



Cape Fox Corporation  
Alaska Native Conservation Settlement Act  
Settlement of Entitlement  
Letters of Support

**Cape Fox Corporation Resolution**

Resolution 2023-01

**Cape Fox Corporation Resolution to Proceed**

Letter of Support- Alaska Mental Health Trust  
Letter of Support – Alcan Timber Inc. executive  
Letter of Support – Pool Engineering Inc.  
Letter of Support – Broad Horizons Land Management  
Letter of Support – Southeast Stevedoring Corporation  
Letter of Support – Ward Cove Group, Remote Made Easy, Power Systems of AK  
Letter of Support- Alaska Power & Telephone Company  
Letter of Support- Ketchikan AdventureVue LLC.  
Letter of Support- Representative Dan Ortiz  
Letter of Support- Allen Marine Tours Inc.  
Letter of Support- Ketchikan Gateway Borough  
Letter of Support- Sealaska  
Letter of Support- Organized Village of Saxman  
Letter of Support- City of Saxman  
Letter of Support- Alaska Federation of Natives

**Historical Support for Mahoney Power Project**

Letter of Support -Heatherdale Resources Limited  
Letter of Support - Governor Parnell, State of Alaska  
Letter of Support – Southeast Conference  
Letter of Support- Greater Ketchikan Chamber of Commerce  
Resolution of Support- Ketchikan Indian Community  
Letter of Support- Alaska Ship & Drydock  
Letter of Support- Congressman Don Young’s Office  
Letter of Support- Ketchikan Gateway Borough  
Letter of Support- Ketchikan Gateway Borough School District  
Letter of Support- Ketchikan Indian Community – Directors Office  
Letter of Support- Organized Village of Saxman  
Letter of Support- City of Saxman  
Letter of Support- Cape Fox Corporation  
Letter of Support- Alaska Power & Telephone

**CAPE FOX CORPORATION**  
**RESOLUTION**  
**Selection Proposal for Completion of Lands Exchange**

Resolution 2023-01

Dated: February 6, 2023

**WHEREAS** a meeting of the Board of Directors of Cape Fox Corporation was held on February 6, 2023, at which meeting a quorum was present and voting at all times and the Board discussed information related to a proposed final selection of remaining lands from the Bureau of Lands Management; and

**WHEREAS** on October 26, 2022, Cape Fox Corporation (CFC) received a certified letter from the United States Department of the Interior (DOI), Bureau of Land Management (BLM) regarding a proposed final selection of remaining lands; and

**WHEREAS** the management of the Corporation has determined that the proposed final selection of remaining lands by the United States DOI, BLM would not be useable for any favorable purpose and that CFC should counter-propose its own selection of available lands; and

**WHEREAS** the management of the Corporation, with guidance from a Lands Consultant, has provided the Board of Directors with a presentation of suggested lands to counter-propose as its remaining lands selection; and

**WHEREAS** the Board of Directors has made a determination of the suggested lands by management and approves of the land selection.

**NOW THEREFORE BE IT RESOLVED** that the Board of Directors of CFC directs and authorizes management to do all that is necessary to cause the counter-proposed lands to be issued by BLM.

**IN WITNESS WHEREOF** I have hereunto set my hand and affixed the seal of Cape Fox Corporation.

By:

Clifford Blair  
Clifford Blair, President

Date:

5/22/23

By:

Candace R. Williams  
Candace Williams, Secretary/Treasurer

Date:

5/19/2023

**CORPORATE SEAL**





May 31, 2023

Clifford Blair, President  
Cape Fox Corporation  
PO BOX 8558  
Ketchikan, AK 99901-8558

**RE: SEC. 16(B) ANCSA ENTITLEMENT – CAPE FOX LAND SELECTIONS  
LETTER OF SUPPORT**

Dear Mr. Blair,

The Trust Land Office (TLO) is hereby providing this Letter of Support to Cape Fox Corporation (CFC) in efforts to receive your remaining entitlement pursuant to Section 16(b) of the Alaska Native Claims Settlement Act (ANSCA).

The CFC selected access corridor, encompassing approximately 180.3 acres between Mahoney Lake and the George Inlet Cannery on Revillagigedo Island meets the objectives and purposes of ANSCA.

The Cape Fox selected access corridor provides necessary infrastructure and connectivity for the economic development of southern southeast Alaska. With the downturn in several industries and government employment in the region, the Visitor Industry's anticipated growth remains a bright spot in the region. The potential expansion of the Visitor Industry requires locations for growth.

The TLO holds the fiduciary responsibility to maximize the returns from the approximately 12,000 acres of land the Alaska Mental Health Trust Authority (Trust) owns in Upper George Inlet. The value of Upper George Inlet lands would be enhanced by the road network proposed by Cape Fox Corporation.

The TLO is contracted exclusively by the Trust to manage its approximately one million acres of land and other non-cash assets to generate revenue to better serve Trust beneficiaries. The revenue generated by the TLO from economic development of Trust land holdings serves to provide leadership in advocacy, implementing, and funding of a Comprehensive Integrated Mental Health Program across the State of Alaska. Beneficiaries of the Trust include broad groups of Alaskans with mental illness, developmental disabilities, chronic alcohol or drug addiction, Alzheimer's disease and related dementia, and traumatic brain injuries. The Trust also considers prevention of these conditions, where possible, to be a part of its mandate and therefore works in prevention and early intervention services for individuals at risk of becoming beneficiaries.  
<http://alaskamentalhealthtrust.org/alaska-mental-health-trust-authority/>

If you have any questions or would like to discuss this in more detail please contact me at [chandler.long@alaska.gov](mailto:chandler.long@alaska.gov) or (907) 269-8421.

Sincerely,

Chandler Long  
Senior Project Manager







Enclosure(s): George Inlet, Revillagigedo Island, Infrastructure Map

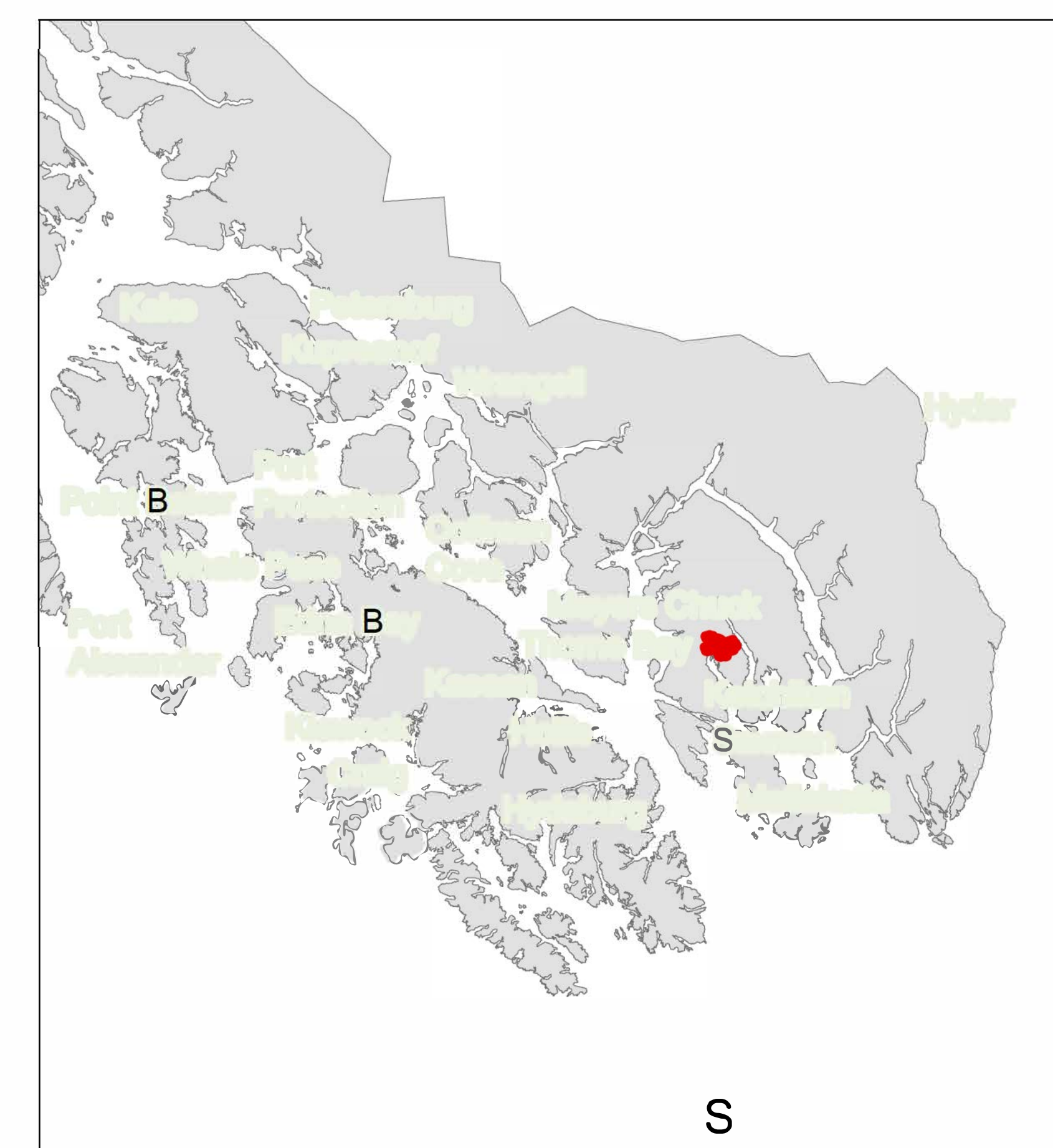
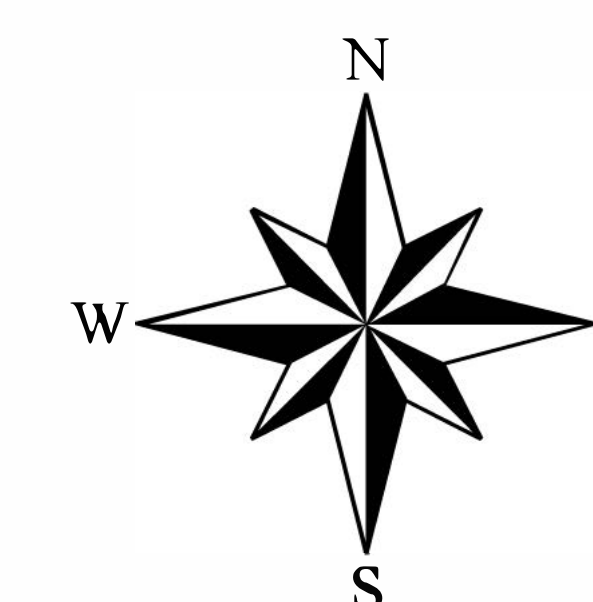




Trust  
Land Office

## George n et Rev ag gedo Is and Inf as ructure Map

-  Mental Hea h ust
-  Cape x Co po a ion
-  Sta e o Ala ka
-  US o est Se ce
-  Main Route
-  Roads







## **Alcan Timber Inc.**

6/15/2023

Cape fox Corporation  
Saxman, AK

To Whom it may concern

Re: letter of recommendation for final conveyance of 180 acres in George Inlet

Alcan Timber is hereby is writing this letter of recommendation for Cape fox Corp to receive its final selection of 180 acres to connect it's Beaver Falls property to it White River Road system.

Ketchikan has been lacking in roads since the inception of Ketchikan and Saxman. With the construction of 6 miles of new road connecting Revilla road to the Shelter Cove road system, Ketchikan finally has a road system which will allow for recreation, tourism and economic development. Currently the upper George Inlet has seen a increase in private lots with cabins as well has multiple tourism operations and timber harvesting and management.

The existing Revilla Road to Shelter cove is a State highway but not maintained in the winter. Access to upper George inlet is severely limited during the winter months due to 3 to 4 feet of snow on the Revilla Road just east of Ketchikan. With the acquisition of this 180 acres of final selection Cape will be able to build a low elevation road from the southern portion of Ketchikan's Road system to the upper George inlet road system. Not only will this open possibility of additional clean energy hydro power but also increase the economic activities for the Ketchikan area in the winter months.

Cape fox and a private operator have created a large tourism operation on Cape Fox's White River marine access facility and road system to Mohoney Lake. This operation is currently accessible only during the summer months. With a low elevation road to White River the facility can also look to expanding the tourism opportunities in the winter months.

In addition, Mental Health Trust and the State of Alaska can have access to 15,000 acres of their properties also during the winter months as well as the private cabin owners in Upper George Inlet. With the construction of the new road connecting Ketchikan to the Shelter Cove Road system the upper George inlet area is seeing a dramatic increase in usage for tourism and for the local population.

Sincerely;

Eric Nichols

Alcan Timber Inc. 432 Carlana Lake Road, Ketchikan AK 99901 (907) 225-2267

# POOL

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## ENGINEERING, INC.

*Engineers & Constructors*  
*Contractors License No. AA-1946*

*P.O. Box 6000 • Ketchikan, Alaska 99901 • (907) 225-6684*  
*Fax (907) 225-1893 • Email: info@poolinc.com*

June 6, 2023


To Whom it May Concern;

Cape Fox Corporation (CFC) has identified 180 acres of land which will link parcels of previously conveyed lands under the Alaska Native Claims Settlement Act (ANCSA). This conveyance will finalize the CFC entitlement under ANCSA. It will also allow construction of a transportation / power corridor which is essential for future economic development of the Ketchikan, Saxman and Metlakatla area. The 180 acres CFC is requesting have been highlighted in green on the attached map. The requested acreage will allow CFC to construct a roadway and powerline on lands it owns. The requested land is from the Right of Way to the shoreline and connects lands already owned by Cape Fox.

For nearly three (3) decades beginning in 1978, Cape Fox Corporation generated revenue primarily by harvesting timber. However, as the timber industry has declined CFC has learned to adapt in order to continue to thrive. Although it will continue to utilize its timberlands for harvesting other considerations such as wildlife habitat, subsistence, timber for cultural projects, carbon sequestration, ecotourism, ecosystem services and tourism venues are being considered and developed.

Pool Engineering, Inc. supports Cape Fox Corporations proposal to the Bureau of Land Management and United States Forest Service to finalize its remaining land conveyance. We believe the City of Ketchikan; City of Saxman and the Ketchikan Gateway Burrough will benefit from CFC receiving this conveyance. The road connection will also assist in development of future tourism attractions and division.

Sincerely,

  
Charles Pool, President

Pool Engineering, Inc.

## ***BROAD HORIZONS LAND MANAGEMENT***



June 14, 2023

To whom it may concern:

I support the finalizing of lands for Cape Fox Corporation (CFC). CFC has been attempting to negotiate with the BLM to close its Alaska Native Claims Settlement Act (ANCSA) lands for many years. They have identified 180 acres of land which will link parcels of previously conveyed lands.

The proposed settlement will allow construction of a transportation / power corridor which is essential for future economic development of the Ketchikan, Saxman and Metlakatla area. The requested acreage will allow CFC to construct a roadway and powerline on lands it owns. The requested land is from the Right of Way to the shoreline and connects lands already owned by Cape Fox.

For nearly three (3) decades beginning in 1978, Cape Fox Corporation generated revenue primarily by harvesting timber. However, as the timber industry has declined CFC has learned to adapt in order to continue to thrive. Although it will continue to utilize its timberlands for harvesting other considerations such as wildlife habitat, subsistence, timber for cultural projects, carbon sequestration, ecotourism, ecosystem services and tourism venues are being considered and developed.

We believe the City of Ketchikan; City of Saxman and the Ketchikan Gateway Burrough will benefit from CFC receiving this conveyance. The road connection will also assist in the development of future tourism attractions and division.

I encourage the Alaska Delegation to move this legislation through the required process as rapidly as possible.

Sincerely,

*Paul Slenkamp*



# SOUTHEAST STEVEDORING CORPORATION

## CONTRACTING STEVEDORES

P. O BOX 8080

KETCHIKAN, ALASKA 99901

June 15, 2023

To whom it may concern.

Cape Fox Corporation (CFC) has identified 180 acres of land which will link parcels of previously conveyed lands under the Alaska Native Claims Settlement Act (ANCSA). This conveyance will finalize the CFC entitlement under ANCSA. The 180 acres CFC is requesting will allow CFC to construct a roadway and powerline on lands it owns. The requested land is from the Right of Way to the shoreline and connects lands already owned by Cape Fox.

For nearly three decades beginning in 1978, Cape Fox Corporation generated revenue primarily by harvesting timber. However, as the timber industry has declined CFC has adapted their business in order to profitably provide benefit to their shareholders. While CFC will continue to utilize its timberlands for harvesting other considerations such as wildlife habitat, subsistence, timber for cultural projects, carbon sequestration, ecotourism, ecosystem services and tourism venues are being considered and developed. The road connection this conveyance will allow is key to the development of future tourism attractions and it will also allow construction of a transportation / power corridor which is essential for future economic development of the Ketchikan, Saxman and Metlakatla area.

Southeast Stevedoring Corporation supports Cape Fox Corporations proposal to the Bureau of Land Management and United States Forest Service to finalize its remaining land conveyance. We believe the City of Ketchikan; City of Saxman and the Ketchikan Gateway Burrough will benefit from CFC receiving this conveyance.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Les Cronk'. The signature is fluid and cursive, written over a light blue horizontal line.

Les Cronk  
Vice President  
Southeast Stevedoring Corporation



June 13, 2023

Thank you for considering my comments,

My name is David C. Spokely. My son Andrew and I are the owners and managers of Ward Cove Group in Ketchikan Alaska. We personally have started and continue to operate several companies in the Ketchikan/Ward Cove Area. Our most recent company is Ward Cove Dock Group. This is our first joint ownership with the Binkley family of Fairbanks Alaska as our partners. Together we have built a world class cruise ship dock capable of berthing two of the world's largest cruise ships simultaneously. In addition, we are developing an uplands area and welcome center capable of both educating and entertaining greater than 10,000 people per day on private land that we currently own. As an aside, the dock is also designed to berth an American aircraft carrier if the need arises.

We have worked with Cape Fox Corporation over the years to develop tour venues and services in the greater Ketchikan area. We are also looking to partner with Cape Fox Corporation to develop vessel support services such as drinking water, waste removal, and Green Energy technologies. Their ability to provide those services is partially dependent on their ability to economically access their existing lands.

As I understand, Cape Fox Corporation is entitled to additional lands to finalize their land selection under (ANCSA). Cape Fox has identified 180 acres of land which is necessary for constructing a transportation and power corridor that will provide them with the ability to create additional hydroelectric energy in Ketchikan. The requested land will connect properties that are already owned by Cape Fox. This additional energy is absolutely necessary to enable cruise ships to be plugged into shore power while berthed at either the Port of Ward Cove or the Ketchikan cruise ship docks here in Alaska. Providing shore power in Ketchikan will allow the ships to turn off their generators while in port, providing a fuel saving for the vessels and the air quality for our community.

We support this land selection and request that the transfer of the lands be completed as soon as possible to enable a safe and environmentally sound growth in the greater Ketchikan area.

Sincerely,



Ward Cove Group, Power Systems and Supplies of Alaska, Remote Made Easy, Full Cycle, Spokely Designs, Providence Investments, and Ward Cove Dock Group.

(907) 617-3450

dave@wcgak.com





**Alaska Power & Telephone Company**  
3000 VINTAGE BLVD., SUITE 250 | PO BOX 34195  
JUNEAU, ALASKA 99803

June 27th, 2023

To whom it may concern.

I write on behalf of Alaska Power & Telephone Company to express support for Cape Fox Corporation's proposal to the Bureau of Land Management and United States Forest Service to finalize its remaining Alaska Native Claims Settlement Act (ANCSA) land conveyance.

I understand that Cape Fox Corporation (CFC) is proposing a conveyance of 180 acres of land that will link parcels of previously conveyed lands, and finalize CFC's entitlement under ANCSA. (See green highlighted area on attached map.) The requested acreage will allow CFC to construct a roadway and powerline on lands it owns, improving access to its property, and providing for future availability of electricity from clean hydropower sources.

It is worthy of note that Cape Fox was distinctly disadvantaged in its original ANCSA land selection; while it received the customary ten mile by ten mile boundary for selectable lands, it was given a unique restriction from selecting lands within an extended boundary of the City of Ketchikan. This left a large "hole" within the middle of its eligible selection boundary. Selection was further limited by the presence of the Annette Island Indian Reservation. Much of the remaining territory within Cape Fox's eligible selection boundary was either waterways, barren mountaintops with no economic value, and previously clear-cut lands. Given these inequitable circumstances, the conveyance of the 180 acres currently requested by Cape Fox is very deserving of consideration.

Alaska Power & Telephone Company supports Cape Fox Corporation's proposal to the Bureau of Land Management and United States Forest Service to finalize its remaining land conveyance. Please give its request the fullest consideration possible.

Sincerely,

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**Jason Custer**

**Vice President, Regulatory & Government Affairs**  
**Alaska Power & Telephone Company**  
PO Box 34195  
Juneau, AK 99803

P: 907-617-3773

E: [Jason.c@aptalaska.com](mailto:Jason.c@aptalaska.com)



To whom it may concern.

Cape Fox Corporation (CFC) has identified 180 acres of land which will link parcels of previously conveyed lands under the Alaska Native Claims Settlement Act (ANCSA). This conveyance will finalize the CFC entitlement under ANCSA. It will also allow construction of a transportation / power corridor which is essential for future economic development of the Ketchikan, Saxman and Metlakatla area. The 180 acres CFC is requesting have been highlighted in green on the attached map. The requested acreage will allow CFC to construct a roadway and powerline on lands it owns. The requested land is from the Right of Way to the shoreline and connects lands already owned by Cape Fox.

For nearly three (3) decades beginning in 1978, Cape Fox Corporation generated revenue primarily by harvesting timber. However, as the timber industry has declined CFC has learned to adapt in order to continue to thrive. Although it will continue to utilize its timberlands for harvesting other considerations such as wildlife habitat, subsistence, timber for cultural projects, carbon sequestration, ecotourism, ecosystem services and tourism venues are being considered and developed.

\_\_\_Ketchikan AdventureVue, LLC\_\_\_ supports Cape Fox Corporations proposal to the Bureau of Land Management and United States Forest Service to finalize its remaining land conveyance. We believe the City of Ketchikan; City of Saxman and the Ketchikan Gateway Burrough will benefit from CFC receiving this conveyance. The road connection will also assist in the development of future tourism attractions.

Sincerely,

Bethany Lickfield

A handwritten signature in black ink, appearing to read "B Lickfield", with a large, stylized loop at the end.

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# REPRESENTATIVE DAN ORTIZ

*Serving Alaska House District 1 | Ketchikan, Saxman, Wrangell, Metlakatla, Coffman Cove, Whale Pass, Hyder, Loring, & Meyers Chuck*

SESSION ADDRESS:

Alaska State Capitol  
Juneau, Alaska 99801  
Phone: 907-465-3824  
Email: Rep.Dan.Ortiz@AKLeg.gov



INTERIM ADDRESS:

1900 First Avenue, Suite 310  
Ketchikan, Alaska 99901  
Phone: 907-247-4672  
Email: Rep.Dan.Ortiz@AKLeg.gov

June 30, 2023

To whom it may concern,

As the Alaska House State Representative for District 1, I am supportive of the Cape Fox Corporation's proposal to the Bureau of Land Management and the United States Forest Service regarding land conveyance.

Cape Fox Corporation (CFC) has identified 180 acres of land which will link parcels of previously conveyed lands under the Alaska Native Claims Settlement Act (ANCSA). It will allow for construction of a transportation and power corridor, which is essential for future economic development of the Ketchikan, Saxman and Metlakatla area.

Acquiring this conveyance will allow CFC to utilize the land for wildlife habitat, subsistence, timber for cultural projects and other timber harvesting, carbon sequestration, and ecotourism. Ecosystem services and tourism venue developments are being considered, and the road connection will also assist in the development of future tourism attractions.

I support finalizing this remaining land conveyance. The City of Ketchikan, City of Saxman, Metlakatla Indian Community, and the Ketchikan Gateway Burrough will all benefit from CFC receiving this conveyance.

Sincerely,

A handwritten signature in blue ink that reads "Dan Ortiz".

Representative Dan Ortiz  
House District 1





# **Allen Marine Tours, Inc.**

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**SITKA:** 1512 Sawmill Creek Road  
Sitka, Alaska 99835

(907) 747-8100, 1-888-747-8101

**JUNEAU:** 13391 Glacier Highway  
Auke Bay, Alaska 99821

(907) 789-0081, 1-888-289-0081

**KETCHIKAN:** 5 Salmon Landing, #215  
Ketchikan, Alaska 99901

(907) 225-8100, 1-877-686-8100

July 16, 2023

To whom it may concern.

We are writing in support of Cape Fox Corporations (CFC) entitlement under the Alaska Native Claims Settlement Act (ANCSA). As a Tlingit owned company, we fully support tribal access to Alaska land and understand the importance of Native Alaskans protecting and keeping lands accessible and regenerative for future generations.

Cape Fox Corporation (CFC) has identified 180 acres of land which will link parcels of previously conveyed lands under the Alaska Native Claims Settlement Act (ANCSA). This conveyance will finalize the CFC entitlement under ANCSA. It will also allow construction of a transportation / power corridor which is essential for future economic development of the Ketchikan, Saxman and Metlakatla area. The 180 acres CFC is requesting have been highlighted in green on their attached map within their application. The requested acreage will allow CFC to construct a roadway and powerline on lands it owns. The requested land is from the Right of Way to the shoreline and connects lands already owned by Cape Fox.

For nearly three (3) decades beginning in 1978, Cape Fox Corporation generated revenue primarily by harvesting timber. However, as the timber industry has declined CFC has learned to adapt in order to continue to thrive. Although it will continue to utilize its timberlands for harvesting other considerations such as wildlife habitat, subsistence, timber for cultural projects, carbon sequestration, ecotourism, ecosystem services and tourism venues are being considered and developed.

Allen Marine Tours supports Cape Fox Corporations proposal to the Bureau of Land Management and United States Forest Service to finalize its remaining land conveyance. We believe the City of Ketchikan; City of Saxman and the Ketchikan Gateway Burrough will benefit from CFC receiving this conveyance. The road connection will also assist in the development of future tourism attractions of which we hope to partner in for many years to come.

Thank you for your consideration and acknowledgement of our strong support of Cape Fox Corporations request.

Sincerely,

Jaimie Palmer

VP Product Development & Guest Experience  
Allen Marine Tours





# KETCHIKAN GATEWAY BOROUGH

1900 First Avenue, Suite 115, Ketchikan, Alaska 99901

• Telephone: (907) 228-6605 • Fax (907) 228-6697

Office of the Borough Mayor

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July 17, 2023

Clifford Blair  
President – Board of Directors  
Cape Fox Corporation  
2851 South Tongass Highway  
Ketchikan, Alaska 99901

Dear Mr. Blair,

The Ketchikan Gateway Borough was recently made aware that the Bureau of Land Management is in the process of conveying 184.57 acres of entitlement lands under the Alaska Native Claims Settlement Act (ANCSA) to the Cape Fox Corporation. We understand that Cape Fox Corporation is not in agreement with this conveyance and is alternatively requesting other lands to be conveyed.

Cape Fox Corporation has identified 180 acres which will link parcels of previously conveyed lands under ANCSA. The conveyance will finalize Cape Fox Corporation's ANCSA entitlement. Cape Fox Corporation has obtained a Federal Energy Regulatory Commission (FERC) license to develop a power facility at Mahoney Lake near Ketchikan. By linking Cape Fox's previously conveyed lands it will allow for the construction of a transportation and power corridor which is essential for future economic development opportunities in the areas encompassing Ketchikan, Saxman and Metlakatla.

For nearly three decades beginning in 1978, Cape Fox Corporation has generated revenue primarily through the harvesting of timber. However, as the timber industry has declined, Cape Fox Corporation has learned to adapt to continue to thrive. Although Cape Fox Corporation will continue to utilize timberlands for traditional purposes such as subsistence activities and the use of timber for cultural projects, new ventures are being considered and developed, including: carbon sequestration, ecotourism, ecosystem services and tourism venues.

The Ketchikan Gateway Borough supports Cape Fox Corporation's proposal to the Bureau of Land Management and United States Forest Service to finalize its remaining land conveyance. We believe the Borough, the City of Ketchikan, the City of Saxman and Metlakatla will benefit from Cape Fox Corporation receiving this conveyance.

*Sincerely,*

Rodney Dial  
Mayor  
Ketchikan Gateway Borough





July 19, 2023

To whom it may concern,

I am writing this letter to express our support for Cape Fox Corporation's (CFC) request to receive 180 acres of land which will link parcels of previously conveyed lands under the Alaska Native Claims Settlement Act (ANCSA).

Sealaska, the Alaska Native Regional Corporation for Southeast Alaska, was formed following the 1971 passage of ANCSA. Our for-profit corporation is owned by more than 25,000 Tlingit, Haida, and Tsimshian shareholders. We are committed to empowering and improving the lives of our shareholders across Southeast Alaska by creating opportunities in the areas of education and workforce development. In order to fulfill our mission, we have to have regional partners like CFC that can effectively utilize their resources and diversify its to generate revenue in the greatest benefit of its shareholders.

Cape Fox Corporation has identified 180 acres of land which will link parcels of previously conveyed lands under the Alaska Native Claims Settlement Act (ANCSA). This conveyance will finalize the CFC entitlement under ANCSA. It will also allow construction of a transportation / power corridor which is essential for future economic development of the Ketchikan, Saxman and Metlakatla area. The 180 acres CFC is requesting have been highlighted in green on the attached map. The requested acreage will allow CFC to construct a roadway and powerline on lands it owns. The requested land is from the Right of Way to the shoreline and connects lands already owned by Cape Fox.

For nearly three decades beginning in 1978, CFC generated revenue primarily by harvesting timber. However, as the timber industry has declined CFC has learned to adapt in order to continue to thrive. Although it will continue to utilize its timberlands for harvesting other considerations such as wildlife habitat, subsistence, timber for cultural projects, carbon sequestration, ecotourism, ecosystem services and tourism venues are being considered and developed.

Sealaska fully supports Cape Fox Corporation's proposal to the Bureau of Land Management and United States Forest Service to finalize its remaining land conveyance. We believe the City of Ketchikan, City of Saxman and the Ketchikan Gateway Burrough will benefit from CFC receiving this conveyance. The road connection will also assist in development of future tourism attractions for the community.

Thank you,

Anthony Mallott  
President and CEO



7/10/2023

To whom it may concern.

Cape Fox Corporation (CFC) has identified 180 acres of land which will link parcels of previously conveyed lands under the Alaska Native Claims Settlement Act (ANCSA). This conveyance will finalize the CFC entitlement under ANCSA. It will also allow construction of a transportation/ power corridor which is essential for future economic development of the Ketchikan, Saxman, and Metlakatla area. The 180 acres CFC is requesting have been highlighted in green on the attached map. The requested acreage will allow CFC to construct a roadway and power line on lands it owns. The requested land is from the Right of Way to the shoreline and connects lands already owned by Cape Fox.

For nearly three (3) decades beginning in 1978, Cape Fox Corporation generated revenue primarily by harvesting timber. However, as the timber industry has declined CFC has learned to adapt in order to continue to thrive. Although it will continue to utilize its timberlands for harvesting other considerations such as wildlife habitat, subsistence, timber for cultural projects, carbon sequestration, ecotourism, ecosystem services and tourism venues are being considered and developed.

The Organized Village of Saxman supports Cape Fox Corporations proposal to the Bureau of Land Management and United States Forest Service to finalize its remaining land conveyance. We believe the City of Ketchikan; City of Saxman/ Saxman Tribe, and the Ketchikan Gateway Borough will benefit from CFC receiving this conveyance. The road connection will also assist in the development of future tourism attractions.

Sincerely,

A handwritten signature in black ink, reading "Joe Williams Jr." with a stylized flourish at the end.

President Joe Williams Jr.  
Organized Village of Saxman





William Thomas, Vice Mayor  
City of Saxman  
Route 2 Box 1  
Ketchikan, AK 99901

To whom it may concern.

Cape Fox Corporation (CFC) has identified 180 acres of land which will link parcels of previously conveyed lands under the Alaska Native Claims Settlement Act (ANCSA). This conveyance will finalize the CFC entitlement under ANCSA. It will also allow construction of a transportation / power corridor which is essential for future economic development of the Ketchikan, Saxman and Metlakatla area. The 180 acres CFC is requesting have been highlighted in green on the attached map. The requested acreage will allow CFC to construct a roadway and powerline on lands it owns. The requested land is from the Right of Way to the shoreline and connects lands already owned by Cape Fox.

For nearly three (3) decades beginning in 1978, Cape Fox Corporation generated revenue primarily by harvesting timber. However, as the timber industry has declined CFC has learned to adapt in order to continue to thrive. Although it will continue to utilize its timberlands for harvesting other considerations such as wildlife habitat, subsistence, timber for cultural projects, carbon sequestration, ecotourism, ecosystem services and tourism venues are being considered and developed.

The city of Saxman supports Cape Fox Corporations proposal to the Bureau of Land Management and United States Forest Service to finalize its remaining land conveyance. We believe the City of Ketchikan; City of Saxman and the Ketchikan Gateway Burrough will benefit from CFC receiving this conveyance. The road connection will also assist in the development of future tourism attractions.

Sincerely, *William J Thomas*

9/29/23





November 14, 2023

To Whom It May Concern:

The Alaska Federation of Natives (AFN) is the largest statewide Native membership organization in Alaska. Our membership includes 179 Alaska Native tribes, 154 for-profit village Native corporations and 9 for-profit regional Native corporations established pursuant to the Alaska Native Claims Settlement Act (ANCSA), and 10 regional nonprofit tribal non-profits or consortia that contract and compact to administer federal programs under the Indian Self Determination and Education Assistance Act.

The mission of AFN is to enhance and advance the cultural, economic, and political voice of the Alaska Native community on matters of mutual concern, including ANCSA related matters on behalf of our members.

Cape Fox Corporation (CFC), an ANCSA Native village corporation, has identified 180 acres of land that will link parcels of lands that were previously conveyed to CFC under ANCSA. By effectuating the conveyance now being sought by CFC, all of the corporation's land entitlement pursuant to ANCSA will be complete. The conveyance will further allow the construction of a transportation and power corridor, which is essential for future economic development of the Ketchikan, Saxman, and Metlakatla area. Specifically, the requested 180 acreage will allow CFC to construct a roadway and powerline on lands it owns (*i.e.*, from a right of way to the shoreline and connects CFC lands).

For nearly three decades beginning in 1978, CFC generated revenue primarily by harvesting timber. However, as the timber industry declined CFC learned to adapt in order to continue to thrive through potential ventures such as wildlife habitat, subsistence, timber for cultural projects, carbon sequestration, ecotourism, ecosystem services, and tourism venues.

AFN supports CFC's proposal to the Bureau of Land Management and the Forest Service to finalize its remaining land conveyance. If you have any questions about the contents of this letter, please contact me or AFN's Executive Vice President and General Counsel, Nicole Borromeo, at the telephone number below.

Sincerely,

Julie Kitka  
President





January 10, 2013

City of Saxman  
Rt. 2, Box 1 -- Saxman  
Ketchikan, AK  
99901

ATTN: Jason Custer – Development Coordinator, City of Saxman

Dear Mr. Custer,

As you are likely aware, Heatherdale Resources Ltd. (Heatherdale) is currently advancing geological, engineering and environmental studies toward the future development of the Niblack Copper-Gold-Zinc-Silver Project (Niblack) on Prince of Wales Island. Part of these investigations includes studies of the suitability of an ore-processing facility separate from the mine location, yet still within the Ketchikan area.

It has recently come to our attention that the City of Saxman (Saxman) is requesting State investment in pre-construction activities to advance the 9.6 MW Mahoney Lake Hydroelectric Project. We understand that the Mahoney Lake Project would meaningfully enhance the Ketchikan area's supply of clean, renewable and low-cost hydroelectric power, and will become an important long-term asset for meeting local residential, commercial and industrial energy needs.

As an anticipated user of industrial power in southeast Alaska, Heatherdale would like to express support for Saxman in its efforts to secure funding for the Mahoney Lake Hydroelectric Project. It is our understanding funding would go towards 2014 activities that include Federal Energy Regulatory Commission (FERC) design finalization, permit renewal (if necessary), and a cost estimate update which would reflect any new permit conditions. Ensuring a reliable, long-term supply of low-cost, renewable and clean power for the Ketchikan region is a critical foundation for future economic and community development, and we applaud Saxman for its leadership in this realm.

Sincerely,

Patrick Smith  
President & CEO







Ketchikan Gateway Borough Office of the Mayor  
1900 First Avenue, Suite 115 907-228-6605  
Ketchikan, AK 99901

City of Ketchikan Office of the Mayor  
334 Front Street 907-228-5658  
Ketchikan, AK 99901

City of Saxman Office of the Mayor  
Rt 2 Box 1 907-225-4166  
Ketchikan, AK 99901

October 16, 2012

The Honorable Sean Parnell  
Governor of Alaska  
PO Box 110001  
Juneau, AK 99811-0001

Dear Governor Parnell,

The "Community of Ketchikan" (comprised of the three Ketchikan area local governments) is pleased to present to you its FY 2014 Community Legislative Priority List. Ketchikan local governments worked together to compile the following priority list of improvement projects for the benefit of the Community of Ketchikan:

Ketchikan Gateway Borough Priority Projects:

Ketchikan Performing Arts Center	\$1,800,000
Service Area Road Construction and Repair	\$4,090,150

City of Ketchikan Priority Projects:

Ketchikan Medical Center	\$20,000,000
Off-System City Bridges and Repairs	\$12,750,000

City of Saxman Priority Projects:

Mahoney Lake Hydroelectric Project	\$1,000,000
Saxman Community Center Parking Lot	\$557,740

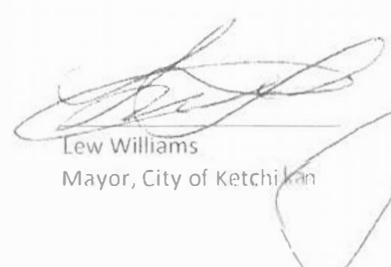
Community Priority Project from Alaska Industrial Development & Export Authority (AIDEA):

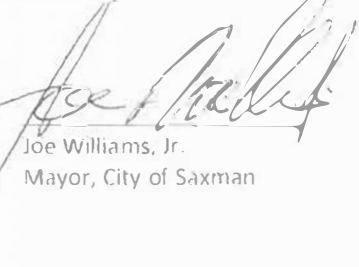
Ketchikan Shipyard Improvements	\$11,000,000
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The Community Legislative Priority List serves as the foundation of Ketchikan's attempt to move forward toward economic sustainability. The Ketchikan Gateway Borough, the City of Ketchikan, and City of Saxman request your favorable consideration of Ketchikan's priority projects for inclusion in your FY 2014 capital budget.

Sincerely,

  
Dave Kiffer  
Mayor, Ketchikan Gateway Borough

  
Lew Williams  
Mayor, City of Ketchikan

  
Joe Williams, Jr.  
Mayor, City of Saxman





September 19, 2012

Mayor, Harvey Shields  
City of Saxman  
Attn: Jason Custer  
Rt. 2, Box 1 -- Saxman  
Ketchikan, AK 99901

Re: Support for Mahoney Lake Hydro

Dear Mayor Harvey,

Southeast Conference is pleased to continue its support of the Mahoney Lake project. One of the key findings of the recent Southeast Alaska Integrated Resource Plan (SEIRP) planning process was that immediate investment be made in determining which storage hydros can best meet the region's growing load demands, while supporting economic growth and quality job creation in priority industries such as maritime, mining and ore processing.

Mahoney Lake's advanced state of development-readiness helps make this project a particularly attractive possibility for new, affordable hydroelectric power, capable of coming online in a timely manner.

Southeast Conference urges all potential funders to give the Mahoney Lake hydro project the fullest support possible as the next steps are taken to determine the project's final permitting and design and economic viability. Storage hydros offer the best opportunity to solve the energy needs of the region and will aid in our mission to develop strong economies, healthy communities and a quality environment in southeast Alaska. If you or any potential funding agency has any questions, feel free to contact me or Southeast Conference Energy Coordinator, Robert Venables.

Sincerely,

Shelly Wright  
Executive Director





## Greater Ketchikan Chamber of Commerce

P.O. Box 5957, Ketchikan, Alaska 99901

Phone (907) 225-3184

Fax (907) 225-3187

E-mail: [info@ketchikanchamber.com](mailto:info@ketchikanchamber.com)

[www.ketchikanchamber.com](http://www.ketchikanchamber.com)

September 8, 2011

To Whom it May Concern,

The purpose of this letter is to express the Greater Ketchikan Area Chamber of Commerce's support for development of the Mahoney Lake hydroelectric project in a manner which:

- a) Assures affordable electricity to Ketchikan residents and businesses.
- b) Supports Ketchikan's economic growth and development, attracts new businesses, and leads to creation of new jobs.
- c) Contributes to the Ketchikan region's overall economic health and sustainability.

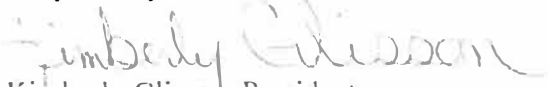
Although Ketchikan's population has declined, demand for electricity in the region continues to grow. An increasing number of homeowners and businesses are using electric heating systems. New public facilities will create concurrent new needs for power. Major development activities with great economic potential for the region -- such as the continued expansion of Alaska Ship and Drydock, the possible construction of Alaska Class Ferries in Ketchikan, expansion of Ketchikan's maritime industry sector and future mining activities on Prince of Wales -- will create additional demand for electricity. The cost of burning diesel fuel during times of high demand cuts into businesses' bottom lines, and adds to families' living expenses.

Increased availability of affordable electricity will support the development of Ketchikan's economy, driving business growth, and making the region more attractive for new private sector investment. Surplus, affordable power will attract new jobs and businesses to the region.

The City of Saxman owns the FERC license for a 9.6 megawatt hydroelectric project at Mahoney Lake. The Mahoney Lake project is "low hanging fruit" capable of providing for Ketchikan's energy needs for years to come.

The Greater Ketchikan Chamber of Commerce support construction of the Mahoney Lake project before expiration of permits and licensing.

Respectfully

  
Kimberly Glisson, President



# *Ketchikan Indian Community*



**RESOLUTION: KIC-12-48**

**TITLE: KETCHIKAN INDIAN COMMUNITY SUPPORTS THE CITY OF SAXMAN'S REQUEST FOR STATE FISCAL YEAR 2014 CAPITAL APPROPRIATIONS**

**WHEREAS,** the Tribal Council of the Ketchikan Indian Corporation doing business as the Ketchikan Indian Community ("KIC or the "Tribe"), is a federally recognized Tribal government organized under a Constitution and Bylaws (collectively, the "Constitution") ratified on January 16, 1979, and previously organized under a Constitution and Bylaws ratified on January 27, 1940, in each instance pursuant to Section 16 of the Indian Reorganization Act ("IRA") of 1934 as amended; and

**WHEREAS,** the KIC Tribal Council (the "Tribal Council") is the representative Tribal Government of the Tribe; and

**WHEREAS,** the KIC Tribal Council is empowered under Article V, Section 1(c) of the KIC Constitution to "sell, convey, pledge, lease, exchange, transfer or otherwise dispose of all any part of its property ...with the approval of the Tribal Council; and

**WHEREAS,** There is significant overlap between Ketchikan Indian Community membership and City of Saxman residents; and

**WHEREAS,** Ketchikan Indian Community and the City of Saxman share strong, longstanding cultural, traditional, and economic ties; and

**WHEREAS,** City of Saxman projects such as Mahoney Lake and Saxman Harbor respond to region-wide infrastructure needs, carry the potential to support and accelerate commercial / industrial growth, and would support creation of quality jobs in priority industries such as mining and the marine industry sector; and

**WHEREAS,** the Saxman Community Center is a vital hub for Alaska Native traditional and cultural events, and is utilized by residents of Ketchikan, Saxman, Metlakatla, and Prince of Wales; and

**WHEREAS,** the City of Saxman and Ketchikan Indian Community believe that a cooperative, coordinated, integrated approach to community, economic, and workforce development will result bring greater levels of sustainable benefit to both entities, as well as the region as a whole; and



**NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS  
RESOLVED BY THE TRIBAL COUNCIL OF THE KETCHIKAN INDIAN  
COMMUNITY AS FOLLOWS:**

**Section 1.** Ketchikan Indian Community supports the City of Saxman's requests for State Fiscal Year 2014 Capital Appropriations investment, which include the following priorities:

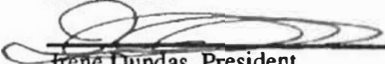
1. Mahoney Lake Hydroelectric Project: Preconstruction -- \$1,000,000
2. Saxman Community Center Parking Lot: Phase I + II -- \$557,740
3. Saxman Public Works / Public Safety Upgrades -- \$176,020
4. New Raw Water Source -- \$996,500
5. Saxman Harbor: Phase I Construction -- \$1,400,000 (Funding needed circa 2015)

**Section 2.** In the event that investment via direct capital appropriation is not available for SFY2014, Ketchikan Indian Community requests that the State of Alaska consider funding the abovementioned projects via SFY2014 grant funding opportunities, including but not limited to the following programs:

- Alaska Energy Authority Renewable Energy Fund Round 6 Grants (Mahoney Lake)
- Alaska Energy Authority LED Streetlight Retrofit Program (Public Works / Public Safety Request)
- Alaska Energy Shelter Generator Grant Program (Public Works / Public Safety Request)

**CERTIFICATION**


The foregoing resolution was adopted at a duly convened meeting of the Ketchikan Indian Community Tribal Council, assembled this 10th day of October, 2012 at 2960 Tongass, Ketchikan, Alaska 99901, by a vote of: 7 FOR and 0 AGAINST

  
Irene Dundas, President

10/9/12  
Date

Effective <u>October 12</u> , 2012			
Roll Call	Yes	No	Absent
DUNDAS			
HUDSON	X		
ARRIOLA	X		
FRANK	X		
SANDERSON	X		
CHURCHILL	X		
LECORNNU	X		
REEVES	X		
4 Affirmative Votes Required for Passage			

ATTEST:

  
Andre LeCornu, Secretary

10/9/12  
Date





# Alaska Ship & Drydock, Inc.

3801 Tongass Ave Ketchikan, AK 99901 907.225.7199

October 9, 2011

**Re: Industry support for the Mahoney Lake Hydroelectric project**

To whom it may concern;

The purpose of this letter is to express Alaska Ship & Drydock Inc's (ASD) support for development of the Mahoney Lake Hydroelectric project in a manner which assures competitive priced energy to ratepayers in southeast Alaska. ASD operates the Ketchikan Shipyard under agreement with the Alaska Industrial Development and Export Authority (AIDEA) and we are engaged primarily in ship building and repair.

Alaska Ship and Drydock is working to develop Alaska's infrastructure and workforce, to support growth of Alaska's marine transportation, resource development, fisheries, and on/off-shore gas industries through shipbuilding and repair, a subsector of advance manufacturing. Ketchikan's shipyard attracts marine vessel fleet owners and operators (AMHS and NOAA) to the region, and enhances Ketchikan's potential as a base port for commercial vessels engaging in economic activity throughout Alaska. Growth in demand for shipyard supplies, material, and workforce supports expansion of local businesses, attracts new businesses, and creates new economic opportunities and diversity.

Along with other components of the region's maritime industry cluster, Alaska Ship & Drydock's facilities are expanding. With such growth comes concurrent, long-term demand for competitive priced energy, that can only be provided by hydroelectric projects like Mahoney Lake .

The Mahoney Lake project can provide our region's industries with a dependable, renewable source of hydropower, and help drive development of a more robust, sustainable economy.

Alaska Ship & Drydock urges you to do your utmost in supporting construction of this federally-licensed project at the earliest possible time.

Respectfully Submitted,

Doug Ward



**DON YOUNG**  
CONGRESSMAN FOR ALL ALASKA  
WASHINGTON OFFICE  
2111 RAYBURN BUILDING  
TELEPHONE 202 225 5765



Congress of the United States  
House of Representatives  
Washington, DC 20515

COMMITTEE ON  
NATURAL RESOURCES  
CHAIRMAN SUBCOMMITTEE ON INDIAN  
AND ALASKA NATIVE AFFAIRS  
COMMITTEE ON  
TRANSPORTATION & INFRASTRUCTURE  
REPUBLICAN  
POLICY COMMITTEE

December 8, 2011

Ms. Karen Rehfeld  
Director, Office of Management and Budget  
State of Alaska  
PO Box 110020  
Juneau, AK 99811

Dear Ms. Rehfeld:

The City of Saxman recently updated me on the Mahoney Lake Hydropower project. The project is a partnership between the City of Saxman, Cape Fox Corporation and Alaska Power & Telephone. It is the City's number one priority on their FY2013 project list.

The recent completion of the Swan-Tyee Intertie has brought additional hydropower energy to Ketchikan and the surrounding area, but even with that project fully online, it is estimated that they will be fully subscribed by 2015 and unless additional hydropower projects are completed, will have to turn to the use of diesel to supplement the hydro to meet its energy needs.

The Mahoney Lake project is a 9.6mw project that has already received its Federal Energy Regulatory Commission (FERC) license and is in the process of seeking funds to complete construction. The project is needed to meet increasing regional demand for electricity, support projects such as the expansion of Alaska Ship and Drydock and Ketchikan General Hospital, and take advantage of evolving economic opportunities.

I understand that an Integrated Resource Plan (IRP) for Southeast is nearing completion and will include an assessment of regional energy concerns and issues, a regional transmission and inter-connection plan, and address individual community energy needs. I encourage your consideration of the Mahoney Lake Project as you develop your funding strategies for energy projects to bring access to affordable, reliable energy for electricity, heating and transportation to all Alaskans.

Sincerely,

A handwritten signature in dark ink that reads "Don Young".

DON YOUNG  
Congressman for all Alaska

DY:cm  
cc: City of Saxman



For information  
By Bill Williams

## **An Open Letter to Governor Sean Parnell, and Ketchikan's Local and Regional Leadership**

*August 15<sup>th</sup>, 2012*

After my years of service in Alaska's House of Representatives, including time spent as Co-Chair of the House Finance Committee, there is one vital regional investment, as yet unrealized, which continues to weigh upon my mind more than any other; Saxman's 9.6 MW Mahoney Lake hydroelectric project.

In the 1990s, Cape Fox Corporation and Alaska Power & Telephone invested \$4 million in private sector funding to bring the Mahoney Lake hydro project to construction-ready status. A federal FERC license for the project was issued to the City of Saxman – a significant achievement which would now take a decade to repeat. Roads have been constructed to the site of the Mahoney Lake powerhouse. The project is located a short distance from existing transmission lines. Documents such as the Southeast Alaska Integrated Resource Plan (SEIRP) demonstrate that the Mahoney Lake project will provide more bang for the buck than other energy investments being discussed for our region. The size of the Mahoney Lake project -- 9.6 megawatts – is ideal for supporting ore processing activities in Ketchikan. (Heatherdale Resources has indicated their milling facilities will require 8 megawatts of power.) The Mahoney Partnership has reported that with 50% State investment, the Mahoney Lake hydro project can provide power at a cost of 7.3 cents per kilowatt hour.

During my time in the State House of Representatives, I was urged by Ketchikan and other regional officials to prioritize construction of the Swan-Tyee Intertie ahead of the Mahoney Lake hydro project. Though a difficult decision, I conceded to pressure by Ketchikan officials, and supported the intertie over Mahoney Lake, with the expectation that investment in Mahoney would soon follow.

Had I known that Mahoney Lake would subsequently be overlooked in favor of less economical projects such as Whitman Lake, or projects such as raising the height of the Swan Lake dam, which does not add the additional generation capacity needed to support ore processing and economic growth, I would have advocated for investment in Mahoney Lake instead. I remain painfully disappointed that the State is yet to support the efforts of Cape Fox, Saxman, and AP&T by investing in the project. I am disappointed that our local leaders are yet to provide unified support for Mahoney Lake's construction, and are not yet promoting the project as a regional priority.

Mahoney Lake remains our region's most cost-effective option for new hydro generation. I cannot imagine ore processing and meaningful economic growth occurring in our community within the additional generation and storage which Mahoney Lake can provide. The private sector will not wait for years as we develop new energy resources – they will take their jobs elsewhere, to better prepared communities – perhaps even Canada. We need to develop additional generation capacity by constructing projects like



Mahoney Lake now, so that we are well positioned to support rapidly emerging opportunities.

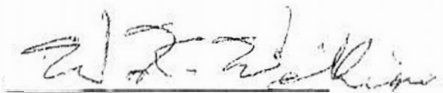
I am heartened to see that the City of Saxman, Cape Fox Corporation, and Alaska Power & Telephone have renewed efforts to develop the Mahoney Lake project, and are building renewed support for State investment. I have noticed that much of the renewed support for Mahoney Lake is coming from the business community, which sees our region's desperate need for energy in their bottom lines. Our business community understands that the investment, expertise, and efficiency of the private sector (CFC and AP&T) can help produce regional energy projects which offer greater efficiency and "bang for the buck."

At a recent Ketchikan City Council meeting in August, the Chairman and Spokesperson for the Mahoney Lake partnership, Jason Custer, expressed the Mahoney Lake partnership's willingness to partner with KPU, SEAPA, and others to find a way to bring the project online as a regional resource. I would like to urge our elected officials in Ketchikan to give serious consideration to these suggestions, and begin to view and support Mahoney Lake's construction as a regional investment priority.

I also urge our State and regional leadership to diversify energy investments in Southeast Alaska by including the Mahoney Lake project within upcoming energy investments, either via investment of AEA grant funding, or direct capital appropriation. In a time of government spending cuts, it is more important than ever to partner with private sector businesses, and leverage the expertise and investment they can contribute to development of regional energy resources. Communities around the world are using effective public-private partnerships to rapidly develop the energy resources they need to strengthen their economies. We need to take a similar approach in Southeast Alaska, so that we can meet our own growing needs, and remain competitive.

I am sincerely disappointed that our elected leadership is not demonstrating a greater level of interest and support for the Mahoney Lake project. We owe it to our residents to find a way to bring this project online, so that they can benefit from affordable energy, new job creation, and the presence of ore processing jobs in Ketchikan. Let's start rallying behind the significant potential of this regional project; our community needs Mahoney Lake energy, and soon.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Williams", written over a horizontal line.

Bill Williams

*Note: The views and opinions expressed in this letter are those of Bill Williams and do not necessarily reflect the official policy or position of any business, government, or agency.*



Ketchikan Gateway Borough School District  
Robert Boyle, Superintendent  
333 Schoenbar Road  
Ketchikan, AK 99901  
phone 907-247-2109; fax 907-247-3820  
boyler@kgbsd.org

September 26, 2011

To Whom It May Concern,

The purpose of this letter is to express my support, as Superintendent of the Ketchikan Gateway Borough School District, for development of the Mahoney Lake Hydroelectric Project in a manner which ensures Ketchikan residents can benefit from affordable, sustainable energy.

Although Ketchikan's population has declined, demand for electricity in the region grows steadily. As heating oil costs continue to rise, more homes, businesses, and community facilities are converting to electric heating systems.

The City of Saxman, Cape Fox Corporation, and Alaska Power & Telephone are partnering to meet this need through the development of a 9.6-megawatt hydroelectric project at Mahoney Lake. This project has the potential to meet the region's current and future energy needs in a sustainable manner, and to contribute to long-term economic growth and creation of legacy jobs.

Affordable power provided by the project will also help to:

- ❑ Reduce School District operating costs, and contribute to a more affordable school system which provides our children with the highest quality of education possible.
- ❑ Increase family sustainability by reducing household energy expenses, and supporting economic development and job creation.
- ❑ Displace consumption of diesel fuel and reduce associated greenhouse gas emissions.
- ❑ Build a more robust economy, characterized by quality jobs which allow Ketchikan's youth to remain within the Ketchikan community as successful adults.

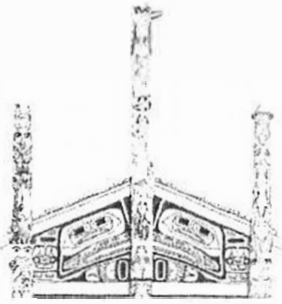
The Ketchikan Gateway Borough School District sees the Mahoney Lake Hydroelectric Project as a pathway to a more sustainable future, and supports construction of the project in a timely fashion.

Sincerely,

Robert Boyle, Superintendent



RECEIVED JUL 25 2012



# *Ketchikan Indian Community*

## *Office of the General Manager*

2960 Tongass Avenue — Ketchikan, AK 99901

(907) 228-9271 Phone

(800) 308-9331 Fax

[www.kictribe.org](http://www.kictribe.org)

July 20, 2012

Ms. Karen Rehfeld  
Director, Office of Management and Budget  
State of Alaska  
P.O. Box 10020  
Juneau, Alaska 99811-0020

Dear Ms. Rehfeld,

The purpose of this letter is to express Ketchikan Indian Community's very strong support for the Mahoney Lake Hydroelectric Power Project. This project, a partnership between the City of Saxman, Cape Fox Corporation and Alaska Power & Telephone, merits serious funding consideration.

Even with the recent completion of the Swan Lake-Tyee Intertie and the anticipated completion of the Whitman Lake project, our area will be faced with hydro power shortages in 2015 forcing Ketchikan to use expensive diesel generators.

Providing a sustainable economic base since the closure of the pulp mill in 1996 has been a top priority for Ketchikan. The recent sale of Alaska Ship & Drydock to Vigor Industries and agreement between them and the Alaska Marine Highway virtually assures construction of replacement ferries here. Development of the Bokan and Niblack mining projects makes Ketchikan the obvious staging area; even possibly milling ore from those mines. These industries, providing family wage jobs, can't occur if Ketchikan doesn't provide reliable and affordable power for them.

Ketchikan Indian Community strongly encourages you to include the Mahoney Lake Hydroelectric Power Project in your funding requests in the next session of the legislature.

Sincerely,

Debbie Patton  
General Manager

CC: City of Saxman



ROUTE 2, BOX 2 - SAXMAN, KETCHIKAN, ALASKA 99901 • FAX: (907) 247-2504 • PHONE (907) 247-2502

November 8, 2011

To Whom it May Concern,

The purpose of this letter is to express that the Organized Village of Saxman, Saxman I.R.A. supports for development of the Mahoney Lake hydroelectric project in a manner which:

- a) Assures affordable electricity to Ketchikan residents and businesses.
- b) Supports Ketchikan's economic growth and development, attracts new businesses, and leads to creation of new jobs.
- c) Contributes to the Ketchikan region's overall economic health and sustainability.

Although Ketchikan's population has declined, demand for electricity in the region continues to grow. An increasing number of homeowners and businesses are using electric heating systems. New public facilities will create concurrent new needs for power. Major development activities with great economic potential for the region, such as the continued expansion of Alaska Ship and Drydock, There is the possible construction for Alaska Class Ferries in Ketchikan, expansion of Ketchikan's maritime industry sector and future mining activities on Prince of Wales, which will create additional demand for electricity. The cost of burning diesel fuel during times of high demand cuts into businesses' bottom lines, and adds to families' living expenses.

Increased availability of affordable electricity will support the development of Ketchikan's economy, driving business growth, and making the region more attractive for new private sector investment. Surplus, affordable power will attract new jobs and businesses to the region.

The City of Saxman owns the FERC license for a 9.6 megawatt hydroelectric project at Mahoney Lake. The Mahoney Lake project is "low hanging fruit" capable of providing for Ketchikan's energy needs for years to come.

The Organized Village of Saxman, Saxman I.R.A. Council supports construction of the Mahoney Lake project before expiration of permits and licensing occurs.

Respectfully,

Lee Wallace, President

Cc: Saxman I.R.A. Council



A3

Resolution No. 09-2013-73

**A RESOLUTION OF THE SAXMAN CITY COUNCIL REQUESTING  
RENEWABLE ENERGY FUND GRANT INVESTMENT BY THE ALASKA  
ENERGY AUTHORITY FOR THE MAHONEY LAKE HYDROELECTRIC  
PROJECT.**

**WHEREAS**, the Ketchikan and SEAPA (Ketchikan, Wrangell, Petersburg) regions are faced with rapidly increasing resident demand for electricity; and

**WHEREAS**, regional economic development and creation of new, quality jobs within priority industries such as mining/ore processing, shipbuilding and repair, advanced manufacturing, technology, and more depend upon a reliable source of affordably priced electricity; and

**WHEREAS**, Saxman, in partnership with Cape Fox Corporation and Alaska Power & Telephone, owns the FERC license for a 9.6 MW hydroelectric storage project at Upper Mahoney Lake; and

**WHEREAS**, the Ketchikan Chamber of Commerce, the Ketchikan Gateway Borough School District, the City of Saxman, the Organized Village of Saxman, Ketchikan Indian Community, and other regional entities have provided letters and resolutions of support for construction of the Mahoney Lake project; and

**WHEREAS**, Saxman seeks parity with peer communities such as Hydaburg, Ketchikan, Metlakatla, Wrangell, Petersburg, and others, which have received and benefitted from State investment in regional energy projects; and

**WHEREAS**, in addition to preparing the Mahoney Lake project for construction, the scope of work proposed in the "Mahoney Lake Phase III" request will help pinpoint construction and power costs with a greater degree of accuracy, which will help support development of responsible power sales agreements, help local leadership make better-informed decisions about the project, and assist private sector businesses in planning efforts; and

**WHEREAS**, the scope of work proposed in the "Mahoney Lake Phase III" request are consistent with investment recommendations of the Southeast Alaska Integrated Resource Plan (SEIRP), which prioritizes investment in predevelopment activities which help pinpoint construction and power costs for hydro projects with greater accuracy, leading to more informed regional planning; and

**NOW THEREFORE BE IT RESOLVED BY THE CITY OF SAXMAN AS  
FOLLOWS:**

Section 1. The City of Saxman hereby endorses and requests grant funding under the Alaska Energy Authority Renewable Energy Fund Round 6 program for the capital project identified below:

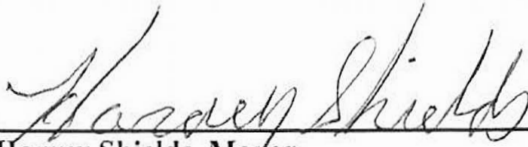
**Mahoney Lake Phase III**

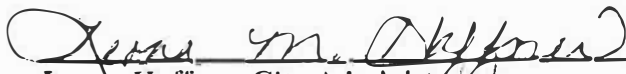
Request Amount -- \$1,000,000

Anticipated In-Kind -- \$100,000

DATED THIS 19<sup>th</sup> Day of Sept. 2012

ATTEST:

  
\_\_\_\_\_  
Harvey Shields, Mayor

  
\_\_\_\_\_  
Leona Haffner, City Administrator





September 16, 2012

Re: Renewable Energy Fund grant request

To Whom It May Concern:


Cape Fox Corporation recognizes that there is an increased demand for electricity from both citizens and businesses in our region of Southeast Alaska. To keep energy costs affordable for residents and to foster regional economic development and create jobs, additional sources of renewable electricity must be developed.

The City of Saxman, in partnership with Cape Fox Corporation and Alaska Power & Telephone, owns the FERC license for a 9.6 MW hydroelectric storage project at Upper Mahoney Lake.

In recent months, the level of local and regional support for construction of the Mahoney Lake project has increased greatly, and to prepare the Project for construction, funding of the *Mahoney Lake Phase III* request is needed. Phase III will help pinpoint construction and power costs with a greater degree of accuracy, and will support development of responsible power sales agreements, help local leadership make better-informed decisions about the project, and assist private sector businesses in planning efforts.

Cape Fox Corporation endorses and requests grant funding of \$1,000,000 under the Alaska Energy Authority Renewable Energy Fund Round 6 program on behalf of our Mahoney Lake partner, the City of Saxman.

Sincerely,

  
Michael E. Brown  
Chief Executive Officer  
Cape Fox Corporation



**ALASKA POWER & TELEPHONE COMPANY**

**PORT TOWNSEND, WA 98368**

**(360) 385-1733 - (800) 982-0136**

**FAX (360) 385-5177**

September 19, 2012

Re: Renewable Energy Fund grant request

To Whom It May Concern:

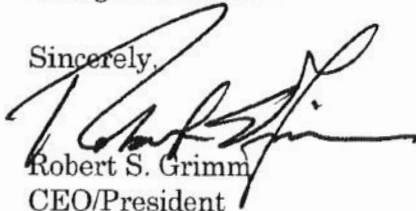
Alaska Power & Telephone Company (AP&T) recognizes that there is an increased demand for electricity from both citizens and businesses in our region reflected in the Southeast Alaska Integrated Resource Study (SEIRP). The SEIRP also highlights the current shortage of winter time energy storage in the region and advises that additional electrical load is expected to occur as customers now using oil for heating switch to electric heat. An adequate supply of affordable electric power is needed for the well being of the residents and to foster increased regional economic development that create jobs and can be achieved by further investment in hydropower.

The City of Saxman, in partnership with Cape Fox Corporation and Alaska Power & Telephone, owns the FERC license P-11393 for a 9.6 MW hydroelectric storage project at Upper Mahoney Lake and has a possessory interest in land rights and roads needed to begin construction.

AP&T and Cape Fox Corporation endorse and requests grant funding of \$1,000,000 under the Alaska Energy Authority Renewable Energy Fund Round 6 program on behalf of our Mahoney Lake partner, the City of Saxman.

By completing the FERC design approval process, it will provide assurance of a safe, fundamentally sound project. This will also allow project costs to be more accurately estimated, permits brought current and renewed. This new and updated information will allow the process of negotiating a power sales agreement with potential purchasers of the energy and capacity from the project to begin in earnest.

Sincerely,



Robert S. Grimm  
CEO/President

Alaska Power & Telephone Co.



## CERTIFICATE OF CORPORATE RESOLUTION

The undersigned Secretary of Alaska Power & Telephone Company (the Corporation) hereby certifies that the following resolution was duly adopted by the board of directors of the Corporation at its annual meeting on May 17, 2001, and that such resolution has not been modified or rescinded as of the date hereof:

That the president, each vice president, or any one of them, or their designee is hereby authorized to execute and deliver: (i) routine contracts and other routine documents related thereto on behalf of AP&T that arise in the ordinary course of its business that involve the sale or purchase of goods, or the leasing of equipment, real property or other fixed assets pursuant to operating leases; (ii) governmental permit and grant applications and other documents relating to the securing, renewing, and amending of such permits and grants as deemed necessary or desirable for the routine operation of the affairs of AP&T; or (iii) other documents involving routine day-to-day matters arising in the ordinary course and operation of the business of AP&T and its subsidiaries.

WITNESS my hand and seal of the corporation, this 12<sup>th</sup> day of September, 2012.



Stan Selmer  
Corporate Secretary

Date: 9-12-12