

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 20, 2023

8:03 a.m.

MEMBERS PRESENT

Representative CJ McCormick, Chair
Representative Kevin McCabe, Vice Chair
Representative Tom McKay
Representative Justin Ruffridge
Representative Rebecca Himschoot
Representative Donna Mears

MEMBERS ABSENT

Representative Josiah Patkotak

COMMITTEE CALENDAR

PRESENTATION(S): INVESTING IN WATER/SEWER INFRASTRUCTURE IN ALASKA

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

RANDY BATES, Director
Division of Water
Department of Environmental Conservation
Juneau, Alaska

POSITION STATEMENT: Introduced the PowerPoint presentations on water and sewer infrastructure and answered questions during the presentations.

SANDRA MOLLER, Director
Division of Community and Regional Affairs
Department of Commerce, Community, and Economic Development
Anchorage, Alaska

POSITION STATEMENT: Presented a PowerPoint presentation, titled "Investing in Water and Sewer Infrastructure in Alaska" and answered questions during the presentations.

CARRIE BOHAN, Program Manager
Facilities Services
Department of Environmental Conservation
Juneau, Alaska

POSITION STATEMENT: Presented a PowerPoint presentation on the Village Safe Water program.

FRANCINE MORENO, Director,
Rural Utility Management Services
Alaska Native Tribal Health Consortium
Anchorage, Alaska

POSITION STATEMENT: Presented a PowerPoint presentation on rural sanitation funding, health impacts, and sustainability efforts.

DAVE BEVERIDGE
Alaska Native Health Consortium
Anchorage, Alaska

POSITION STATEMENT: Answered a question during the Alaska Native Health Consortium's presentation.

NILS ANDREASSEN, Executive Director
Alaska Municipal League
Anchorage, Alaska

POSITION STATEMENT: Provided testimony and answered questions during the presentations.

PHIL ZAVADIL, City Manager
City of St. Paul
St. Paul Island, Alaska

POSITION STATEMENT: Provided testimony during the meeting.

PETER WILLIAMS, City Manager
City of Bethel
Bethel, Alaska

POSITION STATEMENT: Provided testimony during the meeting.

ACTION NARRATIVE

[8:03:26 AM](#)

CHAIR CJ MCCORMICK called the House Community and Regional Affairs Standing Committee meeting to order at 8:03 a.m. Representatives McCormick, McCabe, McKay, Ruffridge, and Mears were present at the call to order. Representative Himschoot arrived as the meeting was in progress.

PRESENTATION(S): Investing in Water/Sewer Infrastructure in Alaska

[8:04:12 AM](#)

CHAIR MCCORMICK announced that the only order of business would be the presentations on investing in the water and sewer infrastructure in Alaska.

[8:05:01 AM](#)

RANDY BATES, Director, Division of Water, Department of Environmental Conservation, introduced the presenters for the presentations on water and sewer infrastructure in Alaska.

[8:05:20 AM](#)

SANDRA MOLLER, Director, Division of Community and Regional Affairs (DCRA), Department of Commerce, Community, and Economic Development, co-presented a PowerPoint presentation, titled "Investing in Water and Sewer Infrastructure in Alaska" [hard copy included in the committee packet]. She highlighted that the three takeaways from the presentation should be: 1) DCRA is the only division mentioned in the Constitution of the State of Alaska, which reinforces the importance of communities in the state. 2) On behalf of DCRA, she expressed the belief in local self-governance. 3) Operations and Maintenance Best Practices ("Best Practices") scores reflect the community status measured against the metric. She began the presentation on slide 2, titled "RUBA - Rural Utility Business Advisor Program." She stated that RUBA's goal is to increase the managerial and financial capacity of rural water and wastewater utility providers. She stated that DCRA works on these projects in conjunction with the Department of Environmental Conservation (DEC). She continued discussing the role of DCRA in community self-governance.

MS. MOLLER moved to slides 3 and 4, titled "Investing in Alaska - Impacts" and discussed RUBA's program function and funding. She moved to slide 5, showing a map that listed the unserved and underserved communities in the state. She expressed the importance of federal funding, as it will be a "game changer" for getting underserved and unserved communities access to water and sewer. She added that the funding will also add two additional staff to DCRA to support this effort. She moved to slide 6, titled, "Local Government Assistance and RUBA." She pointed out that out of the 400 communities in the state, 350

are engaged with DCRA on local government issues, with 196 of these participating in Best Practices.

8:09:17 AM

REPRESENTATIVE MCCABE questioned why Talkeetna is not shown on the map of unserved and underserved communities on slide 5.

MR. BATES replied that in statute the definition has limited communities to 1,000 individuals, or less. He expressed the understanding that Talkeetna has a slightly higher population than this.

REPRESENTATIVE MCCABE expressed the understanding that this is in the process of changing. He pointed out that Talkeetna is a village on the road system with a serious E. coli problem.

8:10:48 AM

REPRESENTATIVE HIMSCHOOT questioned whether any Southeast Alaska communities are on the map.

MS. MOLLER responded that these communities would have to meet the 1,000 individuals, or less, threshold.

CARRIE BOHAN, Program Manager, Facilities Services, Department of Environmental Conservation, stated that slide 5 is only showing unserved and underserved communities in Alaska, meaning that these communities do not have piped water and sewer. She stated that all the communities in Southeast have this. She suggested that the communities could still be eligible for funding, but they are not recognized on the slide.

8:12:00 AM

MS. MOLLER pointed out the types of services DCRA provides to local governments, as seen on the left side of slide 6. She moved to slide 7 and gave a break down of RUBA, pointing out that there are seven regional offices that work one-on-one, providing small group assistance and utility management courses. She moved to slide 8, which depicts RUBA's staff. She stated that there are some staff vacancies, as support staff for the federal IIJA (Infrastructure Investment and Jobs Act) will be needed. She moved to slide 10 and pointed out the list of entities that collaborate with RUBA.

MS. MOLLER moved to slide 11, titled "Approach to Assisting Communities," which provided a list of the different activities RUBA does to assist communities. She stated that a community must request assistance.

[8:15:42 AM](#)

MS. MOLLER, in response to a request for more information on Best Practices scores, pointed out that this will be addressed on slide 16. She continued to slide 12, titled "FY23 RUBA Travel Activity (Completed and Planned)." A map on the slide shows the communities that RUBA staff has worked in. She moved to slide 13 and pointed out the communities where RUBA has training activities. On slide 14 and 15, she explained RUBA's role in Best Practices scoring. She stated that through DCRA, RUBA involvement is a component of the total score. She discussed the history of RUBA.

MS. MOLLER pointed out that DCRA oversees the financials and management of the water utilities, while DEC oversees operator training and other technical work. She commented that DCRA and DEC collaborate regularly, scoring twice a year to assess operations and maintenance capacity of rural water and wastewater utilities. She stated that the scores are used to determine eligibility and prioritization of sanitation projects and more. She added that Best Practices is not the only metric, as sanitation is not the only assistance that DCRA provides. In example, she indicated that how the community is running its local government would also be considered on the scoring.

MS. MOLLER moved to slide 16 which showed an example of the Best Practices scoresheet. She stated that this form is for the technical side and was developed by DEC. She stated that DEC works with communities throughout the year in order for scores to be increased. She added that there is also a handbook to help local governments on the scoring.

[8:20:00 AM](#)

REPRESENTATIVE MCCABE questioned who would determine the scores.

MS. MOLLER responded that there are assigned local government specialists (LGSs) in each of the communities. At the scoring time, the LGS would score communities using the scoresheet, as seen on the slide. Once this is done, DCRA would do an internal review, of which she described as a robust process. Once the review is done, these results are reported to DEC. She

suggested that the handbook helps the process stay consistent. In response to a request for an example using Bethel, she stated that DCRA would report this back to the committee. She expressed agreement that the process can vary by community, and DCRA would work with DCE on any subjectivity present.

MS. MOLLER moved to slide 17 and showed an example of the scoresheet that DCRA uses. She stated that DCRA works year-round with communities, helping them to increase scores.

[8:23:23 AM](#)

REPRESENTATIVE HIMSCHOOT commented that communities in Southeast Alaska have reported that they are pleased with the support from DCRA. She pointed to the scoresheet on the slide and stated that some communities in Southeast would not have the technical support required. She questioned whether technical support could be shared among communities.

MS. MOLLER deferred to DEC.

MS. BOHAN expressed uncertainty concerning the question. She stated that there is an entire program dedicated to operator certification. She expressed the opinion that there would need to be documentation on each certified operator for a partnership. She stated that the title of the Best Practices program was chosen to represent the goal of having the highest bar, giving the communities something to strive for. She expressed the opinion that no community would be able to hit each of the high bars.

REPRESENTATIVE HIMSCHOOT pointed out that in Prince of Wales, it is only an hour drive between communities, so they could serve as a backup for each other; however, the water systems may not be identical. She expressed the understanding that the state may not want to invest in infrastructure that has no support.

[8:27:10 AM](#)

REPRESENTATIVE RUFFRIDGE referred to the comment that high scoresheets may not be something rural areas can achieve. He requested a further discussion of this. He noted that a community that scores average on each item would not reach the required score of 60 out of 90 points.

MS. BOHAN advised that the tool has a total of 100 points. She stated that the Best Practices tool had replaced a previous tool

in 2015, which had 27 indicators with only a "yes" or "no" answer. She stated that using this tool communities had to have a "yes" answer on each question to receive funding. She discussed the problems with this system. She stated that in creating the Best Practices tool there were several goals, including simplifying the criteria and having tiers, as opposed having only one answer. She explained that this is why achieving the highest bar would not be realistic.

[8:31:02 AM](#)

REPRESENTATIVE RUFFRIDGE questioned how often utilities are scored and how often training is offered.

MS. MOLLER replied that the scores are handled twice a year. She stated that the training is offered year-round. She stated that there is a variety of training, with the most popular being the financial management training. She added that upon request the training could be offered in a hub community. She further addressed other financial services offered. She stated that there is no cost for the training and reimbursements are offered to communities.

[8:33:33 AM](#)

REPRESENTATIVE MCCABE questioned how the Alaska Native Village and Rural Communities Grant Program would work with this. He questioned whether this grant program also uses a scoring tool.

MR. BATES replied that DEC would answer this question during its presentation.

[8:34:40 AM](#)

MS. MOLLER moved to slide 17, titled "Managerial & Financial Criteria - DCRA." She pointed out the levels and metrics on the example scoresheet. She stated that these criteria tend to be a trouble area for communities, and she cited staff turnover as one contributing factor. She pointed out the headings and how communities can gain points under these. She moved to slide 18, titled "Resources, Support and Tracking." She pointed out the online database, as it provides information on each community. On slide 19, she pointed out the RUBA Utility Advisory Hub Site, which is an online resource for training and publications.

MS. MOLLER moved to slide 20, titled "Best Practices Dashboard," which shows the overall program and the average scoring for all

communities participating in RUBA. She stated that the two following slides show examples of scoring from two communities. She stated that these show a snapshot of the previous six months. She further described the information shown on the slides. She concluded the presentation on slide 23, which provides links to additional resources.

[8:40:44 AM](#)

CHAIR MCCORMICK thanked the presenter and reminded the committee of the time.

[8:41:00 AM](#)

REPRESENTATIVE RUFFRIDGE questioned the scoring sheet and gave an example. He expressed the opinion that the scoring sheet prioritizes three main areas: preventative maintenance, budget, and revenue. He suggested that if a community scores high on these three areas, it would be ranked high. He questioned this assessment and whether the scoresheet would need an update.

MS. MOLLER replied that in certain areas of scoring "easy" points can be made, such as having staff go to training. She expressed agreement on the three areas mentioned, as these three areas are best practices in general. She observed that small incremental points can also add up.

REPRESENTATIVE RUFFRIDGE asked for an average cost of the utility in a rural area.

MS. MOLLER deferred to DEC.

[8:46:27 AM](#)

MS. BOHAN expressed uncertainty concerning the specific number, adding that the rates in rural communities are substantially higher. She cited that the City of Wales has a user rate of \$300 per month. She compared this with the rate in Juneau of around \$30 a month. She expressed concern that communities could be setup for a system that they cannot sustain.

MR. BATES reminded the committee that the Best Practices tool not only works as a reminder for the communities, but also for the state, for what it takes to have safe and sustainable operations of the facilities. He expressed agreement that the user rates are challenging but emphasized that this is about setting communities up for success.

[8:48:58 AM](#)

REPRESENTATIVE MCCABE referenced a resolution from the City of St. Paul, which discusses the challenges with the scoring. The challenges included inconsistencies, pointing out a lack of clarity, variable metrics, incongruent financial software, discrepancies with the wastewater certifications, and more. He suggested that the scoring method needs to be investigated, as this problem is pervasive.

[8:51:23 AM](#)

REPRESENTATIVE HIMSCHOOT questioned how the rates would be set.

MS. MOLLER replied that DCRA has a rate-setting tool. She stated that unlike electric utilities, these water utilities have no requirements for rate studies.

[8:53:14 AM](#)

The committee took an at-ease from 8:53 a.m. to 8:54 a.m.

[8:54:52 AM](#)

CHAIR MCCORMICK announced that next would be the presentation from DEC.

[8:55:02 AM](#)

MR. BATES provided opening remarks. He stressed the importance of water and sewer infrastructure and the sanitary conditions this would provide. He stated that the foundation of Safe Water for Villages program is based on continued funding. He referred to the funding from IIJA, which would provide critical funds for upgrades to systems in rural Alaska. He stated that DEC and DCRA are committed to providing these funds, along with their own funds, to build and improve the water and sewer infrastructure for rural communities and to assist them in maintenance for the long term.

MR. BATES referred to the question of capacity assessment. He stated that this has translated to the Best Practices scoring tool because the EPA has delegated primacy and enforcement of the Safe Drinking Water Act to DEC. This requires the primacy agency to ensure that all the new or modified water systems have the technical, financial, and managerial capacity to comply with

the regulations before operations commence. He said that all the funding agencies, which are extensive, have determined the criteria for eligibility for the limited resources available. He noted that because of IIJA funding, there would be more resources available.

MR. BATES continued that in 2015 the Best Practices tool was created by the partners, and it has been used since this time. He stated that this tool provides the federal requirement of assessment of the technical, financial, and managerial components for the communities. He stressed that the tool is a critical component for the ongoing success of projects. He maintained that by federal law, the Best Practices tool cannot be terminated, even for a year. He reiterated that the scoring is also critical for entities that help communities to understand how to operate these multimillion-dollar facilities safely and sustainably for the long term. He reiterated the importance of using the IIJA funding in this way.

[9:01:38 AM](#)

REPRESENTATIVE HIMSCHOOT expressed the understanding that the Best Practices model cannot be abandoned; however, she questioned whether it could be more individualized.

MR. BATES replied that a dashboard is used as a step in the process, giving a snapshot of what a community's score is. After the score is given, he said, the next step would be notifying the community how it can improve the score. He pointed out that this process creates a two-way system; the community needs to know the steps, while the entities, like DEC, need to know how to assist.

REPRESENTATIVE HIMSCHOOT referred to what else the state could be doing, while allowing communities to maintain local control.

MR. BATES replied that about three years ago it was recognized that communities were having a decline in scores, and DEC has been working with DCRA to identify a path forward to assist communities. He stated that DCRA has been successful in getting additional staff and more travel to assist communities, not only with scores, but for local government success.

MS. MOLLER added that exit surveys are being used after training to help gather information on what communities need. She stated that the question at the end of the day always concerns what is best for the community.

9:07:14 AM

MS. BOHAN began the presentation on the Village Safe Water program [hard copy included in the committee packet]. She pointed out the mission of the program, as seen on slide 2, which is to support rural communities in their efforts to develop sustainable sanitation facilities. She stated that state statutes guide this mission, and this is where the definition of "eligible communities" would be found. She stated that the programs two major functions are providing funding planning and project management. She discussed these functions in further detail.

MS. BOHAN moved to the next slide and expressed the understanding that every need is compelling; however, needs exceed the resources available. She stated that having equity is a challenge. She pointed out that IAJA has allocated \$3.5 billion to the Indian Health Service (IHS), and \$2.1 billion of this has been related to Alaska projects. This is primarily concerning providing pipe service to underserved communities. She continued, discussing DEC's partnerships, as listed on the slide. She stated that there are monthly meetings to work on the issues in a collaborative manner.

MS. BOHAN moved to slide 4 to explain the two primary funding allocation processes, with one being managed by the Village Safe Water program. She added that this funding is for capital improvement project. She stated that the other allocation is funding for the sanitary systems, which is managed by the Alaska Native Tribal Health Consortium (ANTHC). She stated that the groups listed on the previous slide also meet and collaborate on the funding issues. She stated that if a village is allocated funding, the agency assigned to the village would take responsibility, but the village would still be eligible for funding from other sources. She moved to slide 5 and showed a visual of the substantial increase in funding sources. She moved to slide 6, which showed a map of the underserved and unserved communities. She described that the unserved communities do not have a water system, while the underserved communities have a haul system for water and wastewater.

9:14:18 AM

MS. BOHAN, in response to a committee question, replied that the projects on the slide are actively underway and have been funded for design and construction. She moved to slide 7, titled

"Average Project." She stated that the average price to install a pipe water and sewer system in rural communities is around \$1 million per home. She stated that this has been a historic challenge because there has not been enough money to install these systems, but with the federal funding there is an opportunity. In response to a committee question, she stated that after the capital cost of the project is covered through grant funding, the \$300 per month mentioned earlier would be the price for ongoing operations and maintenance. She added that when water must be heated and circulated to prevent freezing, this would create a larger energy cost.

[9:18:15 AM](#)

MS. BOHAN, in response to a committee question, replied that there is a section later in the presentation that addresses DEC's undertaking of an in-home water reuse system. She added that other resources, such as wells and septic systems, have also been considered; however, often this is not available in the ground water. She stated that in providing in-home water and sewer, there may be several options for each community.

[9:20:26 AM](#)

MR. BATES recognized the time constraint and ceded DEC's time at the table for other presenters.

CHAIR MCCORMICK expressed appreciation for this consideration.

[9:21:49 AM](#)

The committee took an at-ease from 9:21 a.m. to 9:23 a.m.

[9:23:13 AM](#)

CHAIR MCCORMICK announced that the final presentation would be from ANTHC.

[9:23:51 AM](#)

FRANCINE MORENO, Director, Rural Utility Management Services, Alaska Native Tribal Health Consortium, provided a PowerPoint presentation on rural sanitation funding, health impacts, and sustainability efforts [hard copy included in the committee packet]. She pointed out the "once in a lifetime" federal funding of \$3.5 billion for IHS sanitation nationwide. She stated that this was the result of the deficiencies found in

2021. She pointed out the \$1.9 billion that has been allocated to Alaska. She further discussed the funding requirements, as seen on the slide.

MS. MORENO moved to slide 3 and showed a map of communities with IHS sanitation needs. She pointed out the distinctions between the unserved and underserved communities. She noted that these communities would receive over 75 percent of the funding. She stated the cost of this was unfeasible for IHS funding in the past, but IIJA would remove the cost cap per home as a barrier. She continued discussing the details on meeting the IHS funding criteria, referring to the maps on slide 4 and slide 5.

MS. MORENO, in response to a committee question, stated that the state has a website with the affordability framework for any community.

[9:29:11 AM](#)

MS. MORENO moved to slide 6 and continued the discussion on Best Practices scores. She suggested that if Best Practices had been used when the majority of the rural water systems were built, these systems would have never been built.

MS. MORENO paraphrased slide 7, which read as follows [original punctuation provided]:

Health Impact of Safe Drinking Water
"Water-Borne Diseases"

Access to safe drinking water provides:

- 67% reduction in diarrheal morbidity
- 58% fewer clinic visits from sanitation related disease
- 55% reduction in overall child mortality

MS. MORENO, in response to a committee question, stated that "piped" means moving water into the house and not a community well.

MS. MORENO moved to slide 8, titled "Impact of Improved Sanitation." She pointed out that germs spread when hands are not washed, adding that during the COVID-19 pandemic some communities were not able to do this. She quoted statistics on how washing hands reduces the transmission of diseases. She moved to slide 9, titled "Impact on Infants." She commented on

the high percentage of babies with respiratory infections in communities with a lower percentage of access to water. She stated that this could now be addressed with the federal funding, and she described it as, "a once in a lifetime opportunity."

MS. MORENO moved to slide 10 and discussed the current IHS efforts for sustainability. She stated that these efforts include the Alaska Rural Utility Collaborative, the Rural Energy Program, remote monitoring, and virtual operator training.

[9:33:23 AM](#)

MS. MORENO paraphrased from slide 11, titled "Alaska Rural Utility Collaborative Expansion," which read as follows [original punctuation provided]:

Empowers communities to sustainably provide safe water and sanitation services through effective management, operations and maintenance.

- Current membership of 26 communities, 1 pending
 - Expanding to add 30 additional communities (unserved priority)
 - Voluntary membership
 - Advisory Committee driven, self-governance
 - Community leadership and operator capacity building
 - Sustainable rates and budgets
 - Cash reserves for emergencies and costly replacement parts
 - Bulk purchasing lowers costs, economies of scale
 - Increased operator retention, benefits and pay
 - Operator exchange program - supporting each other
 - Better than average best practice scores
- Success outcomes: 25/26 fully funded reserves, 105% average collections, all operators receive in-person or formal operator training, more reliable service, 85% (22/26) meet BP scores

MS. MORENO moved to slide 12 and discussed the high energy cost in rural communities. She stated that these costs often make up 40 percent of operations and maintenance budgets. She stated that the ANTHC Rural Energy Program was established in 2011 to implement energy reduction projects, such as installing LED light bulbs, providing operator training, installing heat recovery systems, installing wind-to-heat projects, installing solar panels, and installing micro-wind turbines. She stated that through these efforts there has been an ongoing annual

savings of \$4.7 million. She added that the annual energy savings per home is estimated at \$609.

MS. MORENO moved to slide 13 and stated that the Remote Monitoring System is critical in order to protect the water and sewer infrastructure. She stated that this tool is installed to monitor a system's temperature, flows, on-and-off timing of the pump, and heat tape. She added that the tool has helped partners monitor the system's operations through a dashboard, which would send alerts before there is a system wide emergency. She stated that this also alerts to inefficient energy use. She indicated that the goal is for all rural, off-road communities have the Remote Monitoring System by 2025.

MS. MORENO paraphrased from slide 14, titled "Virtual Operator Certification Training," which read as follows [original punctuation provided]:

ANTHC's Tribal Water Center (TWC) began providing virtual Water Plant Operator Certification training in 2020

- 2022/2023 training season:
 - 7 free trainings
 - 114 students
 - 42 communities
 - 68% of students successfully passed
- Since 2020, the program has hosted 273 students and has a pass rate of 78%
- Students are proctored while taking their relevant State of Alaska Certification exams within their community at the conclusion of each course

MS. MORENO, in closing, stated that ANTHC's vision is that "Alaska's Native people are the healthiest people in the world." She thanked the committee.

[9:42:09 AM](#)

CHAIR MCCORMICK thanked the presenter.

[9:42:16 AM](#)

REPRESENTATIVE HIMSCHOOT questioned how the Remote Monitoring System works.

MS. MORENO responded that the Remote Monitoring system is a system that anyone can see throughout the state, which includes

the many partners. She stated that the alert system will send a text message to those who need the alerts and can respond.

[9:43:43 AM](#)

REPRESENTATIVE MCKAY requested information on the required permitting and other issues, such as permafrost.

CHAIR MCCORMICK expressed uncertainty that the question would be germane to the presentation.

MS. MORENO responded that, in regard to permafrost, systems built above ground would be expensive, as they would need to be able to keep water flowing. She stated that for water plants built on permafrost, as the permafrost melts shifting would occur within the buildings. She stated that ANTHC has a patent on a thermo-siphon project, where the ground would be refrozen, stopping the water plant from shifting. She stated that ways to mitigate climate change are being investigated. She expressed uncertainty concerning the federal permits.

[9:46:54 AM](#)

DAVE BEVERIDGE, Alaska Native Tribal Health Consortium, expressed uncertainty concerning the referenced permits.

CHAIR MCCORMICK stated that Mr. Bates could be called back at another time to address the permitting question.

[9:47:16 AM](#)

REPRESENTATIVE RUFFRIDGE referenced the affordability conversation and stated that this comes back to energy costs. He questioned what could be done to drive down these costs. He questioned what would happen if in the future this is still not affordable.

MS. MORENO replied that for communities within the Rural Energy Program, collections are critical, and homes would be shut off from service for nonpayment. She reiterated that 40 percent of costs are the energy costs. She suggested that this could be decreased by the installation of renewable energy, making water and sewer rates more affordable.

REPRESENTATIVE RUFFRIDGE commented that the natural gas pipeline discussion has always omitted Western Alaska. He questioned whether this has ever been addressed.

MS. MORENO expressed uncertainty concerning the question, but she added that any way the cost of energy could be reduced in rural Alaska would be considered.

[9:50:42 AM](#)

CHAIR MCCORMICK introduced the next guest.

[9:51:32 AM](#)

NILS ANDREASSEN, Executive Director, Alaska Municipal League (AML), deferred to other testifiers.

[9:52:16 AM](#)

PHIL ZAVADIL, City Manager, City of St. Paul, provided testimony concerning the presentations. He addressed that he has been interested in the program for years and expressed appreciation to the entities involved. He suggested that the Village Safe Water program be reformed or eliminated. He referenced the many communities that have water and sewer needs. He stated that how business has been done needs to change so the IIJA money can be taken advantage of. He stated that could be done by employing a team of engineers to evaluate the needs. He expressed the opinion that the Best Practices program has been punitive for communities, and he referenced St. Paul. He maintained that the communities with the greatest need will never score well. He stressed that for the health and safety of these communities, this must be done better.

[9:55:18 AM](#)

PETER WILLIAMS, City Manager, City of Bethel, stated that for the last seven years he and his staff have tried to satisfy the requirements for the Best Practices scoring. He expressed frustration with communication with the program. He stated that often the wait for the scores are around four months. He expressed dissatisfaction that a call would not be made sooner, providing the community with information on what it needs to do. He suggested that many issues could be resolved with an email. He expressed frustration concerning the complexity of the financials that have to be submitted. He pointed out that the city's budget is online; therefore, it should not have to be submitted. He suggested that more back-and-forth communication could resolve many issues concerning the scoring. He referenced the variability of the scoring, even when the same information

had been submitted in the past. He also expressed frustration with the grant-loan process, as the cost of the projects are still out of reach. He expressed concern on the extent of the [IIJA funding].

[10:01:11 AM](#)

MR. ANDREASSEN referenced the slides [from ANTHC's presentation] and the communities that would not receive funding for their water and sewer needs because of low Best Practices scores. He expressed the opinion that this represents "cries for help." He referenced the federal law that requires communities to show sustainability before they can receive funding for water and sewer, and he questioned any leeway the state may have. He argued that sustainability [scoring] should include support, as the Best Practices scoring does not account for support that partners provide. He opined that accounting for the support that partners may provide, the scores could be reworked, and communities would qualify for the funding.

MR. ANDREASSEN, concerning Best Practices, questioned whether the community or the state would provide the definition of affordability. He stated that AML has passed a resolution which suggests changes to the Best Practices program. He offered to provide this to the committee. He suggested that it has been known that the federal funding was coming, and he opined that the details still have not been addressed. He argued that now is the time to address the criteria. He listed the support entities and noted their hard work, stating that this will take a consolidated and intentional effort.

[10:05:05 AM](#)

REPRESENTATIVE MCCABE noted that the slides Mr. Andreassen referenced are missing communities, as these slides represent Native villages off the road system. He listed the missing communities, including Tok, Buffalo Soapstone, Prudhoe Bay, and Talkeetna. He argued that these communities are just outside of the 1,000-population requirement. He acknowledged that these communities are on the road system and not Native, but he argued that these communities are also suffering the same problems. He suggested an "all-inclusive approach" from AML.

MR. ANDREASSEN replied that the goal is to improve public health and the living conditions for all Alaskans. He said, "Drawing a line in the sand based on population or scores makes that very difficult."

[10:06:14 AM](#)

REPRESENTATIVE RUFFRIDGE questioned communities that are [scoring] well and could be used as a model.

MR. ANDREASSEN mentioned that Toksook Bay has a score of 100, as DCRA has worked one-on-one with the community to determine the cause of [infant mortality] in the area. He recommended the adage that communities should "teach to the test," and follow the guidelines. He expressed the opinion that some communities have become models, and others could follow these examples, and this includes what partners could do to help.

[10:08:31 AM](#)

REPRESENTATIVE HIMSCHOOT questioned whether there is a correlation between population and the communities that do not score higher on Best Practices.

MR. ANDREASSEN expressed uncertainty, adding that he is not the best to speak to this.

REPRESENTATIVE HIMSCHOOT commented that this may have to do with affordability, but also the capacity of communities. She reiterated that communities should be empowered to make their own decisions; however, communities should also be provided support. She questioned at what point state assistance would be overstepping its bounds. She suggested that "shoveling money their way" is not the answer.

MR. ANDREASSEN suggested that providing money is not a "bad thing." He pointed out that community assistance has decreased by 50 percent, and during this time Best Practices scores went down. He suggested that these are connected. He expressed the opinion that funding is part of the answer and partners should come in when there is limited capacity. He concluded that sustainability is a community effort and resources from the outside should compliment what is at the local level.

[10:11:57 AM](#)

REPRESENTATIVE MCKAY referenced the DEC letter dated April 7, [2023] and requested that the letter be put into the record. He noted that the letter references permitting for the projects.

[10:12:28 AM](#)

CHAIR MCCORMICK provided closing comments.

[10:13:26 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 10:13 a.m.