

HOUSE FINANCE COMMITTEE
April 20, 2018
1:34 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:34 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

Senator Natasha von Imhof, Sponsor; Elwin Blackwell, School Finance Manage, Department of Education and Early Development; Sana Efird, Deputy Commissioner, Department of Education and Early Development; Representative Geran Tarr, Sponsor; Diana Rhodes, Staff, Representative Geran Tarr; Tammy Davis, Fishery Biologist IV and Invasive Species Coordinator, Department of Fish and Game.

PRESENT VIA TELECONFERENCE

Tim Stallard, Alaska Committee for Noxious and Invasive Plant Management, Anchorage; John Morton, Supervisory Biologist, Kenai Wildlife Refuge, U.S. Fish and Wildlife, Soldotna; Tobias Schwoerer, Research Economist, Institute of Social Economic Research, Anchorage; Jim Szczesniak,

Manager, Ted Stevens International Airport, Anchorage; Robert Archibald, Friends of Kachemak Bay State Park and Kachemak Bay Conservation Society, Homer; Matt Morrison, Executive Director, Pacific Northwest Economic Region, Seattle; Rob Carter, Agronomist III, Agriculture Plant Materials Center, Division of Agriculture, Department of Natural Resources; Andrew Sayers-Fay, Director, Division of Water, Department of Environmental Conservation.

SUMMARY

HB 177 AQUATIC INVASIVE SPECIES

CSHB 177(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new zero note from the Department of Natural Resources, one new zero note from the Department of Transportation and Public Facilities, and one new fiscal impact note from the Department of Fish and Game.

CSSB 216(FIN)

SCHOOL FUNDING FOR CONSOLIDATED SCHOOLS

CSSB 216(FIN) was REPORTED out of committee with a "no recommendation" recommendation and with one previously published fiscal impact note: FN3 (EED); and one previously published zero note: FN4 (EED).

Co-Chair Foster reviewed the meeting agenda.

#sb216

CS FOR SENATE BILL NO. 216(FIN)

"An Act relating to the calculation of state aid for schools that consolidate; relating to the determination of the number of schools in a district; and providing for an effective date."

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Co-Chair Foster shared that the bill had been heard on Wednesday, April 18. He asked the sponsor to address the committee.

SENATOR NATASHA VON IMHOF, SPONSOR, introduced herself and was available for questions.

Representative Guttenberg had a question for the department.

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Representative Guttenberg discussed that the Village of Rampart school had been shut down when enrollment fell below the minimum daily requirement. He detailed that a dynamic new leader had brought people back to the community and the school had been reopened. He noted that school attendance was based on October attendance data. He remarked that the Yukon Koyukuk School District was huge geographically. He asked what support had been provided to the school to help it reopen, hire teachers, and fill the fuel tank, prior to October. He observed that the situation was unique, and he hoped it did not happen again.

ELWIN BLACKWELL, SCHOOL FINANCE MANAGE, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT (DEED), answered there were schools that closed from time to time that were later reopened. One of the larger issues with the Rampart school was that it had been closed for approximately 15 years. The department did not have any additional funding outside of the foundation formula to put towards opening up the school. When a district notified DEED of its plans to reopen a school, the district assured the department the school would have at least 10 ADM [average daily membership] for the count period. Once the department went through the count period if a school had 10 ADM, the school went through the school size adjustment and it received money through the foundation program. The district would have the opportunity to ask for an advance on its foundation funding in order to cover expenses while waiting. The department tried up the information in the last three months of the year based on the October counts. He reiterated that a school could ask for money upfront with the anticipation it would receive more money later in the school year. He noted it had happened one time that he could recall.

Representative Guttenberg stated the bill dealt with a similar situation in Anchorage, the largest school district in Alaska. He referenced the smallest school districts without any resources. He was trying to understand it. He

relayed he had represented numerous schools along the Yukon [River] down to the coast. He spoke to trying to figure out what was available for districts without any resources that had to start hiring in July and filled the fuel tank by barge once in the summer.

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Representative Wilson asked for verification that the only single-school school district the bill pertained to was Hooper Bay.

SANA EFIRD, DEPUTY COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, replied in the affirmative pertaining to Section 2.

Representative Wilson referenced how division was done for [a community with an ADM of greater than] 425 students. She wondered if the division would be grades K-8 and 9-12. She asked how the division would be determined for Hooper Bay.

Mr. Blackwell replied that under Section 2 the K-6 ADM and 7-12 ADM populations would each be run through the school size adjustment to end up with two adjustments for a single facility.

Representative Wilson assumed it pertained to the \$386,300 in Fiscal Note 3 [OMB Component Number 2804]. She wondered when a school was divided whether it was possible for one to fall under a smaller school category. She did not know how the 425 was divided. She explained there was a portion for smaller schools, but one school under discussion was not small. She remarked that the school was dinged because there were over 400 students. She thought it was positive that one school had been built instead of two, meaning the district could make more money. She asked if the size of the school went through the formula as if it was two.

Mr. Blackwell answered in the affirmative. He explained that under the foundation formula, a community with a single facility housing 101 to 425 ADM ended up with two adjustments. He detailed the community received an adjustment on K-6 and 7-12. In the case of Hooper Bay, under the same statute if a community went above 425 ADM, each facility received a single adjustment. Once the 425

mark was exceeded, the community received one adjustment instead of two. The bill would help fix the problem.

Representative Wilson asked for verification it [Hooper Bay] was the only school in the predicament.

Mr. Blackwell answered in the affirmative. Currently it [Hooper Bay] was the only school with an ADM above 425, with a single school in a community.

Co-Chair Seaton referenced testimony from the previous bill hearing. He detailed there was a provision under subsection (1) specifying that a district could not reopen and reconsolidate a school that had been consolidated within the past seven years. He asked for verification that it was not the bill's intention to have closed schools reopen and then close to count as reconsolidated numbers.

Senator von Imhof answered in the affirmative. She detailed there was a provision specifying a school could not consolidate and reopen within a seven-year period. Under extenuating circumstances, a district may apply to DEED for approval to reopen a school.

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Vice-Chair Gara did not see any negative attributes of the bill. He surmised that schools that could consolidate currently - it was mostly an issue impacting Anchorage - would receive a smaller penalty for consolidating and there would be no cost to other school districts. He asked for verification there would be no detriment to other school districts.

Ms. Efird answered in the affirmative. She explained that the option was voluntary, and the department had no problem with the bill.

Vice-Chair Gara reviewed the two fiscal notes from the Department of Education and Early Development. The first note from DEED showed no fiscal impact on the foundation program [OMB Component Number 141]. The second fiscal note (OMB Component Number 2804) from DEED included a fund capitalization of grants and benefits of \$386,300 to the Public Education Fund.

Co-Chair Seaton MOVED to REPORT CSSB 216(FIN) out of committee with individual recommendations and the accompanying fiscal notes.

There being NO OBJECTION, CSSB 216(FIN) was REPORTED out of committee with a "no recommendation" recommendation and with one previously published fiscal impact note: FN3 (EED); and one previously published zero note: FN4 (EED).

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AT EASE

[1:49:34 PM](#)

RECONVENED

#hb177

HOUSE BILL NO. 177

"An Act relating to the response to, and control of, aquatic invasive species; establishing the aquatic invasive species response fund; and relating to the provision of information about aquatic invasive species to users of the Alaska marine highway system."

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Co-Chair Foster noted the bill had last been heard one year earlier.

REPRESENTATIVE GERAN TARR, SPONSOR, reported that the bill had been sponsored by the co-chair in the past and she had worked with his office on the current bill. One of the reasons she believed it was so important to continue the conversation was related to the finances associated with the eradication of invasive species. She provided background information on state spending. In the past, the state had appropriated \$500,000 to deal with a species called sea vomit [*Didemnum vexillum* or "D vex"] in Sitka and \$400,000 for elodea eradication on the Kenai Peninsula. Additionally, Senator Coghill's office had worked to appropriate \$150,000 for the Chena and Totchaket Sloughs through the Soil and Water Conservation District; an additional \$600,000 in federal grant funds had been received as well.

Representative Tarr explained that eradication was costly and if the problem became too significant, the cost would

become much more expensive. In the past, the funds had been provided in the capital budget, but the bill provided an opportunity to create a response fund and a chance to look for ways to potentially put money into the fund. She reported that her staff would provide further detail on the bill. Additionally, the committee would hear invited testimony about the evolution of the issue. She relayed the problem was becoming more significant. She referenced a problem in the Sand Lake area in Anchorage and other problems developing in Mat-Su and Fairbanks. She hoped the legislature could figure out a way to improve prevention and early intervention and save costs.

DIANA RHODES, STAFF, REPRESENTATIVE GERAN TARR, thanked the committee for hearing the bill. She reported they had discussed the topic with numerous professionals and wanted to have everyone in the same room to provide an update. The state had participated with the Sea Grant Law Center to prepare model legislation on the topic and had visits from the Pacific Northwest Economic Region. There were numerous eradication efforts across the state conducted with grants provided by the state. She noted the importance of the issue as global warming and climate change would mean an increasing spread of invasive species. She listed individuals available online. She provided an overview of the sectional analysis (copy on file):

Section 1

Section 1

Amends Alaska's watercraft statutes (AS 5.25.055) to give the Department of Administration the authority to provide prevention-related educational materials regarding aquatic invasive species to people who register their boats.

Section 2

Amends Alaska's Fish and Game statutes (AS 16.05.093) to give the department authority over aquatic invasive species to:

- a) use chemical, biological, mechanical or physical methods to control and eradicate it;
- b) declare an emergency and suspend applicable environmental laws and regulations to control and eradicate it;
- c) prioritize the area and give authority to open or close a season or area to control and eradicate it;

- d) require other departments to cooperate with Fish and Game to control and eradicate it;
- e) require the Department of Natural Resources and the Department of Fish and Game to include in all relevant leases and permits a provision that the state be held harmless for actions taken on private property to control and eradicate it;
- f) use caution to cause the least harm to noninvasive fish populations;
- g) provide reasonable notice and consider potential effects to affected property owners to control and eradicate it;
- h) create the aquatic invasive species fund to accept appropriations to control and eradicate it.

Section 3

Amends Alaska's Marine Highway laws to give authority to the Commissioner of Transportation and Public Facilities to provide prevention-related educational materials regarding aquatic invasive species to people transporting vessels into the state.

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TIM STALLARD, ALASKA COMMITTEE FOR NOXIOUS AND INVASIVE PLANT MANAGEMENT, ANCHORAGE (via teleconference), spoke in strong support of the bill. The committee was grateful to Representative Tarr and Co-Chair Seaton for their work on the legislation in recent years. He encouraged the passage of the bill to continue the forward momentum. He highlighted the importance of the aquatic invasive species response fund in the legislation. He detailed that invasive species had been compared to a biological wildfire; therefore, early detection and rapid response were critical to addressing invasive species before they got out of control. He stressed that readily available funding was critical to enable rapid response. He suggested that perhaps funds could come from a boat sticker as a part of boat registrations, as was done in a number of other western states.

Mr. Stallard communicated that the committee had some suggestions to improve the legislation. He recommended replacing the current list of specific species with the comprehensive definition of aquatic invasive species. He explained that the change would help going forward, given that concerns may change, and new threats may arise. Alaska

was not the only state threatened by aquatic invasive species - other states were currently heavily impacted by invasive species as well. He suggested incorporating a number of elements from the Sea Grant Law Center's model legislation on aquatic invasive species before the bill's final passage. Specifically, the model legislation required watercraft owners to clean, drain, and dry their boats and trailers to avoid spreading invasive species. He believed the language should be adapted to also consider industrial and aquaculture equipment, structures, docks, and floatplanes moving between water bodies. If needed, state agencies needed to be authorized to inspect, decontaminate, and quarantine (which would require a dry period for watercrafts, equipment, and structures). Additionally, state agencies should be authorized to coordinate with aquatic invasive species programs in other states and provinces. While there were a number of additional improvements that could be made to the bill, he encouraged the House Finance Committee to adopt the invasive species definition and move the bill out of committee during the current meeting.

Representative Kawasaki believed Mr. Stallard was referring to Amendment 1 sponsored by Co-Chair Seaton. He read from the amendment [30-LS0598\J.2 (Bullard, 4/12/18)] (copy on file):

In this section, "aquatic invasive species" means an aquatic species, including the seeds, eggs, spores, larvae, or other biological material capable of propagation of the species...

Representative Kawasaki asked Mr. Stallard if the definition sounded accurate.

Mr. Stallard replied in the affirmative.

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JOHN MORTON, SUPERVISORY BIOLOGIST, KENAI WILDLIFE REFUGE, U.S. FISH AND WILDLIFE, SOLDOTNA (via teleconference), spoke in support of the bill and read from a prepared statement (copy on file):

Elodea was first found on the Kenai Peninsula during September 2012 in Stormy Lake near Nikiski. A quick windshield survey of other lakes detected a single

strand of elodea in nearby Daniels Lake that October just before ice-in. Recognizing the ecological and economic damage that elodea has wreaked in other parts of the world (UK, Scandinavia, Japan, New Zealand) where it has been introduced, a local interagency working group under the larger umbrella of the Kenai Peninsula Cooperative Weed Management Area was quickly established. Chaired by me, this group included representatives from the Alaska Division of Agriculture, Alaska Department of Fish & Game, Alaska State Parks, Homer Soil & Water Conservation District, Kenai Peninsula Borough, Cook Inlet Aquaculture Association, Kenai Watershed Forum, UAF Cooperative Extension Service, SePro (the company that makes fluridone), Dr. Lars Andersen (an aquatic plants management expert from UC-Davis), and several private landowners.

Our group responded rapidly to this new invasive threat. We conducted surveys for elodea by auguring through the ice and had our first public meeting in Nikiski by February 2013 to discuss the problem and management solutions. In summer 2013, we surveyed ~100 waterbodies elsewhere on the Kenai Peninsula, finding elodea in a third lake (Beck Lake) near Nikiski but nowhere else. During that following winter (2013-2014), we developed an Integrated Pest Management Plan, completed an Environmental Assessment under NEPA, and applied for and received permits from DEC, DNR, ADF&G and KPB. Our plan called for four applications of two kinds of herbicides (fluridone, diquat) over three years to eradicate elodea from these three lakes. The estimated cost at that time was ~\$600,000 just for the herbicide, of which \$440,000 came from the Kenai Peninsula Borough and the remainder from the U.S. Fish and Wildlife Service. We applied our first treatment in June 2014, our last treatment in September 2015, and now consider these three lakes free of elodea. We were the first to use aquatic herbicides in Alaska and the first to eradicate elodea in Alaska.

Our group was successful despite several obstacles which included lack of dedicated funds, a lengthy permit process through DEC that is a minimum of 100 days including a 40-day "wait" period even after the permit is approved, initial uncertainty about which

state agency actually had statutory authority to treat aquatic invasive plants, and the uncertainty of using new technology. While some of these constraints have since been ironed out, the lack of funds and the cumbersome permitting process continue to plague efforts elsewhere in the State.

One other reason I believe we achieved success in only two years of herbicide treatment is biological in nature. Elodea is a dioecious species, meaning that male and female parts are on different plants. To the best of my knowledge, elodea has not produced seeds anywhere in the state, suggesting that while both sexes may be in the state, they do not co-occur in the same population. The significance of this, from a management perspective, is that we have not yet had to deal with a persistent seed bank in a waterbody that would then require years of treatment for successful eradication. This is a ticking time bomb - once the two sexes get together, management costs will skyrocket and the feasibility of eradicating elodea from the state will be greatly diminished.

Since our initial success, elodea infestations were found in two new waterbodies on the Kenai Peninsula in 2017. The first was in Sports Lake in Soldotna, an infestation that we are fairly certain was introduced recently by one of five resident floatplanes. The second was in an unnamed waterbody adjacent to Beck Lake in Nikiski that I believe is a long-time infestation but was missed during our early surveys in 2013. We were able to apply the first of several herbicide treatments in 2017 by getting a permit exemption from DEC, modifying an existing Environmental Assessment, and using existing funds. I believe we will be able to eradicate elodea from these two lakes by the end of 2018.

The goal of the Kenai Peninsula Cooperative Weed Management Area partnership is to keep the peninsula free of elodea because we know it will have a significant impact on all fisheries including salmon. Dr. Toby Schwoerer, with the UAA Institute of Social & Economic Research, estimates that elodea will likely cost the commercial sockeye fisheries \$100 million per year in lost opportunity if elodea is allowed to spread statewide. To date, \$3.2 million has been spent

on its management since 2010, of which less than 11% was by the State of Alaska. Although our partnership has figured out a viable approach for eradicating elodea, we expect it will be increasingly more difficult in the near term to address new infestations that may be introduced to the Kenai Peninsula from elsewhere in the state.

Thank you for the opportunity to share my experience.

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TAMMY DAVIS, FISHERY BIOLOGIST IV AND INVASIVE SPECIES COORDINATOR, DEPARTMENT OF FISH AND GAME (DFG), provided an update on the state's invasive species program. She shared that the department had reached out to watercraft stakeholders with outreach materials. The department had assisted local entities by providing signage for infested waters. She noted that Representative Tarr had mentioned a \$500,000 capital improvement project for *Didemnum vexillum* in Sitka. The department anticipated going into the field in the coming summer for phase two to test biocides in enclosures within Whiting Harbor to cause mortality of the tunicate. The department also supported and coordinated a small group of citizens monitoring for invasive tunicates and European green crab, which were expanding their distribution up the West Coast.

Ms. Davis reported that northern pike continued to be a problem in Southcentral. She detailed that DFG's Region II Anchorage office had a successful program targeting invasive northern pike with a focus on containing the species to known locations and to prevent their spread. The department collaborated with the Cook Inlet Aquaculture Association, Tyonek Tribal Council, U.S. Fish and Wildlife Service, and the U.S. Geological Survey in containment, suppression, eradication, and prevention efforts. She relayed that pike suppression projects in Alexander Creek started as a pilot program in 2009/2010 and had been continued as a result of steep declines in chinook fisheries numbers. In 2015, adult chinook returns began to rebound, which DFG hoped was in response to the suppression effort; data showed that juvenile salmon had reestablished throughout the river corridor.

Ms. Davis highlighted that there had been 16 successful eradications of northern pike in Southcentral. In 2017, the

Soldotna Creek treatment had been completed - the goal was to protect the Kenai River. In 2018, the department would be working on a Tote Road project. She detailed there were eight lakes and ponds, seven of which were connected. The project would hopefully be the last Rotenone [pesticide] treatment on the Kenai Peninsula, meaning the northern pike would be eradicated from the area. Cottonwood Creek was next on the docket for pike eradication (partial funding had been received) and the department was working through the necessary steps to move forward.

Ms. Davis reported that DFG continued to work with the Fairbanks Soil and Water Conservation District and other state and federal entities on the Fairbanks elodea planning and eradication. She and Kristine Dunker (DFG pike program manager) worked with CNIPM [Committee for Noxious and Invasive Pests Management], chaired by Tim Stallard. The goal was to facilitate collaboration, coordination, prevention, early detection, and rapid response associated with invasive species. State entities had begun working together to review the landscape of laws in Alaska, specifically how statutes and regulations pertained to aquatic invasive species.

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Ms. Davis continued with her testimony. She worked with a number of regional entities including the Pacific Northwest Economic Region. One of the entity's main invasive species objectives was to create a perimeter of defense against zebra and quagga mussels. The Western Regional Panel on Aquatic Invasive Species had a building consensus in the west subcommittee, which included all western states. The organization's mission was to prevent zebra and quagga mussels from being spread from populations in the lower Colorado River basin, the Great Lakes, and elsewhere in the West. The primary vector for transmission of the species was trailered watercraft. Through updated legislation and improved capacity for watercraft inspection and decontamination, thus far, new populations had been restricted to one in Montana. Float planes had been identified as a secondary vector. The panel was looking at developing standardized float plane protocols for inspection and decontamination. The panel also had a coastal committee that was looking at biofouling issues and developing best management practices for marine invasive species.

Representative Ortiz asked about the process used to eliminate an invasive species such as pike.

Ms. Davis replied that depending on the species, DFG would first identify the distribution of the species, which could take a bit of effort depending on the size of the area of infestation. She noted the process would depend on the species. The department would then develop an operational plan outlining how an eradication would be implemented. Eradication work required numerous permits, which was somewhat of a hurdle. The eradication of aquatic invasive species required two permits from the Department of Environmental Conservation (DEC) to introduce a pesticide. The process may also require a permit from the Army Corps of Engineers. She continued that the process would also require funding for pesticides and resources. After the application [of the pesticide] occurred, the department conducted monitoring to ensure the process had been successful. If the efforts had not been effective, the department would potentially retreat the area.

Representative Ortiz asked if the material was injected into the water.

Ms. Davis answered that it depended on the species. For Rotenone treatments for northern pike, DFG used a liquid and powder that were added to the water where it would have a longer response. The project in Sitka would use a granulated chlorine biocide. She explained that the application depended on the pesticide.

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Co-Chair Seaton remarked that one of the primary problems with addressing D vex in Sitka involved coordination between agencies and permits. He asked if there were memorandums of understanding in place that would allow the process to move more quickly between agencies. Alternatively, he asked if the legislation was necessary to begin the process.

Ms. Davis answered it depended on the process. She referenced his mention of the D vex problem in Sitka. She explained that because there was no labeled pesticide to address D vex or other colonial tunicates, DFG had to seek an emergency exemption from the pesticide use permit, which could be a lengthy endeavor. She added that the Rotenone

applications had been more straight forward because it was a pesticide that was labeled for the species being treated.

Co-Chair Seaton remarked that chlorine was a biocide used in fish plants and other locations. He asked for verification DFG had to get an exemption to use chlorine used for the biocide.

Ms. Davis answered in the affirmative.

Co-Chair Seaton asked how long it took. Ms. Davis answered that the process was still underway.

Co-Chair Seaton asked if DGF would be allowed to use the permit in other outbreaks, once it was obtained.

Ms. Davis answered that DFG would be required to obtain a new permit for a new area.

Co-Chair Seaton asked if permits were area-specific. He hoped there were follow up studies to learn the effects on the ecosystem in order to speed up the process in the future. He surmised that processes were processes and sometimes laws could not be changed quick enough.

[2:17:31 PM](#)

TOBIAS SCHWOERER, RESEARCH ECONOMIST, INSTITUTE OF SOCIAL ECONOMIC RESEARCH, ANCHORAGE (via teleconference), testified in support of the bill. He planned to discuss his recent work on estimating the potential damages of elodea to the Alaska economy. He clarified that he was not speaking about cost management, but about the cost to Alaskans. In other parts of the world invasive species had already cost billions of dollars in economic damages. Alaska, by contrast, had relatively few biological invaders for most of the 20th century, but things had really changed. Alaska now had many invasions in their initial stages. Elodea was spreading throughout the state to remote water bodies via float planes, boats, and other. He stressed it was a critical point in history where continuing to work on the problem was necessary in order to eradicate elodea and prevent other potentially worse invasive species such as quagga and zebra mussels from coming to Alaska. He noted the species were already a large economic problem in the Lower 48.

Mr. Schwoerer communicated that failing to remove all known elodea infestations and to establish a system to efficiently deal with new invasive species meant the state would face long-term management costs and damages to its economy, particularly in fisheries, tourism, and other resources the economy depended on. He had recently estimated the full range of potential ecological and economic effects of elodea on the state's commercial sockeye fisheries. He had also conducted a statewide survey with floatplane pilots and calculated economic loss at landing sites, as elodea endangered floatplanes operations, takeoffs, and landings. He stressed that dense aquatic vegetation, such as elodea, created a critical safety issue. The species inhibited access for many floatplane operators throughout the state and therefore, caused significant damages to the state's tourism industry.

Mr. Schwoerer estimated that an additional 200 to 300 floatplane lakes would likely be infested in ten years if elodea was not eradicated. He underscored that eradication would be impossible if they did not act immediately to clean up all known infestations. He estimated the annual damage to sockeye salmon industry and pilots to be a combined \$100 million over the next 50 years. He relayed the amount was a quarter of the value commercial fishermen received for salmon in 2016. There was a 5 percent chance that damages would exceed \$400 million per year.

Mr. Schwoerer believed five things were necessary in order to avoid the damages. First, clean up existing elodea infestations, which he estimated would cost approximately \$10 million. Second, establish a formal rapid response fund for all invasive species (extending beyond aquatic species). Third, provide upfront funding for emergency response to manage elodea infestations yet to be discovered and deal with other invaders yet to arrive that were potentially far more damaging than elodea (e.g. zebra and quagga mussels). Fourth, provide upfront funding for coordinating response, monitoring known infestations, and detecting yet unknown infestations. Fifth, streamline permitting to allow treatment to actually occur when environmental conditions were ideal for success. In light of the economic and cultural importance of salmon and many other natural resources in Alaska and compared with the estimated future damages, the investments would likely yield a high return, even in a time of declining budgets.

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JIM SZCZESNIAK, MANAGER, TED STEVENS INTERNATIONAL AIRPORT, ANCHORAGE (via teleconference), noted the airport also included the Lake Hood seaplane base. He detailed that the aquatic invasive species elodea had been discovered in Lake Hood in 2015. A rapid response had been coordinated between the airport, the Department of Transportation and Public Facilities (DOT), Department of Natural Resources (DNR), and DEC to apply an herbicide treatment to the lake in 2015. The situation continued to be monitored in 2016 and 2017; in 2016 a small amount of herbicide had continued to be added to the lake to ensure the elodea was kept out. The work had been successful and there had been no further elodea observed in Lake Hood.

Mr. Szczesniak continued that in May of the current year there would be a field inspection to detect elodea; water samples would be taken to detect any residual levels of herbicide. In June, an herbicide would be applied to knock down any vegetation in the lake. The lake would be surveyed again in September - if any elodea was present, the lake would be treated again. After the season was over, the airport would work on its aquatic vegetation management for the lake and if needed it would incorporate any best practices learned in 2018 in the following year. He reiterated that the airport was working closely with DNR and DEC on the issue. The goal was to keep the vegetation knocked back in order to prevent elodea from getting back into the lake or spreading from the lake. He detailed that because there were lakes to the north and south of the airport with elodea, the airport was working to be proactive.

Co-Chair Seaton understood there was an infestation in Sand Lake as well. He asked about details.

Mr. Szczesniak answered that he did not have details about Sand Lake. The airport was being as proactive as possible to keep any elodea out of Lake Hood - elodea could come from Sand Lake or any other lake. The airport wanted to ensure it had the herbicides in place to keep elodea out of Lake Hood.

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Co-Chair Foster OPENED public testimony.

ROBERT ARCHIBALD, FRIENDS OF KACHEMAK BAY STATE PARK and KACHEMAK BAY CONSERVATION SOCIETY, HOMER (via teleconference), spoke in support of the bill. He reported he was on the board for the Prince William Sound Regional Citizens' Advisory Council, which had advocated for the passage of the bill since it had been introduced by Co-Chair Seaton and reintroduced by Representative Tarr. He stressed the importance of the issue and explained that prevention was much cheaper than response. He highlighted that the federal government had not passed its Incidental Discharge Act, making a robust response for invasive species in the state even more important. He remarked that the efforts were not cheap, and he thought the fiscal note should be more robust. He supported the idea of a fund the legislature could easily allocate money to. He understood it required money and time to preplan responses in certain areas, but he believed it may speed up the permitting process. He supported the passage of the bill.

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MATT MORRISON, EXECUTIVE DIRECTOR, PACIFIC NORTHWEST ECONOMIC REGION (PNWER), SEATTLE (via teleconference), commended the committee for addressing the bill. From a regional perspective, he was aware that states and provinces were spending \$25 million per year on quagga and zebra mussels. The agency had conducted a study that estimated the cost would be \$500 million per year in perpetuity if the species got into its waters. He stressed the importance of prevention. He explained that without a structure or mechanism, the problem was like a wildfire. The agency was tracking a number of key invasives in the region, many of which had been discussed during the meeting. The agency wanted to support the bill and do anything it could to help from the Lower 48 and Canada. He thanked the committee for the opportunity to speak. The agency would continue to work with the committee, given its active invasive species working group. The agency had been able to get Congress to appropriate monies for the prevention of aquatic invasives. He continued that because of Alaska's marine system and the Alaska Marine Highway System, it would be easy to inspect and interdict if mussels were coming from California or the lower Colorado River.

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Co-Chair Foster CLOSED public testimony.

Vice-Chair Gara referenced a DFG fiscal note that included an annual cost of \$5,000 for printing informational pamphlets. He surmised the department would only print the materials and use the associated funding when needed.

Ms. Davis answered in the affirmative.

Representative Wilson directed a question to the bill sponsor. She referenced a situation in her district where putting chemicals in the water could impact the wells of her constituents. The constituents had tried to be involved in the process, but the hearing had been primarily run by the chemical manufacturer. She did not see any protections when there was a group of people who were adamantly opposed to a project. The individuals had submitted public testimony, and many had submitted petitions. She remarked that people also got stuck between DNR and DEC because of the permitting process. She believed most of the money for the specific situation was federal, but it still required state permitting. She asked how to go to her constituents where she did not see any way for them to stop a project when it would impact their wells. The constituents had been told that the chemical treatment would impact wells, but not substantially. She stated that it did not work for her.

Representative Tarr asked for verification that the chemical application was related to invasive species.

Representative Wilson replied in the affirmative.

Representative Tarr responded it was her understanding that any of the chemicals that would be used had been tested for safety. She did not believe chemicals would be used that would otherwise impair the water body or have an adverse impact on human health. She did not want to speak to the specific example because she did not know the particular details. She thought the department may have additional information. The bill was intended to create more of a rapid response opportunity to an invasive species outbreak, which was addressed in Section 2 of the bill. She read an excerpt from Section 2, subsection (b):

...the department may apply for suspension of, or emergency, quarantine, public health, crisis, or other exemptions to, applicable environmental laws and regulations.

Representative Tarr relayed it was her understanding there would still be opportunity for public comment. She explained that the bill should not eliminate the participation by impacted residents in the area. She deferred to the department on the subject of the course of action available to individuals opposed to eradication methods.

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Representative Wilson did not know if DFG could answer because it had not been involved. She explained that DNR and DEC had been the permitting agencies. She stated that the issue was about what happened if the process failed. She relayed that her constituents had been told that a specific eradication project would impact residents' wells, but not substantially. She shared there were very shallow wells in North Pole and only several of those that may have been impacted had been tested. She noted that the testing did not matter to her because by the time the impact was discovered it would be another problem. She asked if the sponsor had thought of ways to deal with a situation when a group of people had a legitimate reason for opposing a project. She wondered whether the language could be written to give people a say. She reported that her constituents had turned out in volumes in opposition to a project, but the project had gone forward anyway. She stated that people would have to wait to see what kind of impact the project would have on their wells.

Representative Tarr deferred the question to DNR.

ROB CARTER, AGRONOMIST III, AGRICULTURE PLANT MATERIALS CENTER, DIVISION OF AGRICULTURE, DEPARTMENT OF NATURAL RESOURCES (via teleconference), asked Representative Wilson to repeat her question.

Representative Wilson complied. She stated that DNR and DEC had a permitting process that included public comment; however, when public comment had come out strongly against a project [it had not been followed]. She wondered what

kind of safety measures could be included into legislation to ensure that public comment mattered.

Mr. Carter completely understood Representative Wilson's concerns about the process. He relayed that DNR had been part of the permitting process with the Fairbanks Soil and Water Conservation District. He detailed that the ability to treat the Chena Lake and Slough and the Totchaket Slough (where elodea had been found), was determined in a regulatory process through DEC. The public comment period was accepted and evaluated by the department during the process. He explained that DNR employees applying the treatment did not have a considerable say in the regulatory process. His division was responsible for providing the science including the application methodology and specifying the amounts of herbicides to be used, which was denied or approved in the regulatory process.

Mr. Carter understood the concerns for constituents in any area that may be affected by an aquatic or terrestrial invasive species that management activities had to take place around. He could not speak to where in the legislation a process could be built in to better allow public comments and concerns to be addressed. He believed the legislation was about providing the option for further funding for rapid response to all invasive species that had been found or potentially could be discovered in Alaska. The bill also included a section for outreach and education to limit the spread or introduction [of an invasive species]. He referenced Representative Wilson's concern that her constituents should have the ability to speak freely and have their opinions heard. He believed the concern needed to be addressed in the application process and following the regulatory path through DNR as the applicant and DEC as the permitting agency.

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Representative Wilson commented on her experience that where responsibilities lay was unclear. She remarked that she heard, "it's not us it's them, it's not them it's us." She clarified that she was not against the legislation, but she stressed that the process used chemicals and North Pole was sensitive to having chemicals put in its water system that the community had not agreed to. She stressed that the comments from her constituents had fallen on deaf ears. She hoped there had not been a negative impact [resulting from

the chemical treatment]. She noted that the community had experienced high water in the past year and she believed more of the treated water ended up going into residents' wells than was known. She was uncomfortable not tightening up the issue in any way.

Representative Tarr relayed that DEC was also available online. She noted that the concern highlighted the challenge with the issue because there were several agencies involved in response. Part of being able to respond was creating the infrastructure to make everyone work together.

ANDREW SAYERS-FAY, DIRECTOR, DIVISION OF WATER, DEPARTMENT OF ENVIRONMENTAL CONSERVATION (via teleconference), could not speak to Representative Wilson's specific example because he did not know the history. He stated that the purpose of a public comment period was to receive public input. Any time there were very strong opinions held by a large group, it slowed down the process; and if the department decided there was not sufficient information to move forward with the permit, hopefully there would be an additional conversation with the public with additional public notice and hearings. He did not know any detail about the specific case highlighted by Representative Wilson. He thought it would be hard to legislate an exactly how that process occurred. He believed all agencies liked to be sensitive to a strong response to public notice and to implement additional steps and to take it as a sign that perhaps there was something additional the departments needed to take into consideration.

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Co-Chair Seaton MOVED to ADOPT Amendment 1, 30-LS0598\J.2 (Bullard, 4/12/18) (copy on file):

Page 3, lines 4 - 8:

Delete all material and insert:

"(i) In this section, "aquatic invasive species" means an aquatic species, including the seeds, eggs, spores, larvae, or other biological material capable of propagation of the species, that is not native to the state and the presence of which may cause economic or environmental harm."

Representative Wilson OBJECTED.

Co-Chair Seaton explained the amendment would change the definition of aquatic invasive species to conform with the Sea Grant Law Center model legislation. The amendment would eliminate the specific naming of aquatic invasive species. The definition included aquatic invasive seeds, eggs, spores, larvae that may come into the state. The goal was to ensure the state could address all forms of an invasion.

Representative Wilson asked how many more species the amendment would add and who made the determination on what was invasive.

Co-Chair Seaton answered that invasive species were not native to the area and had to be determined to be detrimental or have detrimental potential. He reasoned that because the issue pertained to aquatic species, whether a species was deemed invasive would be identified by DFG. Hopefully identification and treatment would occur early instead of resulting in large economic costs.

Representative Wilson asked how many additional species would be included if the amendment passed.

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Ms. Davis answered that it was a good and difficult question. The department did not have comprehensive enough survey capacity to know what was present in Alaska. The amendment did not add any invasive species that were known to be present in Alaska, but it opened the door to add additional species in the future.

Representative Wilson did not expect the department to know all of the species. She wondered if there were species not currently listed on page 3 [of the legislation] that would be included because of the definition change in Amendment 1.

Co-Chair Seaton replied that Mr. Morrison of PNWER had identified quagga mussels as a species causing tremendous economic damage in the Lower 48. He noted the specific species was not included in the bill. The European green crab was on the list currently in the bill, which was causing problems in California and was moving up the coast; however, the species was not yet known to be present in

Alaska. There were some other species Alaska was looking out for that could come from Japan after the tsunami [in 2011]. He referenced a barge and other debris [originating from Japan] that had ended up on beaches in Oregon. There were some invasive species on the items, but he did not believe they had taken hold in the U.S. He used the tunicate *D. vex* as an example and explained that once an invasive species was discovered in Alaska, it should be taken care of immediately.

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Representative Guttenberg stated that northern pike present in northern landlocked lakes in Alaska were not considered invasive. He noted that the definition identified invasive species as those not native to the state. He noted that the pike had been in Alaska for a long time and he did not know how they had initially arrived. He explained that DFG did not consider the species as invasive in the northern region because they were not competing with salmon or salmon eggs. He asked how they would fit under the definition.

Representative Tarr replied it was her understanding that northern pike were not endemic to Alaska and any that were present had been introduced at some time. She believed the pike Representative Guttenberg was referring to had been some of the earlier introductions by an individual. She speculated that the particular pike were probably lower on the priority list if they were not competing with salmon in terms of habitat. She stated that the fish would be considered as invasive based on the definition in the amendment. With limited funds, the departments were prioritizing in the most high-risk situations. She reasoned that if it was not causing harm to another species, it may be the reason the departments were not addressing it at present.

Representative Guttenberg asked whether DFG had a paper or report on the origins of northern pike. He identified an area outside the Circle Hot Springs area where he had fished for northern pike in the past.

Ms. Davis replied that the pike north of the Alaska Range were native to Alaska; they were not invasive and had not been introduced.

Representative Guttenberg noted that the specific reference to northern pike would be deleted by the amendment. He asked for verification that the fish would not be considered to be invasive because they were in Alaska naturally.

Ms. Davis answered that populations north of the Alaska Range were native and populations in Southcentral had been introduced and were considered invasive.

Representative Thompson noted that several years back there had been reports of reduced salmon runs in the Yukon River. One of the reports had indicated pike were eating smolt that were trying to get out to the ocean. He did not know whether the issue had been addressed, but he found it very important. He spoke to a second area of concern. He discussed that Harding Lake was about an hour drive outside Fairbanks. He reported that over the past 55 years there had been efforts to eradicate pike out of the large lake. He detailed that the lake had been poisoned twice. The population had been reduced and DFG had introduced landlocked silver salmon to the lake. He shared that he had a place at the lake and reported that the salmon population was now decent in size. He spoke to successful winter and summer salmon fishing in the lake. He elaborated that his neighbor had been told by DFG to fish for as many salmon as desired because the department was planning to remove salmon and reintroduce pike to the lake. He expressed confusion about the situation.

Ms. Davis answered that Harding Lake should have native pike populations as far as she knew. She did not know whether other species had been introduced but offered to follow up.

Representative Thompson requested follow up to his question. He remarked that silvers and trout had been introduced to the lake to provide a sportfishing area close to town. He was confused about the department's effort to eradicate the salmon and trout and reintroduce pike to the lake.

Ms. Davis would follow up with information.

Representative Kawasaki remarked that the amendment specifically addressed aquatic invasive species not native to the state. He pointed out that pike was native to the

state. He wondered if the amendment should read "not native to a particular ecosystem or area" instead of the current language. He reasoned that northern pike were [a native species] north of the Alaska Range but were nonnative south of the range. He explained that specifying that an invasive species was not native to the state would exclude pike.

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Co-Chair Seaton asked to hear from DFG. He was not certain the pike in northern and southern Alaska were the same species. He mentioned that the pike [south of the Alaska Range] could be from Minnesota, which could be a different subspecies. He asked about the genetics of the two populations.

Ms. Davis answered that the pike population north of the Alaska Range was considered native. Genetic studies had not yet been published but were part of a master's thesis. However, it appeared that the pike, especially in the Anchorage and Mat-Su areas, had been introduced from north of the range.

Co-Chair Seaton asked if the language proposed by Representative Kawasaki would be better.

Ms. Davis answered that adding "to the area of interest or ecosystem of interest" would specify that a species native in parts of the state (e.g. pike) would be considered invasive when introduced outside its native range if there were detrimental economic or environmental impacts.

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Representative Kawasaki MOVED to ADOPT conceptual Amendment 1 to Amendment 1 to replace the word "state" with "ecosystem" on line 5.

Vice-Chair Gara OBJECTED. He was concerned about making the change on the fly. He reported that during his time on the House Finance Committee there had been at least two debates on how to regulate invasive pike in streams. He shared that he fished frequently and had a strong concern about invasive pike. He elaborated that bills had passed the House that addressed the pike issue - he could not recall whether legislation had passed the full legislature. He was concerned the committee may be coming up with standards in

the amendment that may conflict with previous legislation aimed at addressing the invasive pike issue. He was uncomfortable making the change without knowledge of the other statutes. He preferred to leave Amendment 1 as is.

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AT EASE

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RECONVENED

Representative Kawasaki WITHDREW conceptual Amendment 1 to Amendment 1. He MOVED to ADOPT conceptual Amendment 2 to Amendment 1. He proposed to add "or ecosystem of interest" after the word "state" on line 5 of the amendment.

There being NO OBJECTION, conceptual Amendment 2 to Amendment 1 was ADOPTED.

Representative Wilson WITHDREW her OBJECTION. There being NO further OBJECTION, Amendment 1 was ADOPTED as amended.

Vice-Chair Gara reviewed the three fiscal notes including a zero fiscal note from DOT (OMB Component Number 2789), a zero fiscal note from DNR (OMB Component Number 2204), and a fiscal impact note from DFG with an annual cost of \$5,000 for printing informational material. He noted the committee had been told the department would not utilize the whole \$5,000 in future years if it was not needed.

Co-Chair Seaton MOVED to REPORT CSHB 177(FIN) out of committee with individual recommendations and the accompanying fiscal notes.

Representative Wilson OBJECTED. She stated her objection was the same as it was every year the bill had been heard. She did not believe time had been spent on the public portion to really understand the DNR and DEC permitting processes. She stated that public comment had no meaning if no one listened. She elaborated that no one had listened when there had been eradication projects in her district. Additionally, it was difficult to know who to talk to because the departments had pointed fingers at each other and had denied responsibility. She believed the situation was especially significant when it involved adding chemicals to the water system (the process had been mechanical in the past). She emphasized the importance of

getting the public process accurate to avoid negatively impacting wells across the state.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Guttenberg, Kawasaki, Ortiz, Pruitt,
Thompson, Foster, Seaton
OPPOSED: Tilton, Wilson

Representative Grenn was absent from the vote.

The MOTION PASSED (8/2).

CSHB 177(FIN) was REPORTED out of committee with a "do pass" recommendation and with one new zero note from the Department of Natural Resources, one new zero note from the Department of Transportation and Public Facilities and one new fiscal impact note from the Department of Fish and Game.

Co-Chair Foster reviewed the schedule for the following meeting. [The meeting was recessed to a call of the chair but never reconvened.]

#

ADJOURNMENT

3:02:59 PM

The meeting was adjourned at 3:02 p.m.