

HOUSE FINANCE COMMITTEE
February 9, 2017
1:40 p.m.

1:40:21 PM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:40 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Paul Seaton, Co-Chair
Representative Les Gara, Vice-Chair
Representative Jason Grenn
Representative David Guttenberg
Representative Scott Kawasaki
Representative Dan Ortiz
Representative Lance Pruitt
Representative Steve Thompson
Representative Cathy Tilton
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Lisa Weissler, Staff, Representative Andy Josephson; Jane Pierson, Staff, Representative Neal Foster; Kelly Cunningham, Analyst, Legislative Finance Division; Matt Gruening, Staff, Representative Louise Stutes; Michelle Hale, Director, Division of Water, Department of Environmental Conservation; Michael Neussl, Deputy Commissioner, Department of Transportation and Public Facilities.

SUMMARY

HB 23 INS. FOR DEPENDS. OF DECEASED FIRE/POLICE

HB 23 was HEARD and HELD in committee for further consideration.

HB 51 SMALL VESSEL WASTEWATER EXEMPTION

HB 51 was HEARD and HELD in committee for further consideration.

Co-Chair Foster discussed the meeting agenda. The committee would take up the final amendments on HB 23 followed by an introduction of HB 51.

#hb23

HOUSE BILL NO. 23

"An Act relating to major medical insurance coverage under the Public Employees' Retirement System of Alaska for certain surviving spouses and dependent children of peace officers and firefighters; and providing for an effective date."

[1:41:07 PM](#)

^AMENDMENTS

[1:41:56 PM](#)

Co-Chair Foster thought the amendment process could get complicated, but the amendments would be rolled into a clean committee substitute.

Co-Chair Foster noted the committee had been considering Amendment 13 when the meeting concluded the previous afternoon [see February 7, 2017 1:32 p.m. minutes for detail].

Representative Guttenberg WITHDREW his MOTION to ADOPT Amendment 13, 30-LS0258\O.20 (Wayne, 2/6/17) (copy on file).

Co-Chair Foster asked the committee to rescind its action on Amendment 1.

Co-Chair Seaton MOVED to RESCIND its action in adopting Amendment 1.

Representative Wilson OBJECTED for discussion.

1:43:01 PM

LISA WEISSLER, STAFF, REPRESENTATIVE ANDY JOSEPHSON, explained there was a desire to make the terms in the bill consistent regarding types of insurance. There was an issue around the term, "major medical." The term was very specific and was not intended to be used in the bill. There were 2 places where there was a reference to insurance. The first was on Page 3, line 10 and again on line 16 regarding eligibility requirements. She relayed that a person became ineligible for premium payments if they were eligible to receive major medical insurance coverage. In the remainder of the bill the insurance coverage would be the same coverage as if the employee was still alive. She referenced Page 3, line 20. She explained that the use of major medical narrowed the scope. Using the word "medical" on its own kept things broader and in line with the intent of the bill. The intent was a continuation of coverage.

Representative Wilson referenced Page 3, line 10 and asked if the term "major medical" would remain in the bill. Ms. Weissler responded that it needed to remain as it was. She thought it matched up with Tier I major medical benefits. The remainder of the bill reflected a broader term.

1:46:19 PM

Representative Wilson asked if the state would be paying the premiums for health insurance until the insured had other major medical insurance. She wondered if the policy would have to be greater than what the state was paying for. Ms. Weissler answered that it would depend on the type of insurance the deceased had at their time of death. For instance, a person might have premium coverage which would continue. Someone else might have economy coverage. She explained that because of the variation in coverage a definitive term was needed for the ineligibility criteria.

Representative Wilson provided an example of a Tier IV police officer killed in the line of duty. Their family would continue to receive the same coverage until the spouse had access to the same or a better level of coverage from their employer. She continued to relay her example and asked for clarification.

JANE PIERSON, STAFF, REPRESENTATIVE NEAL FOSTER, explained that there were many different policies available to peace

officers. Using the word "medical" insured that the level of coverage the family members had remained the same. However, there was a disqualifier for being in the program, major medical, which could be the same or lesser coverage.

Representative Wilson asked whether Medicaid or Medicare were considered major medical. She wondered why the amendment changing from age 65 to a specific program was offered the prior day. Ms. Pierson responded in the positive. She relayed that qualifying for Medicare would be a major medical policy. If the bill passed a person might not qualify for Medicaid if they had insurance in place.

Representative Wilson voiced concerned with the terminology. She wanted to make sure survivors were covered.

Representative Wilson WITHDREW her OBJECTION.

There being NO OBJECTION, Amendment 1 was RESCINDED.

[1:50:59 PM](#)

Co-Chair Foster MOVED to ADOPT Amendment 1a (copy on file):

Page 1, line 2:
Delete "health"
Insert "medical"

Page 1, line 7:
Delete "health"
Insert "medical"

Page 1, line 8:
Delete "health"
Insert "medical"

Page 1, line 12:
Delete "health"
Insert "medical"

Page 1, line 14:
Delete "health"
Insert "medical"

Page 2, line 16:
Delete "health"

Insert "medical"

Page 2, line 23:
Delete "health"
Insert "medical"

Page 2, line 25:
Delete "health"
Insert "medical"

Page 3, line 2:
Delete "health"
Insert "medical"

Page 3, line 20:
Delete "health care"
Insert "medical"

Page 3, line 24:
Delete "health"
Insert "medical"

Representative Wilson OBJECTED for discussion.

[1:51:42 PM](#)

AT EASE

[1:52:54 PM](#)

RECONVENED

Co-Chair Foster summarized that the committee had just rescinded Amendment 1. Currently, the committee was considering Amendment 1a. There was an objection. He asked his staff to walk the committee through the amendment.

Ms. Pierson explained that Amendment 1a replaced health insurance throughout the bill with medical insurance. It kept the term the same but was a broader term that encompassed several different policies that were currently in effect for a fallen officer. There might be different policies in effect for different departments.

Representative Wilson thought major medical was higher than the term medical. She understood that the term "medical" was a higher standard than "major medical." She approved of the change.

Representative Wilson WITHDREW her OBJECTION.

There being further NO OBJECTION, Amendment 1a was ADOPTED.

Co-Chair Foster remarked that there had been amendments that were rolled from the previous meeting that would be considered next.

Representative Guttenberg MOVED to ADOPT Amendment 13a (copy on file):

Page 2, lines 2 - 5:

Delete "appropriations designated for state employees or employees of a small municipality. The department shall create two separate accounts in the fund, one account for state employees and a separate account for employees of a small municipality"

Insert "other money appropriated to the fund"

Page 2, line 16:

Delete "the state account of"

Page 2, lines 17 - 19:

Delete "and to pay the department's costs associated with administering the fund. The commissioner may use money in the small municipality account of the fund to pay"

Insert ", "

Page 2, line 21, following "AS 39.60.040":

Insert ", and the department's costs associated with administering the fund"

Page 3, lines 29 - 30:

Delete ", and the balance shall be paid from available funds in the municipal account created in AS 39.60.010(b)"

Representative Wilson OBJECTED for discussion.

Representative Guttenberg read the amendment (see above).

Representative Wilson requested an "at ease."

1:56:15 PM

AT EASE

1:59:16 PM

RECONVENED

Co-Chair Foster invited an explanation from Ms. Pierson.

Ms. Pierson asked to call Ms. Cunningham to the table.

KELLY CUNNINGHAM, ANALYST, LEGISLATIVE FINANCE DIVISION, explained that the original purpose of the 2 accounts was because the bill was set up as an "opt in and opt out." It was cleaner to have a municipal account and a state account to keep the funds separate. This bill was mandatory for municipalities. The fund reflected the state's payments of 50 percent for the small municipalities or a state employee. There was no need for 2 accounts due to the fact there would not be an "opt out" option.

Representative Wilson provided a hypothetical scenario asking for additional clarity about money going into only 1 fund. Ms. Cunningham responded using Representative Wilson's example that for the Fairbanks officer the borough would pay directly to the insurer. No money would flow through the fund. Whereas, a small municipality like North Pole would pay 50 percent directly to the insurer and the state would pay the other 50 percent out of the fund. North Pole would not be sending its 50 percent through the fund.

Representative Wilson asked if the state would be paying the other 50 percent directly to the insurance company. There was no pass through involved. Ms. Cunningham replied in the affirmative.

Representative Pruitt asked Ms. Cunningham if she would describe the amendment as a clean-up amendment since the last time the committee was looking at the bill. Ms. Cunningham asked Representative Pruitt to clarify his question.

Representative Pruitt asked if the amendment was a clean-up bill due to the amendments that were adopted in the prior hearing on the bill. Ms. Cunningham agreed that the amendment was a clean-up action. However, it had to do with the "opt out" option not being available.

Representative Pruitt was reminded that the committee had voted to make the provision and opt-in and opt-out option. However, he thought the provision was turned down. He was confused.

Representative Wilson WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendment 13a was ADOPTED.

Co-Chair Foster mentioned that Amendments 13, 6, 7 and 2 still needed addressing. Amendments 6 and 7 had been rolled to the bottom of the agenda. They had been moved but withdrawn. The committee's intent was to withdraw them, but they had already been withdrawn. The committee would not be addressing them. Co-Chair Foster asked Ms. Pierson to explain. Ms. Pierson relayed that the reason for withdrawing Amendments 6 and 7, which defined police and firefighter, were no longer needed. Amendment 10 defined peace officers and was adopted. Co-Chair Foster explained that no action would be taken on Amendments 6 and 7.

Representative Guttenberg WITHDREW Amendment 9.

[2:05:04 PM](#)

AT EASE

[2:05:38 PM](#)

RECONVENED

Co-Chair Foster MOVED to RESCIND Amendment 5 (copy on file):

Page 1, line 13, following, "firefighter.":

Insert "The department shall create in the fund an account for state employees and an account for employees of small municipalities."

Page 2, lines 3-5

Delete "The department shall create two separate accounts in the fund, one account for state employees and a separate account for employees of a small municipality."

Representative Wilson OBJECTED. She thought the amendment had been rolled to the bottom of the agenda.

Ms. Pierson clarified that Amendment 5 dealt with the fund and there being 2 funds. She read a portion of the amendment (see above).

Representative Wilson WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendment 5 was RESCINDED.

Co-Chair Foster WITHDREW Amendment 2.

Co-Chair Foster instructed Legislative Legal Services to draft another committee substitute for HB 23 as amended and to make any necessary conforming changes to the document. He invited Ms. Pierson to explain the withdrawal of Amendment 2. Ms. Pierson explained that Amendment 2 tried to set forth how money was deposited and withdrawn from the fund. With the adoption of Amendment 13a, Amendment 2 was no longer needed.

Vice-Chair Gara asked if Amendment 2 had already been passed. Ms. Pierson responded that the committee had not passed Amendment 2.

Co-Chair Foster reported that the amendments would be incorporated in a clean committee substitute. He planned to bring the bill back before the committee for committee discussion and a vote.

HB 23 was HEARD and HELD in committee for further consideration.

#hb51

HOUSE BILL NO. 51

"An Act relating to the regulation of wastewater discharge from small commercial passenger vessels in state waters; and providing for an effective date."

[2:08:50 PM](#)

Co-Chair Foster invited the testifiers to present their bill.

MATT GRUENING, STAFF, REPRESENTATIVE LOUISE STUTES, read the sponsor statement:

House Bill 51 would reinstate statutes that exempt the state ferries and other small passenger vessels from large cruise ship wastewater discharge requirements, instead allowing them to discharge wastewater under Best Management Practices (BMP) plans.

Alaska Statutes require commercial passenger vessels to have a permit from the Alaska Department of Environmental Conservation (DEC) to discharge wastewater into waters of the state. The effluent limits in the permit are to be based on levels of treatment that can be achieved using an advanced wastewater treatment system (AWTS).

An exemption in the statute was made for smaller ships - including the state ferries - in recognition of the problems they would have installing AWTS on board their smaller vessels. Alternative measures designed to protect Alaska waters and fish, primarily through the employment BMP plans and designation of no-discharge areas, were imposed on these vessels. The intent of the BMP plans is for the vessels to continually improve their wastewater performance. Sampling, monitoring and compliance assistance along with BMP review and approval has generated improved operation of these systems since the program's inception.

The exemption language in the statute expired on January 1, 2016 leaving the small vessels without a viable means to comply with the statutory permitting provisions. This bill would restore the statutory exemption along with DEC's authority to require the alternative requirements such as BMP for the smaller vessels.

Without the changes in the proposed bill, state ferries and small cruise ships would have to install AWTS technology, which would be cost and space prohibitive. Additionally, most small cruise ships and state ferries lack available space and weight capacity to install AWTS, creating potential stability issues. DOT&PF estimates the cost to retrofit ferries is over \$5 million.

Mr. Gruening elaborated that there was an independent cost study done in 2008 from the marine harbor group by Department of Transportation and Public Facilities (DOT). It estimated in 2008 dollars that to bring the motor vessel (M/V) Taku up to the advanced wastewater treatment system it would cost \$1.25 million. The study extrapolated the cost for 4 ferries in 2008 dollars, which was \$5 million. Also, if DEC had to issue a special permit for small commercial passenger vessels it would cost \$216,000 to develop the permit in FY 18. Without the costs of \$25,000 per year for compliance work, state of review, and sampling, the department would not require additional staff. However, it would curtail other work of the commercial passenger environmental compliance program. He reemphasized that there was a certain lack of space and weight capacity to install the systems on vessels. The bill would restore the statutory exemption that was previously in statute before it expired and would restore DEC's authority to require alternative practices such as best management practices and the no discharge zones.

Co-Chair Foster relayed the list of testifiers available to answer questions.

[2:13:36 PM](#)

Representative Kawasaki asked if there were dozens of vessels out of compliance since the language and the exemption expired January 1, 2016. Mr. Gruening replied that DEC issued a temporary blanket exemption in the interim.

Representative Kawasaki mentioned that the wastewater exemption for small vessels began in 2004. He asked if the intent was that in 2016 owners of vessels would have to comply with more stringent rules and technology. Mr. Gruening was not familiar with the history. He deferred to Michelle Hale from DEC to answer the question.

MICHELLE HALE, DIRECTOR, DIVISION OF WATER, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, responded that she was not involved with the program initially. It was her understanding that in 2004 small vessels were having a difficult time complying with requirements that large vessels complied with for exactly the same issues Mr. Gruening talked about including space considerations and costs. Also, small vessels discharged significantly less

volume. In 2004, the legislature put the statutory provision in place. The department passed regulations in 2006 to implement the provision. The regulations were currently on the books, but the statute had expired.

Representative Kawasaki indicated he would have to look at the history of why the exemption was made and why there was a 12-year sunset included. Typically, when a sunset was put into effect it was to get compliance within a certain number of years. He asked her to find the history behind the sunset. Ms. Hayes relayed that at the time and in subsequent years, there was a significant amount of interest in exploring technologies that could be implemented on vessels to bring them into compliance. She reported that there was a science advisory panel that explored technologies available to large cruise ships. Part of the result of the advisory panel work was the requirement for advanced wastewater treatment systems. Those advanced wastewater treatment systems took much more space than was available on the small vessels.

[2:16:55 PM](#)

Representative Grenn appreciated the information provided in the packet, especially the handout, "Small Vessel Wastewater Discharge Bill - Frequently Asked Questions" (copy on file). He relayed that in that handout it noted 15 vessels operating in Alaska; 5 state ferries, and 10 small commercial passenger vessels. He asked about the location and purpose of the 10 small commercial passenger vessels. Ms. Hayes was unsure whether there were 10 vessels currently operating. She expected there to be 10 operating in the 2016 [2017] season. She indicated that they were vessels such as the National Geographic vessel - smaller cruise ships. They did not typically operate during the current time of year but would operate in April and May.

Representative Grenn noted that the exemption began in 2004. He wondered how many vessels were under the exemption in 2004. Ms. Hayes did not have the information and did not know if there were any in 2004, as the regulations passed in 2006.

Mr. Gruening clarified that the M/V Taku was no longer included in the number. Therefore, there would be 4 state ferries and 10 small commercial passenger vessels.

Representative Wilson asked how the state could provide exemptions to small vessels yet, require testing from miners, who were not putting anything into the water. Miners were also required to have settling pools and other items. She thought it was unfair to give one group an exemption and require other groups to do a significant amount of testing.

Ms. Hayes indicated that the answer was complicated. She elaborated that vessels had been exempt from the Clean Water Act requirements for many years. Several years ago, the decision was made that the United States Coast Guard would regulate wastewater from vessels. It had changed as laws were passed to regulate cruise ships in Alaska. Cruise ships in Alaska were regulated by the state and the Environmental Protection Act (EPA) by a separate permit. However, wastewater of the type being discussed was not regulated by the EPA; it was regulated by the State of Alaska. She reported that the State of Alaska had more stringent limits for cruise ships than the rest of the country. Other states followed federal requirement guidelines. There were some special zones. Puget Sound, for example, had some stringent limits. However, in general, Alaska had more stringent requirements of cruise ships. The placer miners that Representative Wilson had mentioned were regulated under the Clean Water Act and were regulated under an entirely different set of laws than the cruise ships and small vessels in Alaska.

[2:20:43 PM](#)

Representative Wilson asked who exempted the small cruise ships. Ms. Hayes asked if Representative Wilson was asking why vessels were regulated by the Coast Guard rather than the EPA's Clean Water Act.

Representative Wilson asked if the State of Alaska issued the exemption. She wondered if the exemption only applied to state law or if it included federal law. Ms. Hayes responded that the legislature granted the exemption in 2004. The State of Alaska did not have the authority to exempt vessels from federal law.

Representative Wilson asked if the state had the ability to provide an exemption to miners. Ms. Hayes indicated that

mines were regulated by federal law. The legislature did not have the ability to overturn federal law.

Co-Chair Seaton referred to Page 4 of the wastewater sampling results for small cruise ships and ferries. He read a portion of the page:

Small cruise ships and ferries continue to balance bacterial disinfection and chlorine use. Chlorine is used to disinfect bacteria, but it is toxic to marine organisms and high residuals must be avoided. Several vessels have installed equipment to dechlorinate the treated wastewater.

Co-Chair Seaton did not see a listing of the vessels or an estimation of costs associated with dichlorination and the disposal of the toxic discharge from chlorine. He asked if there was any information comparing the two. Ms. Hayes would have to get back with the information.

Co-Chair Seaton wanted to see the information because if there was something that could be implemented efficiently and cost effectively by the small vessels, it might be necessary to include the criteria and a completion date in the extension.

[2:24:04 PM](#)

Co-Chair Foster recognized the committee had been joined by Representative Thompson.

Representative Pruitt asked if he could ask a question of the deputy commissioner of DOT.

MICHAEL NEUSSL, DEPUTY COMMISSIONER, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, introduced himself.

Representative Pruitt indicated that the state was in the process of building new ferries smaller in size. He thought they would fall under the category of small commercial passenger vessel. Mr. Neussl responded in the negative. He relayed that the 2 new Alaska class ferries that were being built along with some of the other Alaska Marine Highway vessels did not have wastewater treatment systems onboard. They held all of the grey water and black water collected onboard in storage tanks, which were pumped ashore and treated through municipal facilities.

Representative Pruitt was glad to hear the information. He wondered about the initial sunset. He asked if the state should have certain sunsets for future ships coming into Alaska waters encouraging the use of new technologies. Mr. Neussl thought Representative Pruitt had a good point. He spoke about plans to replace additional Alaska Marine Highway vessels with other than small day boat ferries like the Alaska class ferries. It would be an issue. He reported that the M/V Tustumena had been redesigned and destined for replacement. The vessel that was designed to replace it fell under the best management practices exemption because the exemption was in place at the time the design was completed. It might have to be revisited and the cost of the vessel could increase.

Representative Pruitt thought that if the state was going to ask larger vessels to conform to a certain standard, the state would be hypocritical if it did not ask the same of smaller vessels. He was not sure he wanted to encourage a permanent exemption.

[2:28:20 PM](#)

Representative Ortiz asked for a description of the difference in volume of water discharged between an average size cruise ship versus an Alaska Marine Highway vessel such as the M/V Matanuska. He thought there was an extreme difference in the discharge volume between the two vessel sizes. Ms. Hale pointed to the handout, "Discharge Volume Comparison Chart DEC." The chart showed the volume of discharge of a small cruise ship. The average volume in June 2016 discharged from the cruise ship was 11,600 gallons per day. The average volume discharged in the same month from a large cruise ship was 103,000 gallons per day, almost 10 times more. The graph also showed the average volume discharged from the Mendenhall Wastewater Treatment Plant facility was 1,600,000 gallons per day.

Representative Ortiz asked her to explain the standards under the best management practices model that the Alaska Marine Highway System used versus the model used by the cruise ships. He asked her to talk about the differences in the places in which discharges occurred. Ms. Hayes responded that the small vessels, such as the small ferries and cruise ships, had limitations in regulation. They were not allowed to discharge in Herring spawning areas or

within a certain distance from the mouths of salmon streams. These types of restrictions made sense for the small vessels because they had more maneuverability and flexibility in traveling around Southeast Alaska. The large cruise ships did not have restrictions around where they could discharge. However, they had physical limitations in terms of where they could travel. Essentially, they were safety limitations. In the regulations there was a significant amount of detail as to where ships could discharge wastewater.

Representative Ortiz asked about the previous reduction in restrictions for major cruise ships as a result of recent legislative action. Mixing water zones came to mind. He thought the legislature reduced restrictions placed on major cruise ships. Ms. Hayes confirmed that in 2013 restrictions were changed. There was a requirement that had been in place requiring cruise ships to meet water quality criteria at the point of discharge. The restriction did not apply to any other discharger in the Alaska, such as municipalities or industries. She explained that the reason the science advisory panel was involved was to try to find technology that could meet the water criteria at the point of discharge. The bill from 2013 enabled mixing zones to be designed and established to allow mixing to occur as the discharge left the cruise ships and to meet the water criteria at a certain distance from the cruise ships.

[2:32:40 PM](#)

Vice-Chair Gara thought there had been some controversial legislation that was passed under Governor Parnell's administration. He asked when the exemption for small ships went into effect. Ms. Hayes responded that the exemption came into place statutorily in 2004. The legislature created the exemption in 2004 and the regulations were finalized in 2006.

Vice-Chair Gara indicated that 2004 predated the cruise ship initiative. Ms. Hayes responded in the affirmative.

Vice-Chair Gara asked if the cruise ship initiative changed the rules for small vessels. He asked if the legislation from 2004 was left in place by the cruise ship initiative. Ms. Hayes was not completely familiar with the history, but the regulations had been in place until the statute sunset date of January 1, 2016.

2:34:07 PM

Vice-Chair Gara asked if the language of the bill for the smaller vessel came into place in 2004 and expired on January 1, 2016. He asked if the language in HB 51 was the same language that was in place as of January 1, 2016, at the time the law expired. Ms. Hayes explained that the bill simply reinstated the statutory exemption. It did not do anything else.

Vice-Chair Gara hoped that the regulations on the smaller vessels would advance with best practices and improvements in technologies. He asked if he was assuming correctly. Ms. Hayes replied that she could not predict when regulations would be passed. She detailed how the program operated. She conveyed that the best management practices program was a program of continuous improvement. The best management practices plans were developed specifically for each vessel. The vessel owner and operator were very involved in the development of their plan. The plans were then reviewed and approved by her staff who worked closely with the ferries, the Alaska Marine Highway System, and with the owners of the small cruise ships. Her staff made sure the plans were followed and that improvement continued. For example, several of her staff had recently traveled to Ketchikan to meet with Ketchikan's environmental staff to review how to follow the best management practice, to talk about training, and to discuss sampling. It was an ongoing improvement process.

Vice-Chair Gara remarked there had been concerns previously but thought they had been brought up by Co-Chair Seaton. Mr. Gruening clarified that HB 51 made no substantive changes from the old regulation. He pointed to Page 1, lines 7-8 where Legislative Legal Services had done a clean-up of jargon. He noted that the word "obtains" had been replaced with the word "has." There were slight changes to language but nothing substantive to the actual regulations.

Representative Guttenberg thought the provisions were old and predated some of the increased activities on the Northwest Coast and the Arctic Coast. He asked how the provisions impacted small vessels. He knew some of the wastewater standards in the North had not been adopted for various reasons. He remarked that small vessels would be

getting a waiver in places where there were no standards presently. He wondered how the legislation related to those waters. Ms. Hayes answered that any vessels that fit the definition of small commercial passenger vessel, a vessel with 50 to 249 lower berths, would be obliged to comply with the best management practices plan requirement. Vessel owners and operators would be required to work with her staff and to take and provide samples. Any vessel that fit the definition would be required to comply. She added that any large cruise ships were required to comply with the requirements pertaining to large vessels.

Representative Guttenberg asked about standards for waters. He was concerned that some of Alaskan waters had currents or ice conditions. He indicated that usually best management practices fit certain criteria. He was under the impression that Arctic waters did not have any criteria. He wondered if the legislation would be in place regardless of such circumstances. Ms. Hayes answered that Alaska water quality standards and criteria applied to all state waters. Regarding permitting, the department had done its best to address all state waters where vessels traveled.

[2:39:49 PM](#)

Co-Chair Seaton referred to Table 2 on Page 7 of the report, "2016 Wastewater Sampling Results for Small Cruise Ships and Ferries" (copy on file). Table 2 showed conventional parameters for mixed treated black water and grey water. He referred to the column in the middle of the page with the heading of "Fecal Coliform Bacteria." He reported that the secondary treatment standard was 200. The M/V Columbia was at 64; the M/V Kennicott was at 6 and at 10; the MV Matanuska was at 170,000 and at 8,900; the M/V Chichagof Dream was at 2,100,100. He asked what enforcement action the department took if the vessels were exempted from compliance. He wanted specifics about the fecal coliform. Ms. Hayes replied that Co-Chair Seaton had pointed to good examples of both the information for M/V Matanuska and for the M/V Chichagof Dream. She pointed out that the number below 2,100,000 was zero. The M/V Chichagof Dream had just been placed into service. They had done sampling as they were getting ready to place the vessel into service. They ran the system, took a sample, saw that it was high, and worked with their best management practices plan and the department to bring the level down. She conveyed that the systems were complicated and were

similar to living organisms. She continued to explain that conditions changed rapidly on vessels. She thought it was a good example of why the sampling was important. She spoke to the improvement seen in the results from the systems since the implementation of the best management practices. The geometric mean for fecal coliform in 2004 for small vessels was 12,500 (fecal coliforms per 100 ml). In 2016, the geometric mean was 500. The improvement had occurred from sampling.

Co-Chair Seaton asked if either of the vessels had the equipment to de-chlorinate the treated wastewater. Ms. Hayes did not know the answer to his question.

Co-Chair Seaton asked if the fecal coliform bacteria went from 2,000,000 to zero because the vessels dumped in a significant amount of chlorine and was discharged as well. Ms. Hayes was unsure. Chlorine killed bacteria and was definitely used. She commented that the use of chlorine was a balancing act by the vessel operators. They did not want to use too much, just enough.

Co-Chair Seaton asked for the chlorination equipment on each vessel as well as the associated approximate costs. Ms. Hayes would get back with the information.

Representative Grenn noticed there was no sunset date in the bill. He wondered if he was accurate. Mr. Gruening responded in the affirmative.

Co-Chair Foster set the bill aside and reviewed the agenda for the following day.

HB 51 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[2:44:43 PM](#)

The meeting was adjourned at 2:44 p.m.