

July 16, 2024

The Honorable Mike Dunleavy Governor of Alaska Office of the Governor P.O. Box 110001 Juneau, AK 99811

Governor Dunleavy:

I write to you on behalf of the Municipality of Anchorage (MOA), the majority owner of the Eklutna Hydroelectric Project. On April 25, 2024, Chugach Electric Association and Matanuska Electric Association, on behalf of the Eklutna Hydroelectric Project Owners, submitted to you a Proposed Final Fish and Wildlife Program.

Stakeholders subsequently provided comments on the proposed Program. This letter and the Assembly Resolution represent the MOA's formal response to the stakeholder comments received.

Under prior mayoral administrations, the MOA lost its right to vote on the Owners' Council and thus did not have the option to approve or disapprove the proposed Program; but my Administration is working to regain the MOA's vote, which reflects a majority ownership.¹

The MOA has, by law, adopted an official position on Eklutna River restoration:

It is the policy of the Municipality of Anchorage and the Anchorage Hydropower utility to restore the continuous water flow of the Eklutna River and the fish populations of the River and Eklutna Lake, to the greatest extent possible, subject to all provisions of the 1991 Fish and Wildlife Agreement.²

It is also a priority of my Administration to protect our local water supply and ensure a reliable energy future for Anchorage residents.

In this, the MOA is aligned with the Native Village of Eklutna (NVE). In its comments, NVE notes that it, like the MOA, "seek[s] a fair balance of energy production, drinking water protection, river conservation, public recreation, and cultural restoration."

Of note, the majority of comments submitted by stakeholders express doubt about whether the

¹ As part of the 2018 sale of Municipal Light & Power to Chugach Electric, Inc., the Regulatory Commission of Alaska (RCA) required the Municipality to temporarily surrender its vote on all matters regarding the implementation of the 1991 Fish and Wildlife Agreement until the Municipality hired a qualified manager for the Anchorage Hydropower utility. The Anchorage Assembly currently has a challenge to the legality of the RCA's order pending in Alaska Superior Court (Case No. _____), and, additionally, the Municipality has placed Mark Corsentino in that role and filed a petition to reinstate its vote with the RCA on _____ (RCA Case No. _____).

² Anchorage Municipal Code 26.30.025A.

optimal "balance" between these interests would actually be achieved by the alternative advanced by the proposed Program.

The current Proposed Final Fish and Wildlife Program would not result in a "continuous water flow of the Eklutna River," or restoration of "fish populations...to Eklutna Lake."³ The agencies that submitted stakeholder comments recognized that the proposed Program therefore "has limitations" ⁴ and "does not meet the goal of full ecosystem connectivity."⁵ They expressed preferences for an alternative that would "re-water[] the river with staged implementation of meaningful mitigation measures to support restoration and resilience of salmon runs in the Eklutna River watershed,"⁶ and "[return] flows to the river that provide wetland connectivity, both instream and off-channel spawning and rearing habitats, and the return of salmon runs and marine derived nutrients into the entire river, lake, and its tributaries."⁷

Alternatives that would preserve power production while also resulting in this majority-preferred "continuous water flow" were proposed. As a result of time pressures, at least one received only an "initial analysis."

My Administration believes that all practical alternatives to the proposed Program should be fully developed. Some of these alternatives have already been identified. The best alternative may not yet be discovered.

It is incumbent upon us to take the time to convene the necessary stakeholders and seriously consider practical alternatives to the proposed Program—including those, as yet generally undeveloped, that could lead to better outcomes.

The 1991 Agreement gives you the authority to establish the final program, which could incorporate and include further process. The 1991 Agreement also states: "The Governor shall attempt to reconcile any differences between the parties."

The Municipality respectfully requests that you consider its position and reconcile the Parties' differences by approving a two-year extension to the 1991 Agreement. A two-year extension will allow the Municipality to have its vote on implementation of the 1991 Agreement reinstated prior to a reengagement with the other Eklutna Owners and stakeholders, including closer coordination and collaboration with the Alaska Department of Fish and Game and NVE. The request is not mere delay, but rather for a productive extension to address real concerns from stakeholders and explore technological and funding opportunities that have not yet been assessed. Additional time will allow the Parties to complete as-yet unfinished work and explore real, practical alternatives that will:

- Ensure river restoration to the greatest extent possible,
- Protect drinking water supply for Anchorage residents, and
- Further contribute to a reliable, affordable energy future for Southcentral Alaska.

Comments of the National Oceanic and Atmospheric Association at (June 21, 2024) 2.

³ *Id*.

Comments of the United States Fish and Wildlife Service (June 24, 2024) at 1.

⁶ Comments of the NOAA at 2.

⁷ Comments of the FWS at 1.

⁸ See Chugach Electric Association, Letter to the Anchorage Assembly (May 23, 2024) at 9.

^{9 1991} Fish and Wildlife Agreement, Section 5

Ultimately, the Proposed Final Program should reflect the will of Anchorage residents, who will bear significant financial, social, and environmental costs of the final restoration plan for the next several decades.

MOA welcomes the opportunity to collaborate with your administration and stakeholders to identify a productive path forward.

Respectfully,

Mayor Suzanne LaFrance