CS FOR SENATE BILL NO. 330(RLS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE

Offered: 3/18/94
Referred: Today's Calendar

Sponsor(s): SENATOR HALFORD

REPRESENTATIVE Mackie

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to water quality enhancement, water supply, wastewater, and
2 solid waste grants; the Alaska clean water fund; the establishment of the Alaska
3 clean water account, the Alaska drinking water fund, and the Alaska drinking
4 water account; and providing for an effective date."

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

6 * Section 1. AS 46.03.030(b) is repealed and reenacted to read:
7 (b) The department may grant to a municipality, as funds are available, a grant
8 for any of the following:
9 (1) a water quality enhancement project;
10 (2) a public water supply, treatment, or distribution system;
11 (3) a wastewater collection, treatment, or discharge system;
12 (4) a solid waste processing, disposal, or resource recovery system.
13 * Sec. 2. AS 46.03.030(c) is amended to read:
14 (c) There is a water quality enhancement program and water supply,

1 **wastewater** [SEWAGE], and solid waste **systems** [FACILITIES] fund created in the
2 department to carry out the purposes of this section.
3 * **Sec. 3.** AS 46.03.030(d) is amended to read:
4 (d) The department shall, by regulation, identify those costs that are eligible
5 costs for the purposes of this section. Eligible costs [INCLUDE THE COSTS
6 ESTABLISHED IN A CONSTRUCTION CONTRACT THAT ARE NECESSARY
7 FOR CONSTRUCTION OF A PROJECT, BUT] do not include [THE COST OF]
8 interest and financing and right-of-way acquisition, or costs **that are** related to **the**
9 operation, maintenance, or repair of a **system** [PROJECT].
10 * **Sec. 4.** AS 46.03.030(e) is repealed and reenacted to read:
11 (e) A grant under this section to a municipality for a project funded by an
12 appropriation made by the legislature
13 (1) before July 1, 1994, may not exceed 50 percent of the eligible costs
14 of the project;
15 (2) after July 1, 1994, may not exceed
16 (A) 85 percent of the eligible costs for a municipality with a
17 population of 1,000 persons or less;
18 (B) 70 percent of the eligible costs for a municipality with a
19 population of 1,001 to 5,000 persons; and
20 (C) 50 percent of the eligible costs for a municipality with a
21 population greater than 5,000 persons; however, if a municipality with a
22 population greater than 5,000 persons seeks a grant for a project that relates to
23 a solid waste processing or disposal system that incorporates resource recovery,
24 the department may provide a grant for up to 60 percent of the eligible costs
25 of the project.
26 * **Sec. 5.** AS 46.03.030 is amended by adding new subsections to read:
27 (g) The match required for grants made under this section may include
28 (1) federal funds; or
29 (2) state funds, other than those funds received under this section or
30 AS 37.06.
31 (h) Construction of a project for which a grant is made under this section may

commence only after the department has approved in writing the plans and specifications for the project.

* **Sec. 6.** AS 46.03.032(d) is amended to read:

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

(1) buying or refinancing **the debt obligations of a municipality for a public wastewater** treatment **system or a** [WORKS AND] solid waste management **system** [DEBT OBLIGATIONS OF MUNICIPALITIES];

(2) planning, designing, building, constructing, and rehabilitating **a** [FACILITIES ASSOCIATED WITH] solid waste management **system or a** [AND] public **wastewater** [SEWAGE] collection, treatment, and discharge **system** [FACILITIES];

(3) **collateral security for** [CONSTRUCTING, EQUIPPING, MODIFYING, IMPROVING, AND EXPANDING SOLID WASTE MANAGEMENT AND PUBLIC WATER SUPPLY, TREATMENT, AND DISTRIBUTION SYSTEMS;

(4) GUARANTEEING] or purchasing insurance for **a** public agency **debt obligation** [OBLIGATIONS] related to **the construction of a** solid waste management **system or a public wastewater** [AND] treatment **system;**

(4) developing and implementing a management program for controlling water pollution from nonpoint sources under 33 U.S.C. 1329; and

(5) developing and implementing an estuary conservation and management program under 33 U.S.C. 1330 [WORKS CONSTRUCTION].

* Sec. 7. AS 46.03.032(f) is amended to read:

(f) The department may spend money from the **Alaska clean water** fund to pay the costs of administering the fund.

* **Sec. 8.** AS 46.03.032(g) is amended to read:

(g) A municipality wishing to borrow money from the **Alaska clean water** fund shall demonstrate to the satisfaction of the department **that the municipality** [,]

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

(2) [THAT IT] will establish and maintain a dedicated source of

revenue or other acceptable revenue source for repayment of the loan.

* **Sec. 9.** AS 46.03.032(l) is amended to read:

(l) **Loan** [EXCEPT AS PROVIDED IN (n) OF THIS SECTION, LOAN] repayments and interest earned by loans from the Alaska clean water fund shall be deposited in the **Alaska clean water** fund.

* **Sec. 10.** AS 46.03.032(m) is amended to read:

(m) Annual principal payments shall commence within one year after project completion [, OR WITHIN TWO YEARS AFTER THE DATE THE LOAN IS MADE, WHICHEVER IS EARLIER].

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

Sec. 46.03.034. ALASKA CLEAN WATER ACCOUNT. (a) The Alaska clean water account is established as a separate account which is distinct from other money or funds in the treasury.

(b) The Alaska clean water account consists of state appropriations to the Alaska clean water fund in excess of that amount required as a match for a federal capitalization grant under 33 U.S.C. 1381 - 1387 (Clean Water Act).

(c) The department shall administer the Alaska clean water account.

(d) The Alaska clean water account may be used for purposes described in AS 46.03.032(d).

(e) Principal repayments received on loans from the Alaska clean water account shall be deposited in the Alaska clean water fund. Interest payments and earnings shall be deposited in the clean water account.

* **Sec. 12.** AS 46.03 is amended by adding a new section to read:

Sec. 46.03.036. ALASKA DRINKING WATER FUND. (a) The Alaska drinking water fund is established as a separate fund which is distinct from other money or funds in the treasury. The Alaska drinking water fund consists of (1) federal capitalization grants; (2) money appropriated by the legislature to meet federal matching requirements; (3) loan repayments; and (4) if required by federal law or by appropriation, interest received from loan repayments and interest received from investment of money in the Alaska drinking water fund.

(b) The department may adopt regulations necessary to ensure that the

1 department administers and uses the Alaska drinking water fund in a manner consistent
2 with federal law.
3 * **Sec. 13.** AS 46.03 is amended by adding a new section to read:
4 Sec. 46.03.038. ALASKA DRINKING WATER ACCOUNT. (a) The Alaska
5 drinking water account is established as a separate account which is distinct from other
6 money or funds in the state treasury.
7 (b) The Alaska drinking water account consists of state appropriations to the
8 Alaska drinking water fund in excess of that amount required as a match for a federal
9 capitalization grant.
10 (c) The department shall administer the Alaska drinking water account.
11 (d) The Alaska drinking water account may be used for any purpose for which
12 the Alaska drinking water fund may be used.
13 (e) Principal repayments received on loans from the Alaska drinking water
14 account shall be deposited in the Alaska drinking water fund. Interest payments on
15 loans from the Alaska drinking water account and earnings on the Alaska drinking
16 water account shall be deposited in the Alaska drinking water account.
17 * **Sec. 14.** AS 46.03.030(f) and 46.03.032(n) are repealed.
18 * **Sec. 15.** Unless repealed by the department, regulations adopted by the Department of
19 Environmental Conservation before July 1, 1994, relating to water quality enhancement, water
20 supply, wastewater, and solid waste system grants, the Alaska clean water fund, or the Alaska
21 clean water account remain in effect until the effective date of regulations adopted by the
22 department to implement changes made by this Act.
23 * **Sec. 16.** Sections 1 - 11 and 14 - 15 of this Act take effect July 1, 1994.
24 * **Sec. 17.** Sections 12 and 13 of this Act take effect on the effective date of a federal law
25 authorizing changes to the federal Safe Water Drinking Act to allow the state to participate
26 in federal capitalization grants to finance projects related to drinking water. The commissioner
27 of environmental conservation shall certify to the revisor of statutes the effective date of a
28 federal law described in this section.