

SENATE FINANCE COMMITTEE

March 11, 2008

9:27 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [9:27:32 AM](#).

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Kim Elton
Senator Joe Thomas
Senator Fred Dyson

MEMBERS ABSENT

Senator Donny Olson

ALSO PRESENT

Miles Baker, Staff, Co-Chair Stedman; Frank Richards, 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; Jeff Ottesen, Director, Division of Program Development, Department of Transportation and Public Facilities; Michael Lukshin, State Harbor Engineer, Division of Design & Engineering Services, Department of Transportation and Public Facilities; Leta Simons, Director, Division of Support Services, Department of Natural Resources; Mike Maher, Director, Division of Administrative Services, Department of Revenue; Bill Griffith, Facilities Programs Manager, Division of Water, Department of Environmental Conservation

PRESENT VIA TELECONFERENCE

Chris Degernes, Field Operations, Division of Parks and Outdoor Recreation, Department of Natural Resources

SUMMARY

SB 221 "An Act making appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

SB 221 was HEARD and HELD in Committee for further consideration.

SENATE BILL NO. 221

"An Act making appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

[9:28:37 AM](#)

Co-Chair Stedman explained that the committee was beginning hearings related to SB 221 and would be working on the FY 09 capital budget financed by the FY 09 revenue stream. The presentation would take place by departments, depending on the number of items submitted. The Governor's FY 09 capital budget was just over \$2 billion, a substantial scope increase over the previous year. Co-Chair Stedman thought the Governor's budget should be evaluated and prioritized along with other needs of the state, as brought forth by different communities.

Co-Chair Stedman said the capital budget would be zero-based and there would be a Committee Substitute (CS). The CS would look at items that are federally funded and require a state match. If there was a state match that was a substantial percentage of the overall value, that project was dropped from the CS. The CS will have federal projects added. Numerous departments will give presentations and will be bringing forward projects no longer in the capital budget that have been requested by the Governor. As the clock allows, the committee will attempt to get to the federal match items.

[9:31:31 AM](#)

Co-Chair Hoffman MOVED to ADOPT the work draft for SB 221 (FIN), 25-GS2007\C, Kane, 3/8/08. There being NO OBJECTION, it was so ordered.

MILES BAKER, STAFF, CO-CHAIR STEDMAN, provided an overview of the contents of the two binders containing capital budget detail. He pointed out the binder beginning with Department of Transportation and Public Facilities that the committee would begin with. The project review at the front of the binder lists all the projects that each department has submitted, and is followed by project detail.

Mr. Baker explained that when the Governor submits the original budget, the bindings are put together. The green sheet is the amended project list; the white, the original project list. The project lists are put together alphabetically by project title within general fund source categories, with state-funded projects first, followed by federally-funded projects. The old amendments are left in for comparison.

Mr. Baker referred to the yellow sheets of paper which are the amendments from the Governor after the 30-day cut-off. Those amendments were funds source changes that did not affect the projects, for the most part. The chairman has asked for those to be set aside for the time being.

[9:36:22 AM](#)

Mr. Baker pointed out a tab at the back of the second binder contents labeled "FY 08 TS". The Governor submitted about \$42 million of IT technology projects that were spread across several departments with 08 appropriation effective dates. The administration has been asked to talk about those as a group.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

FRANK RICHARDS, DEPUTY COMMISSIONER OF HIGHWAYS & PUBLIC FACILITIES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, began his presentation with the Airport Deferred Maintenance Project.

Project #30633
Airport Deferred Maintenance
\$1,000,000 General Fund

Mr. Richards reported that on an annual basis, the department asks for funding to cover deferred maintenance needs that are above and beyond the ability of the

department to accomplish work activities on the rural airport system. This includes such things as pavement repairs, building repairs, and bird and animal control. It has varied over the past several years from \$850,000 to \$750,000, but in overall totals, it is anticipated that around \$25 million will go toward deferred maintenance needs on the rural system. These are necessary in order to keep rural airports in good operating condition.

Project #45568

Alaska Marine Highway System-Facility Deferred Maintenance
\$565,000 ASLC Bonds

NANCY SLAGLE, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, explained that the department is requesting money to deal with terminals in Ketchikan, Juneau, Skagway, Hoonah, Petersburg, Wrangell, and Sitka. Specifically, fire alarm and suppression systems and underground storage tank replacements are needed.

Ms. Slagle explained that originally the projects were requested from the Student Loan Corporation Project Bond. An amendment submitted later switched the fund source to the Alaska Capital Income Fund.

Project #45587

Fire Alarms and Suppression Systems
\$50,000 ASLC Bonds

Project #45588

Underground Storage Tank Replacement
\$515,000 ASLC Bonds

Ms. Slagle reported that the projects are also Alaska Marine Highway System Vessel and Facility Deferred Maintenance projects and deal with facilities repairs that have not been kept up. The difference is the fund source. The appropriation will be used to deal with facility maintenance, as well as vessel deferred maintenance, including recoating underwater body paint on the MV Aurora, replacing exterior handrails on the MV Columbia, installing a new liner for the main engine on the MV Matanuska, and replacing the electrical system transformers on the MV Malaspina. These are DOT's top priorities for dealing with vessels, from a lengthy list of deferred maintenance needs totaling around \$5 million for immediate priority needs.

[9:42:20 AM](#)

Co-Chair Stedman encouraged Ms. Slagle to go through each item.

Ms. Slagle delineated the \$50,000 for fire alarms and suppression systems and terminal repair and \$515,000 for underground storage tank replacement.

Project #42001
Alaska Marine Highway System Vessel-Facility Deferred
Maintenance
\$2,000,000 GF

Co-Chair Stedman queried why the item remains the same over the years. Ms. Slagle responded that the department does not know what the number will be. The need for the top priority list is about \$5 million. Ms. Slagle talked about a balance between general overhaul monies needed, and major refurbishment money from the federal government. The items listed here are not covered by either source.

Co-Chair Stedman requested the history of the request. Ms. Slagle replied that 2007 was the first time DOT received money for deferred maintenance for the vessels and facilities. The department has not received deferred maintenance money for around 10 years. The department typically receives GF overhaul money or federal capital improvement project (CIP) major project money.

[9:46:19 AM](#)

Project #30624
Marine Highway System Vessel-Terminal Overhaul and
Rehabilitation
\$9,900,000 General Fund

Mr. Richards explained that DOT receives money annually to deal with basic overhaul of the vessels, which is required for re-certification by the Coast Guard. It provides for the annual inspection repair and maintenance that cannot be performed while the vessels are underway because the vessels must be dry-docked and inspected. The overhaul includes making sure systems are functioning and equipment meets requirements. It also includes money for other

equipment replacement in the terminals and ferries, such as computers or passenger service items.

Project #6391
Americans with Disabilities Act Compliance Projects
\$500,000 GF

Mr. Richards continued with the request for items that need to be done to comply with the Americans with Disabilities Act (ADA), such as removing barriers to state buildings. He said the Department has not received significant money for this in the past, but there are compliance issues that must be addressed.

[9:48:40 AM](#)

Mr. Richards reported that the allocation would be used to take care of such things as ramps and rest room upgrades and automatic doors.

Senator Thomas had a question regarding deferred maintenance.

Ms. Slagle answered that the amount allocated provides for maintenance of immediate needs and does not allow for catching up on the backlog of deferred maintenance needs.

Senator Huggins thought the AMHS was a "ship afloat without an anchor and without a captain at the wheel". He wondered why he should have confidence in the proposed numbers. He questioned if anyone was in charge of the system currently.

Mr. Richards referred to Deputy Commissioner Dennis Hardy in the audience.

Senator Huggins wanted to be involved in the conversation regarding long-term solutions.

Co-Chair Stedman noted concern when looking back at overhaul costs on aging ships without replacement plans.

Mr. Richards replied that deferred needs are continuing to be requested because the budgets have not been able to address backlog needs.

[9:52:56 AM](#)

Project #45294
Americans with Disabilities Act Transition Plan Update
\$200,000 GF

Mr. Richards explained that the plans are old and need to be upgraded to remain ADA compliant. This funding would specifically address building and harbor needs which are not eligible for federal funds.

Project #32534
Capital Improvement Program Equipment Replacement
\$1,500,000 CIP Rcpts

Ms. Slagle related that the allocation allows AMHS to use a portion of the money for equipment needed for construction projects. The Department cannot specifically charge that equipment directly to construction projects.

Co-Chair Hoffman noted he would find out from his staff how the 2007 and 2008 money was spent.

Project #AMD43010
Chignik Lagoon: Airport Safety Improvements
\$4,000,000 GF

Mr. Richards explained that the project would use money from last year to do a design effort for Chignik Lagoon Airport. He said it would normally be a federal project, but that would entail more expense and have significant environmental concerns. The airport currently has significant safety concerns.

[9:57:32 AM](#)

Project #39907
Coffman Cove Maintenance Station
\$980,000 AK Cap Inc

Mr. Richards reported that the allocation would upgrade Coffman Cove Highway and would construct a small maintenance station in Coffman Cove.

Co-Chair Stedman noted that the truck and loader are requested under a separate capital request. He asked why the equipment can't be shifted from the old station to the new station.

Mr. Richards replied that the equipment at the Klawock station and airport is currently being used there. Taking the equipment to Coffman Cove would cause disparity between existing crew needs and responsibilities.

Co-Chair Stedman asked if there were any trucks that could be re-deployed. Mr. Richards said that many of the trucks were worn out and needed to be replaced.

Senator Elton referred to the language "will assume maintenance responsibility for the 22 mile long Coffman Cove Highway". He wondered who would provide the maintenance. Mr. Richards explained that it became a DOT road after it was built with U.S. Forest receipt monies for the state.

Senator Elton inquired if the "right of way acquisition estimated at \$200,000", is the right of way to the new facility. Mr. Richards assumed the cost was for land purchase. He offered to find out. Senator Elton assumed it was Forest Service land. Mr. Richards did not know.

Co-Chair Stedman thought there was municipal land around Coffman Cove. He asked Mr. Richards to get back to the committee on that. He inquired if it was the intent of the department to relocate an employee to Coffman Cove. Mr. Richards said that was correct.

Co-Chair Stedman asked if it was adding an employee or redeploying an employee. Mr. Richards said an employee currently working in Klawock will re-deploy to Coffman Cove.

[10:02:35 AM](#)

Project #42968
Community Harbor Deferred Maintenance and Transfer Program
\$2,580,000 GF

Mr. Richards explained that the funding is used for maintenance of harbors now owned by municipalities such as Jakalof Bay, Baranof Warm Springs, and Kake.

Co-Chair Hoffman wondered if those three communities were willing partners in the transfers. He noted that Bethel feels pressured to take responsibility for what they feel is a regional port. The department was not going to

provide assistance to them and they feel at odds with the department. He asked if the communities are doing this with the full knowledge of the responsibility it will entail and not being pressured to do so.

Mr. Richards explained that the department received resolutions from each community and there was no pressure placed upon them. Co-Chair Hoffman hoped that was the case.

[10:04:49 AM](#)

Co-Chair Stedman recalled that the communities he represents have succumbed to DOT and have taken over most of the harbors. He said that Baranof Warm Springs is listed at \$1.3 million and last year the Governor vetoed it. He wondered if that would happen again. Mr. Richards thought the Governor would stand by the current capital budget.

Co-Chair Stedman suggested giving back \$1.3 million to Sitka. There was additional information on cost changes and continued deterioration and the total was now \$1.7 million. He noted a resolution sent from the Sitka Assembly, a letter, and other correspondence. He suggested that if the project is funded, it stay funded.

Mr. Richards said the department would correspond with Sitka about cost increases. The challenge is that the department's operating budget for floats and harbors has not included deferred maintenance needs, and these facilities have fallen into disrepair. It is a goal to transfer those facilities to the community after being upgraded.

Co-Chair Hoffman thought it was a matter of priority, and DOT making sure they are prioritized and funded. Bethel serves 15 communities, so Bethel should not be responsible to maintain the port on behalf of all the communities. He thought it should be the state's responsibility. He wanted DOT to make that a priority.

Mr. Richards thought that in Bethel the issue was a tideland transfer to the city.

[10:09:17 AM](#)

Co-Chair Hoffman emphasized that all of the tidelands were being utilized by the villages and there should be a cooperative agreement between the city and the state.

Mr. Richard understood that there was a cooperative plan between Bethel and the state. He thought \$600,000 was appropriated for the facility.

Co-Chair Stedman gave an example of the difference between an allocation and an appropriation. He noted the appropriation request for \$2.58 million and an allocation within that amount. He wondered if separate appropriations were needed. Ms. Slagle thought it would be fine to have allocations within the appropriation.

Co-Chair Stedman explained that an appropriation has hard boundaries and allocations are more flexible. He noted concern with legislative intent being misconstrued within DOT in the past.

[10:11:54 AM](#)

Project #43056
Connect Anchorage
\$23,500,000 GF

Mr. Richards related that this was also an appropriation with sub-allocations. It is a long-range plan to address congestion and upgrade facilities within Anchorage. The two allocations under the appropriation are the 40th Avenue Extension and the New Seward Highway.

Co-Chair Stedman asked for an overview of the process the department went through.

Mr. Richards explained that the department utilizes state, federal, and local funds. It looks at projects based on how long they will take and how successful it would be to get environmental permits. He gave Elmo Road as an example. The new road was analyzed to see if it would be more efficient to utilize state funds, which would result in less costs overall. For existing roads such as the Seward Highway or the Glenn Highway, it is easier to use federal funds.

[10:16:00 AM](#)

Senator Elton summarized that Connect Anchorage was a 10-year program that began in 2006 with \$35 million identified for FY 09 and FY 10. He wondered what the out years would cost.

Mr. Richards referred to an agreement signed between then-Governor Murkowski and Mayor Begich to identify the projects in Connect Anchorage, which included a highway to highway connection for \$600 million, the Dowling Road extension for \$95 million, and the new Seward Highway upgrade for \$210 million, plus lesser projects, for a total of \$1.16 billion.

Senator Elton assumed the department was working with Juneau on a similar cooperative agreement to construct transportation projects. He wondered if there were other municipalities that also have transportation agreements with the department.

Mr. Richards replied that he was not aware of any.

[10:18:05 AM](#)

JEFF OTTESEN, DIRECTOR, DIVISION OF PROGRAM DEVELOPMENT, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, reported that he was not aware of any such agreements. The Connect Anchorage project was initiated by the Governor's office, not the department, and was an exception.

Senator Elton emphasized that it was an exception that would cost about \$1.2 billion over ten years. Mr. Ottesen agreed.

Senator Dyson suggested that Anchorage was unique because of a mix of state and municipal roads. He spoke of his experience as an apprentice to the Anchorage Assembly watching the transportation problem evolve over time. He explained the current negotiated maintenance agreement for Anchorage roads. He spoke of the goal to make the north/south transportation route more rational and eliminate congestion. He commended the process by which a reasonable agreement was reached.

Senator Elton noted that the model that has been used by the department in the past with harbors was not used during this project.

Co-Chair Hoffman did not have a problem with a ten-year earmark for Anchorage, but agreed with Senator Elton that fairness is needed for all communities. He brought up an example of a priority given to Anchorage rather than to a rural project or to the Mat-Su Valley. He did not see major assistance with long-term plans for smaller communities.

Co-Chair Stedman recognized that Anchorage has half the population in Alaska, but maintained that remote area general fund requests are not treated fairly and there is a question of parity.

[10:24:52 AM](#)

Mr. Richards reiterated the goal of Connect Anchorage and pointed out that the community is putting money into the project through bonding. Federal funding within Anchorage must go through the municipal planning organization for transportation improvement programs. Congestion flow into Anchorage impacts a considerable number of people. He maintained that the department was not unfairly designating money to Anchorage.

Senator Elton thought that nothing in the signed agreement with the municipality of Anchorage forces the legislature to fund the project. Mr. Richards agreed.

[10:28:06 AM](#)

Project #45438
New Seward Highway - 36th South 6 - Lane
\$13,500,000 Gen Fund

Mr. Richards turned to the second allocation within Connect Anchorage. He explained that the project would widen the Seward highway from four lanes to six lanes. It is a safety concern that should be addressed.

Project #30648
Coordinated Transportation and Vehicles
\$800,000 General Fund/Representative Hawker
\$300,000 MHTAAR

Ms. Slagle reported that the allocation would help provide funding for coordinated transportation services for Mental

Health Trust beneficiaries and for purchasing vehicles through a grant for non-profits.

[10:30:08 AM](#)

Project #36453
Corps of Engineers - Harbor Program
\$2,250,000 G/F Match

Ms. Slagle reported that the funding would be used for feasibility studies.

Project #41390
Dalton Highway Including Surfacing Materials
\$5,000,000 Gen Fund

Mr. Richards discussed the multi-year Dalton Highway allocation. He explained the progress of the project so far and the intended use of the funds for highway maintenance.

[10:32:20 AM](#)

Co-Chair Stedman commented on the importance of the Dalton Highway as it relates to the gas pipeline. He requested comments on that project. Mr. Richards described the planned improvements to the road. Co-Chair Stedman inquired about trucking LNG to Fairbanks. Mr. Richards replied that the impact of the LNG tankers is not yet known.

Co-Chair Hoffman noted that in the past the AK Capital Income Fund has been used to fund this item. He wondered how the decision was made whether to use general funds or AK Capital Income Funds. Ms. Slagle replied that those decisions are made by OMB in the Governor's office.

Senator Elton asked what inflation factor is use for the out years' \$22 million. Mr. Richards said that the dollar figure does not include inflation-proofing. Senator Elton thought the inflation rate was at 10 percent over the past seven years. He questioned what the request would be in 2010 with inflation factored in. Mr. Richards thought the request would not be escalated due to an inflation factor. The request is for heavy maintenance projects, not for reconstruction. Ms. Slagle added that there is \$14 million

in the Governor's bond proposal for the Dalton Highway resurfacing.

Senator Elton reported on the increase in earth moving costs and speculated that additional funds would be needed.

[10:38:33 AM](#)

Senator Thomas echoed the same concerns about the Dalton Highway due to the importance of the gas pipeline. He thought a long-range, sustainable plan would be better.

Project #45200
Dust Suppression Project - Water Trucks and Trailers
\$650,000 Gen Fund

Mr. Richards explained that the goal of this project is to provide equipment to control the dust in villages in western Alaska. The challenge is that there could be problems with air quality standards and the EPA could direct funds to be used to solve this problem. The plan is to address this issue before it happens.

Senator Dyson said it is an example of unintended consequences because of clumsy government regulations.

[10:42:55 AM](#)

Project #30634
Emergency and Non-Routine Repairs
\$500,000 Gen Fund

Ms. Slagle explained that the funding is for repairs to transportation facilities due to natural disasters and are not eligible for federal dollars. Mr. Richards provided an example of a bridge repair above and beyond the ability of the operating budget.

Co-Chair Hoffman commented on flooding in coastal communities due to global warming. He suggested that the request might be underfunded.

Project #45567
Facilities Deferred Maintenance
\$13,273,000 ASLC Bonds

Ms. Slagle listed the projects in categories.

Project #45575
Exterior Door Repair or Replacement
\$490,000 ASLC Bonds

Ms. Slagle explained the allocation for exterior door repair or replacement in various communities.

Project #45572
Exterior Siding Repair and Replacement
\$1,952,000 ASLC Bonds

Ms. Slagle talked about the exterior siding repair and replacement request in numerous communities.

[10:47:41 AM](#)

Project #45578
Major Facility Maintenance or Replacement
\$1,050,000 ASLC Bonds

Co-Chair Stedman requested a comparison between Projects #45567 and #45578 regarding facility maintenance. Ms. Slagle replied that the first one is an appropriation and the second is an allocation within it.

Project #45579
Miscellaneous Interior Repairs
\$440,000 ASLC Bonds

Ms. Slagle explained the various repairs needed.

Project #45577
Oil/Water Separators and Fuel Tank Replacement
\$1,431,000 ASLC Bonds

Ms. Slagle discussed the allocation for oil/water separators and fuel tank replacements.

Project #45570
Roof Repair and Replacement
\$3,952,000 ASLC Bonds

Ms. Slagle explained the roof repair and replacement projects.

Senator Elton thought that the allocations for Projects #45570 and 45576 were not DOT functions in that they included court houses. He wondered why the buildings were not part of the pool where the agency within the building is in charge of maintenance.

Ms. Slagle explained that the reason they were not included in the Public Building Fund was because the funding source for maintenance comes from the general fund. Senator Elton asked if the Department of Law pays for the Dimond Court House. Ms. Slagle was not sure if it is included in the Public Building Fund or comes under the Department of Administration. She explained the history of the Public Building Fund.

[10:54:26 AM](#)

Project #45576
Upgrade and Repair Heating, Ventilation, and Air
Conditioning Systems and Utilities
\$3,958,000 ASLC Bonds

Ms. Slagle talked about the upgrade and repair of heating, ventilation, and air conditioning systems and utilities allocation. She listed the areas maintained.

Project #30632
Facilities Deferred Maintenance and Critical Repairs
\$2,000,000 Gen Fund

Ms. Slagle explained that this appropriation is for items not dealt with in the previous allocation.

Mr. Richards pointed out that the money has to be spread over 700 buildings statewide. The need for deferred maintenance keeps growing.

Project #45195
Galena Maintenance Building Efficiency Modifications
\$156,000 Gen Fund

Mr. Richards said that this building would be transferred to the state from the US Air Force, which has been in Galena and will be closed.

Project #45659
Glenn Highway Rut Repair

\$11.5 million Gen Fund

Mr. Richards pointed out the need for this repair due to the heavy commuter traffic. He described the lanes to be repaired.

[10:58:41 AM](#)

Senator Dyson wanted an update on the lighting project on the Glenn Highway. Mr. Richard responded on the status of the project. Senator Dyson hoped for money to fix the drainage problems north of Farm Avenue. He also wanted to coordinate the projects. Mr. Richards answered that a priority is to use public money wisely.

RECESSED: [11:01:31 AM](#)

RECONVENED: [2:36:40 PM](#)

Ms. Slagle returned to a question regarding the Coffman Cove maintenance station right of way acquisition. She corrected that the allocation should have been for the land purchase of the site from the city of Coffman Cove.

Senator Elton asked if there was any possibility of "doing a deal" with Coffman Cove, since they are gaining a maintenance station. Ms. Slagle replied that they try to work closely with the communities. She used Seward as an example.

Project #7090
Harbor Deferred Maintenance
\$650,000 Gen Fund

Ms. Slagle discussed the appropriation which would address backlogged deferred maintenance for state-owned harbors. She listed the top priorities. Co-Chair Stedman mentioned privatization of harbors and grant programs. He wondered if some of the harbors would be able to generate revenue and if the department had any plans to that effect. Ms. Slagle replied that the department does not have the infrastructure to do that. Co-Chair Stedman provided two examples of how that could be done: Funter Bay and Port Alexander. He wondered why the harbors do not require a fee for usage.

Mr. Richards thought it would take monitoring and assessment of fees to put that plan into effect. It would also take a large amount of traffic to make it worthwhile. Co-Chair Stedman thought it would be about \$6,000 to \$8,000 per harbor. He argued that the current situation is not equitable. Mr. Richards offered to work on this issue during the interim in order to find a system that would work.

[2:46:20 PM](#)

Project #AMD7091
Harbor Program Development
\$400,000 G/F Match

Ms. Slagle reported that part of the funding is for a match for the Denali Commission and part is for the management of the program.

Co-Chair Stedman questioned the amount for a state seaplane dock found on the second page of the Harbors Deferred Maintenance - DOTPF Inventory 2007 Update.

[2:48:44 PM](#)

MICHAEL LUKSHIN, STATE HARBOR ENGINEER, DIVISION OF DESIGN & ENGINEERING SERVICES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, explained that the money would be for maintaining the float dock and the seaplane float at Baranof Warm Springs.

In response to a question from Co-Chair Stedman, Mr. Richards replied that the city of Sitka would maintain both floats. Ms. Slagle explained that if the money is approved for the transfer of the floats, then the \$628,000 on the deferred maintenance list would not be needed. Co-Chair Stedman asked where the money would go. Mr. Richards said that the maintenance money and the transfer money are separate funds.

Ms. Slagle explained an item from last year's deferred maintenance list which is no longer a priority. She listed the priority items and offered to discuss them at a future time.

[2:52:09 PM](#)

Project # 30631
Highway Deferred Maintenance
\$3,000,000 Gen Fund

Mr. Richards addressed the current backlog of deferred maintenance items such as surface and embankment repairs, drainage culverts and ditch repairs, guardrail repairs, marking and sign repairs, and brushing. Co-Chair Stedman asked for more information about Sitka's guardrail request.

Co-Chair Hoffman asked about Nome's road dust control. He wondered why it was not included in the section about air quality. Mr. Richards reported that the projects on the list are funding allocations from FY 07. Co-Chair Hoffman requested more information about dust control appropriations. Mr. Richards offered to provide that list.

[2:55:06 PM](#)

Project #45198
Highway Maintenance Vehicle Replacement and Safety
Equipment
\$2,000,000 Gen Fund

Mr. Richards said that the request is for additional funding to supplement the Highway Equipment Working Capital Fund for equipment (22 units) that needs to be replaced in FY 09. He talked about attenuators and warning devices for dump trucks.

Co-Chair Stedman asked how the attenuator attachments work. Mr. Richards described their function.

[2:58:18 PM](#)

Project #39900
Jim River (Dalton Highway) Maintenance Station Replacement
\$6,000,000 AK Cap Inc

He elaborated on the full replacement that is needed.

Project #AMD45297
Kenai Borough Road Projects
\$2,000,000 Gen Fund

Mr. Richards described the work included in the projects.

[3:00:19 PM](#)

Project #45197
Measurement Standards and Commercial Vehicle Enforcement
Equipment Replacement
\$516,000 Gen Fund

Ms. Slagle reported that the request will provide funds for the purchase of scale testing equipment and volumetric provers for the MSCVE division.

Project #45192
Nome State Office Building Design Study, Land Purchase
\$1,900,000 Gen Fund

Ms. Slagle explained that the request is for the preliminary design and land purchase. The department will come back later to request construction funds.

Co-Chair Stedman asked how much will be requested. Ms. Slagle estimated about \$18 million. Co-Chair Stedman said that was \$450 per square foot. Mr. Richards agreed that it would be between \$400 and \$500 per square foot.

[3:04:06 PM](#)

Project #42935
Parks Highway Weight Restrictions
\$2,000,000 Gen Fund

Mr. Richards described the problems with the unsuitable road from Milepost 241-262 of the Parks Highway.

Senator Elton asked about other funding for this project. Mr. Richards reported that there was money in the bond package for the Parks Highway at Milepost 72-90. This request is for a part of the road north of that.

Project #39356
Resource Development Roads
\$3,000,000 Gen Fund

Mr. Richards commented that the allocation was in order to promote revenue and employment opportunities. The funds would be used to improve and develop roads to mines and timber.

Co-Chair Stedman questioned the \$3 million amount and the large number of projects. He wondered if it was enough money. Mr. Richards replied that some of the roads are already in place and just need upgrading.

Senator Elton thought they used to be called the Pioneer Roads and they didn't meet federal highway standards. Mr. Richards said that was correct; they are now called Roads to Resources. The allocation has been used to work on existing roads, as well as new access roads in the North Slope.

Senator Elton noted that none of the projects go through a public process to prioritize them. Mr. Richards explained how the projects are selected. Senator Elton pointed out that the list consists of roads and projects that have been done. He wondered if there were any that had yet to be done. Mr. Richards gave several examples. Senator Elton requested a list of future projects.

[3:12:29 PM](#)

Project #AMD41146
Richardson Highway, Shaw Creek Bridge
\$4,000,000 Gen Fund

Mr. Richards related that the bridge needs to be replaced to accommodate heavy module movements needed for construction of the Alaska Natural Gas Pipeline.

Project #45193
Seward Highway Maintenance Station Replacement
\$3,200,000 AK Cap Inc

Mr. Richards explained that the goal is to relocate and construct a new facility. Senator Dyson thought the land was very valuable and wondered about cost recovery. Mr. Richards reported on the potential results of the sale.

Project #45651
Seward Highway: Milepost 86 - Kern Creek Culverts
\$3,000,000 Gen Fund

Mr. Richards detailed the project description and justification. He talked about meeting environmental regulations. Senator Elton asked if it is a shared project. Mr. Richards said it is a DOTPF request.

[3:17:33 PM](#)

Project #30628
State Equipment Fleet Replacement Request
\$15,000,000 Hwy Capitl

Ms. Slagle explained about the replacement and/or refurbishment of equipment and vehicles.

Co-Chair Stedman questioned if \$15 million is an accurate number in light of cost increases. Mr. Richards agreed that the cost of equipment is going up. He reported that as more HEWCF funds are captured, more could be expended.

Co-Chair Hoffman asked what type of equipment was purchased during the last two years and where they were sent. Mr. Richards offered to provide that information. He spoke of savings on the purchase of 91 dump trucks that were spread statewide.

Co-Chair Stedman reiterated a request for more information regarding bonding package items. Mr. Richards said that would be forthcoming.

[3:20:18 PM](#)

Project #41394
Statewide Anti-icing Program
\$500,000 Gen Fund

Mr. Richards described the request to purchase storage tanks and application equipment. He spoke of warming trends and an extended shoulder season.

Project #45202
Statewide Emergency Bridge Repair
\$1,000,000 Gen Fund

Mr. Richards reported on the statewide emergency bridge repair needs. This repair work is not eligible for federal bridge funds.

[3:22:37 PM](#)

Senator Dyson requested a list of the bridges in this allocation.

Senator Thomas asked what happens if someone damages a bridge - whether insurance is collected. Mr. Richards replied that insurance is collected and used for replacement purposes.

Project #42072
Statewide Rural Airport Safety Improvements
\$3,000,000 Gen Fund

Mr. Richards talked about the statewide rural airport safety improvements request. He described the details of the projects. He spoke of barging gravel to rural areas.

[3:25:35 PM](#)

Project #45207
Striping and Marking Performance Improvement
\$1,000,000 Gen Fund

Mr. Richards reported on the striping and marking performance improvements request for the Glenn and Parks Highways from Anchorage to the Mat-Su Valley. He described the project in detail.

Project #33853
Surfacing Materials
\$1,000,000 Gen Fund

Mr. Richards detailed the request for funds for surfacing materials for major roads and as surface course on gravel roads.

Project #AMD45392
Trunk Road - Phase 1
\$20,000,000 Gen Fund

Mr. Richards discussed the Trunk Road - Phase 1 is a request for \$20 million. The road section is between the Parks Highway and the Palmer-Wasilla Highway.

Mr. Richards reported that this ends the discussion on general fund requests.

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Project #6764
Statewide Federal Programs
\$57,500,000 Fed Rcpts
\$51,838,000 G/F Match
\$100,000 Gen Fund
\$32,000,000 Stat Desig

Co-Chair Stedman suggested the department rank all of the projects. Mr. Richards asked if that request extends to the general fund projects also. Co-Chair Stedman said all projects not in the capital budget committee substitute.

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Ms. Slagle noted that the following allocations are for federal programs.

Project #42960
Advanced Project Definition for Denali Commission
\$100,000 Gen Fund

Ms. Slagle said the appropriation would provide assistance to the Denali Commission by developing project scopes, schedules, and budgets for projects to be nominated for funding.

Project #39893
Commercial Motor Vehicle Safety, Infrastructure Protection and Security
\$3,300,000 Fed Rcpts

Ms. Slagle turned to the commercial motor vehicle safety, infrastructure protection and security request, which are FMCSA grants. Senator Elton thought that this request was an operating budget request, not a capital request. Ms. Slagle reported that it was easier to administrate this way and it allows for a third-party billing system. Senator Elton asked if were in the operating budget, if it would allow unfunded liabilities in the retirement system to be reduced by charging jobs out. Ms. Slagle replied that personnel costs are being charged to the grants.

[4:41:39 PM](#)

Project #34752
Commercial Vehicle Enforcement Program
\$1,400,000 Fed Rcpts

Ms. Slagle reported that this is an ongoing program that provides funds for commercial vehicle enforcement.

Project #AMD31375
Cooperative Reimbursable Projects
\$1,500,000 Fed Rcpts
\$32,000,000 Stat Desig

Ms. Slagle pointed out the revised request for cooperative reimbursable projects. The statutory designated program receipts are for projects approved for the Denali Commission Transportation Program.

Co-Chair Stedman suggested the department move to appropriations.

Project #6896
Federal-Aid Aviation State Match
\$9,200,000 G/F Match

Ms. Slagle referred to the appropriations that require a state match beginning with federal-aid aviation, federal-aid highway, and the other federal program match.

Project #AMD32609
Federal-Aid Highway State Match
\$40,600,000 G/F Match

Ms. Slagle said the monies would support federal funds received from the Federal Highway Administration State Transportation Improvement Program.

Project #41923
Other Federal Program Match
\$2,038,000 G/F Match

Ms. Slagle explained that the project matches funds from the National Highway Transportation Safety Administration, the Federal Motor Carrier Safety Administration, and the Federal Transit Administration.

Project #7470

Airport Improvement Program
\$283,026,500 Fed Rcpts
\$19,165,000 Int Airprt
\$29,577,055 IntAptCons

Ms. Slagle said the request was for the authority to receive federal funds in order to use international airport revenue funds, and international airport construction funds. She referred to the lengthy list of projects included.

[4:48:37 PM](#)

Project #32610
Surface Transportation Program
\$400,000 CIP Rcpts
\$238,605,650 Fed Rcpts

Ms. Slagle described the allocation as funding for the statewide transportation improvement program (STIP). Senator Dyson asked when the Glenn Highway construction project would begin. Mr. Richards offered to provide that information.

[4:50:45 PM](#)

Project #40557
Congressional Earmarks
\$450,000 Fed Rcpts

Ms. Slagle referred to the allocation on page 11 of the Project Review Listing. It consists of the Hoonah Intermodal Ferry Dock and the Wrangell Ferry Infrastructure and requests receipt and expenditure authority for federal funds.

Co-Chair Stedman asked if any communities were left off the list. Ms. Slagle explained that earmarks have to come through the department. Those listed were overlooked and not listed previously. Co-Chair Stedman asked if the department requests expenditure authority rather than declines such earmarks. Ms. Slagle said yes.

[4:52:42 PM](#)

Mr. Richards summarized that the requests on the list have gone through the state's scoring system, criteria have been

worked internally, and they are ready for funding. He requested the committee's support.

Co-Chair Stedman asked if there have been any public hearings on the capital requests. Mr. Richards replied that the STIP process is a public process. He mentioned the challenges related to the STIP process. Co-Chair Stedman commented that there are some concerns about the STIP process.

Co-Chair Stedman noted that the administration was going to reallocate funds for the Gravina Island project in Ketchikan. He requested more information about the status of that project. Mr. Richards reported that the project is currently undergoing a supplemental EIS. Co-Chair Stedman asked how the federal receipts would be handled. Mr. Richards addressed what might happen if the funds were reallocated.

Co-Chair Stedman asked why DOT did not request an appropriation for the Gravina Access. Mr. Richards reported on the supplemental EIS process related to that project.

[4:57:37 PM](#)

Senator Elton wondered if the question pertained to the Juneau Access Project. Co-Chair Stedman said it was relevant to both projects. Senator Elton shared his understanding of the funding status of the Juneau Access project.

Mr. Richards clarified that he was specifically addressing the Gravina project.

Co-Chair Stedman commented about the need for forward funding for these projects.

[4:59:48 PM](#)

Senator Dyson commented on the public process not being optimal on a project in his district. He opined that DOT was not responsive to this issue. Co-Chair Stedman agreed. Co-Chair Hoffman also agreed.

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DEPARTMENT OF NATURAL RESOURCES

LETA SIMONS, DIRECTOR, DIVISION OF SUPPORT SERVICES, DEPARTMENT OF NATURAL RESOURCES, reported on the department's requests.

Project #45278
Reservoir Studies to Evaluate Oil and Gas Resources on the North Slope
\$4,000,000 AK Cap Inc

Ms. Simons explained that the request would enable the Division of Oil and Gas to evaluate the best use of gas resources on the North Slope. It will help the state determine the amount of gas that should be delivered through the pipeline, as opposed to the amount that should be used to maximize oil production.

Project #45279
Contract Auditors for Reducing Royalty and Net Profit Share Lease Audit Backlogs
\$200,000 AK Cap Inc

Ms. Simons reported that this item on the House side was moved into the operating budget.

Co-Chair Stedman pointed out the magnitude of dollars being spent in the oil basin. He thought that the department should provide more information about legal, reservoir, and road issues at a later time.

Project #31371
Oil and Gas Royalty Valuation
\$1,000,000 AK Cap Inc

Ms. Simons noted that the item had also been moved into the operating budget. The project would fund the cost of outside legal counsel and outside experts in case it is needed for reopener arbitration on the three primary contracts with ExxonMobil, BP, and ConocoPhillips.

Project #43300
Alaska Energy Inventory Project Completion of Phase 1
\$350,000 AK Cap Inc

Ms. Simons said that the project would identify resources that can be developed to meet local area energy needs.

Project #38886
Land Sales-New Subdivision Development
\$2,614,000 State Land

Ms. Simons explained that the project authorizes DNR to spend revenue from previous land sales that has been deposited in the Land Disposal Income Fund (LDIF) to propose, design, develop, survey, and build roads for new subdivisions sales.

Project # 33955
Wildland Fire Truck Replacement - Phase 1
\$625,000 Gen Fund

Ms. Simmons related that the project was for replacement of critical fire fighting equipment. It will purchase Type 3 and three Type 6 engines.

Project #6843
State Park Emergency Repairs
\$400,000 Gen Fund

Ms. Simons reported that the funding will upgrade and replace basic facilities that present safety risks at parks.

[5:09:31 PM](#)

Project #45485
Department of Natural Resources Deferred Maintenance
\$6,323,000 ASLC Bonds

Ms. Simons explained that there were four allocations within the request.

Project #38878
State Parks Deferred Maintenance
\$5,228,000
ASLC Bonds

Ms. Simons said the request will help address the \$52 million backlog in deferred maintenance needs.

[5:10:51 PM](#)

Project #42878
DNR Northern Region Office Building Deferred Maintenance
\$545,000 ASLC Bonds

Ms. Simons highlighted the funding request to upgrade the DNR office in Fairbanks.

Project #45267
Forestry Buildings Deferred Maintenance
\$400,000 ASLC Bonds

Ms. Simons explained that the project is for building repairs in Delta Junction, Soldotna, Palmer, and Delta.

Project #45252
Plant Material Center Deferred Building Maintenance
\$150,000 ASLC Bonds

Ms. Simons explained the request to upgrade the main building at the plant material center in Palmer.

Co-Chair Stedman wondered if there was a list of buildings in need of repair and how decisions were made to repair them. Ms. Simons replied that the divisions make requests, most of which are on-going and cover several years. The most pressing issues are addressed first.

[5:12:50 PM](#)

Project #6852
Airborne Geophysical and Geological Mineral Inventory
\$850,000 Gen Fund
\$350,000 Stat Desig

Ms. Simons pointed out that the item was moved into the operating budget on the House side.

Project #45255
Architecture and Engineering for a New Geologic Material Center in Eagle River - Phase 1.

Ms. Simons reported that it was critical to the success of energy and resource development in Alaska to store, protect, and provide access to the state's geologic core samples. The existing facility is crowded and inadequate.

Co-Chair Stedman asked why the request was included this year and not last year. Ms. Simons replied that it was a matter of priorities. She explained the prioritizing process. Co-Chair Stedman asked if the list of requests had been prioritized. Ms. Simons said it had been.

[5:15:32 PM](#)

Project #45283
Implementation of Electronic Document Recording
\$120,000 Rcpt Svcs

Ms. Simons explained that the project would allow the state to electronically submit and record real property documents.

Project #45264
Reforestation in Southcentral and Interior Alaska
\$370,000 Gen Fund

Ms. Simons described the request as an on-going, periodic activity to plant trees on timber harvest sites in Kenai, Mat-Su, Fairbanks, and Delta areas.

[5:16:26 PM](#)

Project #41426
BLM 2009 - State Support for Public Access
\$300,000 Gen Fund

Ms. Simons noted the request was moved to the operating budget on the House side.

Project # 41415
Gas Pipeline Corridor Geologic Hazards and Resources -
Phase 2
\$600,000 AK Cap Inc

Ms. Simons explained that the request would allow continuation of geologic mapping, hazard assessment, and resource evaluation along the proposed natural gas pipeline corridor from Delta Junction to the Canadian border.

Project #45260
CO2 Sequestration Assessment Phase 1
\$200,000 Fed Rcpts
\$100,000 Gen Fund

Ms. Simons said the project is a collaborative effort between DGGs, Division of Oil and Gas, DEC, UAF, industry including oil and gas producers and electrical power utilities, the Federal government and WESTCARB, a U.S. Department of Energy co-funded research partnership. It will ensure that assessment and utilization of CO2 storage is based on sound science.

Project #42062
Statewide Digital Mapping Initiative Year 3
\$2,000,000 Fed Rcpts
\$2,000,000 Gen Fund

Ms. Simons explained that the project would result in a digital map of Alaska and allow users quick and easy access. No disaster preparedness or emergency management system will work in Alaska without this base map.

[5:18:19 PM](#)

Co-Chair Hoffman asked what has been accomplished so far on prior appropriations. Ms. Simons explained that little has been spent so far. So far, a USGS topographical map and NOAA charts have been compiled. She listed a web site, Alaskamapped.org, as a reference.

Co-Chair Hoffman requested a priority list of areas that will be mapped. Ms. Simons offered to do so.

Co-Chair Stedman pointed out that it is a public service to have this survey information online, especially for historical purposes.

[5:19:48 PM](#)

Project #43321
State Park Sanitation and Safety Projects
\$850,000 Gen Fund

Ms. Simons stated that the project would replace the worst of the toilets in the state park system and address other safety needs.

Project #6865
National Historic Preservation Fund Federal Grant Program
\$1,000,000 Fed Rcpts

\$50,000 G/F Match

Ms. Simons pointed out that this item is federal funding included in the CS.

Project #45259

Geologic Materials Center Deferred Maintenance, Repairs, and Operational Upgrades

\$65,000 Gen Fund

Ms. Simons reported that this request would fund the most critical repairs and maintenance of the Geologic Materials Center in Eagle River. The funds would be used for leaky roofs and a sprinkler system.

[5:22:39 PM](#)

Project #45256

Cook Inlet Energy Assessment

\$260,000 AK Cap Inc

Ms. Simons reported that the assessment would provide information for resource development by the private sector for a Cook Inlet industry sponsorship program.

Project #41432

Fire Fighting Equipment Replacement Phase 2

\$500,000 Gen Fund

Ms. Simons explained that the request would replace pumps, chainsaws, portable generator, banding equipment and fire engine tools.

Senator Thomas referred back to the Cook Inlet Energy Assessment. He asked if Prudhoe Bay is being handled better at this time than Cook Inlet has been in the past. Ms. Simons offered to provide that information.

[5:24:11 PM](#)

Project #45257

Geologic Hazards Associated with Climate Change Phase 1

\$330,000 Gen Fund

Ms. Simons described the project as identification of potential hazards due to climate change and consistent with

the DGGs statutory mission. The end result of the project will be a hazards map and report.

Co-Chair Stedman asked why this was a low priority. Ms. Simons did not know, but offered to find out.

Project #37769

Federal and Local Government Funded Forest Resource and Fire Program Projects

\$2,200,000 Fed Rcpts

\$800,000 Stat Desig

Ms. Simons described the project as having continuing federal funding. It includes education and prevention components.

Project #40082

AK Coastal Management Federal Pass Through Grants

\$1,360,000 Fed Rcpts

Ms. Simons noted that it is funded by NOAA.

Senator Olson asked what the department is doing to cooperate with the Bering Straits Coastal Management Program. Ms. Simons offered to find out.

[5:26:27 PM](#)

Project #38480

Remote Recreational Cabin Sites Surveys and Appraisals

\$1,011,500 State Land

Ms. Simons summarized that the request authorizes DNR to appraise and contract for surveys of Remote Recreational Cabin Site properties.

Project #32553

Alaska Boating Safety Program

\$1,000,000 Fed Rcpts

\$200,000 Veh Rcpts

Ms. Simons said the request may be moved to the operating budget.

Co-Chair Hoffman requested to know how the money was spent in past years. He wanted information related to drownings

in Western Alaska. Senator Olson also requested that information.

[5:28:19 PM](#)

Project #32552
Land and Water Conservation Fund Federal Grant Program
\$600,000 Fed Rcpts

Ms. Simons reported that the request is a 50/50 matching grant program that provides funding for the development of outdoor recreation areas and facilities.

Project #6854
National Recreational Trail Grants Program
\$1,500,000 Fed Rcpts

Co-Chair Stedman requested more information. Ms. Simons deferred to DNR.

CHRIS DEGERNES, FIELD OPERATIONS, DIVISION OF PARKS AND OUTDOOR RECREATION, DEPARTMENT OF NATURAL RESOURCES, explained that the program receives federal funding for competitive grant programs throughout the state. It supports trail projects and educational programs.

[5:30:24 PM](#)

Project #33690
Snowmobile Trail Development and Program Grants
\$250,000 VehRcpts

Ms. Simons noted that the funds are from snowmobile registration fees and are spent: 69 percent for direct grants for trail development, 17 percent for safety and education programs, and 14 percent for grant administration and support of the Snowmobile Trails Advisory Committee.

Project #45250
Plant Material Center Deferred Equipment Replacement
\$465,000 Gen Fund

Ms. Simons reported that the request is in order to replace a combine, a dozer, and other equipment.

Co-Chair Stedman requested only non-federal items be addressed.

Project #AMD37762
Cooperative Water Resource Program - Division of Mining,
Land and Water
\$300,000 Stat Desig

Ms. Simons explained that the request was split between the
Division of Land and Water and the Office of Habitat,
Management, and Permitting.

Project #45274
RS2477 Surveys
\$100,000 Gen Fund

Ms. Simons described the project as funds to continue
survey work.

Project #45272
Mat-Su Borough Hydrogeology Assessment Phase 1
\$295,000 Gen Fund

Ms. Simons reported that the goal is to provide DNR with
knowledge to effectively manage Mat-Su's groundwater
resources.

[5:32:30 PM](#)

Project #45282
Kenai River Public Use Study
\$200,000 Gen Fund

Ms. Simons said the study would implement recommendations
in the Kenai River Comprehensive Management Plan by
evaluating recreational use and environmental impacts.

Project #45262
EVOS Restoration Acquisition of Small Parcels - Anchor
River, Kiliunda Bay, Soldotna, Valdez
\$1,513,000 Exxon Valdez Oil Spill Settlement (EVOS)

Ms. Simons reported that the EVOS Trustee Council is
pursuing acquisition of five small parcels to contribute to
the restoration of resources and services injured by the
Exxon Valdez Oil Spill.

Project #45263
EVOS Parcel Acquisition - Afognak

\$10,000,000 EVOSS

Ms. Simons related that the request would fund the purchase of 6,200 acres on Northern Afognak Island to contribute to the restoration of resources damaged by the oil spill.

Co-Chair Hoffman inquired who presently owns the property. Ms. Degernes replied that the property was owned by a village cooperation called Afognak Joint Ventures.

Co-Chair Hoffman asked if the sale price was the appraised value of the property. Ms. Degernes thought it was the fair market value appraisal. Co-Chair Hoffman asked who did the appraisal. Ms. Degernes offered to find out.

[5:34:46 PM](#)

Project #6853
Mental Health Trust Land Development
\$650,000 MHTARR

Ms. Simons explained that this was authorization to use funds for an on-going activity - the management of Mental Health Trust lands.

Project # 40474
Mental Health Trust Facilities Maintenance
\$350,000 MHTAAR

Ms. Simons reported that the request was for major maintenance, property management, snow removal, and repair of Mental Health Trust facilities.

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RECONVENED: [5:37:16 PM](#)

Co-Chair Stedman requested that Department of Environmental Conservation items be prioritized.

Co-Chair Hoffman asked that information about how department funds are being spent throughout various election districts in Alaska.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

MIKE MAHER, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, presented the requests.

Project #45210
Monitoring of Dust Control Technologies in Rural Alaska
\$224,107 Gen Fund

Mr. Maher explained that request is for funds to monitor the success of the dust control program.

Project #41376
Water and Wastewater Infrastructure Projects
\$78,728,511 Fed Rcpts
\$22,909,504 G/F Match
\$18,966,870 Gen Fund
\$500,000 Stat Desig

BILL GRIFFITH, FACILITIES PROGRAMS MANAGER, DIVISION OF WATER, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, explained the request for multiple allocations for statewide water and wastewater capital improvement projects.

[5:44:25 PM](#)

Mr. Griffith provided a 3-year priority list for larger projects for village safe-water funding. Federal funding requirements must be used for large, multi-year projects. Such projects are funded over several fiscal years.

Co-Chair Stedman asked if such projects can be prefunded. Mr. Griffith explained that federal funding agencies require using the 3-year priority list, so to not put a large amount of money into a several-year project. It is done in phases so money is not just sitting around.

Co-Chair Stedman noted that page 21 contains the 3-year priority list. He asked how much of that list is to be funded this year.

[5:47:40 PM](#)

Mr. Griffith said that approximately \$77.6 million would go toward projects on the list; however, the list does not reflect who gets what when. The request for funds is in order to keep the projects moving.

Co-Chair Stedman stated that he would like to see a grid that shows the status of the projects. He asked about the \$24 million for projects with federal funding that are not on the 3-year priority list. Mr. Griffith explained that those are smaller design and construction projects that can be completed over a single season which were requested earlier in the year by communities.

Co-Chair Stedman asked if \$24,549,310 was being requested. Mr. Griffith said that was correct.

Senator Thomas inquired if similar projects share a similar general design.

[5:50:21 PM](#)

Mr. Griffin reported that the department works with consultants to develop some standard designs, but also develops customized designs.

Senator Elton referred to the projects with federal funding that are not on the 3-year list. He wondered how they get federal funding if they are not on the priority list. Mr. Griffith related that the department works closely with federal funding agencies, which includes EPA and USDA World Development.

ADJOURNMENT

The meeting was adjourned at 5:52 PM.