2020 (for Public Release on March 17, 2020)  
TO: Mayor and Assembly  
FROM: John Moosey, Borough Manager  
SUBJECT: Manager's Notes to the Assembly

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**Juneau Legislative Report** – See attached email from John Harris dated March 8, 2020.

**Impact of School Bond Debt Reimbursement** – See my attached Letter to Senator Hughes dated February 25, 2020.

**Denial of State Emergency Declaration - Willow Creek** – See the attached letter dated February 25, 2020 from the Division of Homeland Security and Emergency Management denying State funding.

**2019 Neighborhood Watch Grant Program Reports** – See attached memorandum from Eileen Pickett dated February 26, 2020 with final reporting from Chickaloon Community Council, Glacier View Community Council, Meadow Lakes Community Council and North Lakes Community Council.

### **COVID-19 Coronavirus** –

- Links to the most recent updates and information:
  - DHSS website: [www.coronavirus.Alaska.gov](http://www.coronavirus.Alaska.gov)
  - CDC website: [www.cdc.gov/coronavirus](http://www.cdc.gov/coronavirus)
- See attached letter from Joseph Hawkins dated February 24, 2020
- See attached email from Todd Smoldon, March 4, 2020
- News Release from Lisa Murkowski and Dan Sullivan, March 5, 2020
- On Friday, March 6, 2020, Dr. Anne Zink presented an update at the Wasilla City Council Chambers. Of special note, Dr. Zink stated that the CDC's main goal is to delay the virus as long as possible to allow for vaccination development. They believe this virus will be with us long term.

**Willow Library Project Funding** – See attached letters dated February 27, 2020 to Senator Shower and Senator Von Imhof requesting transfer of remaining funds from the Talkeetna Library Project to the Willow Library Project fund.

**AIDEA** – On February 28, Assemblymember Leonard and I met with Alan Weitzner and other AIDEA staff to discuss the economic/mining project west of the Susitna. Nova Mining has requested to be a partner which may require an MOU to include MSB. Also Rio Grande, a railroad developer, would like to begin discussions on rail to Port MacKenzie from West Susitna. Ladd Landing in the Kenai Borough is also in the mix for termination spots. With industry discussion, interest is increasing.

Please note that the Mat-Su Borough has made no commitment for financial participation and all MOU agreements will be submitted to the Assembly for approval.

**Willow Cabin** – On March 3, 2020, Staff, Mayor Halter, and Assemblymember Boeve discussed the status of the project. Additional cost information will be gathered to determine the best path forward.

**Proposed Centralization of 911 Dispatch** – See attached letter to Governor Dunleavy dated February 28, 2020.

**Larry Engel, Governor's Conservationist of the Year for 2020** – Attached is a photo of Larry Engel (Borough Fish & Wildlife Commission Member since 2007) receiving the award from Governor Dunleavy on March 2, 2020. Also attached is a copy of the Frontiersman article by Howard Delo, dated March 6, 2020.

**March 2 Wasilla Creek Headwaters Open House** – The Open House was held on March 2 at the Palmer Depot from 5-8pm. 1464 project notices were mailed to local residents. These notices went to homeowners who live in the vicinity and surrounding area of the project, and key folks on community councils. Almost 60 people attended. The first hour was “meet & greet.” Several tables were set up with maps, pictures, project concept, etc., for attendees to review, provide comments, and discuss with project staff. Mike Campfield led the discussion and was joined by representatives from the Alaska Department of Fish & Game and the U.S. Fish and Wildlife Service, who also spoke and answered questions. Following the meet and greet, there was an hour long slideshow with a Q&A session. The vast majority of attendees were in favor of the project, enforcing restrictions, and developing a network of trails that can be enjoyed by all outdoor enthusiasts.

**Ballot Initiative 190GTX** – See attached presentation from IN3ENERGY about the ballot initiative related to oil and gas production tax, tax payments and tax credits.

**Senate Bill 204** – See attached letter to Valley Legislators dated March 4, 2020.

**School District Building Requests** – See the attached two School Board Resolutions requesting property set asides for new building projects. This will be on the agenda for the joint Assembly School Board meeting to be held on March 24, 2020.

**DOT Valley Central Office** – On March 4, I met with Wolfgang Junge to discuss DOT and MSB issues. Mr. Junge reports that the Valley DOT office has been approved and funded. It will house a full service DOT with engineering staff. The building, located north of Sears on Seward-Meridian, is going through an upgrade.

**Septage Study** – MSB has been working on a solution to the septage issue for well over a decade now. The first septage planning study was done in 2006 by HDR. The MSB, again under the direction of the Assembly, shifted focus to plan for a smaller septage treatment facility and look for a site on Borough-owned property. At DEC’s recommendation and the Assembly’s approval, the decision was made to pursue a leachate project only and use DEC loan monies to build it, and use enterprise funds to operate it. This leachate project is currently in the design and permit phase, and could possibly go to construction this summer, if funding becomes available. As for septage, the decision was made to pursue a public-private partnership (PPP) to design-build-operate and finance a septage facility that is

similar to the Goose Bay prison utilities, with an option to combine with solid waste disposal for a waste to energy facility. A Request for Proposal (RFP) is currently advertised for a PPP project and proposals are due May 14, 2020.

Attached is a copy of the 2016 ch2m Project Overview, Rate Analysis and Funding Options Power Point presentation for reference.

**2020 US Census Invitations Arrive March 12-20** – Ninety-five percent or about 143 million households in the country will receive an initial invitation to respond to the 2020 Census in their mailboxes between March 12 and 20. The U.S. Census Bureau released informational copies today of the invitations, the enclosed materials, and the subsequent reminders households will receive. These materials can help the public know what to expect and avoid potential scams.

**Mat-Su Convention & Visitors Bureau** – See the attached FY2021 proposed MSCVB budget.

**Attachments:**

- Juneau Legislative Update, email from John Harris, March 8, 2020
- Letter to Senator Hughes, February 25, 2020
- Letter from Division of Homeland Security and Emergency Management, February 25, 2020
- Memo re 2019 Neighborhood Watch Grant Program Reports, February 26, 2020
- COVID-19 Coronavirus –
  - Joseph Hawkins, February 24, 2020
  - Email from Todd Smoldon, March 4, 2020
  - News Release from Lisa Murkowski and Dan Sullivan, March 5, 2020
- Letters to Senator Shower and Senator Von Imhof re Willow Library funding, February 27, 2020
- Letter to Governor Dunleavy re Centralized 911, February 28, 2020
- Larry Engel's Award, February 29, 2020
- IN3ENERGY 190GTX Review, February 2020
- Letter to Valley Legislators re Senate Bill 204, March 4, 2020
- Mat-Su Borough School District Resolutions 20-007 and 20-009
- ch2m Septage and Leachate Facility Project Overview, Rate Analysis and Funding Options, 2016
- Mat-Su Convention & Visitors Bureau FY2021 proposed budget, March 6, 2020

**Upcoming Activities:**

- March 13, 2020 @ Noon – Joint Chambers host Congressman Don Young speaking at Mat-Su Senior Services, 1132 S. Chugach Street, Palmer
- March 31 - April 2 – Borough meetings are being scheduled in Washington, D.C. with Federal legislators and staff

## Juneau Legislative Report

From: John Harris <johnl.harris57@gmail.com>  
Sent: Sunday, March 8, 2020 10:39 PM  
Subject: Report

We are about 50 days into the legislative session for 2020. Having said that, it leaves 40 more days to finish in 90 days. Be interesting to see if that happens.

The House has passed to the Senate the Supplemental Budget for the 2020 budget and the Operating Budget for 2021.

Both budgets are fairly conservative and follow along the Governor's proposed plan.

Major points of contention still are Marine Highway funding, School Bond Reimbursement and Municipal Revenue Sharing.

The basic school foundation formula is being talked about needing an increase as well as public safety. The recent drop in the price of oil and the stock market decline have caused the legislature to take a deep breath. It looks like the situation if it continues will significantly increase the overall debt of the State.

It could be as much as 300 million or more. Not good when they are trying to balance the budget with a bit more money in the capital budget. This situation will bring out the new revenue advocates calling for an income or sales tax or both!

Hang on it's going to get interesting.  
John Harris

# Matanuska-Susitna Borough



February 25, 2020

The Honorable Shelley Hughes  
State Capitol Room 30  
Juneau, AK 99801

Re: School Bond Debt Reimbursement Impact to Mat-Su Borough Property Taxes

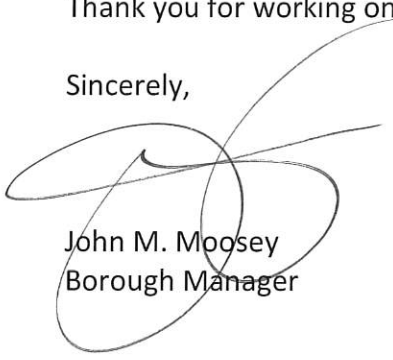
Dear Senator Hughes,

Per your request please find the analysis for the school bond debt funding impact on a typical taxpayer. In this typical example, if the Mat-Su Borough would have raised its mill rate to cover our loss, the homeowner would have paid an additional \$414 this year.

If you have any other questions please call me.

Thank you for working on our behalf.

Sincerely,



John M. Moosey  
Borough Manager





# MATANUSKA-SUSITNA BOROUGH

## Department of Finance

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8619 • Fax (907) 861-8592

www.matsugov.us

### MEMORANDUM

**Date:** February 24, 2020  
**To:** John M. Moosey, Borough Manager  
**From:** Cheyenne Heindel, Director of Finance *CH*  
 Hannah Newberry, Budget & Revenue Specialist *HN*  
**Subject:** School debt reimbursement impact to Mat-Su Borough property taxes

In fiscal year 2020 the Mat-Su Borough was approved to receive \$8.9 million in school bond debt reimbursement from the State of Alaska. This, in comparison to the expected amount of \$18.3 million, resulted in a loss of \$9.4 million to Education Debt Service. The scenario below shows the impact of the loss of school debt service reimbursement to a typical Borough taxpayer.

The areawide mill rate equivalent of this loss of reimbursement is 0.997. For a taxpayer with property assessed at \$414,600, the effect of a 0.997 mill rate increase in FY2021 would result in an increase **to their areawide tax bill of \$414.**

Areawide Service	Full funding of School Debt Reimbursement		50% of expected School Debt Reimbursement		Increase
	Mill Rate	Property Tax	Mill Rate	Property Tax	
Education Operating	6.300	\$ 2,612	6.300	\$ 2,612	\$ -
<b>Education Debt Service</b>	<b>0.994</b>	<b>412</b>	<b>1.991</b>	<b>826</b>	<b>414</b>
Other Debt	0.524	217	0.524	217	-
Borough Operations & Capital Projects	2.513	1,042	2.513	1,042	-
<b>Total Areawide Tax Bill</b>	<b>10.331</b>	<b>\$ 4,283</b>	<b>11.328</b>	<b>\$ 4,697</b>	<b>\$ 414</b>

- 1) Based on a property located within the Mat-Su Borough with assessed value of \$414,600 in FY2021.
- 2) Mill rate is based on 2019 rate of 10.331, increased for mill equivalent of \$9.4 million in unreceived revenue, without mitigating effects of operational cuts and the use of unspent bond proceeds.
- 3) Does not include tax levies for service areas or nonareawide services which are not affected by a change to debt service reimbursement.



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Matanuska Susitna Borough

Department of Military and  
Veterans Affairs

Office of the Commissioner

MAR 02 2020

Administration

P.O. Box 5800  
JBER, AK 99505-0800  
Main: 907.428.6003  
Fax: 907.428.6019

February 25, 2020

The Honorable Vern Halter  
Mayor, Matanuska-Susitna Borough  
350 East Dahlia Avenue  
Palmer, AK 99645

Dear Mayor Halter,

I have received your Local Disaster Emergency Declaration for the Matanuska-Susitna Borough (MSB), dated December 23, 2019, for ice jam flooding in the Willow Creek area presenting a serious threat to public health, safety and property. Your declaration specifically requests the Governor declare a disaster emergency per Alaska Statute (AS) 26.23.020 and provide State assistance to the Borough in the form of public assistance, individual assistance and other emergency resources to help the Borough in its response and recovery from this event. My staff at the Division of Homeland Security and Emergency Management (DHS&EM) State Emergency Operations Center (SEOC) received your resolution on December 23, 2019.

Over the past two months, my staff has worked with the MSB Department of Emergency Services to compile the necessary damage and cost documentation in support of your request for a State disaster declaration as governed under AS 26.23. It is our understanding that the MSB Operations and Maintenance Division was able to relieve the ice jam flooding and restore full access to the impacted area by January 12, 2020.

AS 26.23.900 defines a "disaster" as an occurrence or imminent threat of widespread or severe damage, injury, loss of life or property, or shortage of food, water, or fuel resulting from incidents to include storms, high water, flood, drought, etc. The Disaster Policy Cabinet (DPC) convened to consider your request. The DPC recommended, and I concur, that the damages and response costs for MSB do not meet the "widespread or severe" criteria defined under AS 26.23.900, and therefore, a state declaration of disaster emergency and state disaster funding under the Alaska Disaster Act is not appropriate.

The absence of a state declaration does not indicate a lack of concern by the State. On the contrary, DHS&EM will continue to work with you to explore what alternative funding, technical assistance, or other help may be available to address long-term needs. Should you need any further assistance, or if spring breakup uncovers substantial damage to homes or infrastructure that can be attributed to this event, please contact the SEOC at (907) 428-7100.

Sincerely,

A handwritten signature in black ink, appearing to read "Torrence W. Saxe". The signature is written in a cursive style with a large initial "T" and "S".

Torrence W. Saxe  
Commissioner, DMVA

cc: Governor's Office  
John Moosey, Borough Manager, Matanuska-Susitna Borough  
Senator Mike Shower, Senate District E  
Representative David Eastman, House District 10  
Mike Sutton, Director, DHS&EM





# MATANUSKA-SUSITNA BOROUGH

## Department of Finance

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8585 •

### MEMORANDUM

**DATE:** February 26, 2020  
**TO:** John Moosey, Borough Manager  
**THRU:** Cheyenne Heindel, Finance Director  
**FROM:** Eileen Pickett, Accountant *EP*  
**SUBJECT:** 2019 Neighborhood Watch Grant Program

In the FY2019 area-wide capital budget was an appropriation of \$50,000 for the Neighborhood Watch Grant Program. The funds were divided between the 17 community councils that applied and payments were made to each council for \$2,941.17. Per your request, the councils were asked to submit a final narrative report stating the effectiveness of the program after the project was complete.

To date, four community councils have submitted final reports, copies are attached.

The Butte Community Council and Louise Susitna Tyone Community Association were granted an extension to December 31, 2020.

Attachments: Final Narrative Reports  
Chickaloon Community Council  
Glacier View Community Council  
Meadow Lakes Community Council  
North Lakes Community Council

CHICKALOON COMMUNITY COUNCIL

P.O. BOX 1145

CHICKALOON AK

TO: MAT SU BOUROUGH

THE FUNDS THAT THE CHICKALOON COMMUNITY COUNCIL RECEIVED FROM MSB WERE A GREAT HELP TO OUR CRIME WATCH AS WE IN CHICKALOON STRIVE TO KEEP OUR COMMUNITY SAFE AND THEFT FREE. WE HAVE NOTICED A GREAT REDUCTION IN CRIME AS WE INSTALLED 50 SIGNS THREE YEARS AGO AND 50 LAST YEAR. WITH THE FUNDS WE RECEIVED THIS YEAR FROM THE MSB WE WERE ABLE TO INSTALL A SECURITY CAMERA SYSTEM AT OUR COMMUNITY CENTER AS THE INSTALLATION OF A PAVILLION AT THE CENTER WILL INCREASE TRAFFIC IN AND OUT. WITH THE CAMERA SYSTEM WE ARE ABLE TO REMOTE MONITOR THE ACTIVITIES AT OUR COMMUNITY CENTER. WE ALSO PURCHASED 75 SIGNS FROM BUILD A SIGN THAT ARE FOR HOMEOWNERS TO PUT ON THE DRIVEWAY THAT LETS THE PUBLIC THAT THEY ARE PART OF THE CRIME WATCH AND THE WILL BE CALLING THE TROOPERS TO REPORT ANY STRANG PEOPLE IN THE NEIGHBORHOOD. WE WERE ALSO ABLE TO PURCHASE GAS CARDS FOR THE COMMUNITY MEMBERS WHO PARTICIPATE IN THE NEIGHBORHOOD PATROLS THAT WE DO TO KEEP OR NEIGHBORS SAFE. WE WOULD LIKE TO THANK THE MSB FOR THESE FUNDS AS THEY ARE A BIG HELP TO KEEPING OUR COMMUNITY SAFE.

THANK YOU

JAMES RAMSEY, CHAIRMAN



Handwritten signature of James Ramsey, Chairman, in blue ink. The signature is stylized and includes the word "CHAIRMAN" written below it.



Matanuska Susitna Borough  
Attn: Grants – Tonya Loyer  
350 E Dahlia Avenue  
Palmer, AK 99645

Re: Neighborhood Watch Grant funds for 2019

Thank you for the \$2,941.17 in Neighborhood Watch grant funds to the Glacier View Community Council. We coordinated with Belinda Bohanan, the Neighborhood Watch Coordinator, for all expenditures of this grant.

Our focus on the grant funds was on community safety. Towards that end, we purchased game cameras for residents who have experienced mail theft along the highway. We also purchased graffiti paint to clean up our scenic view for the stretch of highway that encompasses Glacier View. Sandwich boards and signs were purchased to alert travelers in this area of fire danger – especially given the hot and dry summer we just had. And finally, we developed a 911 call list so that residents can know where water tanks are located and who to call in the event of an emergency. This call list also allows residents to have current contact information for neighbors and friends in the event of say, an earthquake. Reflective house number signs were also purchased to allow emergency responders to locate residents quicker and easier.

A table of all the expenditures follows on the next page. There are no remaining funds.

Thank you again from Glacier View.

A handwritten signature in cursive script, which appears to read "Lorraine Cordova".

Lorraine Cordova  
GVCC Treasurer

Neighborhood Watch program grant				
Date	Check No.	Description	Amount	Balance
		Original grant (10/28/2018)	2,941.17	2,941.17
5/30/2019	1692	Fred Hirschmann (graffiti paint)	78.27	,862.90
6/4/2019	Visa	Amazon (game cams & supplies)	764.84	2,098.06
6/15/2019	Visa	Lowes (nuts, bolts, posts)	67.94	2,030.12
6/28/2019	1697	Straps for cameras - Home Depot	11.27	2,018.85
6/28/2019	1697	Micro SIM cards for cameras - Walmart	86.57	1,932.28
7/18/2019	1702	Micro SIM card - check to Lorraine	9.26	1,923.02
7/25/2019	1703	Lowe's (reflective house numbers) - check to Lorraine	127.23	1,795.79
7/31/2019	Visa	Lowe's (reflective house numbers)	105.95	1,689.84
7/29/2019	1704	Lowe's (nuts, bolts, posts)	38.69	1,651.15
9/1/2019	1711	Lowe's (reflective house numbers) - check to Lorraine	122.98	1,528.17
9/28/2019	Visa	Amazon (game cams & supplies)	69.98	1,458.19
10/1/2019	Visa	Lowe's (911 signs and batteries)	45.88	1,412.31
10/24/2019	1717	Fred Hirschmann (graffiti paint)	199.94	1,212.37
11/16/2019	1720	Joseph Davis (Silvertip Graphics for sandwich boards)	750.00	462.37
11/21/2019	1721	UPS store for printing of 911 list	104.00	358.37
12/30/2019	1723	UPS store for signage	450.73	(92.36)
<b>Balance remaining</b>				<b>(92.36)</b>

## Eileen Pickett

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**From:** psfisher@gci.net  
**Sent:** Sunday, November 24, 2019 4:21 PM  
**To:** Tonya Loyer  
**Cc:** Eileen Pickett  
**Subject:** Report from MLCC on the Neighborhood Watch Grant  
**Attachments:** grant expenditures.pdf; Spreadsheet of Groups.xlsx; announcement email.docx

[EXTERNAL EMAIL - CAUTION: Do not open unexpected attachments or links.]

### Report from the Meadow Lakes Community Council on the FY19 Neighborhood Watch Grant Program:

The Council approved the use of the funds for formation of watch groups, and the purchase of Neighborhood Watch signs.

Here are the key points of what we did:

- 1) An email was sent to our mailing list (789 e-mail addresses) advising them of the opportunity to form a watch group. *A copy of the announcement notice is attached.*
- 2) We made personal contact with resident in neighborhood which we knew were having problems with theft: Island Lake, Golden Lake, Forest Park.
- 3) Watch lists were received back from residents.
- 4) Material for the kits were purchased. *A copy of the report from our Quick Books accounting system on the expenditures is attached.*
- 5) Watch kits were distributed. These included one or more large signs for neighborhood roads, a smaller sign for each house in the group, a reflective house number sign and pages copied from the national Neighborhood Watch Institute website on the benefits of a watch group, including a blank inventory sheet.
- 6) Ten groups were formed. *A copy of the spreadsheet which lists the groups formed is attached.*
- 7) We held a meeting on September 17 to discuss the actions neighbors can take as a group.
- 8) The signs that we have remaining on hand will be distributed in the spring to groups that form a watch. Large signs will be placed on the main roads in Meadow Lakes

Effectiveness: One of our groups (on Leisure/Gentry) coordinated efforts to capture a thief who was robbing homes in the middle of the day. Their group actions were posted on Facebook. The program has been discussed at all of our monthly council meetings since August.

To summarize: 10 groups were formed, we purchased large signs, small signs, house number signs. We are also putting large signs on major roadways in Meadow Lakes. All funds from the grant were spent.

5 of 6

## Eileen Pickett

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**From:** North Lakes Community Council <northlakescommunitycouncil@gmail.com>  
**Sent:** Thursday, February 20, 2020 2:23 PM  
**To:** Eileen Pickett  
**Subject:** Fwd: one more thing

[EXTERNAL EMAIL - CAUTION: Do not open unexpected attachments or links.]

Hi Eileen,

Here is a brief synopsis of the activities the community watch grant monies accomplished. Let me know if you would like me to type them up on letterhead.

Thanks for your patience!

Michele Shapiro

North Lakes Community Council

----- Forwarded message -----

From: **Norman Chance** <[norman.chance@skyairparts.com](mailto:norman.chance@skyairparts.com)>

Date: Tue, Feb 18, 2020 at 9:43 AM

Subject: Re: one more thing

To: North Lakes Community Council <[northlakescommunitycouncil@gmail.com](mailto:northlakescommunitycouncil@gmail.com)>, Matthew Bryan Singh <[TheCottonWatch@gmail.com](mailto:TheCottonWatch@gmail.com)>

Cc: Liz Thickstun <[lizthickstun@outlook.com](mailto:lizthickstun@outlook.com)>

Michele,

The safety equipment was used to equip homeowners who perform weekly neighborhood safety patrols.

The patrols have driven thru our neighborhood on a regular basis, discouraging criminals from casing homes and

damaging neighborhood property. In several cases, we have provided local law enforcement with additional

information that assisted in keeping our neighborhood safe.

6 of 6

JOSEPH T. HAWKINS  
108 E. Arctic Avenue  
Palmer, AK 99645

(907)745-4357 office/(907)841-4025 cell  
bionic@mtaonline.net

RECEIVED  
FEB 24 2020  
CLERKS OFFICE

Matanuska Susitna Borough

FEB 24 2020

Administration

February 24, 2020

Tam Boeve  
350 E Dahlia Ave.  
Palmer, AK 99645

RE: COVID-19 Coronavirus

Dear Ms. Boeve,

Thank you for your public service and your personal and family sacrifice to help our communities and the State of Alaska. I'm confident that you and your staff have been following the COVID-19 Coronavirus as it has been spreading through the world, and trust you are making proactive plans should it continue to spread. If it isn't controlled within the next few weeks it will surely become a pandemic, not only wreaking havoc on the lives of our citizens, but also becoming a serious threat to economies throughout the world, in turn making governments and countries less stable and potentially resulting in additional lives lost.

There has already been pushback within the United States regarding the suggested quarantine procedures within various communities. I would like to make the following suggestions as you consider the best course of action for our state and communities.

- 1) Allow home quarantine. With the diverse geography of Alaska and the mix of resources, travel means and multicultural communities, avoiding centralized mandatory quarantine locations such as hospitals or public spaces appears to be the best option for controlling the spread. Dispersing and separating the population will reduce the ability of the virus to transfer from person to person. In addition, many of our citizens are on their own ventilation systems, wells and septic systems already, and this should help slow or prevent the spread of the disease. We simply do not have the infrastructure to support mass quarantine.

- 2) Make arrangements with technology companies NOW, testing viability and negotiating favorable contracts “in the event of pandemic”. Technology companies can quickly deploy technology solutions such as “Zoom” now, but may not be so agile in two weeks due to their own restrictions should the virus continue to spread. Conference and video technology can be dialed up in capacity to allow school classes to continue even with quarantine (if necessary) without severely impacting education. This will have the additional benefit of providing some normalcy and emotional support to our citizens. Much of this technology is already in place, but test runs prior to an emergency would be wise. Making arrangements before a mass of municipalities are running for help when & if pandemic occurs would be prudent.
- 3) Lobby the Federal Government NOW for the ability to more easily stabilize the financial markets & economy should the virus spread to a certain level or number of affected individuals.

Allow individuals to have access to their retirement accounts without the usual penalties, and increase the time allowed for them to replenish these accounts should they need to draw upon them. If not already in place, enact legislation to let FEMA make loans to affected communities and individuals should the virus become entrenched in our communities and families.

The logic behind these suggested policies is that, if things get difficult and families have used their normal savings, they will likely have waited as long as possible before drawing on retirement accounts for living expenses because of the penalties currently in place for early withdrawal, resulting in more funds withdrawn later, but at a faster rate and in larger amounts because of the currently set parameters for early withdrawal. If policies are modified now “in the event of...” as I suggest, it seems the funds would be returned faster to these accounts if there were no penalties for withdrawing and redeposits were allowed over a longer period of time.

These measures might reduce the probability of this current health care crisis growing into a potential financial disaster as well. Keeping funds and the use of funds in the hands of the individuals who earned them sidesteps, at least in part, the necessity of turning to large financial institutions for a solution. I trust individuals to make better financial decisions for THEIR future than I do large financial institutions. Let's give individuals control of their financial decisions during this crisis.


The financial impact to tourism WILL take place independent of anything we do. This is a sure outcome based not on what might happen, but from what already has taken place. Families and communities that rely on tourism will



need to have the ability to weather the financial storm that is just on the horizon, or it will adversely reshape the culture of our Alaskan communities.

I have watched the progression of this virus closely over the past several weeks, long before it was in the mainstream press, and my concern is not based on an emotional kneejerk reaction. This letter is intended to be constructive and to point to straightforward actions that might be taken now while we are in a relatively calm emotional environment. The emotional environment most certainly will ramp up and the risks increase if the virus and consequent containment efforts show up in our schools and airports, and not in some distant tourist cruise ship or country.

Respectfully, and with serious reflection and consideration,



Joseph T. Hawkins, DC

*"When the need is present, the time for preparation is past."*

**From:** Smoldon, Todd D (GOV) <todd.smoldon@alaska.gov>  
**Sent:** Wednesday, March 4, 2020 10:48 AM  
**To:** John Moosey <John.Moosey@matsugov.us>  
**Cc:** Mary Miller <Mary.Miller@matsugov.us>  
**Subject:** Covid 19 preparations

Hello Manager Moosey,

Thank you for your question at last night's Assembly meeting regarding State preparation for Covid 19 as it relates to essential food and supplies. At this time, Federal and State officials are not concerned with a disruption of the food and essential supply chain in the event that more states (including Alaska) have outbreaks of Covid 19. While some health emergency supplies are experiencing shortages, it is our belief that the markets will compensate for this by increasing production. Additionally, similar to a flu outbreak, an increase in the number of sick people does not impact the ability to ship food and supplies based on the fatality rate and severity of the illness associated with this virus.

Most Alaskans know that we should always be prepared for disruptions in food and supplies. For those of us who lived here during 9/11 2001, we learned why it is important to have adequate food and supplies stored. The CDC and State medical officials are suggesting that people and families should be prepared to self-quarantine for up to 14 days in the event that they get sick with Covid 19. That is a good message for you to relay to others.

As I mentioned last night, I think it is a good idea for everyone to watch the press conference that was held on Monday, 3/2. Both Commissioner Crum and Dr. Anne Zink provided some valuable information about what the State is doing to prepare for a likely case/cases of Covid 19 in Alaska. Here is the link for that:

<https://www.facebook.com/GovDunleavy/videos/2820737168052471/>

Feel free to share this with others. I always appreciate the opportunity to help the Mat-Su Borough and Assembly, so please reach out if you have any additional questions or concerns.

Todd Smoldon, Director  
Mat-Su Office of Governor Michael J. Dunleavy  
515 Dahlia St. Suite 140  
Palmer, AK 99645  
907-761-5690



**FOR IMMEDIATE RELEASE**

March 5, 2020

## **Coronavirus Emergency Supplemental Passes Senate** *Expands Federal Response to Public Health Emergency*

**WASHINGTON, D.C.** – A new strain of coronavirus, designated as COVID-19, emerged in China in December and has spread around the globe. The virus, which causes respiratory illness, has now been detected in nearly 70 countries, including the United States. In an effort to better prevent, prepare for, and respond to COVID-19, the Senate today passed an emergency supplemental funding package totaling \$8.3 billion. U.S. Senators Lisa Murkowski (R-AK) and Dan Sullivan (R-AK) voted in favor of the *Coronavirus Preparedness & Response Supplemental Appropriations Act*, H.R. 6074, which aims to strengthen the federal response to the coronavirus outbreak and allow for necessary precautions, prevention, and treatment at the local, state, national, and international levels. The funding package provides additional funding for states, tribes, tribal organizations, and territories. The vehicle now heads to the President’s desk to be signed into law.

“This emergency supplemental ensures we are doing everything we can to prevent and to continue to respond to this outbreak. By directing additional funds towards medical supplies, research & development of vaccines, treatment, and more, we are providing much-needed support for healthcare experts at all levels to properly respond to this public health emergency,” said Senator Murkowski. “As we navigate the unique circumstances of this outbreak, we are also taking commonsense steps to avoid unnecessary lapses in care, including a provision that waives certain telehealth requirements to avoid placing Medicare beneficiaries at greater risk to ensure they can receive the care they need at home. The support that we are able to provide to each state, including Alaska, will help bolster local preparedness, protecting the health and safety of Americans.”

“Today I joined my Senate colleagues in taking an important step to strengthen federal, state and local government’s response and preparedness to the COVID-19 novel coronavirus, dedicating billions to the nationwide effort,” said Senator Sullivan. “These funds will be used to bolster response and prevention efforts, including deploying resources for patient monitoring, lab testing, acquisition of test kits, securing protective equipment, and conducting research, development, and acquisition of a vaccine. Importantly, this bipartisan package will allocate money to state, local and tribal health providers—including our many community health centers. We know that these are the health professionals on the front lines working every day to respond to this illness and keep Alaskans safe.”

The emergency supplemental provides \$6.49 billion for the Health and Human Services Department (including \$2.2 billion for the Centers for Disease Control and Prevention), \$61 million for the Food and Drug Administration, \$1.3 billion for the State Department, and \$20 million for the Small Business Administration. Nearly \$950 million is allocated to support state and local health agencies prepare for and respond to COVID-19 outbreaks in the United States. The funding package also allows Medicare providers to provide telehealth medical services to patients who are at their homes.

### **Resources:**

- [Alaska DHSS: COVID-19 Situation Overview](#)
- [CDC: Situation Summary](#)
- [CDC: “What you should know”](#)
- [CDC: “Spread facts stop fear”](#)
- CDC Guidance:
  - [Schools](#)
  - [Businesses](#)
  - [Pregnant Women and Children](#)
- [CDC: Travel](#)
- [State Department: Travel](#)



# MATANUSKA-SUSITNA BOROUGH

## Office of the Mayor

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8682 • Fax (907) 861-8669

[Vern.Halter@matsugov.us](mailto:Vern.Halter@matsugov.us)

February 27, 2020

The Honorable Mike Shower, District E  
State Capitol Room 510  
Juneau, AK 99801

Re: Transfer Project Funds from Talkeetna Public Library and Community Resource Center to Willow Library and Community Resource Center

Dear Senator Shower,

Thank you for meeting with us last week in Juneau. The Matanuska-Susitna Borough is requesting the balance of funds for the Talkeetna Public Library and Community Resource Center project to be transferred to the Willow Library and Community Resource project. The Willow project is significant to the health and welfare of our residents in the Willow area.

The Willow Library and Community Center, located in Willow, Alaska, services some 3,000 residents in the geographical area surrounding the facility. Estimates suggest that number will increase to 3,500 in the near future.

Given the anticipated increase in population and the issues listed below, the Willow Library Association and Matanuska-Susitna Borough worked with The Foraker Group to prepare a Pre-Development Plan for expansion of the facility. The Plan, completed in April of 2016, identified existing deficiencies and needs for the library and community center, which are co-located in one building. Current facility conditions and operations fall far short of the needs of the community and will be unable to accommodate the expected growth in the area.

Current facility issues:

- The library is too small to hold its collections (3,050 sq. ft.)
- Meeting space is too small in the library
- There is no toilet facility for the library
- There is no teen area
- There is no business center
- The existing electrical service is maxed out
- There is no fire suppression/sprinkler system

*Providing Outstanding Borough Services to the Matanuska-Susitna Community.*

- The vinyl siding is not holding up
- The existing heat plant is in need of repair

The Pre-Development Plan addressed the above-mentioned facility issues and proposed a new library as well as repairs to the Community Center.

These recommendations included:

- Construct new 6,636 sq. ft. library to meet the needs of the community for the next 20 years
- Include a small business center
- Add two meeting rooms
- Include a children's area
- Include a teen area
- Update/replace all electrical and mechanical systems
- Add fire suppression/sprinkler system for entire facility
- Improved parking lot and drainage

The Pre-Development Plan estimated the cost to replace the existing library and improve the Community Center is \$6,202,534.00. The requested (approx. \$417,000) in funds would be utilized towards these facility improvements.

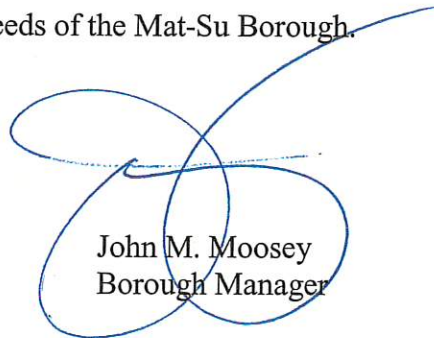
I hope that you can agree that the transfer of funds to the Willow Library and Community Center Project is worthy of this one time transfer of funds to secure this important public facility.

We respectfully request your consideration of the needs of the Mat-Su Borough.

Sincerely,



Vern Halter  
Mayor



John M. Moosey  
Borough Manager

cc: Assembly  
John Harris



## MATANUSKA-SUSITNA BOROUGH

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Phone (907) 861-8682 • Fax (907) 861-8669

[Vern.Halter@matsugov.us](mailto:Vern.Halter@matsugov.us)

February 27, 2020

The Honorable Natasha Von Imhof, District L  
State Capitol Room 516  
Juneau, AK 99801

Re: Transfer Project Funds from Talkeetna Public Library and Community Resource Center to Willow Library and Community Resource Center

Dear Senator Von Imhof,

Thank you for meeting with Mayor Halter last week in Juneau. The Matanuska-Susitna Borough is requesting the balance of funds for the Talkeetna Public Library and Community Resource Center project to be transferred to the Willow Library and Community Resource project. The Willow project is significant to the health and welfare of our residents in the Willow area.

The Willow Library and Community Center, located in Willow, Alaska, services some 3,000 residents in the geographical area surrounding the facility. Estimates suggest that number will increase to 3,500 in the near future.

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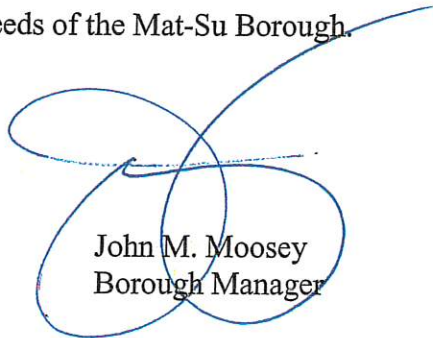
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We respectfully request your consideration of the needs of the Mat-Su Borough.

Sincerely,



Vern Halter  
Mayor



John M. Moosey  
Borough Manager

cc: Assembly  
John Harris

# Matanuska-Susitna Borough



February 28, 2020

The Honorable Mike Dunleavy  
Alaska State Capitol, Room 305  
PO Box 110001  
Juneau, AK 99811-0001

Re: Proposed 2021 DPS Anchorage Emergency Communications Center Project

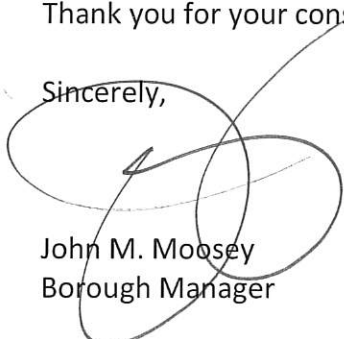
Dear Governor Dunleavy,

On behalf of the Matanuska-Susitna Borough I respectfully request your serious consideration of the negative impacts that would result from the Department of Public Safety's initiative to move Mat-Su Valley 911 service and emergency law enforcement dispatch to a consolidated center in Anchorage. This consolidation would adversely impact the safety to citizens, responders, and emergency communications in the densely populated areas of the Mat-Su Borough.

We are not in favor of this proposal. These changes would create risk of delay in patient care that would significantly impact our citizens, responders, and telecommunicators. We believe public safety is always better handled at the lowest level of government possible. This proposal would be disruptive to the flow of communication needed for timely response to critical incidents, adding extraordinary decisions and additional burden on the demands already carried by telecommunicators. Less staff will be asked to meet a bigger challenge of fielding even more non-emergency and emergency calls, reducing the ability for responders to reach serious situations promptly. The health and well-being of all concerned are not nearly worth the potential cost savings of combining these essential potentially life-saving services.

Thank you for your consideration.

Sincerely,



John M. Moosey  
Borough Manager

cc: Borough Mayor and Assembly





March 2, 2020

Governor Mike Dunleavy attended the SCI Alaska Chapter Banquet in Anchorage and presented the Conservationist of the Year Award to Larry Engel.

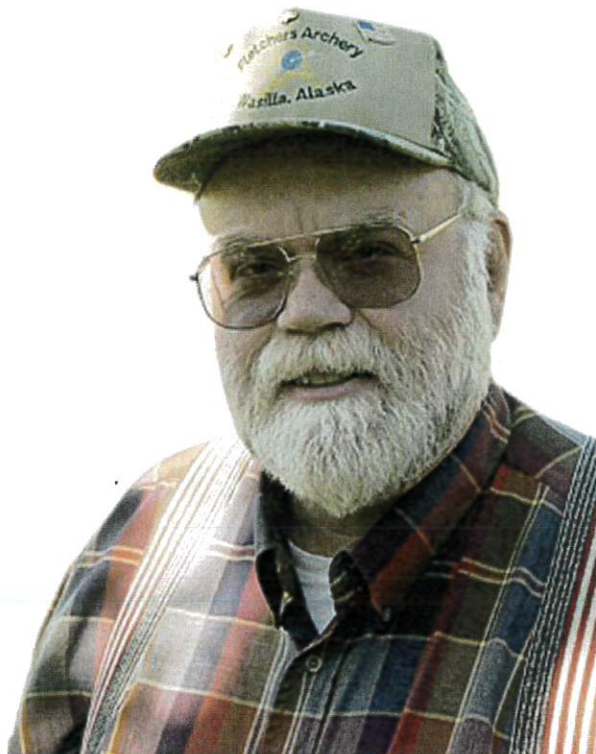


[https://www.frontiersman.com/sports/outdoors/conservationist-of-the-year/article\\_f97916e0-6012-11ea-9b53-c72bba284cf8.html](https://www.frontiersman.com/sports/outdoors/conservationist-of-the-year/article_f97916e0-6012-11ea-9b53-c72bba284cf8.html)

## Conservationist of the Year

By Howard Delo Outdoors

Mar 6, 2020



I had the privilege of attending the Safari Club International, Alaska Chapter, banquet this past Saturday evening as one of three Mat-Su Borough representatives of the borough's Fish and Wildlife Commission. My attendance was related to the presentation of the Governor's Conservationist of the Year award to one of our own. The recipient received the trophy-style award directly from the Governor.

In announcing the award, the Governor read excerpts from the nomination materials submitted earlier in the year. The following quotes are a shortened version of the original written nomination.

"Larry Engel, who resides in Palmer with his wife, Nancy, has been active in natural resource management around Cook Inlet for almost 60 years. Larry began his career with the Alaska Department of Fish and Game in Palmer in 1960. He worked on the Kenai Peninsula from 1964 until 1972, where he was involved in establishing the Soldotna Fish and Game office. Prior to that time there was no ADF&G office in Soldotna."

Continuing, "Larry returned to the Palmer office in 1972 and worked as the Sport Fish Division Northern District Area Manager until his retirement from Fish and Game in 1992. As part of that work, he was involved in working with the Recreational Rivers Act, which, among other things, helped to preserve public lands along the rivers and maintain them in public ownership. For his efforts here and in other habitat-related work, Larry was recognized by ADF&G with various habitat protection awards during his employment.

Shortly after retiring from Fish and Game, Larry was appointed to the Alaska Board of Fisheries, where he served for nine years. During his first three-year term, Larry was elected Chairman of the Board by his fellow board members.

During his time on the board, Larry made some major changes to how fisheries management in Cook Inlet and statewide was prosecuted. Larry was involved in the development of almost all the various Cook Inlet fisheries management plans.

Larry went on to direct and be involved with the development of the Sustainable Salmon Fisheries Policy while on the board. This is, arguably, the most important regulation governing fisheries management in Alaska. Larry also made major changes in developing the Kenai River Personal Use dipnet fishery into how it is currently being managed.”

The nomination further explained, “After leaving the board, Larry spent the next few years promoting fishing, hunting, trapping, and habitat concerns, with major emphasis on fisheries and their habitat requirements, as a citizen of the Mat-Su. During this time, Larry saw the need to get more local involvement in the fisheries management arena. Working with others, he helped to get the Matanuska-Susitna Borough more actively involved in fisheries management in Cook Inlet.

Larry was one of the original members of what was then called: “The Mayor’s Sportsmen’s Blue-Ribbon Commission.” The group later evolved into its current structure and name, the Matanuska-Susitna Borough Fish and Wildlife Commission, and is a recognized entity of the Mat-Su Borough government.”

The Governor continued, “One of Larry’s major accomplishments as a MSBFWC member was to formulate a plan for managing Cook Inlet commercial salmon driftnet fisheries. Under Larry’s approach, commercial driftnet fishing was to be more restricted in the center of the inlet, where mixed stocks of both Central and Northern District salmon traveled (the Conservation Corridor) while expanding the area along the eastern side of the inlet to about 10 miles offshore and allowing more fishing time there. When this approach is used as intended, interception of northern-bound salmon stocks is minimized in the travel corridor (Conservation Corridor) up the center of Cook Inlet and catches of Kenai and Kasilof fish are maximized by harvesting them closer to the mouths of their natal streams.”

Over the years, Larry has been the main commission-representative presenter to groups of state legislators, both in the Valley and in Juneau, about the condition of salmon stocks returning to the Mat-Su. He has given this same education to Borough Assembly and employees and did a “command performance” for Governor Walker during a meeting a few years ago.

Concluding, “Larry has spent almost 60 years in both public service and private volunteering to work with the fish and wildlife concerns of the state and of the Mat-Su and addressing habitat protection or reclamation issues as they have developed.”

It was appropriate and long overdue that Larry receive this well-deserved recognition for a lifetime of looking out for our fisheries resources here in the Valley. Larry didn't mind when I teased him about dusting the trophy!

19OGTX Review

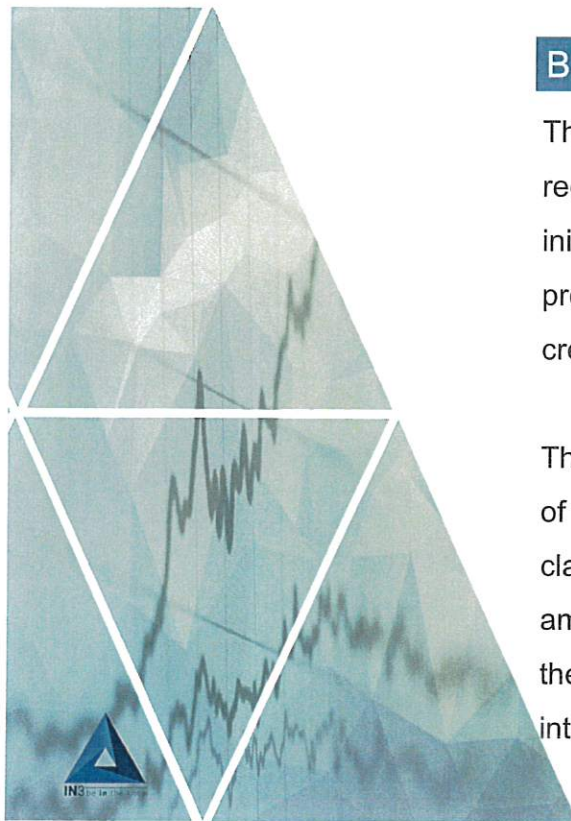
# Alaska Legislature

February 2020



## INTRODUCTION





## BALLOT INITIATIVE

The presiding officers formally requested a review of the ballot initiative 19OGTX related to oil and gas production tax, tax payments and tax credits.

The following is an independent review of what is being proposed highlighting clarity and ambiguity. Where there is ambiguity, we highlight ways in which the language of the initiative might be interpreted.

INSIGHT. INQUIRY. INGENUITY. 3

## GLOSSARY

### 19OGTX AND AS43.55 TERMINOLOGY

<b>Initiative:</b>	19OGTX
<b>GVPP:</b>	Gross Value at the Point of Production
<b>PTV:</b>	Production Tax Value
<b>ANSWC:</b>	Alaska North Slope crude sales price on the West Coast of the United States
<b>bopd:</b>	barrels of oil per day
<b>NOLs:</b>	net operating losses
<b>Middle Earth:</b>	region south of 68 degrees north latitude and not Cook Inlet
<b>AOGCC:</b>	Alaska Oil & Gas Conservation Commission
<b>Taxable Barrel:</b>	Total barrels of oil sold less royalty barrels
<b>40/400 Asset:</b>	oil producing asset that meets the qualification criteria in Section 2 of the Initiative

# 19OGTX



INSIGHT. INQUIRY. INGENUITY. 5

## SUMMARY

### THE BALLOT INITIATIVE

- Based on our petroleum fiscal policy experience we conducted a review of 19OGTX, the Initiative, that looks to raise additional revenue from production taxes
- In general, the Initiative lacks necessary specificity making it improbable that a common interpretation could be reached. Alternative interpretations of the Initiative are possible
- The Initiative seems to be written to satisfy a goal of increasing revenue from production tax in the near term. It does not contain any provisions which are designed to encourage or incentivize investment and production
- If the voters approve it, there will very likely be an extended period of uncertainty within the petroleum industry as all interested and impacted parties attempt to push their interpretation of what is written



INSIGHT. INQUIRY. INGENUITY. 6

## SUMMARY

### THE BALLOT INITIATIVE

- Producers pay the state 4 different types of taxes:
  - Royalty
  - Property Tax
  - Production Tax
  - Corporate Income Tax
- The Initiative only makes changes to the Production Tax
  - Creates increased gross minimum tax
  - Creates a net tax on PTV
  - Maintains the 'greater of' structure
- The Initiative eliminates the use of the GVR and non-GVR per-barrel credits for assets that qualify under Section 2



## SECTION 1





## SECTION 1

### AMENDING THE UNCODIFIED LAW OF ALASKA

**\*Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

SHORT TITLE. This Act shall be known as the “Fair Share Act.”

**Notwithstanding Any Other Statutory Provisions to the Contrary, the Oil and Gas Production Tax in AS 43.55 Shall Be Amended as Follows:**

- Titled the “Fair Share Act” , there is no language to define what constitutes a fair share of certain oil revenues for Alaska. Without a defined goal, where ambiguity exists numerous interpretations will be possible
- With the inclusion of the term “Notwithstanding” it appears the language of the Initiative is to override existing production tax calculations contained in AS 43.55 for assets that qualify under Section 2
- The only direct reference to a particular part of AS 43.55 and changes to it are in Section 4 paragraph (a), the per barrel credits



## SECTION 2



## SECTION 2

### APPLICABILITY

**\*Section 2, Applicability.** The provisions in Sections 3 and 4 only apply to oil produced from fields, units, and nonunitized reservoirs north of 68 degrees north latitude that have produced in excess of 40,000 barrels of oil per day in the previous calendar year and in excess of 400,000,000 barrels of total cumulative oil production. For other oil production, the tax shall be unchanged by this Act.

- This section is used to define which North Slope oil and gas assets will be subject to the new taxes in the Initiative
- It applies to “fields, units and nonunitized reservoirs”
- Producing assets qualify if they have produced in excess of 40,000 bopd and have produced more than 400,000,000 barrels over the life of the asset (hereinafter referred to as “40/400 Assets”)
- While we believe the description was to isolate three fields, the above language is not straightforward and raises several questions



## SECTION 2

### FIELDS, UNITS AND NONUNITIZED RESERVOIRS

**\*Section 2, Applicability.** The provisions in Sections 3 and 4 only apply to oil produced from fields, units, and nonunitized reservoirs north of 68 degrees north latitude that have produced in excess of 40,000 barrels of oil per day in the previous calendar year and in excess of 400,000,000 barrels of total cumulative oil production. For other oil production, the tax shall be unchanged by this Act.

- AS 43.55 primarily uses “leases and properties” throughout to refer to oil and gas operations in the state. We did not find any usage of the phrase “fields, units or nonunitized reservoirs” in any statute or regulation governing the taxation of oil and gas
- We are unable to discern why terms not common to AS 43.55 would be chosen to assess against the qualification criteria
- It is unclear whether it defines three types of assets, i.e. fields, units and nonunitized reservoirs, or whether that term is to be interpreted as a singular grouping. Likewise, there is no reference to determine what the intended definition(s) is(are) for fields, units and nonunitized reservoirs



## SECTION 2

### FIELDS, UNITS AND NONUNITIZED RESERVOIRS

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- While the term 'field' is very common in the oil and gas industry, we looked in statute and regulations for a more precise Alaska definition
- Various Alaska agencies describe operations and publish data for wells, pads, leases, pools, participating areas, fields, units and general areas such as North Slope, Middle Earth and Cook Inlet
- AS 31.05.170 defines, for that particular chapter, "field" as a general area which is underlain or appears to be underlain by at least one pool, and includes the underground reservoir containing oil or gas. More than one pool can be part of a defined field



## SECTION 2

### FIELDS, UNITS AND NONUNITIZED RESERVOIRS

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- Neither AS 43.55 nor the Initiative provide any guidance on what grouping of wells constitute a 'field'
- Under AS 43.55.900 "unit" is defined and means a group of tracts of land that is subject to a cooperative or a unit plan of development or operation that has been certified by the commissioner of natural resources under AS 38.05.180(p)
- The North Slope contains a number of "units". Each unit contains a number of pools and fields



## SECTION 2

### FIELDS, UNITS AND NONUNITIZED RESERVOIRS

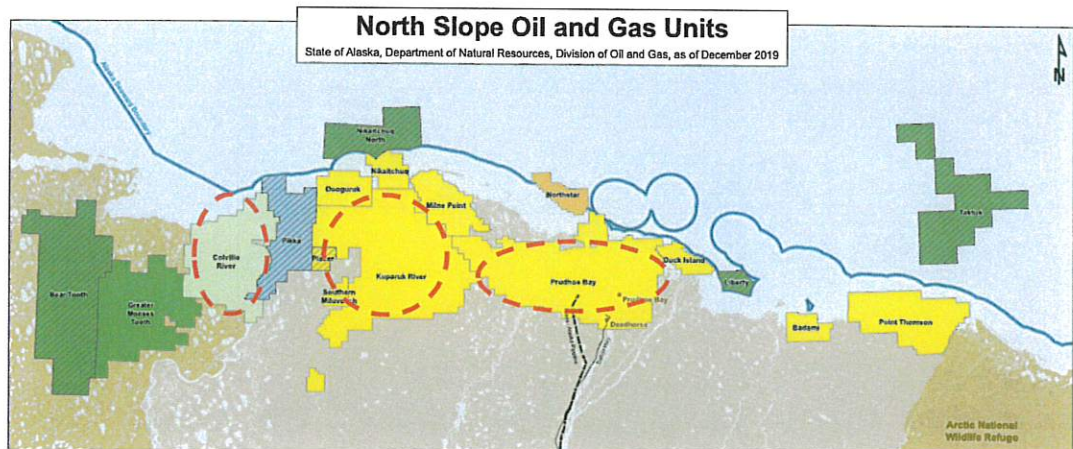
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- It appears there are two ways to qualify as a 40/400 Asset: (1) the combined daily production and the combined cumulative production of all the pools and fields in a unit meet the two threshold levels, or (2) a single 'field' within a unit meets the two threshold levels which by definition then the field and entire 'unit' of which it is part of would both qualify as a 40/400 Asset
- The 'fields' qualifying as 40/400 Assets are Alpine, Kuparuk and Prudhoe Bay. Because those fields qualify then the Colville River Unit, Kuparuk River Unit and Prudhoe Bay Unit are 40/400 Assets as well



## SECTION 2

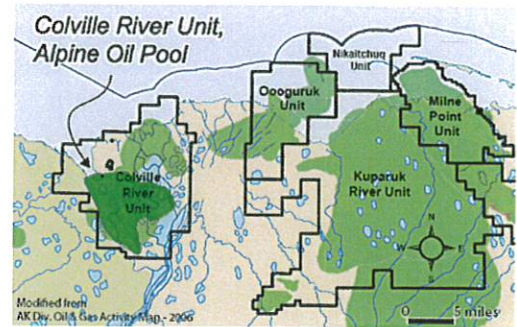
### FIELDS, UNITS AND NONUNITIZED RESERVOIRS



## SECTION 2

### FIELDS, UNITS AND NONUNITIZED RESERVOIRS

- The Colville River Unit consists of the following pools:
  - ALPINE OIL
  - FIORD OIL
  - GMT1 UNDEF OIL
  - NAN-K OIL TERM
  - NANUQ OIL
  - QANNIK OIL



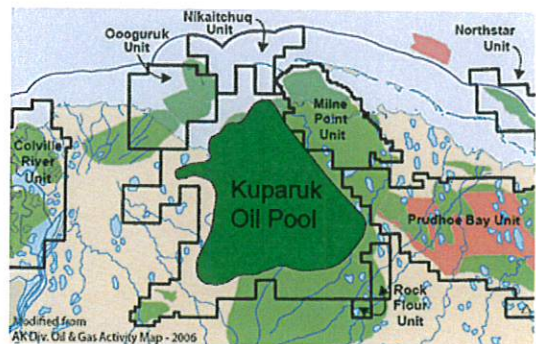
<http://aogweb.state.ak.us/poolstatistics/annual/current/poolStatisticsCurrent.html>



## SECTION 2

### FIELDS, UNITS AND NONUNITIZED RESERVOIRS

- The Kuparuk River Unit consists of the following pools:
  - KUPARUK RIV OIL
  - MELTWATER OIL
  - PALEOZ UNDEF OIL
  - TABASCO OIL
  - TARN OIL
  - TOROK OIL
  - UGNU UNDEF OIL
  - UNDEFINED OIL
  - WEST SAK OIL



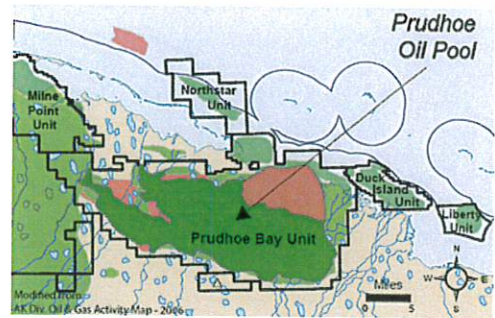
<http://aogweb.state.ak.us/poolstatistics/annual/current/poolStatisticsCurrent.html>



## SECTION 2

### FIELDS, UNITS AND NONUNITIZED RESERVOIRS

- The Prudhoe Bay Unit consists of the following pools:
  - AURORA OIL
  - BOREALIS OIL
  - KUPARUK RIVER OIL
  - LISBURNE OIL
  - MIDNIGHT SUN OIL
  - N PRUDHOE BAY OIL
  - NIAKUK OIL
  - POLARIS OIL
  - **PRUDHOE OIL**
  - PT M PA UNDEF OIL
  - PT M STUMP IS OIL
  - PT M UNDEFINE OIL
  - PT MCINTYRE OIL
  - PUT RIVER OIL
  - RAVEN OIL
  - SAG RIV UNDEF OIL
  - SCHRADER BLUF OIL
  - W BEACH OIL



<http://aorweb.state.ak.us/poolstatistics/annual/current/poolStatisticsCurrent.html>



## SECTION 2

### FIELDS, UNITS AND NONUNITIZED RESERVOIRS

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- We were unable to find any definition for ‘nonunitized reservoir’ in Alaska statute or regulation.
- In industry a “unitized” reservoir is a reservoir that crosses ownership boundaries. That agreement decides on how much of the reserves are owned by each party, what the optimum development plan and the naming of the operator. A unitization agreement is for the operation of a single reservoir.
- Units in Alaska do not represent the unitization of a reservoir.
- One alternative interpretation is that all wells that produce from the same reservoir could be deemed a “nonunitized reservoir”

## SECTION 2

### QUALIFYING PRODUCTION

**\*Section 2, Applicability.** The provisions in Sections 3 and 4 only apply to oil produced from fields, units, and nonunitized reservoirs north of 68 degrees north latitude that have produced in excess of 40,000 barrels of oil per day in the previous calendar year and in excess of 400,000,000 barrels of total cumulative oil production. For other oil production, the tax shall be unchanged by this Act.

- It is unclear whether production has to average over 40,000 bopd for an entire year or only exceed 40,000 bopd on a single day in the previous year
- Use of a couple extra words, such as “averaged” or “produced on any day” would have easily provided clarity
- For 40/400 Assets, do the new taxes apply beginning January in the following year? Do they apply for an entire calendar year if during a year the production falls below 40,000 bopd? The Initiative provides no direction or clarity

## SECTION 2

### QUALIFYING PRODUCTION

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- In the future, some new units may have production above 40,000 bopd but have not yet reached the cumulative criteria of 400,000,000 barrels
- Once the cumulative production exceeds 400,000,000 barrels do the new taxes apply immediately or do they apply at the start of the next calendar year? There is no language to guide this decision
- Where is production to be measured? Barrels sold to the market? Barrels into TAPS? Or, wellhead barrels? How are barrels consumed in field operations counted? Section 2 just mentions barrels
- Does Section 2 refer to the production of total barrels or taxable barrels? As much as a +/- 12% difference

## SECTION 2

### SUMMARY

**\*Section 2, Applicability.** The provisions in Sections 3 and 4 only apply to oil produced from fields, units, and nonunitized reservoirs north of 68 degrees north latitude that have produced in excess of 40,000 barrels of oil per day in the previous calendar year and in excess of 400,000,000 barrels of total cumulative oil production. For other oil production, the tax shall be unchanged by this Act.

- It appears the intent is to raise taxes only for the large legacy fields of Alpine, Kuparuk and Prudhoe Bay
- Depending on how fields, units and nonunitized reservoirs are defined, there are numerous possible interpretations, some which could have much more of the current North Slope production qualifying as 40/400 Assets
- Other than being immediately applicable to the three large fields, it is unclear when the new taxes begin to apply and when they stop applying

## SECTION 3





## SECTION 3

### ALTERNATIVE GROSS MINIMUM TAX

**\*Section 3, Alternative Gross Minimum Tax** For oil production from fields, units, and nonunitized reservoirs that meet the conditions in Sec. 2, the amount of tax due for each calendar month shall be no less than:

(a) 10 percent of the gross value at the point of production when the average per-barrel price for Alaska North Slope crude oil for sale on the United States West Coast (La. Basin) during the calendar month for which the tax is due is less than \$50;

- This is a monthly gross tax that appears to replace the current gross minimum tax that ranges from 0% to 4% of the GVPP with a new gross tax ranging from 10% to 15% of the GVPP
- The Initiative does not contain any language specifically altering the definition of GVPP from how it is defined in current statute
- It is unclear why the parenthetical (La. Basin) has been added to the definition of the ANS WC trigger price and what change that would cause from current statute

## SECTION 3

### ALTERNATIVE GROSS MINIMUM TAX

(b) an additional 1 percent of the gross value at the point of production for each \$5 increment by which the average per-barrel price for Alaska North Slope crude oil for sale on the United States West Coast (La. Basin) during the calendar month for which the tax is due is equal to or exceeds \$50. The maximum tax rate calculated in this section shall not exceed 15 percent, which is reached when the price per barrel is equal to or exceeds \$70; and

- The language is not clear if the 1% gross minimum tax increase at prices above \$50 per barrel is in step increments of \$5 or if the increase is continuous (like progressivity) at the rate of 1% per \$5 increase
  - e.g. at \$53 ANS WC is the applicable tax rate 11% [10%+1% >\$50 but<\$55] or 10.6% [10%+1%\*(\$3/\$5)]
- A step function would be consistent with current gross minimum tax language. This could have been made clear and unambiguous
- For some reason the last sentence does not define where the price per barrel is to be taken from

### SECTION 3

#### ALTERNATIVE GROSS MINIMUM TAX

(b) an additional 1 percent of the gross value at the point of production for each \$5 increment by which the average per-barrel price for Alaska North Slope crude oil for sale on the United States West Coast (La. Basin) during the calendar month for which the tax is due is equal to or exceeds \$50. The maximum tax rate calculated in this section shall not exceed 15 percent, which is reached when the price per barrel is equal to or exceeds \$70; and

If a step function and \$70 ANSWC are assumed, the gross tax changes:

Current			Initiative		
ANS WC \$/bbl		Gross Tax	ANS WC \$/bbl		Gross Tax
>	=	%	>	=	%
0	15	0	0	50	10
15	17.5	1	50	55	11
17.5	20	2	55	60	12
20	25	3	60	65	13
	25+	4	65	70	14
				70+	15

### SECTION 3

#### ALTERNATIVE GROSS MINIMUM TAX

(c) No credits, carried-forward lease expenditures, including operating losses, or other offsets may reduce the amount of tax due below the amounts calculated in this section.

- Under AS 43.55, when calculating the applicable gross tax there are no provisions for adjusting the GVPP, through the use of credits, net operating losses (“NOLs”) or similar
- Deductions from GVPP are allowed under AS 43.55 to derive the PTV
- As such, we do not see why paragraph (c) is included in this Section versus Section 4
- If the intent was to make the gross tax calculation a hard floor, that could have been explicitly written

## SECTION 4



## SECTION 4

### TAX ON PRODUCTION TAX VALUE

**\*Section 4, Tax on Production Tax Value.** For production from fields, units, and nonunitized reservoirs that meet the conditions in Sec. 2:

(a) The per-taxable-barrel credit in AS 43.55.024(i) and (j) shall not be used; and

(b) An additional production tax shall be paid for each month for which the producer's average monthly Production Tax Value of taxable oil is equal to or more than \$50. The additional tax shall be the difference between the average monthly Production Tax Value of a barrel of oil and \$50, multiplied by the volume of taxable oil produced by the producer for the month, multiplied by 15 percent.

- Paragraph (a) clearly and explicitly states that the credits now allowed in AS 43.55.024 (i) and (j) shall not be used for 40/400 Assets
- These credits are the fixed \$5 per barrel credit for GVR eligible fields and the sliding scale (from \$0 to \$8) per barrel credit for all other fields
- Here, unlike elsewhere in the Initiative, specific references in the current statutes were used to unambiguously state which of the many credits allowed under AS 43.55 would no longer apply

## SECTION 4

### TAX ON PRODUCTION TAX VALUE

**\*Section 4, Tax on Production Tax Value.** For production from fields, units, and nonunitized reservoirs that meet the conditions in Sec. 2:

(a) The per-taxable-barrel credit in AS 43.55.024(i) and (j) shall not be used; and

(b) An additional production tax shall be paid for each month for which the producer's average monthly Production Tax Value of taxable oil is equal to or more than \$50. The additional tax shall be the difference between the average monthly Production Tax Value of a barrel of oil and \$50, multiplied by the volume of taxable oil produced by the producer for the month, multiplied by 15 percent.

- Under AS 43.55 both the gross tax on GVPP and the net tax on PTV are referred to as a "production tax"
- Given the above, it is unclear whether "An additional production tax" means (1) another production tax in addition to the Section 3 production tax; or (2) an additional tax on top of other production taxes currently in AS 43.55
- Nowhere in the Initiative is there any direct or implied reference to the current applicable net tax on PTV in AS 43.55

## SECTION 4

### TAX ON PRODUCTION TAX VALUE

**\*Section 4, Tax on Production Tax Value.** For production from fields, units, and nonunitized reservoirs that meet the conditions in Sec. 2:

(a) The per-taxable-barrel credit in AS 43.55.024(i) and (j) shall not be used; and

(b) An additional production tax shall be paid for each month for which the producer's average monthly Production Tax Value of taxable oil is equal to or more than \$50. The additional tax shall be the difference between the average monthly Production Tax Value of a barrel of oil and \$50, multiplied by the volume of taxable oil produced by the producer for the month, multiplied by 15 percent.

- Two different definitions of PTV are used, PTV "of taxable oil" and PTV "of a barrel of oil"
- PTV "of taxable oil" defines the gross income. It is sales revenues minus transportation and lease costs. It will always exceed \$50
- PTV "of a barrel of oil" is the PTV divided by applicable production to derive a per barrel unit value
- As worded, the additional tax will apply every month

## SECTION 4

### TAX ON PRODUCTION TAX VALUE

**\*Section 4, Tax on Production Tax Value.** For production from fields, units, and nonunitized reservoirs that meet the conditions in Sec. 2:

(a) The per-taxable-barrel credit in AS 43.55.024(i) and (j) shall not be used; and

(b) An additional production tax shall be paid for each month for which the producer's average monthly Production Tax Value of taxable oil is equal to or more than \$50. The additional tax shall be the difference between the average monthly Production Tax Value of a barrel of oil and \$50, multiplied by the volume of taxable oil produced by the producer for the month, multiplied by 15 percent.

- As highlighted above, paragraph (b) uses the terms "taxable oil" and "oil"
- "Taxable oil" is "oil" less royalty barrels
- Thus these two terms differ by roughly 12%
- All references in AS 43.55 today for similar mechanisms make explicitly clear to use PTV of a taxable barrel of oil. This ambiguity was easily preventable

## SECTION 5

## SECTION 5

### SEPARATE TREATMENT

**\*Section 5, Separate Treatment.** For each producer, the taxes set forth in Sections 3 and 4 shall be calculated separately for the following:

(a) For oil and for gas;

(b) For each calendar month (annual lease expenditures shall be divided equally among the 12 months of the tax year); and

(c) For each of the fields, units, and nonunitized reservoirs, the lease expenditures shall be calculated, deducted, and carried forward separately.

- Section 2 noted the taxes under Sections 3 & 4 can only apply to oil. Section 5 now states the taxes in Sections 3 & 4 apply to gas as well. Both can not be true
- The inclusion of gas here opens the door to any number of interpretations including that gas from 40/400 Assets would be ringfenced from other North Slope gas and taxed via Sections 3 & 4 and not current AS 43.55
- Another possible interpretation is that all costs related to gas are to be separate from oil, not combined as they are now under AS 43.55 and subtracted from oil revenue to determine oil taxes

## SECTION 5

### IS IT OIL ONLY OR IS IT OIL AND GAS?

**\*Section 2, Applicability.** The provisions in Sections 3 and 4 **only apply to oil**

**\*Section 3, Alternative Gross Minimum Tax.** **For oil production** from fields, units,

**\*Section 4, Tax on Production Tax Value.** **For production** from fields, units, and

**\*Section 5, Separate Treatment.** For each producer, the taxes set forth in Sections 3 and 4 shall be calculated separately for the following:

(a) For oil and for gas;

- Note the changing terminology.
  - Section 2 “only apply to oil”; then
  - Section 3 “for oil production”; but
  - in Section 4 it only addresses “production” which generically means oil and gas, and then
  - Section 5 states the taxes in Section 3 & 4 apply “for oil” and “for gas”

## SECTION 5

### SEPARATE TREATMENT

**\*Section 5, Separate Treatment.** For each producer, the taxes set forth in Sections 3 and 4 shall be calculated separately for the following:

(a) For oil and for gas;

(b) For each calendar month (annual lease expenditures shall be divided equally among the 12 months of the tax year); and

- Paragraph (b) changes the current monthly installment payments as part of an annual tax return to require a tax return be filed for each month for each 40/400 Asset
- Because the accurate value for 1/12<sup>th</sup> of the annual lease expenditures is not known until several weeks after the end of the year, an amended return will need to be filed for each month of the prior year for each and every 40/400 Asset
- The Initiative provides no guidance on how to apply tax credits, other carried forward credits or net operating losses to the monthly tax returns. Lacking guidance producers would appear to be free to use these items at their discretion to minimize tax payments

## SECTION 5

### SEPARATE TREATMENT - EXPENSES

(c) For each of the fields, units, and nonunitized reservoirs, the lease expenditures shall be calculated, deducted, and carried forward separately.

- Paragraph (c) requires that lease expenditures be treated separately for each 40/400 Asset. Point forward, systems can be put in place to disaggregate future North Slope costs
- However, any existing carry-forward tax credits and operating losses resulted collectively from all operations a producer had on the North Slope
- The Initiative is silent on their use and likewise silent on how these aggregated amounts are to be separated for each 40/400 Asset. A mechanism will need to be put in place as to how they are to be used for 40/400 Assets. The Initiative provides no direction in this regard
- Costs for common facilities will also need to be identified and allocated to all users

# SECTION 6



## SECTION 6

### GREATER OF

**\*Section 6, Greater-of.** For each producer, for each month, and for each of the fields, units, and nonunitized reservoirs, the tax due shall be the greater of the tax under Section 3 or Section 4.

- The language above explicitly states that the tax due from a producer for a 40/400 Asset shall be the greater of the tax under Section 3 or Section 4
- There is no Initiative reference, direct or implied, to the inclusion of any other taxes under AS 43.55 being applicable for a 40/400 Asset
- The language above only references the tax calculated under Section 4 and not Section 4 in addition to another tax such as AS 43.55.011(e)(2) the 35% tax on PTV
- Section 5 defined items that needed to be treated separately, but never called for each field, unit and nonunitized reservoir to have its own tax return. The use of “each of” above seems to imply that each of the fields, units and nonunitized reservoirs is ringfenced separately for tax purposes. If so, it raises the possibility of double taxation, once as a field and again as a unit



# SECTION 7



## SECTION 7

### PUBLIC RECORDS

**\*Section 7, Public Records.** All filings and supporting information provided by each producer to the Department relating to the calculation and payment of the taxes set forth in Sections 3 and 4 shall be a matter of public record.

- Given that 'units' may contain more than one 'field' or pool, this language would continue to treat tax returns and supporting documentation as matters of public record
- While our assumption is that the sponsors wanted to make returns public, it is our understanding they did not include the necessary language specifying the returns need to be non-confidential
- "All filings and supporting information" could be interpreted as not only supplying documents and data for the initial filing of the monthly returns but also all amended returns, all audits, and all settlement negotiations

## SECTION 7

### PUBLIC RECORDS

**\*Section 7, Public Records.** All filings and supporting information provided by each producer to the Department relating to the calculation and payment of the taxes set forth in Sections 3 and 4 shall be a matter of public record.

- If the suggested documents were to be made public, since producers as part of their various tax return submissions would be replying to inquiries or statements by DOR staff, DOR documents could become matters of public record
- Could this be interpreted to include settlement negotiations? If so, further government drafted documents could be captured and made public
- Throughout AS 43.55 the Department of Revenue is referred to as the "department" (lower case). We are not able to discern any reason why the Initiative would choose to use the upper case Department

## SECTION 8

## SECTION 8

### SCOPE OF INITIATIVE

**\*Section 8, Scope of Initiative.** Nothing in this Act authorizes or requires the Legislature to dedicate revenue, to make or repeal appropriations, to enact local or special legislation, or to perform any unconstitutional act. While not required by this Act, the revenues from this Act could be used to fund essential government services, capital projects, the permanent fund and permanent fund dividends.

- This section places no restriction on the legislature for use of the funds raised by this Initiative
- It explicitly allows for the revenues generated to be used to pay permanent fund dividends

## SECTION 9

## SECTION 9

### SEVERABILITY

**\*Section 9, Severability.** The provisions of this Act are independent and severable, and if any provision of this Act or applicability of any provision to any person or circumstance shall be found to be invalid, the remainder of this Act shall not be affected and shall be given effect to the fullest extent practicable.

- This is a typical clause that states if any part of the Act is found to be invalid all the other parts remain unaffected

## SPECIFIC QUESTIONS

## SPECIFIC QUESTIONS

### CHANGES TO CURRENT FISCAL REGIME

Please review the initiative language from a holistic perspective. Describe the initiative; how it would change the current oil and gas fiscal regime; questions raised by the initiative, the answers to which would materially impact future analysis of the initiative impacts; and provisions to which the contractors, as they undertake modeling and analysis of the impacts, may need to interpret or receive direction on how to interpret.

- Creates a new tax ringfence for each producer for each producing asset that meets the qualifications set forth in Section 2, a 40/400 Asset
- Raises the gross minimum tax on GVPP
- Creates a new net tax on PTV when realized prices exceed a threshold
- Details of the above are contained in the previous sectional analysis of the Initiative

## SPECIFIC QUESTIONS

### INVESTMENT IMPACTS

Identify provisions which may affect generally investment in the North Slope basin, such as the disclosure of previously confidential taxpayer information.

- There are no provisions of the Initiative that encourage or incentivize more investment
- Ringfencing the revenues of the largest fields will make investment on the North Slope much more expensive which can only hurt investments
- The Initiative creates a high degree of economic uncertainty and would be viewed as extremely risky given the many possible interpretations
- The uncertainty will take a long time to sort out likely resulting in a reluctance to commit funds until statute and regulation are finalized
- The uncertainty will very likely slow capital spending, which would then likely cause production levels to decline faster than expected

## SPECIFIC QUESTIONS

### DISCLOSURE IMPACTS

Identify provisions which may affect generally investment in the North Slope basin, such as the disclosure of previously confidential taxpayer information.

- Producers with ownership in the 40/400 Assets will no longer be able to deduct expenses associated with smaller fields or new developments against the revenues of the 40/400 Assets
- This ringfencing will greatly increase the perceived costs and negatively impact the economics (longer time to recovering costs and being profitable) of any satellite operations or possible new developments
- The negative impact to economics could push the new developments being actively pursued below the corporate funding level for approval
- If documents were to become non-confidential, Alaska would be the only regime to require public disclosure of all documents associated with tax filings

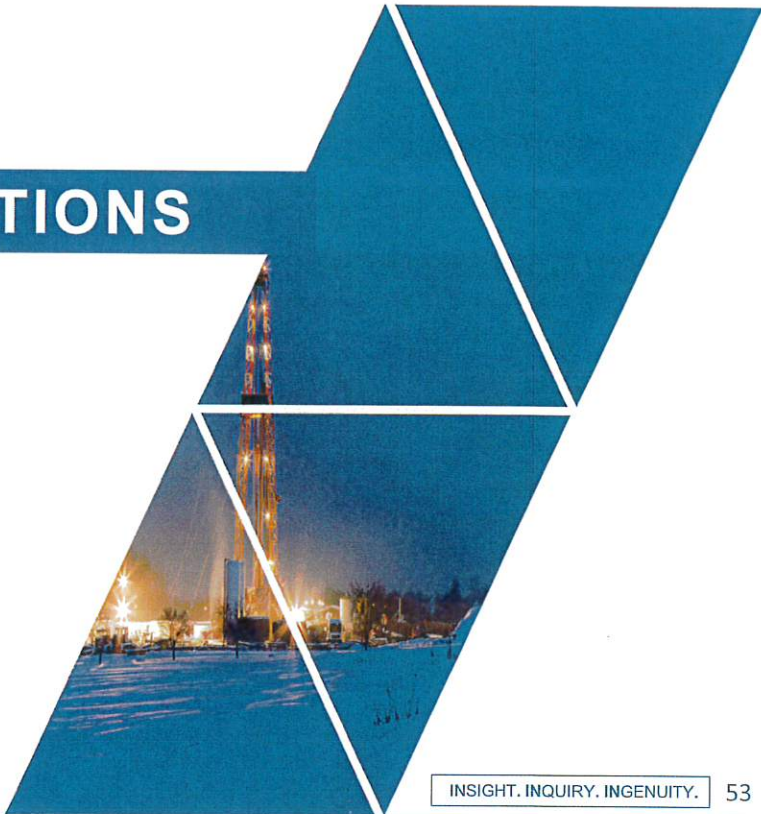
## SPECIFIC QUESTIONS

### MIDDLE EARTH AND COOK INLET IMPACTS

Articulate any impacts to the Middle Earth and Cook Inlet basins, including to investment behavior.

- The current wording of the Initiative makes no changes to operations or tax returns for Middle Earth or Cook Inlet
- The only impact we perceive to non-North Slope areas is the uncertainty that is created and the ensuing debates that will take place on how to interpret the Initiative
- This risk will likely cause current and prospective producers to take a pause in their investment considerations while implementation details are sorted

# QUESTIONS





## MATANUSKA-SUSITNA BOROUGH

### Office of the Borough Manager

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8689 • Fax (907) 861-8669

[John.Moosey@matsugov.us](mailto:John.Moosey@matsugov.us)

March 4, 2020

The Honorable David Wilson, District D  
The Honorable Mike Shower, District E  
The Honorable Shelley Hughes, District F  
The Honorable Colleen Sullivan-Leonard, District 7  
The Honorable Mark Neuman, District 8

The Honorable George Rauscher, District 9  
The Honorable David Eastman, District 10  
The Honorable DeLena Johnson, District 11  
The Honorable Cathy Tilton, District 12

RE: Senate Bill 204 "An Act relating to state lands; relating to the authority of the Department of Natural Resources over state owned lands; relating to the disposal of state land; relating to the leasing and sale of state land for commercial or industrial development; repealing establishment of recreation rivers and recreation river corridors; and providing for an effective date."

Dear Mat-Su Valley Senators and Representatives,

The Matanuska-Susitna Borough (Borough) has significant concerns with the proposed Senate Bill 204. The impacts of this legislation, in many cases, would result in land being transferred to citizens, groups or companies, who were not required to meet Borough requirements, and therefore the correction of those created issues will fall on the Borough. This legislation would eliminate the requirements to follow these important and fundamental Borough standards for construction:

- Meeting mandatory construction setbacks for right-of-way and water bodies
- Meeting acceptable road widths
- Requiring DEC lot sizes for septic systems (which could contaminate water bodies)
- A determination of usable area and configuration
- Fulfilling requirements to build access roads into sub-divisions
- Adhering to significant floodplain development regulations
- Completing the installation of fish culvert construction in salmon streams
- Adhering to requirements to prevent river contamination
- Completing requirements to build new roads to Borough standards.

The scope of the potential impact to the Borough would be huge. Within the incorporated boundaries of the Borough, the State of Alaska owns 14,806,812 acres of land, which is 91% of all land in the Borough. This legislation would allow the State to sell or transfer their land without being required to meet Borough established code, policy, or requirements. In addition, Mental Health Trust has an additional 38,668 acres and the University of Alaska has 24,970 acres, which would potentially be exempt from meeting Borough requirements. By sheer volume, this gives us pause for very serious concerns.

*Providing Outstanding Borough Services to the Matanuska-Susitna Community*



Our concern is that the State DNR will be allowed to sell land, without meeting Borough land management, platting, road construction and waterway requirements, and will not address issues created when the land is sold. The correction of those issues would then fall on the Borough, causing a tremendous amount of additional labor and very expensive operational costs to the Borough in order to correct these issues. Among those issues are:

- Without requiring State development to conform to Borough platting and land use requirements, there is significant potential for damage and for future MSB intervention and expenditure of taxpayer funds to correct these issues.
  - Loss of required fish passage culvert construction and floodplain management, which are both Federal programs. If the State does construct an access road, they will be required to construct fish passage culverts to State and/or Federal standards. However, by replacing the word “SHALL” with “MAY” in this legislation, the very real results will likely be that the access road “MAY” never get built. Sec. 19.30.080
  - Incomplete or substandard road construction: Sec. 19.30.080 – Under this provision, State lands could be transferred with substandard road construction. This will place a significant burden on the taxpayers and DOT (State roads) to correct the substandard roads. Additionally, much of the remaining legislation strengthens the State’s position and provides DNR with the power to make all of these decisions without regard to Borough requirements or the fiscal burden it would place on the Borough.
  - Requirements to build access roads into newly developed subdivisions. As noted under fish passage culverts above in Sec. 19.30.080, by replacing the word “SHALL” with “MAY” in this legislation, the very real results will likely be that the access roads “MAY” never be built.
- This Bill eliminates AS 41.23.400 - 41.23.510, which establishes, manages, protects, and maintains the six recreational rivers in the Mat-Su Borough, all of which are anadromous water bodies. They are the Little Susitna River, the Deshka River, the Talkeetna River, Lake Creek, the Talachulitna River, and Alexander Creek. The removal of these recreational rivers and special purpose areas could have devastating effects on the fish and wildlife populations within these waterways. Without requiring development to conform to Borough platting requirements, there is significant potential for damage to our waterways and for future Borough intervention and expenditure of taxpayer funds to correct these issues.
- Potential trespassing issues: Sec 19.30.080 - The Borough has spent considerable time and resources over the years addressing trespassing issues on Borough and private lands, many of which were the result of poorly planned prior State land sales. When remote parcels are created without a platted or marked access route or easement, remote property owners park their vehicles along a State or Borough Right-of-Way and stage/unload along the roadway. Further, these same property owners often construct trespass access routes (trails/roads) bisecting multiple parcels of Borough and private lands. As more State land is sold, the related trespass issues multiply, and the Borough ends up with multiple trespass-related issues to clean up. This includes unnecessary damage to wetlands and waterways. This is one reason why the Borough has the platting requirements that it does, and that DNR should not exempt itself from local platting requirements and land use regulations.

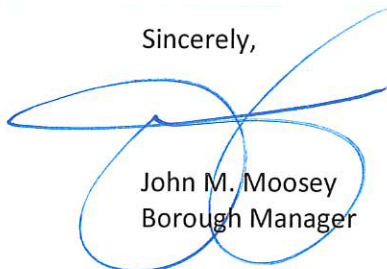
As an example, the Borough is working through the State's Municipal Entitlement Lands (MEL) program to transfer State land to the Borough. Today, there are still about 80,000 acres remaining to be transferred to the Borough from the State. At Hatcher Pass, we are currently working on surveying/platting over 6,000 acres of MEL land. The cost is approximately \$250,000 to meet the requirements established by the State. This process typically takes us 3-5 years to meet State requirements and receive a patent for the land. DNR's regulations require the Borough to meet their requirements and the State should be required to reciprocate and meet Borough requirements when disposing of State land in the Borough.

We are in favor of the State of Alaska proposals to disperse State lands for private use for economics, home ownership, or recreation. This action matches the State of Alaska messages, which have been given to us in the past, for the Mat-Su Borough to assume more responsibility for the land in our Borough. However, to exempt this action from our entire local control and requirements is just the opposite message from what we have received from the State. The transfer of any State land must meet Borough requirements rather than circumvent them.

If approved, this act will take effect immediately, which gives no entities an opportunity to address the numerous potential liabilities.

Please do not vote favorably for Senate Bill 204.

Sincerely,



John M. Moosey  
Borough Manager

cc: Assembly  
John Harris



Vern Halter  
Mayor



**MATANUSKA-SUSITNA BOROUGH SCHOOL BOARD  
RESOLUTION 20-007**

**A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH SCHOOL DISTRICT SCHOOL BOARD IN SUPPORT OF THE INITIATION OF THE FORMAL PROCESS TO IDENTIFY THE LOCATION, FUNDING, AND BUILDING OF A PERMANENT FACILITY FOR BIRCHTREE CHARTER SCHOOL.**

---

**WHEREAS**, Birchtree Charter School and the Matanuska-Susitna Borough School District have leased a commercial building and property located near Trunk Road and the Palmer-Wasilla Highway from a private entity for 10 years for the purpose of a public charter school; and

**WHEREAS**, Birchtree Charter School continues to bring a unique and highly desired educational program to many families across the District, serving around 400 students annually; and

**WHEREAS**, Birchtree Charter School and its families are looking for the least expensive building options while meeting the needs of Birchtree's students through a Waldorf driven philosophy; and

**WHEREAS**, the location for Birchtree Charter School's future site needs to be centrally located between Wasilla and Palmer to provide a location allowing accessibility to our families throughout the District; and


**WHEREAS**, the Matanuska Borough has an Area School Site Selection Committee to ensure selection criteria are in place and addressed; and

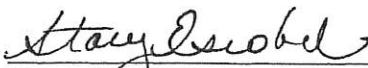
**WHEREAS**, funding sources and building types for Birchtree Charter School to move forward require a location, road, and land specifics; and

**NOW, THEREFORE BE IT RESOLVED** that the Mat-Su School Board support the initiation of the formal process to identify the location, funding, and building of a permanent facility for Birchtree Charter School.

**APPROVED** by the Mat-Su School Board this 5th day of February, 2020.

  
Mr. Thomas Bergey, Board President

  
Dr. Monica Goyette, Superintendent

ATTEST:   
Stacy Escobedo, Board Secretary



OFFICE OF THE SCHOOL BOARD

**MATANUSKA-SUSITNA BOROUGH SCHOOL BOARD  
RESOLUTION 20-009**

**A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH SCHOOL BOARD SUPPORTING INITIATION OF THE FORMAL PROCESS TO IDENTIFY THE LOCATION OF A PERMANENT FACILITY FOR MAT-SU CENTRAL SCHOOL AT 1959 N. STRINGFIELD ROAD TO BE KNOWN AS "STRINGFIELD SUBDIVISION."**

**WHEREAS**, the Matanuska-Susitna Borough School District has leased Mat-Su Central School building and property from a private entity for over 20 years for the purpose of a correspondence school; and

**WHEREAS**, the current lease agreement for Mat-Su Central School is set to expire on June 30, 2021 with the option for an additional extension; and

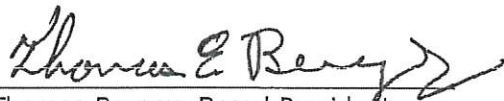
**WHEREAS**, Mat-Su Central School needs a permanent facility to support its growing student population and innovative programs; and

**WHEREAS**, in cooperation with the Mat-Su Borough, the District has identified 1959 N. Stringfield Road to be known as "Stringfield Subdivision" (Appendix A) as a possible location for Mat-Su Central School; and

**WHEREAS**, MSB 19.08.020 provides for a School Site Selection Committee which shall make recommendations to the Assembly on the needs for school sites.

**NOW, THEREFORE BE IT RESOLVED** that the Matanuska-Susitna Borough School Board supports the initiation of the formal process to identify the location of a permanent facility for Mat-Su Central School at 1959 N. Stringfield Road to be known as "Stringfield Subdivision."

**APPROVED** by the Matanuska-Susitna Borough School Board this 5<sup>th</sup> day of February, 2020.

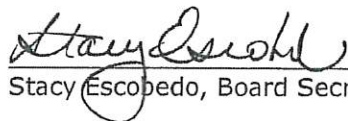


Thomas Bergey, Board President



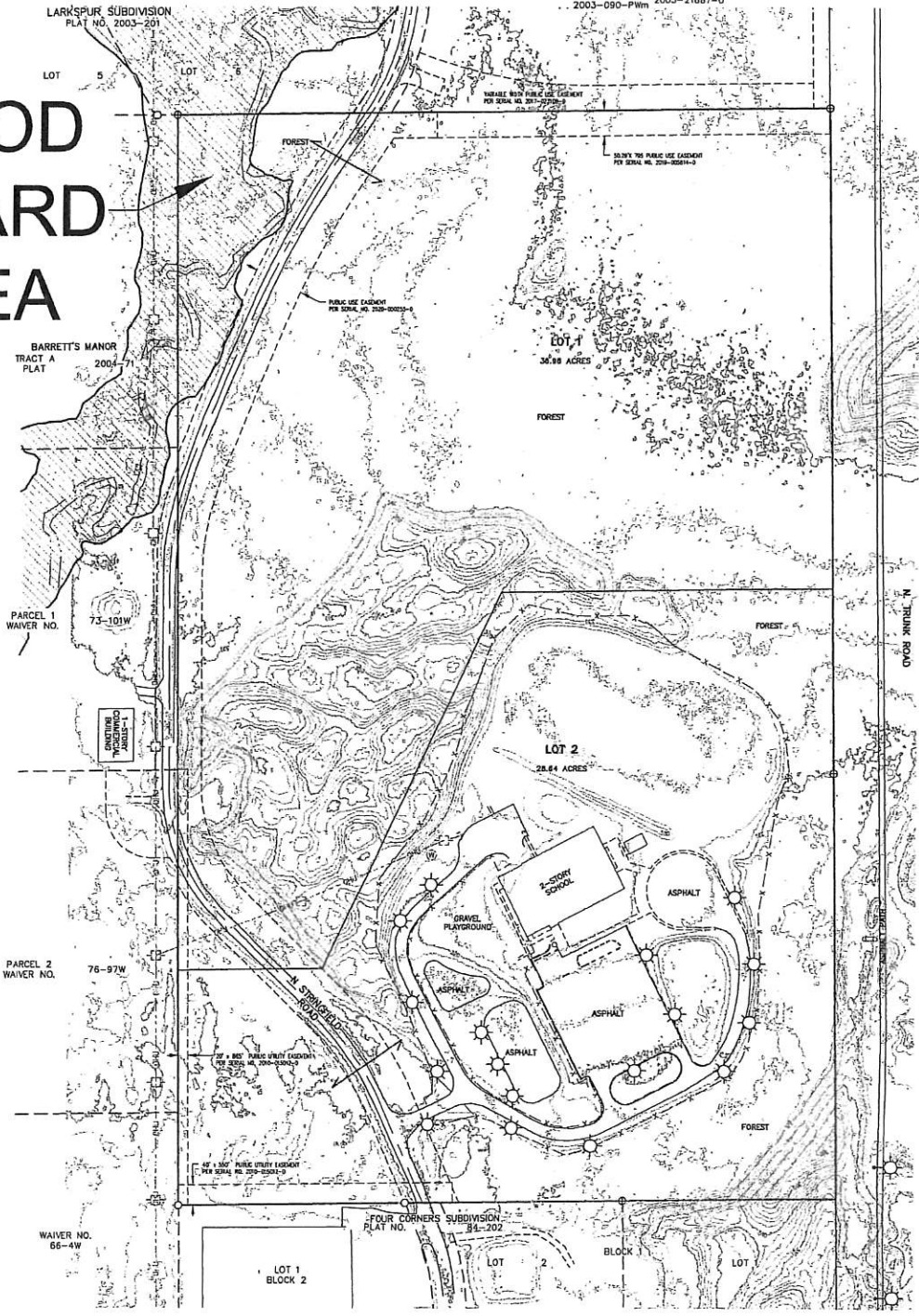
Dr. Monica Goyette, Superintendent

ATTEST:



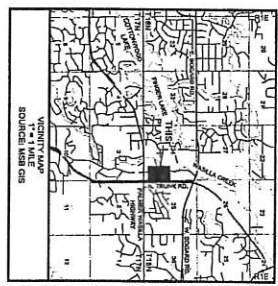
Stacy Escobedo, Board Secretary

# FLOOD HAZARD AREA



I HEREBY CERTIFY THAT I HAVE PREPARED A MAP OF THE FLOOD HAZARD AREA AS SHOWN ON THIS MAP AND THAT THE INFORMATION IS CORRECT AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT I AM A LICENSED PROFESSIONAL ENGINEER IN THE STATE OF ALASKA.

**STANGFIELD SUBDIVISION**  
 LOT 1 & 2  
 A SUBDIVISION OF PARCEL 1 OF WAIVER NO. 73-101W AND PARCEL 2 OF WAIVER NO. 76-97W, SEC. 34, T. 14N, R. 11E, DENALI BOROUGH, PALMERS AERIAL TRIBUTARY DISTRICT, STATE OF ALASKA.  
**MATANGSIKA-QUINTANA BOROUGH**  
 COMMUNITY DEVELOPMENT DEPARTMENT  
 PALMER, ALASKA



# Mat-Su Borough Septage and Leachate Facility

Project Overview, Rate Analysis and  
Funding Options



## Overview

- Purpose
- Project Benefits
- Background
- Assembly History
- Proposed Facility Concept and Location
- Estimated Project Costs
- Funding Options
- Cost Comparison
- Questions

## Purpose

- The proposed Septage & Leachate Treatment Facility is intended to provide a long-term solution for disposal of the two major wastewater streams in the MSB:
  - Septage from private residences, businesses and public institutions throughout the Borough, which represents more than 90% of the MSB population
  - Leachate from the Central Landfill near Palmer, which serves the entire MSB, and is funded by the Borough Solid Waste Division
- A local facility potentially minimizes costs to Borough residents and business for septage & leachate disposal by eliminating the cost of transportation from the Mat-Su to Anchorage.
- Current transportation costs from Mat-Su (Glenn/Parks interchange) to Anchorage are estimated at more than \$700,000/year.
- Anchorage disposal costs are expected to increase with periodic rate increases and eventual closure of Turpin Street facility

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## Background

- Currently, all septage and leachate generated in the Valley is transported to and disposed of at AWWU's Turpin Street Disposal Facility in East Anchorage. Septage and leachate mixes with Anchorage sewage and discharges from Asplund WWTP to Cook Inlet, which operates under a variance to the Clean Water Act.
- In late 1980s and early '90s, the MSB operated a small septage treatment and disposal facility in Houston. Closed in early '90s due to environmental and operational concerns. Land subsequently transferred to City of Houston.
- Septage Handling and Disposal Plan, HDR, 2007
- Regional Wastewater Planning Study, HDL, 2010
- Update to Septage Handling and Disposal Plan, HDR, 2013
- Central Landfill Development Plan, CH2M, 2014 (included leachate treatment evaluation)
- Site Suitability and Engineering Analysis, CH2M, 2015
- Financial Analysis for Septage and Leachate Facility, CH2M, 2015

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# Assembly History

## 2006

- Authorized Preparation of Septage Handling & Disposal Plan

## 2008

- Authorized Regional Wastewater & Septage Planning Study in cooperation with the Cities of Palmer and Wasilla

## 2011

- Established Wastewater & Septage Advisory Board (MSB Ord 11-087)

## 2012

- Site selection / planning for wastewater treatment facility (Reso 12-083)

## 2013

- \$100,000 for land acquisition (FY14 Budget); engineering / financial studies (Reso 15-015)

## 2014

- \$100,000 from State for site suitability and engineering analysis (Reso 14-084)
- Application for \$22 million DEC clean water loan (Reso 14-110)
- Leachate treatment added to project (Reso 14-117)

## 2015

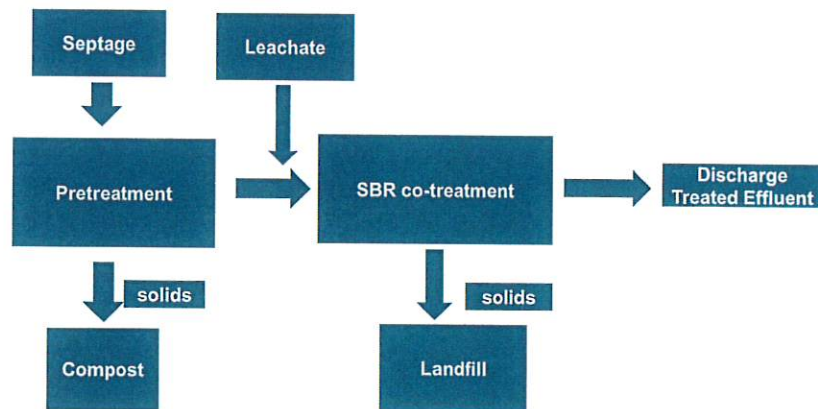
- Central Landfill selected as preferred site (Reso 15-060)

\* Prioritized septage & leachate treatment facility in legislative requests for past 3 years,

<sup>5</sup> FY 2014 (Reso 13-099), 2015 (Reso 14-073) and 2016 (Reso 15-098)

## Facility Design Concept

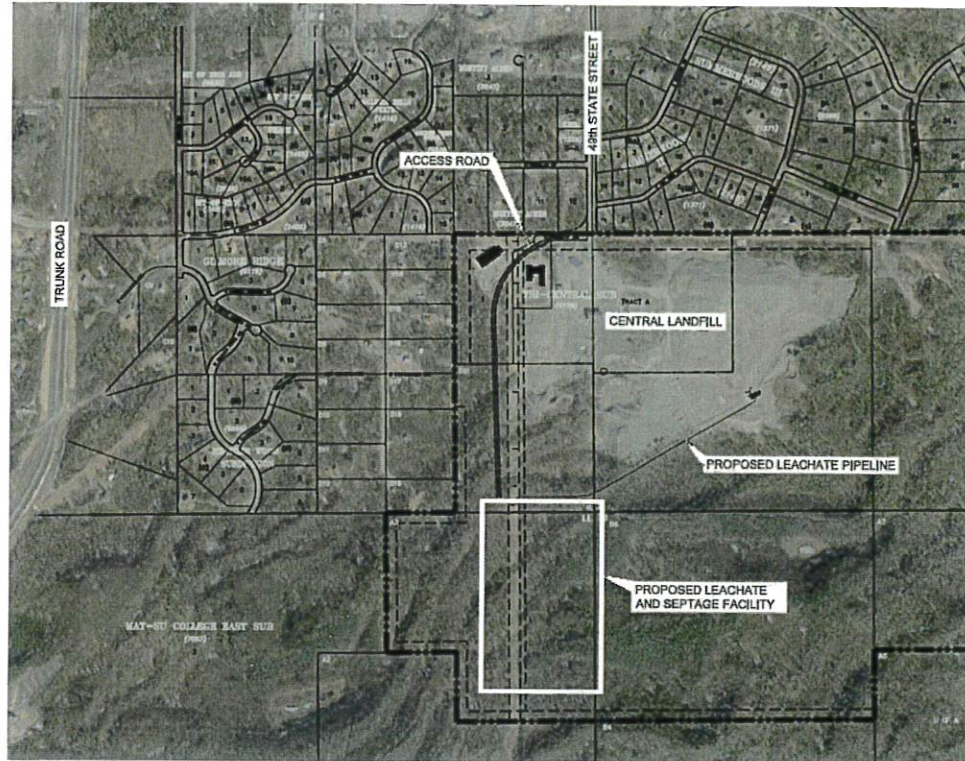
Co-treatment of septage and leachate with onsite discharge to leach field



SBR = sequencing batch reactor



## Proposed Site Location



## Estimated Project Costs

Cost Component	Cost
Capital	\$19,000,000
Annual O&M	\$500,000

**Treatment summary:** septage pretreatment (solids removal), secondary treatment of pretreated septage and leachate, and several levels of effluent monitoring

**Capital cost includes:** site development, buildings, utilities, sequencing batch reactor (SBR) plant equipment, pretreatment equipment, centrifuges, natural gas feed pipeline, discharge leach field, monitoring wells, engineering, administration, permitting, contractor overhead, and 15% contingency

**O&M cost includes:** labor, equipment (trucks, forklift), spare parts, chemicals, and power

## Funding Options Overview

3 options evaluated:

1. MSB General Obligation (GO) Bond – requires assembly and voter approval
2. ADEC Clean Water Grant/Loan Program – loan application approved by DEC for first \$5 million. Remaining funds to become available in subsequent years.
3. USDA Rural Development Grant/Loan Program – requires preliminary engineering and environmental studies for application. This has been partially completed as part of site suitability in 2015.

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## Estimated Breakdown of current disposal cost for Mat-Su Haulers

Cost Item	Estimated Cost/3,000 gal
Fuel	\$48.00
Labor	\$62.50
Truck maintenance & Insurance	\$36.80
AWWU discharge cost*	\$75.58
Total	\$222.88

\*AWWU is currently conducting a rate study for a proposed rate increase in 2017, to be approved by the RCA.

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## Funding Option 1: MSB GO Bond

- Borough-wide general obligation (GO) bond covers capital
  - Annual debt service payments collected through property taxes
- Disposal fee covers O&M only, and disposal rates are expected to decrease.

Facility	Cost to dispose 3,000 gallons
AWWU (Anchorage)	\$222.88
MSB	\$115

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## Funding Option 1 – impact on property taxes

Example value of home	\$150,000	\$225,000	\$300,000
Annual impact*	\$29.74	\$44.62	\$59.49

\* Estimated impact, may differ from actual levy adopted by borough

Based on a borough assessed value of \$6,964,137,808, which excludes the cities of Palmer and Wasilla because they are on city sewer.

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## Funding Option 2: ADEC Loan

- Disposal fee covers both capital debt service and O&M, and disposal rates are expected to increase.
- Conservatively estimating 100% Clean Water loan (no grants)

Cost item	Cost for 3,000 gallons
Debt service on capital (ADEC Loan, 1.5%, 20 yrs)	\$255
Annual O&M	\$115
Total	\$370

Facility	Disposal fee for 3,000 gallons
AWWU (Anchorage)	\$223
MSB	\$370

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## Funding Option 3: USDA Grant/ Loan

- Disposal fee covers both capital debt service and O&M, and disposal rates are expected to remain level.
- USDA grant covers 30% of capital

Cost item	Cost for 3,000 gallons
Debt service on capital (USDA Loan, 3.125%, 40yrs)	\$135
Annual O&M	\$115
Total	\$250

Facility	Disposal fee for 3,000 gallons
AWWU (Anchorage)	\$223
MSB	\$250

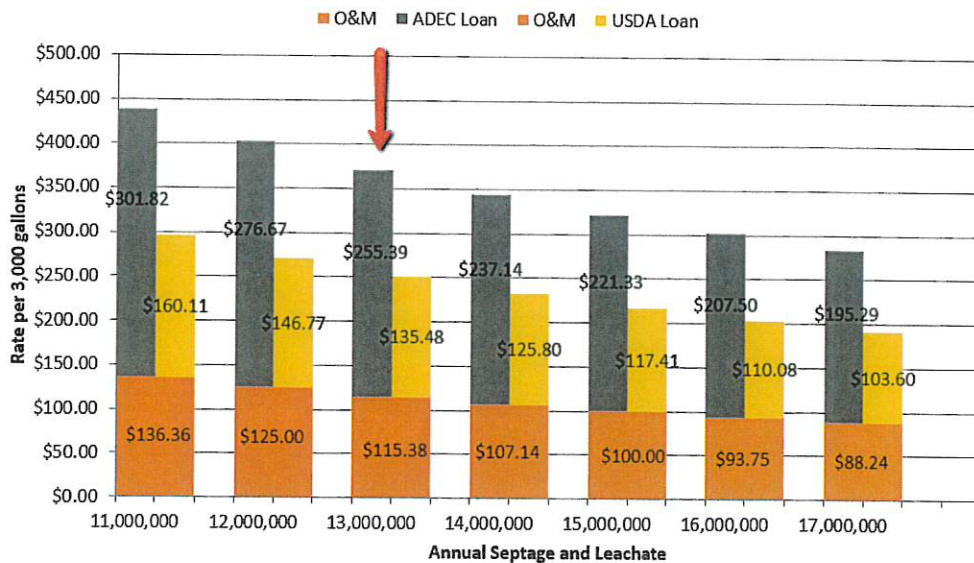
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## Cost Comparison Recap

	Option 1	Option 2	Option 3
Total cost of loan to MSB residents (principal + interest)	\$27,619,000	\$22,134,000	\$23,483,000
Pros	Allows for lowest tipping fee by only covering O&M	Lowest overall cost b/c of low interest rate and short term.	Grant covers ~30% of capital costs. Loan paid over 40 years by user fees.
Cons	Increases property tax mill rate. Highest overall cost	Limited grant funds. High tipping fees.	Interest rate higher than DEC program

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## Combined O&M and Debt Service Rate per 3,000 gallons: Sensitivity



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# Questions

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## Details –Capital Costs Projected Annual Debt Service

Item	GO Bond	ADEC Loan	USDA Loan
Capital Cost	\$19,000,000	\$19,000,000	\$13,300,000
Interest rate	3.75%	1.50%	3.125%
Term	20	20	40
Issuance Cost	1.00%	0.00%	0.00%
Annual Debt Service	\$1,380,953	\$1,106,669	\$587,074
Annual Septage, gallons	13,000,000	13,000,000	13,000,000
\$/000 gallon	NA	\$85.13	\$45.16
\$/3000 gallons	NA	\$255.39	\$135.48

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## Details – O&M Costs

Annual O&M	
Item	O&M Disposal Rate
Annual O&M	\$500,000
Annual Septage, gallons	13,000,000
\$/000 gallons	\$38.46

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## Disposal Rate per 3,000 gal [Funding Option 2]

	\$/1,000 gal	\$/3,000 gal
Dept service on capital (ADEC loan, 1.5%)	\$85.13	\$255.39
Annual O&M	\$38.46	\$115.38
Total		\$370.77

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## Comparison between ADEC and USDA Loan Scenarios

New Facility Disposal Rate - O&M		All Scenarios	
Annual O&M		\$500,000	
Annual Septage, gallons		13,000,000	
\$/000 gallons		\$38.46	
\$/3,000 gallons		\$115.38	
Annual Debt Service Payment		ADEC Loan	USDA Loan
Capital Cost		\$19,000,000	\$13,300,000
Interest rate		1.50%	3.125%
Term		20	40
Issuance Cost		0.00%	0.00%
Annual Debt Service		\$1,106,669	\$587,074
\$/000 gallon		\$85.13	\$45.16
\$/3,000 gallons		\$255.39	\$135.48
Combined Debt Service and O&M			
\$/000 gallons		\$123.59	\$83.62
\$/3000 gallons		\$370.77	\$250.86

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1000 Gallon Tank; pump every 4 years; assume 3 persons per household			
	GO Bond	ADEC Loan	USDA Loan
O&M	\$38.46	\$38.46	\$38.46
CAP	\$184.02	\$85.13	\$45.16
TOTAL	\$222.48	\$123.59	\$83.62

Assumptions:	
Average house price increase, %	2.0%
Average Years, Pumping	4
Average Size (gallons)	1,000
Median Household Value, MSB, 2013	\$218,900
Est Value in 2016	\$232,000
O&M cost per 1,000 gallons	\$38.46
ADEC Loan Annual Debt Service per 1,000 gallons	\$85.13
USDA Loan Annual Debt Service per 1,000 gallons	\$45.16
Assessed Value of MSB (less Palmer and Wasilla)	\$6,964,137,808
levy per \$1000	\$0.20

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**MATANUSKA-SUSITNA CONVENTION & VISITORS BUREAU**

Matanuska Susitna Borough

March 6, 2020

**MAR 06 2020**

Administration

Mr. John Moosey, Borough Manager  
Ms. Cheyenne Heindel, Finance Director  
Matanuska-Susitna Borough  
350 E. Dahlia Ave.  
Palmer, AK 99645-6488

Dear Mr. Moosey: *John*

Enclosed please find the Mat-Su Convention & Visitors Bureau's proposed budget for FY2021. Our grant agreement with the borough requires the Mat-Su CVB submit a budget report for the following fiscal year. The budget document also serves as a Program of Work by identifying spending by project and target market, rather than by type of expense.

The Mat-Su CVB board of directors approved the FY2021 budget including an appropriation from the borough of \$747,500 at our February 28 board meeting. This is the same amount appropriated in the FY20 borough budget.

On June 19, 2018 the assembly also approved AM 18-051 a 3-year operating formula-based grant agreement through FY21. This agreement allows for sustainable funding for the Mat-Su CVB and future planning for marketing programs. It allows us to focus on our mission to promote the Mat-Su Valley as a premier visitor destination.

Through our 30-year partnership with the borough we have seen the success of the visitor industry through tourism promotion grow the bed tax collection significantly. FY19 bed tax was up 12% over FY18 and we are currently seeing growth in FY20. We do not expect a decline in bed tax revenues from current projections. We looked back historically to the SARS episode in 2003 and 2004 and bed tax collections increased 7% and 6% respectively.

I will be attending the upcoming budget hearings and deliberations with our partners and stakeholders. Please contact me if you have any questions about our submitted FY2021 budget.

Sincerely,

*Gami Quill*

# Mat-Su CVB FY21 Budget

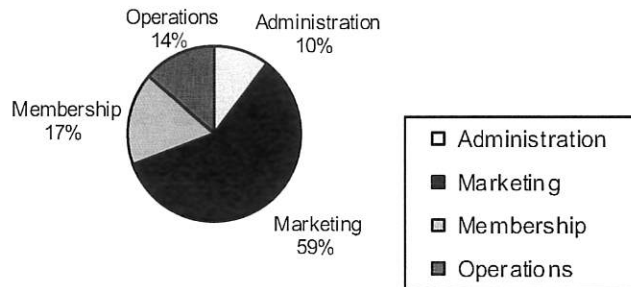
## EXPENSES

\$	91,765	Administration
	528,155	Marketing
	150,838	Membership
	<u>122,653</u>	Operations
\$	<b>893,411</b>	

## REVENUES

\$	<u>893,450</u>	Total
\$	<u><b>(39)</b></u>	Over (Under) Budget

### Mat-Su CVB Expenses by Division



## REVENUE TOTAL—FY21

**\$ 893,450**

Account Total	Account	Revenue
747,500	<b>4000 · Borough Funding</b>	
	FY2021 Grant	747,500
41,000	<b>4010 · Membership Dues</b>	41,000
100	<b>4015 · Interest Income</b>	100
2,600	<b>4030 · Membership Programs</b>	
	Coop Advertising	2,000
	New Meeting Planner Guide	600
70,000	<b>4040 · Advertising</b>	
	2021 Visitor Guide	65,000
	DTN Website	5,000
30,000	<b>4050 · Travel Auction</b>	
	Ticket Sales	3,000
	Sponsorships	6,000
	Items Sold + Luggage Tag Raffle	21,000
2,250	<b>4060 · Annual Meeting</b>	
	Sponsorships	1,000
	Ticket Sales	1,250

## Combined Expenses—FY21

**\$ 893,411**

**91,765**

### Administration

10,600 Corporate Insurance, Licenses & Services  
4,185 Board Activities  
675 Administrative Operations  
10,490 Professional Development  
500 Staff Relations  
65,315 Staff Compensation

**528,155**

### Marketing

1,400 Meetings & Retreats  
245,844 Outside Consumer  
86,100 In-State & VFR Summer Market  
8,375 In-State & VFR Winter Market  
3,570 Group Tours and Travel Trade  
6,225 International  
5,400 Community Relations  
675 Basic Operations  
2,650 Professional Development  
167,916 Staff Compensation

**150,838**

### Membership

12,010 Membership Services  
4,175 Annual Awards Banquet  
5,800 Travel Auction  
4,000 Visitor Guide Ad Sales  
700 Membership Solicitation/Retention  
725 Basic Operations  
2,350 Professional Development  
121,078 Staff Compensation

**122,653**

### Operations

72,345 Basic Operations  
50,308 Staff Compensation

## Administration Budget Plan—FY21

**\$ 91,765**

Cost	Program	Component	Sub-component
<b>10,600</b>	<b>Corporate Insurance, Licenses &amp; Services</b>		
	7,500	Insurance	
		3,000	General Liability
		1,500	Officers & Directors
		3,000	Workers Comp
	100	Licenses	
		100	Business Licenses
	3,000	Services	
		3,000	Accountant
<b>4,185</b>	<b>Board Activities</b>		
	100	Meetings	Catering
	1,900	Annual Retreat	
		1,200	Lodging
		600	Catering
		100	Transportation
	485	Nominations & Elections	
		285	Ballot Packets
		200	Board Recognition
	1,700	Annual Report	
<b>675</b>	<b>Administrative Operations</b>		
	675	Utilities	
		575	Basic Phone Service
		100	Long Distance Charges
<b>10,490</b>	<b>Professional Development</b>		
	2,380	Memberships	
		880	WACVB
		1,500	Destinations International
	210	Subscriptions	
		120	ADN
		90	Frontiersman
	7,900	Conferences & Seminars	
		1,900	WACVB CEO Forum
		2,100	USTA
		900	ATIA
		3,000	Other
¥			
<b>500</b>	<b>Staff Relations</b>		
	500	Staff Relations	
<b>65,315</b>	<b>Staff Compensation</b>		
	65,315	Permanent Staff	
		41,583	Salary
		23,732	Benefits

# Marketing Budget Plan—FY21

**\$ 528,155**

<b>Cost</b>	<b>Program</b>	<b>Component</b>	<b>Sub-component</b>
<b>1,400</b>	<b>Meetings &amp; Retreats</b>		
		900	Meeting Planner Guide
		500	Giveaways
<b>245,844</b>	<b>Outside Consumer</b>		
		102,600	2021 Mat-Su Visitors Guide
			50,000 Production
			52,600 Distribution
		11,600	Advertising
			2,000 Ad Production
			2,300 Alaska Magazine
			2,750 Anchorage CVB Guide
			800 Fairbanks CVB Guide
			3,750 State Vacation Planner
		111,444	Alaskavisit.com
			52,200 Marketing and SEO
			12,000 Crowdriff
			28,800 Simpleview - CMS
			6,000 Simpleview - Support
			5,256 Simpleview - ActOn
			7,188 Simpleview - Barberstock
		3,900	Memberships
			3,800 ATIA Membership
			100 Anchorage CVB
		8,300	Public Relations
			8,300 ATIA Media Roadshow
		6,000	Consumer Tradeshow LA Adventure Show
		1,000	Media Assistance
		1,000	Promotional Items
<b>86,100</b>	<b>In-State &amp; VFR Summer Market</b>		
		30,400	Advertising
			2,000 Ad Production
			4,000 Anchorage Daily News
			2,000 Frontiersman Summer Guide
			2,400 A.D.N. Summer Guide
			20,000 Online
		3,000	Radio Advertising KBBO 92.1
		15,000	Television Advertising
		2,700	Trade Shows
			1,100 Fairbanks Outdoor Rec. Show
			1,600 Great Alaska Sportsman Show
		35,000	Other
			30,000 Destination Branding
			5,000 Special Opportunities

# Marketing Budget Plan—FY21

**\$ 528,155**

<b>Cost</b>	<b>Program</b>	<b>Component</b>	<b>Sub-component</b>
<b>8,375</b>	<b>In-State &amp; VFR Winter Market</b>		
		5,375	Advertising
			4,000 KTUU Online
			625 Frontiersman Winter Guide
			750 Iron Dog Magazine
		3,000	Radio Advertising KBBO 92.1
<b>3,570</b>	<b>Group Tours and Travel Trade</b>		
		625	Memberships
			625 ABA
		2,945	Convention & Trade Shows
			2,945 ABA Marketplace
<b>6,225</b>	<b>International</b>		
		6,225	Convention & Trade Shows
			6,225 TIA PowWow
<b>5,400</b>	<b>Community Relations</b>		
		500	Local Awareness Print Advertising
			500 Frontiersman
		2,400	Local Organization Participation
		2,500	ATIA Convention Sponsorship
<b>675</b>	<b>Basic Operations</b>		
		675	Utilities
			575 Basic Phone Service
			100 Long Distance Charges
<b>2,650</b>	<b>Professional Development</b>		
		2,650	Conferences & Seminars
			1,150 Simpleview Summit
			1,000 ATIA
			500 Other
<b>167,916</b>	<b>Staff Compensation</b>		
		167,916	Permanent Staff
			131,317 Salary
			36,599 Benefits

# Membership Budget Plan—FY21

**\$ 150,838**

<b>Cost</b>	<b>Program</b>	<b>Component</b>	<b>Sub-component</b>
<b>12,010</b>	<b>Membership Services</b>		
		1,260	Membership Luncheons
			1,000 Catering
			260 Mileage
		2,500	Member Workshop
		8,250	Website
<b>4,175</b>	<b>Annual Awards Banquet</b>		
		450	Awards
		3,725	Banquet
			500 Supplies
			175 Postage
			2,800 Catering
			250 Advertising - Print
<b>5,800</b>	<b>Travel Auction</b>		
		850	Solicitations
			850 Donor Mailings
		4,950	Auction
			4,000 Catering
			500 Band
			250 Advertising - Print
			200 Mileage
<b>4,000</b>	<b>Visitor Guide Ad Sales</b>		
		3,000	Ad Kit
		1,000	Travel
<b>700</b>	<b>Membership Solicitation/Retention</b>		
		100	Membership Packet
		300	Membership Renewals
		300	Member Relations
<b>725</b>	<b>Basic Operations</b>		
		675	Utilities
			575 Basic Phone Service
			100 Long Distance Charges
		50	Office Supplies
<b>2,350</b>	<b>Professional Development</b>		
		2,350	Conferences & Seminars
			1,000 ATIA
			1,150 Simpleview Summit
			200 Other
<b>121,078</b>	<b>Staff Compensation</b>		
		121,078	Permanent Staff
			87,292 Salary
			3,500 Commissions-Membership Manager
			30,286 Benefits



# Operations Budget Plan—FY21

**\$ 122,653**

<b>Cost</b>	<b>Program</b>	<b>Component</b>	<b>Sub-component</b>
<b>\$ 72,345</b>	<b>Basic Operations</b>		
	47,760	Rent	Office Lease
	5,700	Utilities	
		4,160	Basic Phone Service
		100	Long Distance Charges
		1,440	Internet Fees
	1,100	Maintenance	
		1,100	Equipment
	6,700	Banking	
	2,545	Rental/Lease	
		545	CC Terminal
		2,000	Postage Meter
	5,040	Small Equipment/Software	
		2,500	Staff Computer
		2,540	Software
	3,500	Supplies	
		3,500	Office
<b>50,308</b>	<b>Staff Compensation</b>		
	50,308	Permanent Staff	
		28,458	Salary
		21,850	Benefits