

HB

429

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

POUCH 0 — JUNEAU 99801

April 26, 1972

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The Honorable Mike Miller, Chairman
House Local Government Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99801

Dear Mr. Miller:

I am writing to urge your favorable consideration of House Bill 429, introduced at the request of Governor Egan in April 1971, in lieu of House Bills 744 and 745, introduced last month.

Although the similarity may not be readily apparent, my interpretation of the intent of House Bills 744 and 745 indicates that they are to serve the same purpose as planned by Governor Egan at the time of his request for House Bill 429.

For your information, the Federal Department of Housing and Urban Development provided advanced planning loans for engineering of a variety of public projects, including those for water and sewer systems until January 30, 1970. On that date the authority to issue such new loans was terminated and there have been no Federal loans granted for advance engineering planning since that date. Accordingly, in order to assist smaller municipalities particularly (for example, Cordova, Bethel, Wrangell), Governor Egan suggested HB 429 which you will note provides for loans of up to \$20,000 to be paid from the water supply and sewerage systems fund created by AS 46.10.030 (formerly AS 18.05.155). Thus, a municipality receiving an advance engineering planning loan under this bill would be expected to have the loan paid off when a grant for construction of the planned water or sewer system was made from the same fund at a later date. This program has the added advantage to the State of providing much needed firm engineering estimates of cost of water and sewer system projects so that the Department of Environmental Conservation can better advise the Legislature of needs for funding of the 25% grant program. Bond funds for continuation of this grant effort are contained in Senate Bill 277 which has passed the Senate and is now pending in the House.

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As indicated above, I strongly urge adoption of this bill with the amendment in line 9 which would change AS 46.05.155 to AS 46.13.030 (the bill was originally proposed in April 1971 when the program was under the jurisdiction of the then Department of Health and Welfare.)

As I read them, House Bill 744 would establish a new \$200,000 appropriation for providing loans for water and sewer engineering studies, administered by the Department of Health and Social Services and HB 745 would establish the program within that Department for processing and issuing such loans only to rural areas of the State. It appears that such loans are to be made only to areas qualified for assistance from the Farmers Home Administration and that only the principal amount of the loan is to be repaid.

With the creation of the new Department of Environmental Conservation, the 1971 Legislature assigned the responsibility for all public water supply and sewerage system regulation to the new Department. I understand that all sanitary engineers who were administering those programs were transferred to the new Department and that the Department of Health and Social Services does not now have personnel qualified to administer the program proposed in HB 744-5.

I would welcome the opportunity to appear before your committee to answer questions and to discuss our State program for providing grant and loan assistance for municipal water and sewerage system improvements.

Sincerely yours,



Max C. Brewer
Commissioner

same letter sent to: The Honorable Genie Chance
The Honorable George Hohman

TO: M. Miller, Chairman
House Local Government Committee

April 21, 1971

FROM: Jim Rhode
AA

SUBJECT: HB 429. Funding of

This bill provides loans up to \$20,000, at 4% interest, to local governments for the costs of advance engineering and planning for sewerage works and water systems. These loans are to be repaid from any Federal grants which the localities receive.

The loans are to be made by the Department of Health & Welfare, Division of Environmental Health, from the \$2 million appropriation in this year's budget (all three versions) for the "water supply & sewerage systems fund" set up (and funded with \$2 million then) in 1970 by AS 46.05.155. These loans will not come from the \$8 million bond issue approved by the voters in 1970 for the construction of sewer and water systems by local governments.

[These loans for advance engineering and planning are not merely for projects for which there is already Federal and State funding, but also to enable the Department to inventory the needs in the State for these projects.]