

Original sponsors: Halford and Sturgulewski

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 HOUSE CS FOR SENATE BILL NO. 167 (Resources)
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
8 loan fund; and providing for an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 46.03.030(c) is amended to read:
11 (c) There is a water quality enhancement program and [,] water
12 supply, sewage [SEWERAGE], and solid waste facilities fund created in
13 the department to carry out the purposes of this section.
14 * Sec. 2. AS 46.03.030(d) is amended to read:
15 (d) The department shall, by regulation, identify those costs
16 that [WHICH] are eligible costs for the purposes of this section.
17 Eligible costs include the costs established in a construction con-
18 tract which are necessary for construction of a project, but do not
19 include the cost of interest and financing and right-of-way acqui-
20 sition, or costs related to operation, maintenance, or repair [OR RE-
21 PLACEMENT] of a project.
22 * Sec. 3. AS 46.03.030(e) is amended to read:
23 (e) The department may grant to a municipality not more than 50
24 percent of the eligible costs that [, INCLUDING COSTS OF OBTAINING
25 FEDERAL WAIVERS FROM THE REQUIREMENT FOR SECONDARY TREATMENT PLANTS,
26 WHICH] are not paid for by the federal government for solid waste
27 processing or disposal facilities constructed after July 1, 1980.
28 However, the department may grant a municipality up to 60 percent of
29 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 facil-
9 ities financed by grants under this section according to plans and
10 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 to meet federal matching
16 requirements, federal capitalization grants, loan repayments, interest
17 received from loan repayments, and interest received from investment
18 of money in the clean water fund.

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

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

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

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

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

1 (3) constructing, equipping, modifying, improving, and
2 expanding public water supply, treatment, and distribution systems;

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

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

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

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

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

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

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

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

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

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

26 (3) standards regarding the technical and economic viabili-
27 ty and revenue self-sufficiency of eligible projects;

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

29 (5) terms of loans; and

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

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

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

10 (l) Except as provided in (n) of this section, loan repayments
11 and interest earned by loans from the Alaska clean water fund must be
12 deposited in the fund.

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

16 (n) State appropriations in excess of the amount required by the
17 federal Clean Water Act, as amended by P.L. 100-4, shall be accounted
18 for separately. Repayments of principal from loans made from these
19 amounts shall be deposited in the Alaska clean water fund. Repayments
20 of interest from loans made from these amounts and earnings on these
21 amounts shall be deposited in the general fund. The commissioner of
22 administration shall separately account for the interest repayments
23 and earnings that the Department of Environmental Conservation de-
24 posits in the general fund.

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