

## **KENAI PENINSULA BOROUGH**

144 North Binkley St. Soldotna, Alaska 99669-7520  
Toll-Free within the Borough 1-800-478-4441  
Phone 907-714-2150 • Fax 907-714-2377  
www.borough.kenai.ak.us

**DAVID R. CAREY  
BOROUGH MAYOR**

### **MAYOR'S REPORT TO THE ASSEMBLY**

**TO:** Gary Knopp, Assembly President  
Kenai Peninsula Borough Assembly Members

**FROM:** David R. Carey, Kenai Peninsula Borough Mayor

**DATE:** June 7, 2011

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#### Assembly Requests/ Responses

None

#### Agreements and Contracts

- a. Authorization to Award Contract for Central Peninsula Landfill & Homer Baling Facility Baler Wire Purchase to Pacific Wire Group
- b. Authorization to Award Contract for Public Safety Radio Narrow-Banding Project to ProComm Alaska, LLC
- c. Authorization to Award Contract for Kenai Central High School Asbestos Abatement 2011 to Far North Services
- d. Authorization to Award Contract for Central Emergency Services Station Number 1 Cabinet Purchase to Spenard Builder's Supply
- e. Authorization to Award Contract for River Center River Bank Restoration and Maintenance to Moore's Landscaping, LLC

#### Other

- a. National Association of Counties Prescription Drug Discount Card Program Report
- b. Letter from Governor Parnell regarding the Alaska North Slope Production Act also known as Trans Alaska Pipeline System (TAPS) II Legislation
- c. Letter from Kenai Peninsula School District to Governor Parnell in support of the Homer and Nikolaevsk gas transmission lines
- d. Letters to Governor Parnell from Kenai Peninsula Borough and School District in support of Kenai Peninsula Borough projects included in the proposed Capital Budget
- e. 2011-2012 School Re-Roof Projects



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David R. Carey  
BOROUGH MAYOR

**MEMORANDUM**

**TO:** Dave Carey, Mayor

**THRU:** Craig Chapman, Finance Director *C Chapman*  
Mark Fowler, Purchasing & Contracting Officer *[Signature]*

**FROM:** Jack Maryott, Solid Waste Director *JM*

**DATE:** May 3, 2011

**SUBJECT:** Authorization to Award Contract for CPL & HBF Baler Wire Purchase

**RECEIVED**  
MAY 06 2011  
KPB  
FINANCE ADMINISTRATION

The Purchasing and Contracting Office formally solicited and received bids for the CPL & HBF Baler Wire Purchase. Bid packets were released on April 18, 2011 and the Invitation to Bid was advertised in the Anchorage Daily News and Peninsula Clarion on April 18, 2011.

The project consists of supplying approximately 33,000 lbs. of bailing wire.

On the due date of April 28, 2011, one (1) bid was received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$24,007.50 was submitted by Pacific Wire Group, 2201 R Street NW, Auburn WA, 98001.

Your approval for this bid award is hereby requested. Funding for this project is in account numbers 290.32122.00000.42210 (\$10,912.50) and 290.32310.00000.42210 (\$13,095.00).

*David R. Carey*  
\_\_\_\_\_  
David R. Carey, Mayor

*10 May 2011*  
\_\_\_\_\_  
Date

FINANCE DEPARTMENT  
FUNDS VERIFIED

ACCOUNT # 290.32122.42210 (\$10,912.50)  
and 290.32310.42210 (\$13,095.00)


BY: *CBW* DATE: *5/6/11*

**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB11-055 CPL & HBF Wire Purchase**

CONTRACTOR	Item 1 - CPL Delivery	Item 2 - HBF Delivery	Total Cost
Pacific Wire Group	\$ 10,912.50	\$ 13,095.00	\$ 24,007.50

DUE DATE: April 28, 2011 @ 2:00 PM

KPB OFFICIAL:   
 Mark Fowler, Purchasing & Contracting Officer





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**DAVID R. CAREY**  
**BOROUGH MAYOR**

**MEMORANDUM**

**TO:** David R. Carey, Mayor

**THRU:** Mark Fowler, Purchasing & Contracting Officer 

**FROM:** Eric Mohrmann, Director – Office of Emergency Management 

**DATE:** May 12, 2011

**SUBJECT:** Authorization to Award Contract for Public Safety Radio Narrow-Banding Project

The Purchasing and Contracting Office formally solicited and received proposals for the Public Safety Radio Narrow-Banding Project. Proposal packets were released on April 1, 2011 and the Request for Proposal was advertised in the Peninsula Clarion on April 1, 2011.

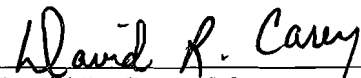
The project consists of providing public safety radio narrow-banding services.

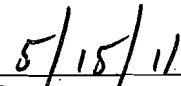
On the due date of May 4, 2011 two (2) proposals were received and ranked by a review committee as follows:


<u>FIRM</u>	<u>TOTAL SCORE</u>
ProComm Alaska LLC	358
RCC Consultants, Inc.	230

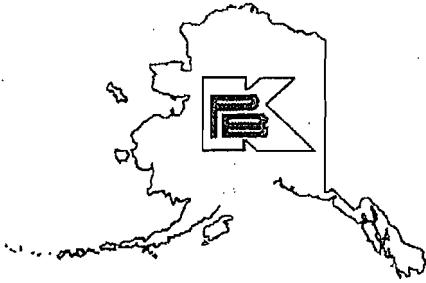
The highest ranking proposal which includes a cost factor, was submitted by ProComm Alaska LLC with a lump sum cost proposal of \$82,000.00. The proposal review committee recommends award of a contract to ProComm Alaska LLC. Your approval for this award is hereby requested.

Funding for this project is in account number 455.53110.ASFTY.43011.

  
 \_\_\_\_\_  
 David R. Carey, Mayor

  
 \_\_\_\_\_  
 Date

FINANCE DEPARTMENT	
FUNDS VERIFIED \$82,000.-	
ACT # 455.53110.ASFTY.43011	
BY: 	DATE: 5/12/11



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DAVID R. CAREY  
BOROUGH MAYOR

MEMORANDUM

TO: David R. Carey, Mayor

THRU: Craig Chapman, Finance Director *C Chapman*  
Mark Fowler, Purchasing & Contracting Officer *M Fowler*

THRU: Dave Tressler, Maintenance Director *D Tressler*

FROM: Pat Malone, Project Manager *P Malone*

DATE: May 17, 2011

SUBJECT: Authorization to Award Contract for Kenai Central High School Asbestos Abatement 2011

RECEIVED

MAY 18 2011

KPB  
FINANCE ADMINISTRATION

The Purchasing and Contracting Office formally solicited and received bids for the "Kenai Central High School Asbestos Abatement 2011" project. Bid packets were released on April 22, 2011 and the Invitation to Bid was advertised in the Peninsula Clarion on April 24, 2011.

The project at Kenai Central High School, Kenai, Alaska, consists of providing all labor, materials and equipment to remove and dispose of approximately 8,617 square feet of vinyl asbestos tile (VAT), sheet vinyl flooring (SVF) and associated adhesives, abate all presumed asbestos-containing thermal-systems insulation materials from piping in boiler room #46 and from all utilidor passages below grade, and abate all asbestos-containing thermal-systems insulation materials from the 2609-gallon hot water storage tank as described in the plans and specifications.

On the due date of May 10, 2011, five (5) bids were received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$66,180.00 was submitted by Far North Services, PO Box 210483, Anchorage, AK 99521.

Your approval for this bid award is hereby requested. Funding for this project is in account number 400.78050.11756.43011.

*David R. Carey*  
David R Carey, Mayor

*18 May 2011*  
Date

FINANCE DEPARTMENT  
FUNDS VERIFIED

Acct #400.78050.11756.43011 - \$66,180.00

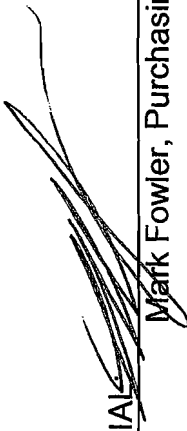
BY: *CBW* DATE: *5/18/11*

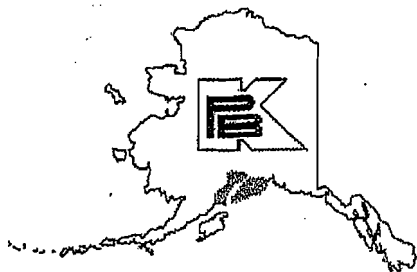
**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB11-056 Kenai Central High School Asbestos Abatement**

CONTRACTOR	BASE BID	ADDITIVE ALTERNATE 1	ADDITIVE ALTERNATE 2	TOTAL EXTENDED BID
Alaska Abatement	\$43,500.00	\$48,000.00	\$17,000.00	\$108,500.00
Absolute Services	\$68,313.00	\$31,956.00	\$9,776.00	\$110,045.00
Far North Services	\$44,850.00	\$11,980.00	\$9,350.00	\$66,180.00
Central Environmental	\$101,202.00	\$96,058.00	\$38,506.00	\$235,766.00
Coldfoot Environmental	\$71,144.00	\$28,771.00	\$16,919.00	\$116,834.00

DUE DATE: May 10, 2011 @ 2:00 PM

KPB OFFICIAL   
Mark Fowler, Purchasing & Contracting Officer




# KENAI PENINSULA BOROUGH


Capital Projects Department  
47140 East Poppy Lane • Soldotna, Alaska 99669  
Toll-free within the Borough: 1-800-478-4441  
PHONE: (907) 262-9657 • FAX: (907) 262-6090  
www.borough.kenai.ak.us

DAVID R. CAREY  
BOROUGH MAYOR

## MEMORANDUM

TO: David R. Carey, Mayor

THRU: Mark Fowler, Purchasing/Contracting Officer  
Duane Bannock, Interim Capital Projects Director 

FROM: David May, Project Manager 

DATE: May 17, 2011

SUBJECT: Authorizing Award of Contract for Central Emergency Services Station No. 1 Cabinet Purchase

The Purchasing Department solicited and opened bids for this project on April 27, 2011. The Invitation to Bid was advertised in the Peninsula Clarion and Anchorage Daily News on April 27, 2011. One bid was received and is recorded on the attached bid tabulation.

The project is for the purchase and delivery of cabinets for Central Emergency Services Station No. 1.

We ask that the Mayor award the contract to the bidder, Spenard Builders Supply, for the amount of \$18,074.00.

All expenditures for this project will be charged to available funds in account number 211-51610-~~MRB~~49125-

Approved:

David R. Carey  
Mayor David R. Carey 

21 May 2011  
Date

### FINANCE DEPARTMENT FUNDS VERIFIED

Acct. # 211.51610-~~MRB~~49125 (\$18,074.00)

By: CBW Date: 5/20/11

C Chayma

Replacement  
copy

**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB11-057 CES Station 1 Cabinet Purchase**

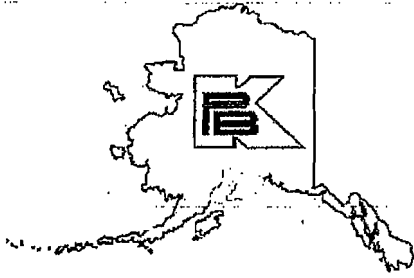
CONTRACTOR	BASE BID
Spenard Builders Supply	\$18,074.00

**DUE DATE: May 12, 2011 @ 2:00 PM**

**KPB OFFICIAL:**

  
**Mark Fowler, Purchasing & Contracting Officer**





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**DAVE CAREY  
 BOROUGH MAYOR**

**MEMORANDUM**

**TO:** David R. Carey, Mayor  
**THRU:** Mark Fowler, Purchasing & Contracting Officer *[Signature]*  
**FROM:** John Mohorcich, River Center Director *[Signature]*  
**DATE:** May 23, 2011  
**SUBJECT:** Authorization to Award Contract for ~~Donald E. Gilman~~ River Center River Bank Restoration and Maintenance

**RECEIVED**

MAY 20 2011

**KPB  
 FINANCE ADMINISTRATION**

cc

The Purchasing and Contracting Office formally solicited and received bids for the Donald E. Gilman River Center River Bank Restoration and Maintenance. Bid packets were released on April 29, 2011 and the Invitation to Bid was advertised in the Peninsula Clarion on April 29, 2011.

The project consists of providing all equipment, materials and personnel to install 500 lineal feet of spruce tree revetment maintenance and 498 square feet of vegetative mat along the Kenai River.

On the due date of May 17, 2011 four (4) bids were received and reviewed to ensure that all the specifications and delivery schedules were met. The low bid of \$44,221.00 was submitted by Moore's Landscaping LLC of Kenai, Alaska.

Your approval for this bid award is hereby requested. Funding for this project is in account number 409.21135.RVRBK.43011.

*David R. Carey*  
 \_\_\_\_\_  
 David R. Carey, Mayor

*23 May 2011*  
 \_\_\_\_\_  
 Date

FINANCE DEPARTMENT	
FUNDS VERIFIED	
\$44,221.00	
ACT # 409.21135.RVRBK.43011	
BY: <i>CBW</i>	DATE: 5/20/11

*C Chapman*

**KENAI PENINSULA BOROUGH  
PURCHASING & CONTRACTING**

**BID TAB FOR: ITB11-060 River Bank Restoration & Maintenance**

CONTRACTOR	BASE BID
Moore's Landscaping	\$44,221.00
Property Improvement	\$67,500.00
Alaska Enviroscap	\$44,653.00
Endries Company	\$55,888.00

DUE DATE: May 17, 2011 @ 2:00 PM

KPB OFFICIAL:   
Mark Fowler, Purchasing & Contracting Officer



## NACo Prescription Drug Discount Card Program

Kenai Peninsula Borough, AK													
MONTH	TOTAL	PLAN PRICED	% OF PLAN PRICED	RETAIL PRICED	% OF RETAIL PRICED	MEMBER COST	AVG MEMBER COST	RETAIL SUBMITTED PRICE	AVG RETAIL SUBMITTED PRICE	PRICE SAVINGS	AVG PRICE SAVINGS	% OF PRICE SAVINGS	TOTAL UTILIZERS
<b>2011</b>													
APRIL	505	367	72.67%	138	27.33%	20,426.90	\$ 40.45	\$ 28,199.90	\$ 55.84	\$ 7,773.00	\$ 15.39	27.56%	257
MARCH	557	403	72.35%	154	27.65%	23,149.40	\$ 41.56	\$ 31,833.88	\$ 57.15	\$ 8,684.48	\$ 15.59	27.28%	281
FEBRUARY	502	363	72.31%	139	27.69%	20,134.18	\$ 40.11	\$ 28,429.34	\$ 56.63	\$ 8,295.16	\$ 16.52	29.18%	270
JANUARY	535	392	73.27%	143	26.73%	23,543.29	\$ 44.01	\$ 32,132.95	\$ 60.06	\$ 8,589.66	\$ 16.06	26.73%	281
<b>2010</b>													
DECEMBER	628	456	72.61%	172	27.39%	29,664.97	\$ 47.24	\$ 40,525.34	\$ 64.53	10,860.37	\$ 17.29	26.80%	293
NOVEMBER	619	473	76.41%	146	23.59%	26,830.39	\$ 43.34	\$ 37,004.73	\$ 59.78	10,174.34	\$ 16.44	27.49%	311
OCTOBER	714	529	74.09%	185	25.91%	29,836.91	\$ 41.79	\$ 41,363.67	\$ 57.93	11,526.76	\$ 16.14	27.87%	335
SEPTEMBER	687	513	74.67%	174	25.33%	31,647.77	\$ 46.07	\$ 43,254.62	\$ 62.96	11,606.85	\$ 16.90	26.83%	324
AUGUST	709	502	70.80%	207	29.20%	28,729.97	\$ 40.52	\$ 39,482.66	\$ 55.89	10,752.69	\$ 15.17	27.23%	342
JULY	715	523	73.15%	192	26.85%	30,764.59	\$ 43.03	\$ 42,101.03	\$ 58.88	11,336.44	\$ 15.86	26.93%	341
JUNE	719	505	70.24%	214	29.76%	29,981.70	\$ 41.70	\$ 40,823.74	\$ 56.78	10,842.04	\$ 15.08	26.56%	320
MAY	702	512	72.93%	190	27.07%	27,556.56	\$ 39.25	\$ 39,087.10	\$ 55.68	11,530.54	\$ 16.43	29.50%	355
APRIL	751	553	73.64%	198	26.36%	30,842.95	\$ 41.07	\$ 43,781.40	\$ 58.30	12,938.45	\$ 17.23	29.55%	363
MARCH	751	524	69.77%	227	30.23%	30,076.50	\$ 40.05	\$ 42,100.27	\$ 56.06	12,023.77	\$ 16.01	28.56%	361
FEBRUARY	674	502	74.48%	172	25.52%	26,101.91	\$ 38.73	\$ 36,467.16	\$ 54.11	10,365.25	\$ 15.38	28.42%	333
JANUARY	694	486	70.03%	208	29.97%	26,715.42	\$ 38.49	\$ 37,462.12	\$ 53.98	10,746.70	\$ 15.49	28.69%	347
<b>2009</b>													
DECEMBER	797	589	73.90%	208	26.10%	30,639.48	\$ 38.44	\$ 43,459.85	\$ 54.53	12,820.37	\$ 16.09	29.50%	369
NOVEMBER	686	497	72.45%	189	27.55%	25,360.11	\$ 36.97	\$ 35,143.88	\$ 51.23	\$ 9,783.77	\$ 14.26	27.84%	330
OCTOBER	822	622	75.67%	200	24.33%	32,486.07	\$ 39.52	\$ 44,812.44	\$ 54.52	12,326.37	\$ 15.00	27.51%	398
SEPTEMBER	756	580	76.72%	176	23.28%	28,183.23	\$ 37.28	\$ 39,167.73	\$ 51.81	10,984.50	\$ 14.53	28.04%	367
AUGUST	821	604	73.57%	217	26.43%	33,675.41	\$ 41.02	\$ 45,821.08	\$ 55.81	12,145.67	\$ 14.79	26.51%	384
JULY	807	626	77.57%	181	22.43%	34,729.68	\$ 43.04	\$ 48,606.80	\$ 60.23	13,877.12	\$ 17.20	28.55%	388
JUNE	811	624	76.94%	187	23.06%	34,761.52	\$ 42.86	\$ 47,642.15	\$ 58.74	12,880.63	\$ 15.88	27.04%	388

MAY	772	594	76.94%	178	23.06%	35,198.68	\$ 45.59	\$ 47,946.41	\$ 62.11	12,747.73	\$ 16.51	26.59%	394
APRIL	855	614	71.81%	241	28.19%	35,307.11	\$ 41.29	\$ 47,980.65	\$ 56.12	12,673.54	\$ 14.82	26.41%	399
MARCH	794	601	75.69%	193	24.31%	31,363.03	\$ 39.50	\$ 42,811.09	\$ 53.92	11,448.06	\$ 14.42	26.74%	373
FEBRUARY	772	549	71.11%	223	28.89%	28,898.62	\$ 37.43	\$ 39,719.92	\$ 51.45	10,821.30	\$ 14.02	27.24%	357
JANUARY	795	571	71.82%	224	28.18%	31,421.47	\$ 39.52	\$ 42,242.94	\$ 53.14	10,821.47	\$ 13.61	25.62%	374
<b>2008</b>													
DECEMBER	899	682	75.86%	217	24.14%	32,892.55	\$ 36.59	\$ 44,581.72	\$ 49.59	11,689.17	\$ 13.00	26.22%	399
NOVEMBER	750	559	74.53%	191	25.47%	31,733.13	\$ 42.31	\$ 42,516.78	\$ 56.69	10,783.65	\$ 14.38	25.36%	370
OCTOBER	918	697	75.93%	221	24.07%	35,823.55	\$ 39.02	\$ 48,439.98	\$ 52.77	12,616.43	\$ 13.74	26.05%	393
SEPTEMBER	982	807	82.18%	175	17.82%	40,007.19	\$ 40.74	\$ 54,060.27	\$ 55.05	14,053.08	\$ 14.31	26.00%	429
AUGUST	885	714	80.68%	171	19.32%	35,814.75	\$ 40.47	\$ 48,291.49	\$ 54.57	12,476.74	\$ 14.10	25.84%	418
JULY	845	691	81.78%	154	18.22%	34,379.83	\$ 40.69	\$ 46,769.41	\$ 55.35	12,389.58	\$ 14.66	26.49%	381
JUNE	807	653	80.92%	154	19.08%	32,781.96	\$ 40.62	\$ 44,569.79	\$ 55.23	11,787.83	\$ 14.61	26.45%	372
MAY	854	707	82.79%	147	17.21%	31,865.66	\$ 37.31	\$ 43,335.29	\$ 50.74	11,469.63	\$ 13.43	26.47%	387
APRIL	775	641	82.71%	134	17.29%	31,215.85	\$ 40.28	\$ 41,161.08	\$ 53.11	\$ 9,945.23	\$ 12.83	24.16%	337
MARCH	755	624	82.65%	131	17.35%	28,943.37	\$ 38.34	\$ 39,007.61	\$ 51.67	10,064.24	\$ 13.33	25.80%	360
FEBRUARY	712	592	83.15%	120	16.85%	28,694.70	\$ 40.30	\$ 38,672.85	\$ 54.32	\$ 9,978.15	\$ 14.01	25.80%	331
JANUARY	606	528	87.13%	78	12.87%	24,883.87	\$ 41.06	\$ 34,381.97	\$ 56.74	\$ 9,498.10	\$ 15.67	27.63%	256
<b>2007</b>													
DECEMBER	360	305	84.72%	55	15.28%	14,925.27	\$ 41.46	\$ 20,603.41	\$ 57.23	\$ 5,678.14	\$ 15.77	27.56%	162
NOVEMBER	388	339	87.37%	49	12.63%	18,610.47	\$ 47.97	\$ 25,305.66	\$ 65.22	\$ 6,695.19	\$ 17.26	26.46%	141
OCTOBER	314	251	79.94%	63	20.06%	13,426.61	\$ 42.76	\$ 17,682.18	\$ 56.31	\$ 4,255.57	\$ 13.55	24.07%	129
SEPTEMBER	219	167	76.26%	52	23.74%	10,522.96	\$ 48.05	\$ 13,589.28	\$ 62.05	\$ 3,066.32	\$ 14.00	22.56%	117
AUGUST	37	30	81.08%	7	18.92%	2,312.28	\$ 62.49	\$ 2,793.05	\$ 75.49	\$ 480.77	\$ 12.99	17.21%	20
<b>TOTALS:</b>	<b>31,056</b>	<b>23,661</b>	<b>76.19%</b>	<b>7,395</b>	<b>23.81%</b>			<b>\$ 1,735,166.67</b>	<b>\$ 55.87</b>	<b>\$ 468,304.85</b>	<b>\$ 15.08</b>	<b>26.99%</b>	<b>14,637.00</b>

Column Headers from left to right:

1. Total Rx's: This is the total number of Rx's that were adjudicated or attempted to adjudicate through the use of the card (the explanation of the next couple of headers will help explain the necessity of this column).
2. Plan Priced Rx's: Caremark tracks all attempts to use the cards including when the pharmacy offers a lower price than the card can give. This is usually when the pharmacy sells a drug at cost or below cost to create foot traffic for the pharmacy or under a special purchase arrangement. This is the amount of Rx's that the card gave the best price vs. the pharmacy.
3. % Plan Priced Rx's: What percentage of the total attempted Rx's adjudicated via best price with the card.
4. Retail Priced Rx's: How many prescriptions where the pharmacy had a lower price.
5. % Retail Priced Rx's: Percentage of Rx's where the pharmacy had a lower price.
6. Total Drug Cost: All prescriptions totaled together at their card discount prices.
7. Average Drug Cost per Rx at the card discounted price.
8. Retail Submitted Price: What the price would have been if the prescriptions weren't filled with the card.

9. Average Retail Submitted Price: Average Per Prescription price if the card wasn't presented at a discount.
10. Price Savings: Total dollar savings for all Rx's filled with the card.
11. Average Price Savings: Average price savings per prescription.
12. % Price Savings: Percentage price savings per prescription.
13. Total Utilizers: This is the total amount of people who represent the total amount of prescriptions *i.e.* some people fill multiple prescriptions. This gives you an indication of how many residents you are helping.

As always, if you have questions, don't hesitate to contact me. Thank you for being a member county, borough or parish and participating in this member program.

Andrew Goldschmidt  
Director, Membership/Marketing  
NACo--National Association of Counties

STATE CAPITOL  
PO Box 110001  
Juneau, Alaska 99811-0001  
907-465-3500  
fax: 907-465-3532



550 West 7th Avenue #1700  
Anchorage, Alaska 99501  
907-269-7450  
fax 907-269-7463  
www.Gov.Alaska.Gov  
Governor@Alaska.Gov

Governor Sean Parnell  
STATE OF ALASKA

May 18, 2011

The Honorable Dave Carey  
Board Member  
Resource Development Council for Alaska, Inc.  
Kenai Peninsula Borough  
144 North Binkley Street  
Soldotna, AK 99669

Dear Mayor Carey,

As we work to increase Trans Alaska Pipeline System (TAPS) throughput to one million barrels per day, we appreciate the support and encouragement of industry leaders across the country. Last week, I announced the next step in bringing more Alaska oil resources to market. We are seeking congressional support for an Act we call the "Alaska North Slope Production Act," also known as "TAPS II Legislation." Alaska will continue aggressively seeking ways to produce more oil.

Gasoline prices are rising and hurting Alaskans, other Americans, and our economy. Alaska and other states have the natural resources to address this domestic energy supply shortage.

From Alaska's perspective, we ask that Congress again acknowledge that the Trans Alaska Pipeline System is a critical energy and national security asset for the United States. Among other recommendations, the TAPS II Act would require the Secretaries of the Interior and Energy to consult with our state and make recommendations regarding streamlining the federal permitting process; set time limits for federal agencies to process authorizations and permits where no time limits currently exist; and require within six months of enactment, that the Secretaries submit a report to Congress outlining a plan to achieve the objective of one million barrels of oil per day through TAPS.

A copy of the proposed legislation is attached, and we have circulated it to our congressional delegation. We anticipate TAPS II can become part of a broader national energy discussion. Please feel free to pass this letter and proposed legislation by email to your membership so they are aware of our efforts as well. We welcome your organization's input and continued support for increasing Alaska oil production, as well as oil production across our country.

Best regards,

A handwritten signature in black ink that reads "Sean Parnell".

Sean Parnell  
Governor

Enclosure



STATE CAPITOL  
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Juneau, Alaska 99811-0001  
907-465-3500  
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Governor Sean Parnell  
STATE OF ALASKA

May 11, 2011

The Honorable Lisa Murkowski  
United States Senate  
709 Hart Senate Building  
Washington, DC 20510

The Honorable Don Young  
United States House of Representatives  
2314 Rayburn House Office Building  
Washington, DC 20515

The Honorable Mark Begich  
United States Senate  
111 Russell Senate Office Building  
Washington, DC 20510

RE: National Energy Policy

Dear Senator Murkowski, Senator Begich, and Congressman Young,

I know you share my belief that Alaska has abundant natural resources to offer our country to provide for domestic energy production. I am submitting language to each of you that we believe can be inserted in national energy legislation before Congress. Through the Alaska North Slope Production Act ("TAPS II Legislation"), we can halt the throughput decline of the Trans Alaska Pipeline System (TAPS) and expedite conditions leading to increased throughput by 2020.

As you know, I have set a goal for Alaska to increase TAPS throughput to one million barrels of oil per day in the next ten years. To reach this goal it will take significant work on the State's part and on the federal government's part. Our goal is to increase Alaskan oil production, and it is imperative for national security and economic reasons that the United States make increased domestic oil production a key objective. I appreciate your efforts to further this goal.

As gasoline prices continue to rise, likely to reach a new record high this summer, and pain at the pump is hurting all Americans and our nation's economy, let's work together to stem the decline, curb our dependence on foreign oil, and create a more secure future for all Americans.

Best regards,

A handwritten signature in black ink that reads "Sean Parnell".

Sean Parnell  
Governor

The Honorable Lisa Murkowski  
The Honorable Mark Begich  
The Honorable Don Young  
May 11, 2011  
Page 2

cc: The Honorable Gary Stevens, Senate President, Alaska State Legislature  
The Honorable Mike Chenault, Speaker of the House, Alaska State Legislature  
The Honorable John Burns, Attorney General, Department of Law  
The Honorable Bryan Butcher, Commissioner, Department of Revenue  
The Honorable Cora Campbell, Commissioner, Department of Fish and Game  
The Honorable Larry Hartig, Commissioner, Department of Environmental Conservation  
The Honorable Dan Sullivan, Commissioner, Department of Natural Resources



## A BILL [DRAFT]

To increase the production of oil on the Alaska North Slope so that it may be transported to the continental United States through the Trans Alaska Pipeline System.

### Section 1. Short Title

This Act may be cited as the “Alaska North Slope Production Act.”

### Section 2. Findings

The Congress finds that:

1. The Trans Alaska Pipeline System (TAPS) is a critical energy and national security asset for the United States;
2. Congress played a significant role in ensuring TAPS was originally constructed on an expedited basis;
3. At its peak, TAPS produced over two million barrels of crude oil per day, which constituted over 25 percent of U.S. domestic oil production;
4. TAPS is one of the largest oil throughput pipelines in the world;
5. TAPS throughput has significantly declined over the past decade – in 2003 approximately one million barrels were produced per day, in 2006 about 840,000 barrels were produced per day, and in 2010 about 640,000 barrels were produced per day;
6. Significant TAPS throughput decline is occurring despite the fact that the North Slope of Alaska remains one of the world’s largest energy basins which, according to the U.S. Geological Survey and the Department of the Interior, Bureau of Ocean Energy Management, Regulation and Enforcement, contains approximately 40 billion barrels of oil and 236 trillion cubic feet of natural gas;
7. In addition to these abundant conventional sources of energy, the North Slope of Alaska is estimated to hold tens of billions of barrels of unconventional, shale, heavy, and viscous oil;
8. Environmental standards and practices on the North Slope of Alaska are the most stringent in the world;
9. Arctic countries – Russia, Canada, Norway, Iceland and Denmark’s Greenland – are rapidly developing their Arctic hydrocarbon resources, onshore and offshore;
10. The recent temporary shutdown of TAPS resulted in U.S. West Coast refineries having to import Russian oil instead of Alaska oil, increasing the U.S. trade deficit and undermining U.S. energy security;

11. Declining TAPS throughput undermines U.S. national security and energy security interests;
12. Blocking development projects in Alaska drives industry investment to jurisdictions with less stringent environmental standards than Alaska, thereby harming the global environment;
13. Increasing TAPS throughput will add tens of thousands of jobs to the U.S. economy;
14. Increasing TAPS throughput will lower the national deficit and trade deficit; and
15. Increasing TAPS throughput will increase the energy security and national security of the United States of America in both the short run and the long run as the country continues to transition to increased production of renewable sources of energy in the longer term.

### Section 3. Definitions

In this Act:

1. **ALASKA NORTH SLOPE** —The term “Alaska North Slope” means the region of Alaska located on the Northern Slope of the Brooks Range, including the National Petroleum Reserve-Alaska, the Arctic National Wildlife Refuge, Prudhoe Bay, and two marginal seas of the Arctic Ocean, the Chukchi Sea on the western side and the Beaufort Sea on the eastern side.
2. **SECRETARIES** —The term “Secretaries” refers to the Secretary of Energy and the Secretary of the Interior.
3. **TRANS ALASKA PIPELINE SYSTEM** —The term “Trans Alaska Pipeline System” or “TAPS” means the 800-mile crude oil pipeline that runs from Prudhoe Bay, Alaska to Valdez, Alaska.

### Section 4. Policy

It is the policy of the United States of America to arrest the decline of TAPS throughput and to expedite the conditions that will lead to an increase in TAPS throughput to approximately one million barrels per day by 2020.

### Section 5. Report to Congress

1. Within six months of the enactment of this Act, the Secretaries will submit a report to Congress that outlines a plan to achieve the objective of one million barrels of oil per day carried by TAPS from the Alaska North Slope.
2. The Secretaries shall consult with the Governor of Alaska in the preparation and submission of the report to Congress.

3. The report to Congress shall include:

- a. Identification of hydrocarbon sources on the North Slope of Alaska, both onshore and offshore;
- b. An analysis of the time required to explore those resources and develop any resources that are economically and technically recoverable;
- c. An analysis of federal options that could make more of the resources economically and technically recoverable, including but not limited to, financial incentives and additional infrastructure;
- d. Identification of any areas that are off limits to exploration and/or development through legislation, administrative moratoriums, or federal agency plans or policy;
- e. Identification of all federal statutory and regulatory authorizations and permits required and any statutory or regulatory time limits to process each;
- f. Recommendations, if appropriate, to set time limits for federal agencies to process authorizations and permits where no time limits currently exist;
- g. Recommendations, if appropriate, to shorten time limits for federal agencies to process authorizations and permits where time limits currently exist;
- h. Recommendations, if appropriate, to limit timeframes for administrative review of decisions, or to remove administrative review entirely;
- i. Recommendations, if appropriate, to limit the venue for judicial review, to set or shorten statutes of limitations, to limit parties that can challenge an administrative decision, and to require expedited review, where appropriate;
- j. Recommendations, if appropriate, to provide financial and other incentives for the development of Alaska North Slope reserves;
- k. Recommendations, if appropriate, to make areas available to exploration and development that are currently off limits to oil and gas operations; and
- l. Recommendations to streamline the federal authorization and permitting process.

### Section 6. Authorization of Appropriations

There are authorized to be appropriated such sums as are needed to fulfill the requirements of this Act.



## **KENAI PENINSULA BOROUGH**

144 North Binkley St. Soldotna, Alaska 99669-7520

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**DAVID R. CAREY  
BOROUGH MAYOR**

May 24, 2011

Governor Sean Parnell  
P.O. Box 110001  
Juneau, AK 99811-0001

Dear Honorable Governor Parnell,


As Mayor of the Kenai Peninsula Borough, I would like to respectfully express my support for all Kenai Peninsula Borough projects being considered for your 2012 Capital Budget, but especially for the three that are at the top of our priority list as approved by the Borough Assembly. The first project would extend the natural gas pipeline from Anchor Point to the Homer area and has an estimated cost of \$10 million. Using natural gas to heat our Homer area schools, hospital, and other government facilities will allow participants to realize significant savings as well as the City of Homer, Anchor Point, and Kachemak City residents, should they choose to participate.

The second project at a cost of \$197,000 would extend the natural gas pipeline from the main line in Anchor Point to Nikolaevsk. The Kenai Peninsula Borough School District estimates that transitioning the Nikolaevsk School from oil to natural gas will create an annual savings of almost \$10,000 in heating costs for the Borough and Nikolaevsk residents.

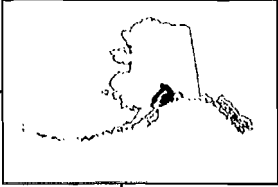
The third project I'd like to address is the Homer Solid Waste Transfer Facility which is being considered for \$8.9 million. This project is mandatory for the Kenai Peninsula Borough to continue providing solid waste removal services to residents of the Southern Kenai Peninsula. Your favorable support of this project will reduce an overall strain within our departmental budgets, which are currently being redirected to cover this mandatory expense.

I appreciate your consideration of these important projects, and look forward to your possible support.

Sincerely,

  
\_\_\_\_\_  
David R. Carey  
Mayor

cc: KPB Assembly Members



## KENAI PENINSULA BOROUGH SCHOOL DISTRICT

### Office of Superintendent

Dr. Steve Atwater, Superintendent of Schools  
148 North Binkley Street Soldotna, Alaska 99669-7553  
Phone (907) 714-8888 Fax (907) 262-9132

May 23, 2011

Governor Sean Parnell  
State of Alaska  
P.O. Box 11001  
Juneau, AK 99811-0001

Honorable Governor Parnell,

The Kenai Peninsula Borough School District (KPBSD) wishes to express its appreciation and support for two projects that you are considering as part of the 2011 capital budget. One is the \$10 million designated for a gas transmission line from Anchor Point to Homer. The other is \$197,000 for a gas transmission line to the community of Nikolaevsk. If these two projects are funded, then KPBSD will realize significant operational savings on our in-town Homer area schools and at Nikolaevsk School.

Since Tustumena Elementary in Kasilof and Ninilchik Schools made the transition from fuel oil to gas, the district realized a reduction of approximately 30 percent in heating costs for these facilities. Using this percentage of savings as a guide, the estimated annual savings for the Homer area schools is close to \$140,000 and about \$10,000 for the Nikolaevsk School. As responsible stewards of the operational dollars for all of our school facilities, the KPBSD applauds these efforts to assist us in our energy conservation endeavors and would encourage further legislative action to explore all alternatives to conserve our precious resources and reduce expenditures.

Sincerely,

Steve Atwater, Ph.D.  
Superintendent of Schools

