City of Wainwright - Local Government Operations

FY2018 Request: $222,123
Reference No: AMD 57339

AP/AL: Allocation
Category: Development
Location: Wainwright
Impact House District: Arctic (HD 40)
Estimated Project Dates: 07/01/2017 - 06/30/2022
Recipient: City of Wainwright
House District: Arctic (HD 40)
Contact: Catherine Reardon
Appropriation: National Petroleum Reserve - Alaska Impact Grant Program

Brief Summary and Statement of Need:
This project is to supplement the operations and maintenance costs necessary to successfully operate the local government of Wainwright: to provide continued municipal services to Wainwright residents, to provide staff support and meeting space for industry and town meetings, and to organize and support cultural and recreational activities.

Funding:

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
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<tbody>
<tr>
<td>1063 NPR Fund</td>
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<td>$0</td>
<td>$0</td>
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<td>$222,123</td>
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<td>Total</td>
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<td>$222,123</td>
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State Match Required: ☐  One-Time Project: ☐  Phased - new: ☐  Phased - underway: ☐  On-Going: ☑  Amendment: ☐  Mental Health Bill: ☐
0% = Minimum State Match % Required

Operating & Maintenance Costs:

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
<th>Staff</th>
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<tbody>
<tr>
<td>Project Development:</td>
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<tr>
<td>Ongoing Operating:</td>
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<td>One-Time Startup:</td>
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<tr>
<td>Totals:</td>
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Prior Funding History / Additional Information:
See appropriation for prior funding history.

Project Description/Justification:
As authorized December 12, 1980, by 42 USC Chapter 78, Sections 6501-6508, the federal government, through the US Department of the Interior, Bureau of Land Management (BLM) manages and allows the exploration and development of oil and gas within the NPR-A. In accordance with 42 USC § 6508, 50 percent of the money received by the federal government from the “sales, rentals, bonuses, and royalties on leases issued . . . ” within the NPR-A is paid to the State of Alaska.

As required by AS 37.05.530, regulations (3 AAC 150.010 – 150.090) were adopted establishing the NPR-A Impact program which allow municipalities impacted by oil and gas development in the NPR-A to apply for grant assistance to alleviate the impact. Grant applications are considered in accordance with:

- AS 37.05.530(c), participation is limited to municipalities.
- AS 37.05.530(c), (d), and (e), municipalities must demonstrate present impact or the need to determine or plan for future impact.
- AS 37.05.530(c), priority is given to municipalities that are experiencing or will experience the most direct or severe impact from oil and gas development.
- AS 37.05.530(e), municipalities may use the funds to alleviate the impact of the oil and gas development only for the following activities and services: (1) planning; (2) construction, maintenance, and operation of essential public facilities by the municipality; and (3) other necessary public services provided by the municipality.
- AS 37.05.530(f), funds may not be used for the retirement of municipal debt.
- 3 AAC 150.050(c), impact is defined as an effect reasonably attributable to NPR-A oil and gas activities under 42 USC § 6508 on (1) population; (2) employment; (3) finances; (4) social and cultural values; (5) air and water quality; (6) fish and wildlife habitats; (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and (8) other things of demonstrable importance to the applicant or the applicant's residents.

As required by Alaska Statute (AS) 37.05.530(g), NPR-A funds received that are not appropriated for the NPR-A Impact program are deposited as follows: (1) 25 percent to the principal of the Alaska Permanent Fund; (2) .5 percent to the Public School Trust Fund (AS 37.14.110); and (3) the remaining amount may be appropriated to the Power Cost Equalization and Rural Electric Capitalization Fund (AS 42.45.100).