

"An Act relating to the provision of safe water and hygienic sewage disposal facilities in villages."

## COMMITTEE REPORT

3/16/76

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had HB 796

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

"and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

"An Act relating to the provision of safe water and hygienic sewage disposal facilities in villages."

COMMITTEE REPORT

2/17/76

HOUSE

FINANCE

Mr. Speaker:

Date 3-16-76

The Committee on COMMUNITY AND REGIONAL AFFAIRS has had HB 796

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

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Members signing the Majority report:

<u>Samuel R. Carter</u>	<u>Norm Hackney</u>	_____
<u>Al Ose</u>	<u>Freeman</u>	_____
<u>Lawrence J. ...</u>		_____
<u>Kathryn ...</u>		_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Samuel R. Carter Chairman

AMENDMENT

OFFERED IN THE HOUSE:

BY: Community & Regional Affairs  
Committee

To: \_\_\_\_\_ HOUSE BILL No. 796

SENATE BILL No. \_\_\_\_\_

PAGE: 2

LINE: 5, 9-18

Line 5: INSERT after "construction." :

"The Commissioner may extend this period upon the sufficient indication that it cannot be met"

Lines 9-18: ~~DELETE~~ : Sec. 2

2040  
Guthrie

Introduced: 2/17/76  
Referred: Community &  
Regional Affairs and  
Finance

BY OSTROSKY, FREEMAN, GUY,  
HUNTINGTON AND OSTERBACK

1 IN THE HOUSE

2 HOUSE BILL NO. 796

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the provision of safe water and  
7 hygienic sewage disposal facilities in villages."

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

9 \* Section 1. AS 46.07.040 is amended by adding new subsections to read:

10 (c) The commissioner shall plan the implementation of the pro-  
11 grams authorized under this chapter.

12 (d) When the commissioner determines that the village governing  
13 body does not have sufficient financial resources to operate and main-  
14 tain the facility, the commissioner may make grants to the governing  
15 body in amounts which, when combined with other financial assistance  
16 available to it, will enable the governing body to operate and maintain  
17 the facility.

18 (e) The commissioner shall provide training in the operation and  
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23 (f) The commissioner shall provide stipends to assist qualifying  
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26 operation and maintenance training program or shall utilize training  
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28 (g) The commissioner shall assist the governing body of the  
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1 to identify all other potential facility income sources, and to annu-  
2 ally review and make adjustments where necessary of user fees and other  
3 income sources, in a manner to foster an arrangement in which the  
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6 (h) Upon completion of the facility the commissioner shall  
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9 \* Sec. 2. AS 46.07.050(a) is repealed and re-enacted to read:

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ALASKA STATE LEGISLATURE

NINTH Legislature SECOND Session

HOUSE BILL NO. 796

By ... BROOKS, FREEMAN, GUY,  
HUNTINGTON, AND OSTERBACK

"An Act relating to the provision  
of safe water and hygienic sew-  
age disposal facilities in  
villages."

Sewage fac., prov. of safe water  
in villages  
Introduced in the House 2/17, 1976

HISTORY IN THE HOUSE

19 76

Feb 17

Read first time and referred  
to Committee on  
Community and Regional  
Affairs and Finance

Reported back with  
recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred  
to Committee on

Reported back with  
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PASS	Effective Date
Yeas	Yeas
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Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No. ....

Introduced: 2/17/76  
Referred: Community &  
Regional Affairs and  
Finance

BY OSTROSKY, FREEMAN, GUY,  
HUNTINGTON AND OSTERBACK

1 IN THE HOUSE

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Referred: Community &  
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Finance

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THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. HB 796  
 Title: Safe Water and Hygienic Sewage Disposal in Villages  
 Requested by: Ostrosky et al Date: 2/17/76  
 Return Date Requested: ASAP  
 Agency: Environmental Conservation Program: NRM & EC

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Water Programs

A. EXPENDITURES: (Thousands of dollars)

No Inflation Considered

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		59.5	29.0	29.0	29.0	29.0
200 TRAVEL		16.0	6.0	6.0	6.0	6.0
300 CONTRACTUAL		24.8	12.0	12.0	12.0	12.0
400 COMMODITIES		1.9	1.0	1.0	1.0	1.0
500 EQUIPMENT		1.5	-			
600 LAND & STRUCTURES		-				
700 GRANTS, CLAIMS, ETC.		289.0	239.0	239.0	239.0	239.0
		935.7	-0-	-0-	-0-	-0-
TOTAL		1328.4	287.0	287.0	287.0	287.0

B. FUNDING: (Thousands of dollars)

GENERAL FUND		392.7	287.0	287.0	287.0	287.0
FEDERAL FUNDS						
OTHER		935.7	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	/	2 /	1 /	1 /	1 /	1 /
MAN MONTHS (P./T.)	/	24 /	12 /	12 /	12 /	12 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The provision in this bill that would constitute a change in what is already allowed under the Village Safe Water Act, is the provision that a VSW facility must be financially self-sufficient within 10 years of its completion.

Contained in the bill is the statement "The Commissioner may not construct a facility unless the village governing body submits a plan whereby the facility to be constructed will become financially self-sufficient within 10 years of completion of construction." In virtually no village can a facility of the type stipulated by the Village Safe Water Act (or any other type of utility system for that matter) become self-sufficient without setting prohibitively high use fees. Hence HB 796 would effectively curtail VSW construction.

IV. ATTACHMENTS

Analysis of Bill

V. DATE: 3/1 PREPARED BY: A.L. Eagle, Director, Mngt. Svcs.

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

This bill will have a large impact on the Village Safe Water Program. Although most of the provisions of this bill already exist in law, the requirement for each facility to become self-sufficient in ten years will essentially cancel the Village Safe Water Construction Program. It is suggested that few if any villages are capable of becoming self-sufficient in this area with no help from either the federal or state government or other entities.

If the foregoing assumption is true, then some very rough assumptions can be made regarding the budgeting implications of this bill. Current expenditures for the Village Safe Water Program fall into three main categories:

1. Departmental Operating Budget - In FY 76 these costs are about \$103,700, they cover program administration, construction project contract, monitoring and inspection.
2. Construction grant funds - currently bond fund and general fund balance is \$2,657,308 and over the past 2½ years has been expended at the rate of \$935,677 average per year.
3. Operation and Maintenance funds - currently budgeted at \$289,000 per year.

Assuming construction activity is severely curtailed as a result of this bill the following effects on our budget are probable.

1. The operating budget would be reduced somewhat as a reflection of the lessened construction activity and purely maintenance level effort. Possible savings amount to about \$55,700 estimated.
2. The stoppage or severe curtailment of construction activity would eventually save most or all of \$900,000 in Capital Construction costs per year on the average.
3. The operation and maintenance cost would probably stabilize at some reduced level to cover only those facilities already constructed. Some savings is anticipated as a result of having "worked the bugs out" of existing facilities. A rough guess at possible savings is about \$50,000 per year.

Therefore, this bill might essentially stop the Village Safe Water Program at a potential savings of \$1,041,400 per year, over the current yearly average cost.

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

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Bill No. CS for HB 796  
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 Requested by: Ostrosky, et al Date: \_\_\_\_\_  
 Return Date Requested: ASAP  
 Agency: Environmental Conservation Program: NRM&EC

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Budget Request Unit(s) Affected: Water Programs

A. EXPENDITURES: (Thousands of dollars)

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100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

B. FUNDING: (Thousands of dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The ammended HB 796 clarifies responsibilities and makes specific the functions of the Department regarding construction, operation and maintenance of Village Safe Water facilities. The requirement for the Commissioner to provide stipends for training section 1-(F) may result in an increase in the VSW Operations and Maintenance budget (currently 289.0). However, the amount would not exceed \$3,000 per facility and may be available from the current O&M budget.

IV. ATTACHMENTS

V. DATE: 3/26/76 PREPARED BY: A.L. Eagle, Director, Mnqt. Scvs.

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)