A BILL
FOR AN ACT ENTITLED
"An Act relating to grants to certain public utilities for water quality enhancement projects and water supply and wastewater systems."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 46.03.030(b) is amended to read:

(b) The department may grant to a municipality or, to the extent allowed under (i) of this section, to a public utility, as funds are available, a grant for any of the following:

(1) a water quality enhancement project;
(2) a public water supply, treatment, or distribution system;
(3) a wastewater collection, treatment, or discharge system;
(4) a solid waste processing, disposal, or resource recovery system.

* Sec. 2. AS 46.03.030(e) is amended to read:

(e) A grant under this section to a municipality or public utility eligible under (i) of this section for a project funded by an appropriation made by the
legislature

(1) before July 1, 1994, may not exceed 50 percent of the eligible costs of the project;

(2) after July 1, 1994, may not exceed

(A) 85 percent of the eligible costs for a utility serving [MUNICIPALITY WITH] a population of 1,000 persons or less;

(B) 70 percent of the eligible costs for a utility serving [MUNICIPALITY WITH] a population of 1,001 to 5,000 persons; and

(C) 50 percent of the eligible costs for a utility serving [MUNICIPALITY WITH] a population greater than 5,000 persons; however, if a utility serving [MUNICIPALITY WITH] a population greater than 5,000 persons seeks a grant for a project that relates to a solid waste processing or disposal system that incorporates resource recovery, the department may provide a grant for up to 60 percent of the eligible costs of the project.

*Sec. 3.* AS 46.03.030 is amended by adding new subsections to read:

(i) A public water and sewer utility is eligible for a grant for projects described in (b)(1) - (3) of this section if

(1) the rates of the public utility are regulated by the Regulatory Commission of Alaska under AS 42.05; or

(2) the utility is owned or operated by a political subdivision of the state that is a municipality.

(j) A grant must be repaid in full by a public utility that is not owned or operated by a municipality if

(1) the public utility is sold within five years after receipt of the grant; and

(2) the rates of the entity buying the public utility that is sold under (1) of this subsection are not regulated by the Regulatory Commission of Alaska under AS 42.05.