

SENATE FINANCE COMMITTEE  
March 16, 2009  
9:03 a.m.

[9:03:38 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Johnny Ellis  
Senator Donny Olson  
Senator Joe Thomas

MEMBERS ABSENT

Senator Charlie Huggins, Vice-Chair

ALSO PRESENT

Nancy Slagle, Director, Division of Administrative Services, Department of Transportation and Public Facilities; Jim Beedle, Deputy Commissioner, Marine Operations, Marine Highway System, Department of Transportation and Public Facilities; Frank Richards, Deputy Commissioner, Highways & Public Facilities, Department of Transportation and Public Facilities.

SUMMARY

SB 75 "An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

SB 75 was HEARD and HELD in Committee for further consideration.

#sb75

SENATE BILL #75

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

RECESSED: [9:10:21 AM](#)

RECONVENED: [9:22:34 AM](#)

[9:23:23 AM](#)

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

NANCY SLAGLE, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES stated that the requested funds address deferred maintenance on vessels and facilities for the Alaska Marine Highway. The administration introduced approximately \$40 million in top priority projects for the vessels. The listing of facilities includes 16 state owned terminals requiring deferred maintenance. She mentioned maintenance required for mooring, electrical systems, and the air handling systems for life boats.

Co-Chair Stedman noted that historically the legislature approved two appropriations, one for shore side and one for vessel maintenance. He noticed the budgetary reduction and the unchanged backup. He requested the plan addressing the reduction and wished to understand the appropriations inclusion.

Ms. Slagle answered that a typical request is for inclusion versus separation of appropriation. The lists presented to the committee are in priority order, providing flexibility to shift between types of projects. The reduced funds limit the priority list accomplishments, leading to the delay of some deferred maintenance projects.

Co-Chair Stedman understood that the requests were combined this year. Ms. Slagle responded that the appropriation received this year was separated although the request was for one appropriation.

Co-Chair Stedman understood that most departments and governors prefer one appropriation. He noted concern over minimizing appropriations.

[9:26:58 AM](#)

Reference Number 42001

Ms. Slagle discussed reference number 42001, (page 7), The Alaska Marine Highway (AMH) System "Vessel and Facility Deferred Maintenance," and reference number 30624 and the AMH Vessel and Terminal Overhaul and Rehabilitation, which is an attempt to overhaul the Marine Highway vessels to ensure optimal performance. The overhaul work includes certification requirements for each of the vessels, ensuring proper function in all areas. One area of particular consideration is life boat assessment.

Co-Chair Stedman asked to know the projects eliminated as a result of the budget reduction. Ms. Slagle responded that

areas of passenger services, security items, computer replacement, and terminal work are eliminated, prioritizing on the vessels themselves.

Co-Chair Stedman voiced that the concentration of funds taken from the original request include \$8.87 million for the purpose of vessel overhaul. Ms. Slagle concurred.

[9:29:32 AM](#)

Reference Number 6391

Ms. Slagle described appropriation number 6391, the Americans with Disabilities Act Compliance Projects. She stated that an annual request of \$595 thousand is for deconstruction of physical barriers to state facilities. The list of projects is lengthy and provides accessibility for physically disadvantaged citizens.

Co-Chair Stedman revisited the previous appropriation request. He pointed out that the Northern route of the inner island ferry between Coffman Cove, Petersburg, and Wrangell will not run this year. He asked if the change presented budgetary issues to put the facilities associated with these communities in remission. He asked the administration's position on this issue.

JIM BEEDLE, DEPUTY COMMISSIONER, MARINE OPERATIONS, MARINE HIGHWAY SYSTEM, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES explained that the dock in Petersburg is the state's responsibility but the Petersburg terminal is temporary and belongs to the Inter Island Ferry (IFA). The Coffman cove site belongs to the community of Coffman cove. The dock side is maintained by the state, but the terminal belongs to IFA.

Co-Chair Stedman summarized that the terminal and dock in Coffman Cove was a responsibility of that community. Mr. Beedle agreed and mentioned that if the community of Coffman Cove desired to relinquish the property to the state then maintenance would be the state's responsibility. Co-Chair Stedman recalled the high expense of the facility in Coffman cove and he wished to prevent disrepair during vacancy.

[9:32:43 AM](#)

Reference Number 32534

Ms. Slagle introduced the next project for discussion as reference number 32534. She noted the appropriation request as \$1.5 million in Critical Infrastructure Protection (CIP) receipts for the Capital Improvement Program Equipment Replacement. The funds purchase equipment to support

construction projects. Equipment purchased includes copiers, plotters, computers, computer software, etc.

Reference Number 30648

Ms. Slagle introduced reference number 30648, \$1.1 million for the Coordinated Transportation and Vehicles Program. She stated that \$800 thousand from the general fund and the mental health trust provides transportation services for mental health trust beneficiaries including vans and other required transportation methods.

[9:34:40 AM](#)

Reference Number 46709

Ms. Slagle addressed reference number 46709 for a \$1,150,000 general fund match request matching funds from the Corp of Engineers-Harbor Program. The Saint Paul Harbor Project provides the match funds necessary to assure that the Core of Engineers project is initiated in Saint Paul Harbor. She mentioned match money for feasibility studies to work with communities in helping determine potential future projects.

Co-Chair Stedman asked about the community of Savoonga. Mr. Beedle responded that he lacked the specific information, but promised to provide it to the committee.

Reference Number 47534

Ms. Slagle continued with reference number 47534 for \$3 million in general funds requested for bridge design on the Seward Highway. The Ptarmigan Creek, Falls Creek, and Trail River bridges require repair. General obligation bond funds enabled emergency repairs, but the bridges require replacement.

Co-Chair Stedman touched on the bond issue, and he wondered if the projects qualify for federal funding. Ms. Slagle stated that the bonds provide immediate repairs to allow traffic to continue.

FRANK RICHARDS, DEPUTY COMMISSIONER, HIGHWAYS & PUBLIC FACILITIES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, explained the plans for the Ptarmigan and Falls Creek bridges involve Bailey bridge structures constructed over the existing bridges. He explained the intention to use general bonds.

Co-Chair Stedman asked why the projects were not listed in the federal fund category. Why were federal funds supplanting general funds?

[9:38:37 AM](#)

Mr. Richards responded that the challenge with the State Transportation Improvement Program (STIP) funds is that the bridge category is a "stovepipe" and funds received are specifically identified for bridges. He explained that other bridges remain in the queue with STIP funds allocated to them. The general fund request would enable repair of the Ptarmigan and Falls Creek bridges in the timeliest fashion.

Co-Chair Stedman asked why the Ptarmigan and Falls Creek bridges do not supplant other bridges on the STIP list if they are in emergency condition.

Mr. Richards answered that if the state has a project in progress, then the elimination of one project does not obligate federal money to Alaska. He explained the process as a tenuous mix and match of projects to the funding category.

[9:40:39 AM](#)

Co-Chair Hoffman asked how reference number 47534 related to another item (page 45) requesting an additional \$1 million for state-wide emergency bridge repair.

Mr. Richards answered that the state-wide emergency bridge repair fund provides for immediate response and actions in the event of flood or earthquake damage. This fund enabled necessary work on the Seward Hwy this year.

Co-Chair Stedman suggested that General Obligation (GO) bonds may be used in the future for emergency issues. Bonding projects are traditionally used for major projects or natural disasters.

Mr. Richards agreed that the discussion is welcome. He acknowledged that the state was fortunate to have the GO bonds available, but if they were not available then use of the general fund is the next step.

[9:43:05 AM](#)

Reference Number 30634

Ms. Slagle addressed reference number 30634 and emergency and non-routine repairs. She emphasized that the reference number allows response to emergency disasters and non-routine repairs. She discussed a rockslide near Ketchikan and the emergent nature of the issue as an example of a potential direction for the funding. Co-Chair Stedman declared it fortunate that no injuries occurred as a result of the rock slide.

Reference Number 30632

Ms. Slagle addressed reference number 30632. She discussed Facilities Deferred Maintenance and Critical Repairs. The request is \$2,550,000 for deferred maintenance items for approximately 700 buildings maintained by the Department of Transportation (DOT). The needs vary from roof to boiler replacements and other mechanical code compliance issues that arise. Operating preventative maintenance funds lack eligibility to fund these repairs on an ongoing basis.

[9:45:58 AM](#)

Co-Chair Stedman requested specific amounts regarding the funding requests. With a \$10 million forecast, he asked if the request was a response to declining revenue or were maintenance needs increasing.

Mr. Richards explained the projection for increased maintenance on aviation and highway facilities. He explained that the projection is a response to the development of a ten year fiscal plan identifying future program needs. This year, with the economic downturn, the request was based on the price of oil.

Co-Chair Stedman asked for a list of remaining projects from last year's appropriation. Ms. Slagle responded that last year's funds are allocated to deferred maintenance projects. She offered to provide the committee with an accounting of expenses. Mr. Richards clarified the goal of bringing projects under contract quickly.

[9:48:32 AM](#)

Reference Number 47564

Ms. Slagle continued with reference number 47564 and the Fairbanks Geist Road Rehabilitation equaling \$5 million. She explained that the funds allow resurfacing and repaving the road. She explained that traffic control, pedestrian improvements, and signage updates are included in the plan.

Co-Chair Stedman asked about concern with resurfacing and the increased cost of oil leading to expensive asphalt and tar. He asked about the asphalt price assumption and the \$5 million figure. Mr. Richards agreed that the price of asphalt has risen considerably. He offered to provide information to the committee regarding the price of oil used to determine the \$5 million figure.

Co-Chair Stedman asked if the department has arrived at agreement with the industry in the form of a reset mechanism for the issue of the cost of asphalt. Mr. Richards confirmed that contractors take the first 7 percent of cost escalation

risk. The responsibility rests with the state in the event of an oil price increase greater than 7 percent.

Co-Chair Stedman discussed the potential choices of contractors. Mr. Richards stated that the quotes were high due to increased oil costs.

[9:52:39 AM](#)

Co-Chair Stedman informed that this mechanism was common in other states allowing control of margins and ensuring predictability of risk. Mr. Richards reported that the department followed an example set by other states. Contracts without the provision result in the greatest cost escalation.

Reference Number 48214 and 48213

Ms. Slagle introduced appropriation numbers 48214 and 48213, which were deleted from the list and added to the Federal Surface Transportation portion of the bill. The projects include Nelson Road resurfacing and Phillips Field Road Rehabilitation. Co-Chair Stedman asked if the projects were part of the stimulus contingency. Ms. Slagle answered that the projects are listed in the regular STIP program.

Reference Number 7090

Ms. Slagle explained reference number 7090 requesting \$680 thousand for Harbor Deferred Maintenance. The projects include 25 state harbor facilities. Deferred maintenance needs of approximately \$28 million exist with a priority listing provided to committee members.

Co-Chair Stedman requested a list of the maintenance issues particularly Baranof Warm Springs, as an ongoing maintenance transfer issue for several years.

[9:55:09 AM](#)

Ms. Slagle promised a list of requested maintenance issues for the committee. Co-Chair Stedman simply requested information regarding the Baranof Warm Springs project. Mr. Richards reported that the City and Borough of Sitka disputes the definition of replacement and maintenance improvements regarding Baranof Warm Springs.

Co-Chair Stedman noted that a difference of opinion exists regarding the interpretation of the term footprint. He informed that the project was vetoed from the capital budget last year and each year a project is delayed, the expense increases. He believed that the differences of opinion could be rectified without difficulty. Mr. Richards reported that

he met personally with the mayor and city assembly in Sitka regarding the issue. He also hoped for a funding resolution.

Co-Chair Stedman cautioned that harbor projects are typically relegated to the users. He encouraged careful maintenance and rebuilding of the docks.

[9:58:39 AM](#)

Mr. Richards replied that the funding request exemplifies a cost increase creating concern leading to future requests of the legislature. Co-Chair Stedman informed that after the original veto of the Baranof Warm Springs project, the legislature appropriated an additional sum to rectify the situation. Mr. Richards noted the challenge with remote facilities includes funding for an employee to receive a fee in the remote facilities, with a service cost less than the potential fees received by the state.

Co-Chair Stedman suggested equal treatment accomplished by providing a free dock for residents, and other marine facilities with a fee. He advised providing information about the exceptional cost of one steel piling used in dock construction, when a citizen disagrees with fee collection.

Mr. Richards lacked information regarding the cost of pilings, but he offered to provide it to the committee. Individuals submit fees in municipalities for justification of the cost. Co-Chair Stedman estimated the expense of one piling in thousands of dollars.

[10:02:48 AM](#)

Mr. Richards stated that he utilized the harbor himself, as it provides access to the marine environment with good floats and dock.

Ms. Slagle stated that there is no request for deferred maintenance transfers in harbor communities. She admitted that the department attempted to divest of some harbor facilities. A transfer will not be presented without the community's acceptance of responsibility for the harbor including agreement on the deferred maintenance dollars.

Co-Chair Hoffman asked if this category included docks. Mr. Richards asked if Co-Chair Hoffman was referring to the harbor deferred maintenance. Co-Chair Hoffman wondered if the department had further thoughts about the transfer of the Bethel dock facility. He understood that the facility in Bethel was a regional dock facility. He believed that it should be a state's responsibility as the surrounding villages also benefit from the facility.

[10:05:04 AM](#)

Mr. Richards answered that the department is in communication with Bethel on the issue. Co-Chair Hoffman understood that the mayor of Bethel was in disagreement about the citizens of Bethel bearing the cost of maintaining the facility.

Co-Chair Stedman asked about the harbor construction 50 percent match fund expanding and constructing harbors across the state. He asked the department's view on capitalization of the fund.

Mr. Richards answered that certain projects did not make the list following the review of the capital budget with the Governor's office. The ongoing harbor program remains successful with communities, but the funding cycle limits the funds.

[10:07:13 AM](#)

Reference Number 47530

Ms. Slagle reviewed reference number 47530 and Harbor Program Development for \$350 thousand from general funds. The funding allows continuation of coordination with the Corp of Engineers and local governments regarding specific projects including harbor related work. The fund provides assistance and oversees the harbor programs while also providing funding for the update of some tideland surveys.

Reference Number 30631

Ms. Slagle continued with reference number 30631 and Deferred Maintenance for Highways for \$2,750,000 from the general fund. She informed of a substantial backlog of deferred maintenance projects. The funds are typically used for brush cutting, road surface repairs, erosion protection, and drainage. The projects are addressed on an annual basis.

Co-Chair Stedman addressed the ongoing maintenance of the DOT facilities. He asked about the original reduction of \$500,000. Each senator is given information from their region, but his concern was about the general response from citizens requesting a higher level of maintenance of roads in particular. He requested a list of deleted projects as policy discussion may be necessary. Mr. Richards answered that activities such as brush cutting, guard rail repair, asphalt surface maintenance, and lighting remain priorities for DOT.

[10:11:14 AM](#)

Co-Chair Stedman requested information about road service repair projects addressed for Anchorage and Matsu. Mr.

Richards responded that roads are deteriorating and must be replaced. The reduction addresses crack sealing for minor surface areas. The work is then accomplished for less money.

Co-Chair Stedman communicated a common constituent concern that too little maintenance money is allocated. He preferred to avoid a backlog of deferred maintenance projects.

[10:14:33 AM](#)

Mr. Richards welcomed the conversation regarding maintenance. The department faces challenges in the administration of the existing general fund budget for operations. He offered to provide evidence of maintenance logs, a list of the additional facilities, and evidence of the lost buying power resulting from inflation.

Reference Number 45198

Ms. Slagle addressed reference number 45198 for Highway Maintenance Vehicle Replacement and Safety Equipment. The request is \$900 thousand in general funds. She informed that the funds assist in purchasing highway equipment to replace older equipment.

Mr. Richards informed about the high cost of replacing engine parts and vehicles. Equipment costs are expensive and impact our budget.

Co-Chair Stedman asked when the decision is made to replace rather than repair a piece of equipment. Mr. Richards believed that many pieces of equipment are used for multiple tasks. Ms. Slagle noted that the department must observe reports generated by the equipment management system for information on the level of maintenance provided for different pieces of equipment in order to make the decision about replacement or repair.

[10:18:05 AM](#)

Reference Number 46338

Ms. Slagle introduced reference number 46338 and the Infrastructure and Erosion Control Design and Environmental Permitting. The amount of the request is \$100 thousand of general funds. She stated that these funds supplement other funds for site surveys, material source investigations, and geotechnical and hydrological studies.

Co-Chair Hoffman how the community of Noatak benefits from the funding. Mr. Richards answered that there is currently funding available for Noatak due to support from the military. He explained the plan barge will enter the village initially. The next step is an access road leading to the

evacuation center and ultimately to an airport. Ms. Slagle cited Noatak addressed further down the list, specifically for materials needed for the relocation site.

[10:19:58 AM](#)

Reference Number 47822

Ms. Slagle continued with reference number 47822, Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement equaling \$400,000 for the Koyukuk village. The goal is an evacuation road for the community in the event of flooding. The funding is intended for reconnaissance study, preliminary engineering and design for the evacuation road.

Reference Number 47823

Ms. Slagle reviewed reference number 47823, Materials for Relocation Site for \$123 thousand of general fund dollars. The request addresses measurement standards and commercial vehicle enforcement equipment replacement specific to the measurement standard's portion of the division protecting the consumer.

Reference Number 47823

Ms. Slagle addressed reference number 47823 for \$2 million in general funds providing earthwork required for the barge staging area and evacuation staging road for the village of Noatak. Mr. Richards added that the material source is identified and will open for the needed projects.

[10:22:18 AM](#)

Reference Number 45669

Ms. Slagle described reference number 45669, which requests \$500,000 for Ports and Harbors Long Range Transportation Plan. The department received \$250,000 last year to begin the planning process with the Corps of Engineers and the Denali Commission. The appropriation is necessary to match the funds provided by the Corps of Engineers.

Reference Number 48320

Ms. Slagle detailed reference number 48320 for the village of Quinhagak: Old Airport Site Remediation for \$500,000. The funds provide remediation work at the old airport site. The land is currently leased from the Native Corporation with a strong interest in addressing soils impacted by petroleum and other airport byproducts.

Reference Number 47599

Ms. Slagle reviewed reference number 47599, Rapid Reaction to Highway Safety Features for \$200,000, which allows the department to address emergency or safety issues on state roads.

[10:25:00 AM](#)

Co-Chair Hoffman asked if the program was new and expanded. Ms. Slagle concurred that the item was new.

Reference Number 39356

Ms. Slagle addressed reference number 39356 and the Resource Development Roads for \$2.6 million of general funds. She noted that these funds were received in the past and the department used them to access resource or economic development opportunities. Co-Chair Hoffman asked which roads are targeted with these funds. Ms. Slagle answered that an award type of process for the considered roads was developed, but there is not a list of preferred roads.

Mr. Richards stated that scoring criteria is used to identify the appropriate roads.

Senator Thomas asked if the Department of Natural Resources (DNR) worked in conjunction with DOT on this issue.

Mr. Richards answered that DNR is a major recipient of these funds. He explained that DNR reviews the criteria and nominates projects to benefit land development.

[10:28:10 AM](#)

Senator Ellis asked why this project is not considered corporate welfare. He inquired whether the business enterprises have any obligation to contribute a portion of the project cost. He mentioned the nomination of projects for funding and he asked whose opinion mattered most regarding the final choice. Mr. Richards answered that the program is similar to the harbor and current STIP programs, where nominations are received from the public including the private sector. The resource development funds are used for employment regarding resource extraction.

Senator Ellis stated that he would be less opposed if the mining industry paid a portion of the obligation to the state treasury. He expressed opposition to spending money that the private sector neglects to contribute back to the general fund.

Mr. Richards expressed that the funds appropriated previously benefitted forestry, mines, oil, and gas. He informed that the available funding is \$3 million, which

will not go far in creating a new road. Senator Ellis opined that some industries pay their fair share to the state treasury, where others do not come close.

[10:32:01 AM](#)

Senator Thomas asked for a list of the considered projects. Mr. Richards offered to provide a list to the committee. Co-Chair Stedman stated that he would look through the already presented data.

[Reference Number 47582](#)

Ms. Slagle described reference number 47582 for \$100 thousand in general funds requested for Southeast Ice Control Chemicals Storage Tank Replacements in Petersburg and Klawock. She explained that the funds would provide steel storage tanks to house the ice control chemicals. The current tanks leak.

[Reference Number 30628](#)

Ms. Slagle reviewed reference number 30628 for \$15 million for state equipment fleet replacement. The funds replace heavy equipment, trooper vehicles, or state agency vans or cars.

[Reference Number 47572](#)

Ms. Slagle addressed reference number 47572: a piece of the original request since deleted and zeroed.

Co-Chair Stedman expressed concern that the obligation to maintain sidewalks remained.

Mr. Richards stated that the responsibilities held by the state allow the performance of road maintenance. The hope was to employ the funding for this project but without it, the department will fall back on their existing equipment.

Co-Chair Stedman stated that the question was directed at all communities. Many communities receive federal funded sidewalks and bike lanes. He did not wish to ignore an obligation.

[10:36:18 AM](#)

Mr. Richards answered that the existing facilities are maintained as a priority. The information and communication is provided at the behest of the legislature. Sidewalk maintenance is provided in Anchorage. Juneau also received a facility for snow removal. Co-Chair Stedman asked if a machine request is expected annually for each community.

Mr. Richards answered that bike paths are usually continuous with the road service, trucks often plow them. If they are separated, then a specialized piece of equipment is required. The challenge with adding specialized equipment to the fleet is the challenge of maintenance funding.

[10:39:17 AM](#)

Reference Number 30628

Ms. Slagle reviewed reference number 30628 and the State Equipment Fleet Replacement for \$15 million from the Highway Working Capital Funds. The funds replace all vehicles in the system based on the revenues received from user agencies and based on a schedule of vehicle replacement.

Reference Number 41394

Ms. Slagle discussed reference number 41394 and statewide anti-icing program for \$200 thousand from the general fund. This reduces cost by 15 percent due to the use of sodium chloride brine. The funding provides storage tanks, piping, and the additional applicator equipment required to dispense these liquids.

Co-Chair Stedman asked if the solution will dissolve citizen's cars. Mr. Richards responded that sodium chloride is used across the nation to remove snow and ice. Co-Chair Stedman noted that citizens should not have adverse automotive effects. Mr. Richards stated that sodium chloride generates rust.

Senator Olson noted that there might be further deterioration on the asphalt surface with the sodium chloride. Mr. Richards answered that there is not an adverse effect on the asphalt surface, but bridges are affected and so another de-icing is used for them. Also, sodium chloride works well above 22 degrees Fahrenheit, but another agent is used for colder temperatures. Senator Olson asked about the steel structure of the bridges and the response to the sodium chloride. Mr. Richard agreed that the department does not wish to generate problems with the bridges and thus will refrain from using sodium chloride for deicing on bridges.

[10:43:23 AM](#)

Co-Chair Stedman asked about the potential cost to the state if a solution that does not dissolve metal is used. Mr. Richards replied that potassium acetate is used in the airports because it is less corrosive, but the cost difference is significant.

Reference Number 45202

Ms. Slagle addressed reference number 45202 and Statewide Emergency Bridge Repair for \$1 million. These bridge repairs are more frequently observed in areas of high water or wind.

Reference Number 42072

Ms. Slagle detailed reference number 42072 for 2,500,000 in general funds for Statewide Rural Airport Safety Improvements. The fund addresses safety issues at rural airports that cannot wait for a federal project.

[10:46:01 AM](#)

Senator Olson asked about long-term plans for developing airports in Naknek. He asked if the airport might eventually be plowed over. Mr. Richards stressed the need for airports to enable the children to get reach school. The goal is a link for river crossing. He mentioned many discussions between the department and the Bristol Bay Borough about taking ownership of Naknek, but the real estate transaction is complicated.

Reference Number 33853

Ms. Slagle described reference number 33853 and \$1 million in general funds for surfacing materials used on major highway projects.

[10:49:05 AM](#)

Reference Number 47532

Ms. Slagle introduced reference number 47532 for \$348 thousand in general funds for the update of Storm Water Pollution Prevention Plans and Spill Prevention Control.

Reference Number 48357

Ms. Slagle described reference number 48357 for \$3 million in general funds for the Western Alaska access reconnaissance study. The study details analysis on a corridor to the Seward Peninsula. The funding allows the department to search for alternative routes.

Co-Chair Stedman suggested, during challenges to the revenue stream, the state funds maintenance while postponing corridor studies. Mr. Richards stated that the Governor's goal is to advance the project as it is crucial to move westward. The next phase is a multi year effort of the reconnaissance study. Co-Chair Stedman supposed that the committee might have a different opinion about the source of the funds.

[10:52:40 AM](#)

Senator Olson asked about neglect of airport maintenance in the community of Kwigillingok. Mr. Richards agreed that he would address the comment later.

Co-Chair Stedman asked about the STIP and the \$3 million. Mr. Richards answered that the STIP is a planning document required of the department for use of federal highway funds under title 23. He explained that STIP requires identification of the project and work activities utilizing federal funds for those projects. The STIP identified the federal program and how the money is spent.

Co-Chair Stedman asked if the committee might expect to see the request again in the future. Mr. Richards announced that the STIP process requires fiscal constraint. In order to move forward with the project the source of funds must be shown. Currently the department is performing reconnaissance with general fund. Co-Chair Stedman clarified that he is speaking about another time in the future.

[10:55:03 AM](#)

Co-Chair Hoffman understood that an explanation for the project is the potential economic benefit to the community. He wondered if the administration has plans to access the Donlan Creek region and Pebble Mine region that clearly have shown great economic benefit. Mr. Richards responded that the current planning level effort for western Alaska access looks for resources from the Kuskoquim River northward towards the Emblar district and Westward toward Nome.

SB 75 was HEARD and HELD in Committee for further consideration.

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[10:57:26 AM](#)

ADJOURNMENT

The meeting was adjourned at 1:37 AM.