

MINUTES
SENATE FINANCE COMMITTEE
March 27, 2003
9:03 AM

TAPES

SFC-03 # 34, Side A
SFC 03 # 34, Side B

CALL TO ORDER

Co-Chair Gary Wilken convened the meeting at approximately 9:03 AM.

PRESENT

Senator Gary Wilken, Co-Chair
Senator Lyda Green, Co-Chair
Senator Con Bunde, Vice Chair
Senator Lyman Hoffman
Senator Robin Taylor
Senator Donny Olson
Senator Ben Stevens

Also Attending: JOHN MACKINNON, Deputy Commissioner of Highways & Public Facilities, Department of Transportation and Public Facilities; NANCY SLAGLE, Director, Division of Administrative Services, Department of Transportation and Public Facilities

Attending via Teleconference: There were no teleconference participants.

SUMMARY INFORMATION

SB 100-APPROP: CAPITAL PROJECTS

The Committee heard testimony from the Department of Transportation and Public Facilities. The bill was held in Committee.

#sb100

SENATE BILL NO. 100

"An Act making capital appropriations and reappropriations; capitalizing a fund; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an

effective date."

This was the eighth hearing for this bill in the Senate Finance Committee.

Department of Transportation and Public Facilities

Alaska Marine Highway System-Vessel Overhaul and Rehabilitation
\$ 4,900,300 general funds
Reference No.: 30624
Project Type: Renewal and Replacement
Category: Transportation
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2003 - 12/31/2004
On-Going Project
Annual maintenance and overhaul on vessels and at terminals, particularly component or system failures, which will impact service in the short term.

JOHN MACKINNON, Deputy Commissioner of Highways & Public Facilities, Department of Transportation and Public Facilities informed the Committee that this request is an annual item that would provide for the annual overhauls of the system's nine vessels and for the inspections that are required by the United States Coast Guard and other regulatory agencies. He noted that this work would require a vessel to be dry-docked, as the work could not be performed while a vessel is underway. He noted that while \$4.5 million of the request would be used to address vessel needs, the balance of the request would be utilized to provide for such things as shore facilities maintenance, shipboard safety improvements, and completion of the Maintenance Management System.

Material Stockpiles-Dalton Highway, Glenn Highway, Richardson Highway and Tok Cutoff
\$ 600,000 general funds
Reference No.: 33853
Project Type: Deferred Maintenance
Category: Transportation
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2003 - 06/30/2008
Phased Project
Pay for crushing materials used for maintenance that is not reimbursable by federal funding. Materials stockpiles will be contracted in conjunction with major federal-aid highway

projects on the Dalton Highway, Glenn Highway, Richardson Highway and Tok Cutoff.

Mr. MacKinnon stated that this request would allow the Department to stockpile materials that would be used to repair and maintain roads. He stated that these stockpiles are required in areas where no local aggregate resource materials are available.

Senator Hoffman asked whether the mild winter that has been experienced would allow some of the previous year's materials to be available.

Mr. MacKinnon clarified that, rather than being material that is used to sand icy roads, these materials are used for road maintenance needs such as chip sealing. He noted that while the State did experience a relatively mild winter, the conditions generated more icing conditions, and therefore, he shared, more sand and chemical treatment was required than normal.

Airport Deferred Maintenance

\$ 850,000 general funds

Reference No.: 30633

Project Type: Deferred Maintenance

Category: Transportation

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2003 - 09/30/2004

On-Going Project

To repair the backlog of maintenance items that cannot be done through the operating budget funding levels. Typical items are pavement repairs, lighting repairs, fencing repairs, and bird and animal control.

Mr. MacKinnon stated that this request would allow the Department to address a portion of its \$20 million accumulation of airport deferred maintenance needs. He reviewed the items that would be addressed as specified in the project description. In addition, he stated that the request would assist the Department in addressing airport security improvements that have been required as a result of the September 11, 2001 terrorist attacks on the country.

Senator Bunde asked whether any projects at the Ted Stevens Anchorage International Airport, the Juneau International Airport, or the Fairbanks International Airport would be addressed.

Mr. MacKinnon responded that primarily rural and small community airport projects would be addressed through this request. He noted that the Juneau airport is a municipal airport and that a different

funding mechanism is in place to address the Anchorage and Fairbanks' airport maintenance needs.

Senator Bunde noted that airport landing fees are the primary funding source for the Anchorage and Fairbanks' airport maintenance needs whereas there is no local contribution funding mechanism in place at the small rural airports.

Mr. MacKinnon concurred, and commented that the Anchorage and Fairbanks' airports are encouraged to operate with "enterprise funds."

Senator Taylor asked whether the Department or the Governor Frank Murkowski Administration is considering implementation of a statewide airport-landing fee. He reminded Members that the State was obligated to provide maintenance funds to the Sitka airport after the city turned its airport operation responsibilities over to the State a few years prior. He commented that other than the communities of Ketchikan and Juneau, which operate municipal airports, no other airports in Southeast Alaska charge landing fees. He urged the Department to consider imposing landing fees as a revenue source.

Mr. MacKinnon communicated that the City of Sitka is considering imposing a passenger facility charge to address airport upgrade needs; however, he voiced that he is unaware of other communities' plans.

Senator Taylor asked whether the Department could develop a report regarding airport revenue generating options.

Co-Chair Wilken furthered that being provided a list of the FY 03 airport maintenance expenditures and a list of the projected FY 04 projects would be helpful to the Committee.

NANCY SLAGLE, Director, Division of Administrative Services, Department of Transportation and Public Facilities supplied a Department Memorandum [copy on file] from Frank T. Richards, P.E. Statewide M&O Engineer to Regional Directors, M&O Managers, dated July 5, 2002 to the Committee. She noted that the Department's identified airport deferred maintenance needs are identified in the Memorandum.

Senator Hoffman commented that a complete list of deferred airport maintenance needs would also be helpful.

Highway Deferred Maintenance
\$ 1,500,000 general funds

Reference No.: 30631
Project Type: Deferred Maintenance
Category: Transportation
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2003 - 09/30/2004
On-Going Project

To address some of the needs that have not been handled through the operating budget maintenance funds. Typical items are surface and embankment repairs, drainage culverts and ditch repairs, guardrail repairs, marking and sign repairs, and brushing.

Mr. MacKinnon read the project description to the Committee.

Senator Taylor asked whether this request would address the earthquake damage that occurred on the Tok Highway.

Mr. MacKinnon stated that this request does not include those emergency repairs, which, he noted, would total approximately \$50 million.

Facilities Deferred Maintenance and Critical Repairs
\$ 1,000,000 general funds

Reference No.: 30632
Project Type: Deferred Maintenance
Category: Transportation
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2003 - 09/30/2004
On-Going Project

To address the most critical deferred maintenance needs at Department of Transportation maintained facilities.

Mr. MacKinnon stated that this request would address some of the "absolute most critical" maintenance needs for facilities to prevent "further deterioration."

Senator Hoffman requested that the Committee be provided with a complete list of facilities' deferred maintenance needs.

Mr. MacKinnon responded that the backlog of deferred maintenance projects "scares me." He stated that the needs are reported to be approximately \$50 million.

Ms. Slagle specified that a large majority of this \$50 million expense addresses the Chandalar, Willow, East Fork, and Nome maintenance facilities that the Department was forced to close due

to structural problems.

Co-Chair Wilken asked whether the aforementioned Memorandum includes information pertaining to both facilities and airport deferred maintenance needs.

Ms. Slagle verified that both are included in the handout.

Emergency and Non-Routine Repairs

\$ 700,000 general funds

Reference No.: 30634

Project Type: Health and Safety

Category: Transportation

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2003 - 09/30/2004

On-Going Project

Repairs to transportation facilities needed because of natural disasters, such as floods, snow, wind, earthquakes, etc. These repairs would be ineligible for federal funds. Also used to meet imminent failure needs caused by deferred maintenance.

Mr. MacKinnon read the request description.

Ms. Slagle provided a list of the FY 03 "Emergency and Non-Routine Maintenance Projects" [copy on file] to the Committee as an example of the needs. She pointed out that the list includes approximately \$60,000 in earthquake repair needs that did not qualify for federal highway or Federal Emergency Management Agency (FEMA) funds as well as other projects including avalanche relief funds for highways, airports, and facilities.

Co-Chair Green questioned why these items could not be included in the supplemental budget request legislation as she stated that this request sounds like "a slush fund for things that happen that might happen unexpectedly."

Ms. Slagle explained that the authorization of this request would allow the Department to respond to a variety of unexpected emergency needs on an on-going basis as opposed to being required to present specific requests via the supplemental budget. Furthermore, she stated that approval of this request would provide sufficient funding to address these needs without placing a "burden" on the Department's regular budget until the supplemental authorization is provided. However, she allowed that while the Department does include some projects in the supplemental budget, it attempts to keep its supplemental requests "to a minimum."

Chandalar Maintenance Station Replacement

\$ 5,202,000

\$ 850,000 Fed Rcpts

\$4,352,000 general funds

Reference No.: 32478

Project Type: Construction

Category: Transportation

Location: Chandalar

Election District: Unidentified Election District

Estimated Project Dates: 07/01/2003 - 06/30/2008

One-Time Project

After the collapse of the Department's maintenance structures at Cascade Station on the Glenn Highway and 7-Mile Camp on the Dalton Highway, Commissioner Perkins ordered structural evaluations of suspect buildings. From the initial evaluations, the Chandalar building was found to be unsafe for occupancy and was vacated and demolished in the summer/fall of 2001.

Mr. MacKinnon read the project's needs description and stated that these funds would allow the Department to rebuild the Chandalar maintenance station. He informed the Committee that in addition to the installation of a temporary tent at the site to allow limited winter service to be available, a nearby the Alyeska Pipeline shop also provides temporary space to the Department. He stated that the new facility would equate to approximately the same square footage as the original station and would provide a warm maintenance and storage shop for the heavy equipment that is required to maintain the Dalton Highway from Mile 210 to Mile 284. He communicated that because the Department would also be maintaining the Chandalar airport, the federal aviation administration (FAA) would be contributing \$850,000 to the project.

Senator Hoffman asked for further information regarding the collapse of the previous structure, specifically whether the structure was insured.

Mr. MacKinnon replied that the previous structure was built during the construction of the Trans-Alaska pipeline, and he shared that from the onset, it had foundation and structural problems.

Ms. Slagle informed the Committee that the station was not intended to be a permanent structure.

Senator Hoffman asked whether this structure and others were insured.

Ms. Slagle responded that all the State's buildings are insured;

however, she clarified that rather than collapsing, this building was demolished as the result of an engineering analysis that determined it to be unsafe. She noted that the collapse of two other maintenance stations and the unsafe condition of the Chandalar station "raised the level" of the Department's awareness regarding the structural conditions of its buildings.

Senator Taylor asked whether the State built the Cascade Station and 7-Mile Camp maintenance facilities. He additionally asked whether an engineer had designed them, and if so, was it within the last eight years.

Ms. Slagle responded that the history of the buildings would be provided to the Committee.

Senator Taylor informed that, according to State law, an engineer could be liable for structural failures if the situation occurs within the first eight years of the building's life.

Ms. Slagle noted that the majority of the Department's facilities "are pretty old."

Senator Bunde asked whether the aforementioned Alyeska Pipeline facility might be available to the State as opposed to building a new structure.

Ms. Slagle responded that, while the Alyeska Pipeline facility has been "generously" made available, she believed that the Pipeline would continue to use to facility and that it would not be available on a long-term or lease basis. She noted that while the Department is continuing to use the temporary tent facility at the Chandalar site to keep equipment warm in the harsh conditions, its functionality is minimal.

Senator Olson calculated that the proposed facility would cost approximately \$500 per square foot. He asked how this equates to other comparable facilities in the area.

Mr. MacKinnon agreed that the cost appears to be high; however, while he could not provide a comparable cost analysis to other facilities in the area, he stated that the conditions of the area are harsh and the remoteness of the area would tend to elevate material and labor expenses. He stated that further cost analysis information would be provided.

Co-Chair Wilken agreed that the \$482 per square foot price of the facility seems high, particularly in that minimal site preparation would be required. He noted that the cost of building a home is

approximately \$50 per square foot and that the cost of building a hospital at Fort Wainwright was \$400 per square foot. He asked the Department to reevaluate the expense.

Senator Bunde stated that he was familiar with the site and that he would not classify it a remote location.

Corps of Engineers-Harbors Program Formulation
\$ 200,000 G/F Match
Reference No.: 7091
Project Type: Planning
Category: Transportation
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2003 - 06/30/2008
On-Going Project
Participation with the Corps of Engineers and local governments in harbor breakwaters, dredging, feasibility studies, and program assistance.

Mr. MacKinnon stated that this request would allow the Department to assist communities with the initial planning and feasibility study stage of developing harbor projects. He stressed that this work would allow communities to have a harbor project "ready to go" if and when the Corps of Engineers announced that funding was available.

Corps of Engineers-Harbors Program Construction
\$ 8,250,000 G/F Match
Reference No.: 36453
Project Type: Construction
Category: Transportation
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2003 - 06/30/2008
Phased Project
Participation with the Corps of Engineers and local governments in harbor breakwaters, dredging, feasibility studies, and program assistance.

Mr. MacKinnon stated that this request would allow for the actual construction of harbor projects; particularly, he stated, the construction of a harbor in Wrangell. He noted that the total funding of the Wrangell Harbor would consist of twelve million dollars from the federal government, six million dollars from the local government, and four million dollars from the State. He stated that construction could begin once the City of Wrangell completes its financing plan for its share of the expense.

Bethel Dock Deferred Maintenance and Transfer
\$ 600,000 general funds
Reference No.: 37905
Project Type: Deferred Maintenance
Category: Transportation
Location: Bethel
Election District: Bethel
Estimated Project Dates: 07/01/2003 - 06/30/2008
One-Time Project

The city of Bethel has expressed an interest in local ownership subject to the State addressing the deferred maintenance issues. This project was not included in HB 525 (bonds) or HB 528 (debt reimbursement) last year.

Mr. MacKinnon stated that this request would allow for "substantial repairs" to be made to the Bethel dock, and upon its completion, the responsibility for the dock would be transferred from the State to the City of Bethel.

Senator Bunde asked how the overall dock upgrade and transfer program is going; specifically he asked whether any community that received title to their dock has requested additional funding assistance since the transfer occurred.

Mr. MacKinnon responded that no community has requested additional funds. He mentioned that the conditions of the recent bond package that was issued to support dock upgrades and transfer endeavors differed from previous ones in that it established a reimbursement program rather than an initial transfer of funds to a community. He noted that the feedback from communities is that the original funding transfer is the preferred system. He avowed that the program is a successful program.

Senator Taylor asked the number of communities that are currently participating in the program.

Mr. MacKinnon replied that several communities are in the planning stage.

Senator Taylor stated that some communities have not been able to participate in the program because of the projected maintenance burden the community would assume or because the bond issuance was problematic. He understood that the revisions to the most recent bond package that Mr. MacKinnon discussed were supposed to address community concerns; however, he attested that he has continued to hear concerns. He voiced, however, that the Department's report is "encouraging."

Ms. Slagle conveyed that there has been a lot of "enthusiasm" about this program, and she noted that a dock facility transfer would transpire in the City and Borough of Juneau within a few days.

Community Access Roads

\$ 5,000,000

\$ 1,000,000 Fed Rcpts

\$ 4,000,000 General Funds

Reference No.: 38455

Project Type: Construction

Category: Transportation

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2003 - 06/30/2008

State Match Required

One-Time Project

Funding for potential Community Access Improvements.

Mr. MacKinnon stated that constructing access roads is a priority of Governor Frank Murkowski's Administration. He noted that several areas have been identified in which roads could "very readily be constructed" to connect communities and enable them to, for instance, share an airport or school facilities. He stated that sharing facilities could lower operating costs in the long-term.

Senator Bunde attested "that history doesn't bear out your optimism." Furthermore, he pointed out that several communities in Southeast Alaska that are connected by roads have two separate school districts. He stated that perhaps the Legislature should do more to encourage communities to share resources.

Co-Chair Wilken observed that relatively little backup information accompanies this request, and he asked whether additional backup information is available.

Mr. MacKinnon exemplified that one proposed road connection could be between Illiamna and Nondalton. He noted that the difficult decision in this case would be which of the two airports would be closed.

Co-Chair Wilken asked that the Department work with his staff to develop additional backup information, as he attested, a plan would be required.

Mr. MacKinnon stated that the Department is identifying a number of projects. He assured that additional information would be forthcoming.

Senator Hoffman noted that one obstacle in furthering the Illiamna/Nondalton road connection is the on-going litigation regarding the construction of a bridge in the area. He asked whether this issue has been resolved as it has been a problem for more than ten years.

Mr. MacKinnon responded that, "the person that brought suit has a very good case." However, he voiced optimism that "a little bit of language change in statute" could provide a solution to the situation.

Senator Taylor observed that the Committee's request for more backup material for this nine million dollar request is interesting, as he noted that a similar request is not asked of the Municipality of Anchorage when the Legislature appropriates approximately \$40 million to it for its Anchorage Metropolitan Area Transportation Study (AMATS) road system. He opined that it would be interesting to know how the lists would compare.

Co-chair Wilken asked that the Committee's attention remain on the projects being presented.

Senator Stevens interjected that a list of Anchorage Road projects is available.

Senator Taylor declared that the State has not "build roads anyplace in this State in the last twenty years."

Industrial Development Roads
\$ 5,000,000 general funds
Reference No.: 38454
Project Type: Construction
Category: Transportation
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2003 - 06/30/2008
One-Time Project
Funding for potential Industrial Development Roads

Mr. MacKinnon stated that building industrial roads is another priority of the Administration as their construction could expand economic opportunities in the State. He exemplified that providing road access to such places as the Donlin Creek Mine could encourage additional resource development in the area. He stated that another road that could be constructed is off the Dalton Highway in the North Slope region. He attested that this road would provide access to acreage that could be viable for oil development and exploration

leases that might generate additional royalty payments to the State.

Co-Chair Wilken opined that, were Congress to reauthorize the federal Transportation Equity Act for the 21st Century (TEA-21) funding, it would supplant these State funds.

Senator Bunde asked whether consideration would be given to making these tolls roads, were the reauthorization of the TEA-21 funds disallowed.

Mr. MacKinnon responded that the Department is examining a variety of financing that might include such things as in-kind contributions and financial assistance from the affected industries and regional Native corporations.

Co-Chair Wilken asked the Department to provide additional backup information pertaining to this request.

State Equipment Fleet Replacement
\$ 15,000,000 Hwy Capiti
Reference No.: 30628
Project Type: Equipment
Category: General Government
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2003 - 06/30/2005
On-Going Project
Replacement and/or refurbishment of equipment and vehicles which have reached the end of their useful life cycle and all extension periods and for the continued conversion of vehicles to alternate fuel and related alternate fuel program expenses.

Mr. MacKinnon read the project description.

Senator Taylor asked which vehicles would be converted to alternate fuel.

Mr. MacKinnon voiced uncertainty as to whether any vehicles would be converted to propane.

Ms. Slagle expressed that the Department's fleet includes vehicles that use natural gas; however she noted that the number of vehicles using alternate fuel is small and typically includes sedan-type vehicles. She stated that, as required by State statute, the Department is investigating alternate fuel sources.

Senator Taylor voiced the understanding that the State had a built-

in amortization system for equipment replacement. Therefore, he puzzled as to the reason that general funds are requested on an annual basis to fund equipment replacement needs.

Co-Chair Wilken asked Ms. Slagle to explain the Highway Capital Fund that is identified as the funding mechanism for this request.

Ms. Slagle stated that the Highway Working Capital Fund is an account to which user agencies make monthly payments to provide monies for maintenance, operation, and replacement of their vehicles. She stated that Legislative authorization is required in order to access the funds. Therefore, she concluded that this is a request seeking the authorization of those funds to be utilized to replace vehicles.

Senator Taylor asked whether the Department has considered lease purchase agreements as opposed to maintaining and repairing State owned vehicles.

Ms. Slagle stated that, "when it is appropriate for the needs" of the Department, it does lease vehicles. However, she stated that, rather than paying lease expenses, it is more economical to purchase and maintain vehicles such as snowplows, graders, and heavy-duty trucks. She noted that all vehicles that are maintained by the Department, including trooper vehicles belonging to the Department of Public Safety, are included in this request.

Senator Taylor continued to voice concern that numerous departments purchase rather than lease their vehicles. He questioned whether allowing the Department of Transportation and Public Facilities to maintain other departments' vehicles is a sound economic decision, as he attested that the Department charges "a very high rate" for that maintenance. He stressed that "an aggressive leasing program" would result in significant savings to the State.

Co-Chair Wilken understood that efforts are underway to develop a lease program for FY 05.

Senator Hoffman requested that a list detailing the types of vehicles that would be purchased and their usage location be supplied to the Committee.

Senator Olson asked whether a study has been conducted to determine whether or not alternate fuel programs are cost effective.

Ms. Slagle responded that this information would be provided.

Senator Bunde echoed Senator Hoffman's request concerning the types

of equipment that would be purchased. He shared private industry concerns that the Department might be purchasing major construction equipment that might sit idle 50 weeks out of the year.

Mr. MacKinnon surmised that Senator Bunde might be referring to a drill rig that the State owns. He assured that a list would be provided.

State Equipment Fleet Equipment Management System Replacement
\$ 2,000,000

\$ 200,000 CIP Rcpts

\$ 1,800,000 Hwy Capiti

Reference No.: 35835

Project Type: Renewal and Replacement

Category: Transportation

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2003 - 06/30/2008

One-Time Project

Replacement or upgrade of State Equipment Fleet's Equipment Management System (EMS) as recommended by the DMG Maximus Consulting Review of the State of Alaska Fleet Operations.

Mr. MacKinnon stated that this request would provide for the replacement of the equipment management system that the Department uses to keep track of its 7,000 vehicles statewide. He stated that the new system would allow the State to properly conduct a preventative maintenance program that would extend the life of vehicles and keep them in safe operating condition. He noted that the current system is antiquated and is not able to adequately perform the necessary functions.

Ms Slagle commented that the new system would also allow the Department to better track warranty information and repair costs.

Senator Taylor observed that the backup information states that some components of the original Equipment Management System never functioned at all.

Ms. Slagle responded that the current management system is of poor quality, is not user friendly, and is unable to provide pertinent management information.

Senator Hoffman asked whether the new system would be sophisticated enough to recommend the types of equipment that would function better in certain regions of the State. He voiced that a conventional, easy to repair, piece of equipment would be preferred to utilizing a modern piece of construction equipment in a remote

area that might be rendered inoperable for a long period of time while awaiting unique replacement parts.

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Ms. Slagle stated that the new Equipment Management System would allow the Department to better track those areas experiencing excessive equipment downtime and excessive associated costs. This tracking, she avowed, would allow the Department to better access the need to provide alternative vehicles.

Senator Olson assumed that the cost associated with maintaining other departments' vehicles is reflected in the backup material.

Ms. Slagle confirmed.

Senator Olson asked whether requiring other departments to maintain their own vehicles would be cost effective.

Ms. Slagle stated that "decentralizing" this responsibility would result in a duplication of efforts.

Senator Olson asked whether the various State departments would agree that having the Department of Transportation and Public Facilities maintain State vehicles is a cost effective measure.

Ms. Slagle hoped that they would; however, she allowed that this response could not be guaranteed.

Senator Olson communicated that, in his experience, this has not been the case.

Ms. Slagle voiced that the Department is investigating whether an alternate billing structure could be implemented.

Weights and Measures Testing Unit Replacement

\$ 75,000 General Funds

Reference No.: 32605

Project Type: Equipment

Category: Transportation

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2003 - 06/30/2008

Phased Project

The Weights and Measures equipment which is beyond its useable service life.

Mr. MacKinnon stated that this request would allow for the purchase of a 500 Gallon Trailer Mounted Stainless Steel Volumetric Prover that would travel throughout Southeast Alaska. In addition, he noted that it would provide for federally required upgrades to be made to the Anchorage Metrology Laboratory.

Co-Chair Wilken asked whether Senator Taylor has access to the AMATS road projects list that Senator Taylor asked about earlier in the meeting.

Senator Taylor responded yes; however, he reiterated that Committee approval of AMATS projects is not required.

Senator B. Stevens responded that AMATS projects are federally reviewed. He voiced that he takes issue with Senator Taylor's comment that the Municipality of Anchorage "wastes" AMATS money.

Senator Taylor stated that, rather than implying that Anchorage wastes the money, the intention of his remark was to point out that the list of AMATS projects does not have to be approved by the Committee.

Senator Bunde informed the Committee that during the previous day's Department of Environmental Conservation capital budget presentation, a question arose regarding the total funds that have been required to support the Village Safe Water Project Administration project, reference number 33820. He stated that since the project's inception, the amount has totaled \$872,964,115.

The bill was HELD in Committee.

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ADJOURNMENT

Co-Chair Gary Wilken adjourned the meeting at 09:59 AM.