

1 IN THE SENATE

BY HALFORD

2

SENATE BILL NO. 167

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to grants for water supply, sewage,

7

and solid waste facilities; establishing a revolving

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loan fund; and providing for an effective date."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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* Section 1. AS 46.03.030(c) is amended to read:

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(c) There is a water quality enhancement program and [,] water

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supply, sewage [SEWERAGE], and solid waste facilities fund created in

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the department to carry out the purposes of this section.

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* Sec. 2. AS 46.03.030(d) is amended to read:

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(d) The department shall, by regulation, identify those costs

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that [WHICH] are eligible costs for the purposes of this section.

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Eligible costs include the costs established in a construction con-

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tract which are necessary for construction of a project, but do not

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include the cost of interest and financing and right-of-way acquisi-

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tion, or costs related to operation, maintenance, or repair [OR RE-

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PLACEMENT] of a project.

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* Sec. 3. AS 46.03.030(e) is amended to read:

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(e) The department may grant to a municipality not more than 50

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percent of the eligible costs that [, INCLUDING COSTS OF OBTAINING

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FEDERAL WAIVERS FROM THE REQUIREMENT FOR SECONDARY TREATMENT PLANTS,

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WHICH] are not paid for by the federal government for solid waste

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processing or disposal facilities constructed after July 1, 1980.

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However, the department may grant a municipality up to 60 percent of

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the eligible costs not paid for by the federal government for a solid

1 waste processing or disposal facility constructed after July 1, 1980,
2 if the facility is used for resource recovery. The eligible costs of
3 a solid waste processing or disposal facility are determined by the
4 federal agency granting the most monetary assistance for construction
5 of the facility. For a solid waste processing or disposal facility
6 for which federal money is not available, the department shall deter-
7 mine the eligible costs in accordance with (d) of this section. A
8 municipality shall construct solid waste processing or disposal
9 facilities financed by grants under this section according to plans
10 and specifications approved by the department.

11 * Sec. 4. AS 46.03 is amended by adding a new section to read:

12 Sec. 46.03.032. ALASKA CLEAN WATER FUND. (a) There is estab-
13 lished as a separate fund the Alaska clean water fund, which is dis-
14 tinct from any other money or fund in the treasury, and which consists
15 of money appropriated by the legislature, federal capitalization
16 grants, loan repayments, interest received from loan repayments, and
17 interest received from investment of money in the clean water fund.

18 (b) The department shall administer the Alaska clean water fund.

19 (c) The department may accept and make use of all capitalization
20 grants provided by the federal government under the federal Clean
21 Water Act, as amended by P.L. 100-4.

22 (d) Except as otherwise limited by federal law, the Alaska clean
23 water fund may be used for the following:

24 (1) buying or refinancing treatment works debt obligations
25 of municipalities;

26 (2) planning, designing, building, constructing, and re-
27 habilitating facilities associated with public sewage collection,
28 treatment, and discharge facilities;

29 (3) constructing, equipping, modifying, improving, and

1 expanding public water supply, treatment, and distribution systems;

2 (4) guaranteeing or purchasing insurance for public agency
3 obligations related to treatment works construction.

4 (e) Repayment of loans must be secured in a manner that the
5 department determines is feasible to assure prompt repayment under a
6 loan agreement entered into with the borrower.

7 (f) The department may spend money from the fund to pay the
8 costs of administering the fund.

9 (g) A municipality wishing to borrow money from the fund must
10 demonstrate to the satisfaction of the department,

11 (1) sufficient legal authority to incur the debt for which
12 it is applying; and

13 (2) that it will establish and maintain a dedicated source
14 of revenue or other acceptable revenue source for repayment of the
15 loan.

16 (h) Allocation of Alaska clean water fund loans must be made in
17 accordance with the priority list developed by the department, using
18 criteria specified in regulations adopted by the department.

19 (i) Before making a loan from the Alaska clean water fund, the
20 department shall, by regulation, specify

21 (1) standards for the eligibility of borrowers and the type
22 of projects to be financed with loans;

23 (2) loan term and interest rate policies for loans made
24 from the fund;

25 (3) standards regarding the technical and economic viability
26 and revenue self-sufficiency of eligible projects;

27 (4) collateral or other security required for loans;

28 (5) terms of loans; and

29 (6) other relevant criteria, standards, or procedures.

1 (j) A loan made by the department must be made according to the
2 standards, criteria, and procedures established by regulations under
3 this section.

4 (k) The department shall prepare reports required by the federal
5 government in conjunction with federal capitalization grant award
6 conditions. The department shall also provide the Alaska legislature
7 with an annual report on the Alaska clean water fund on or before the
8 first day of each legislative session.

9 (l) Loan repayments and interest earned by loans from the Alaska
10 clean water fund must be deposited in the fund.

11 (m) Annual principal payments must commence within one year
12 after project completion, or within two years after the date the loan
13 is made, whichever is earlier.

14 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).