



HOUSE  
COMMITTEE REPORT

3/14

(9)

Date referred: 2/26/86

FURTHER REFERRALS: FINANCE

DATE: 3/14/86

The RESOURCES Committee has considered HB 461

"An Act relating to grants for water quality enhancement programs; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 461 (Hess)  same title
- new title

and recommends do pass

further referral to the \_\_\_\_\_ Committee

- and attaches:
- letter of intent
  - first fiscal note
  - new fiscal note
  - zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

SHULTZ Dick Shultz

HEIKENMANN Adelheid Heikemann

CATO Bette Cato

JENKINS Roger Jenkins

PEARCE Gene Pearce

SUND John Sund

THOMPSON Raymond Thompson

MILLER (N.P.) M.W. Miller

Dick Shultz  
CO - Chairman SHULTZ

HOUSE  
COMMITTEE REPORT

2/26

RESOURCES

Date referred: 1/13/86

FURTHER REFERRALS: FINANCE

DATE: 2/25/86

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee has considered HB 461

"An Act relating to grants for water quality enhancement programs; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CSHB 461 (HESS)  same title  new title

and recommends do pass

further referral to the \_\_\_\_\_ Committee

- and attaches:
- letter of intent
  - first fiscal note
  - new fiscal note
  - zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

*W. E. Koppman*  
*W. E. Koppman*  
 Vice Chair  
*Adrian L. Taylor*  
*David W. Shonk*  
*Debra Stanley*  
*P. Kelly*

*W. E. Koppman* co-chairman  
*W. E. Koppman* Co-Chair

Cook

*zero note*

Offered: 2/26/86  
Referred: Resources and  
Finance

Original sponsors: Pearce, Gruenberg,  
Uehling, et al

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 461 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to grants for water quality enhance-  
7 ment programs and water supply, sewerage, and solid  
8 waste facilities."

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, sewerage, and solid waste facilities fund created in the  
13 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 that [WHICH] are necessary for construction of a project, but do  
19 not include the cost of interest and financing and right-of-way acqui-  
20 sition, or costs related to operation, maintenance, or repair [OR  
21 REPLACEMENT] of a project.

22 \* Sec. 3. AS 46.03.030 is amended by adding a new subsection to read:

23 (f) The department may grant to a municipality not more than 50  
24 percent of the eligible costs not financed by the federal government  
25 of programs and facilities for enhancing the water quality of streams,  
26 lakes, waterways, and other bodies of water if the costs are incurred  
27 after July 1, 1986. Eligible costs include costs of testing,  
28 research, education, enforcement, and clean-up programs for the  
29 purpose of discovering and solving water pollution problems. A grant

1 may be made under this subsection only for a water enhancement program  
2 approved by the department.  
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Cook  
1402

Cook

Introduced: 1/13/86  
Referred: Health, Education & Social  
Services, Resources and Finance

BY PEARCE, GRUENBERG, UEHLING,  
BOUCHER, FURNACE, HANLEY,  
MARTIN AND JENKINS

1 IN THE HOUSE

2 HOUSE BILL NO. 461

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL.

6 For an Act entitled: "An Act relating to grants for water quality enhance-  
7 ment programs; and providing for an effective date."

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

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

10 (c) There is a water quality enhancement, water supply, sewer-  
11 age, and solid waste facilities fund created in the department to  
12 carry out the purposes of this section.

13 \* Sec. 2. AS 46.03.030 is amended by adding a new subsection to read:

14 (f) The department may grant to a municipality not more than 50  
15 percent of the eligible costs not financed by the federal government  
16 of enhancing the water quality of streams, lakes, waterways, and other  
17 bodies of water if the costs are incurred after July 1, 1986. Eligi-  
18 ble costs do not include costs of administering a water quality en-  
19 hancement program. A grant may be made under this subsection only for  
20 a water enhancement program approved by the department.

21 \* Sec. 3. This Act takes effect July 1, 1986.

OK  
3/14

Submitted by Representative Drue Pearce

March 12, 1986

Letter of Intent - CSHB 461

This letter of intent is in regard to Section 3 of CSHB 461. In Section 3, AS 46.03.030 is amended to expand eligible costs for grant funds to include costs of testing, research, education, enforcement, and clean-up programs for the purpose of discovering and solving water pollution problems. It is the intent of Section 3 of this legislation to first fund actual clean-up programs. If funds are remaining they may be used for testing, research, education, and enforcement.

  
Representative Dick Shultz  
Co-Chair, House Resources

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

*Bill  
2/26*

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : HB 461  
 Title : Act relating to grants for water quality enhancement programs;  
Pearce, Gruenberg, Uehling, Boucher,  
 Sponsor : Furnace, Hanley, Martin, Jenkins  
 Requestor : \_\_\_\_\_  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : \_\_\_\_\_  
 BRU : \_\_\_\_\_  
 \_\_\_\_\_  
 Components : \_\_\_\_\_  
 \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS :**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

Prepared by : Gary Hayden, Director  
 Division : Facility Construction & Operation

Phone : 465-2610  
 Date : 2/04/86

Approved by Commissioner : *Bill*  
 Agency : Department of Environmental Conservation

Date : 2/4/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

**ALASKA STATE LEGISLATURE**

14th... Legislature SECOND... Session

HOUSE BILL..... NO. 461...

By PEARCE, GRUENBERG, UEHLING  
BOUCHER, FURNACE, HANLEY, MARTIN,  
JENKINS

"An Act relating to grants for water quality enhancement programs; and providing for an effective date."

water quality grants.

Introduced in the House ...1/13..., 19.86

**HISTORY IN THE HOUSE**

1986

Jan 13

Read first time and referred to Committee on

HESS, RESOURCES 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 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 President  
Returned to House

SECRETARY OF THE SENATE

**HISTORY IN THE HOUSE**

19

Received from Senate

Concurred in Senate amendment thus adopting:  
VOTE

Failed to concur in Senate amendment; asked Senate to recede  
VOTE

Senate receded from amendment  
VOTE

Senate failed to recede from amendment  
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House  
VOTE

CC adopted by Senate  
VOTE

To enrolling  
Reported correctly enrolled  
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

# STATE OF ALASKA

MAR 31 1986

BILL SHEFFIELD, GOVERNOR

**DEPT. OF ENVIRONMENTAL CONSERVATION**  
OFFICE OF THE COMMISSIONER  
P.O. BOX 0, JUNEAU 99811-1800

Telephone: (907) 465-2600  
Address:

March 27, 1986

The Honorable Jim Duncan  
Alaska State House  
P.O. Box V  
Juneau, AK 99811-3100

Dear Representative Duncan:

During the House Finance Committee Hearing on HB 461 (water quality enhancement grants) you asked about the Department of Environmental Conservation's (DEC) use of federal funds. As I mentioned during the hearing, we have four sources of federal funds for water quality.

U.S. Environmental Protection Agency Construction Grants. The EPA Construction Grants Program funds only construction of new wastewater treatment facilities. This program is very restrictive and prescriptive for what the money can or cannot be used. These construction funds are not used for water quality program activities.

Section 205(g). In the past, these funds have supported DEC field and programmatic activities. EPA recently told us this money was not available for water quality activities.

Section 205(j). The 205(j) grant is for water quality planning. The annual grant amount has varied from \$100,000 to a maximum of \$146,000. In SFY 87 we plan to have \$65,000 remaining from the federal fiscal year (FFY) 86 allocation and hope to receive an additional \$100,000 during FFY 87, for a total of \$165,000. However, the President has proposed no 205(j) funding in his FFY 87 budget.

In the past, we have primarily utilized the 205(j) grant to fund special projects. Some examples are:

1. Development of a hazardous waste management plan for the municipality of Anchorage.
2. Development of best management practices for dairy waste disposal at Pt. MacKenzie.
3. Development of an erosion control plan for Delta farms.
4. Water quality monitoring of selected streams affected by placer mining.
5. Development of effective siting criteria for log transfer facilities.
6. Providing travel funds for the Placer Mining Advisory Group.

Representative Duncan

-2-

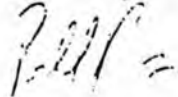
March 27, 1986

Proposed federal reductions would prevent us from continuing the practice of funding these special projects.

Section 106. DEC received \$170,000 in Section 106 funds, which were matched by \$104,300 in State funds. These grant and match monies are spent by our field staff in conducting plan reviews, issuing wastewater discharge permits, and performing facility inspections.

Thus, I do not believe that HB 461 will impact these funds in any way, nor do I believe that federal funds would be available to accomplish the tasks outlined in HB 461. If you have further questions, please feel free to call.

Sincerely,



Bill Ross  
Commissioner

BILL SHEFFIELD, GOVERNOR

**DEPT. OF ENVIRONMENTAL CONSERVATION**  
OFFICE OF THE COMMISSIONER  
P.O. BOX 0, JUNEAU 99811-1800

Telephone: (907) 465-2600  
Address:

March 27, 1986

The Honorable Mike Szymanski  
Alaska State House  
P.O. Box V  
Juneau, AK 99811-3100

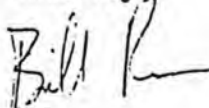
Dear Representative Szymanski:

During the recent House Finance Committee hearing on HB 461, pertaining to water quality enhancement grants, you asked if surface drainage projects would be eligible for the Department of Environmental Conservation's 50 percent matching grant program under the proposed HB 461 amendments.

Determining the answer to this question depends on why the project is needed. If the project is related to water quality, either by improving water quality or for maintaining existing water quality, it would be grant eligible; however, if the project was solely one of drainage, it would not. I believe the determination would have to be made during the grant application process and would depend on how the project was described. I do not believe it is necessary to amend HB 461 to include surface water drainage projects.

If you have additional questions concerning this issue, please feel free to call me.

Sincerely,

  
Bill Ross  
Commissioner

cc: Representative Drue Pearce

GOOD AFTERNOON CHAIRMAN ADAMS AND MEMBERS OF THE COMMITTEE.  
FOR THE RECORD, I AM REPRESENTATIVE DRUE PEARCE. I REPRESENT  
WEST ANCHORAGE. I COME BEFORE YOU TODAY AS THE PRIME SPONSOR  
OF HB 461, "AN ACT RELATING TO GRANTS FOR WATER QUALITY  
ENHANCEMENT PROGRAMS AND WATER SUPPLY, SEWERAGE, AND SOLID  
WASTE FACILITIES." I INTRODUCED THIS LEGISLATION IN RESPONSE  
TO PUBLIC OUTCRY DUE TO CRITICAL HEALTH THREATS IN ANCHORAGE  
AREA STREAMS. HB 461 WOULD ADDRESS SERIOUS PROBLEMS REGARDING  
WATER QUALITY IN STREAMS, LAKES AND OTHER BODIES OF WATER IN  
ANCHORAGE AS WELL AS IN OTHER AREAS OF THE STATE.

ANCHORAGE STREAMS ARE CONTAMINATED BY A COMBINATION OF SURFACE  
WATER RUNOFF WHICH CARRIES CHEMICALS INTO THE STREAMS OF  
HEAVILY POPULATED AREAS AND THE DETERIORATION OF EXISTING  
SEWER LINES THAT LIE BENEATH THOSE STREAMS. THIS IS EVIDENT  
BY THE DISCOVERY OF HIGH FECAL COLIFORM BACTERIA IN THE LOWER  
CAMPBELL AND FISH CREEKS. RECENT REPORTS HAVE INDICATED THAT  
MANY OF ANCHORAGE'S STREAMS ARE UNFIT FOR ANY RECREATIONAL  
PURPOSE, EVEN WADING. IN FACT, THE POLLUTION WAS SO BAD THAT  
LAST YEAR THE EVER POPULAR CAMPBELL CREEK CLASSIC, A CANOE  
RACE DOWN CAMPBELL CREEK, HAD TO BE CANCELLED DUE TO THE  
PUBLIC HEALTH THREAT THAT IT POSED.

IN ESSENCE THE BILL THAT YOU HAVE BEFORE YOU TODAY, HB 461, IS AUTHORIZING LEGISLATION. IT WOULD ADD TO AN EXISTING PROGRAM THAT WAS CREATED IN THE 1970'S AND IS ADMINISTERED BY THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION. PRESENTLY, UNDER DEC'S 50/50 MATCH PROGRAM, THE STATE PROVIDES GRANTS TO LOCAL GOVERNMENTS FOR THE PURPOSE OF CONSTRUCTING WATER AND SEWER SYSTEMS AND SOLID WASTE FACILITIES. (LET ME POINT OUT THAT ANY FEDERAL FUNDS AVAILABLE FOR THESE GRANTS WOULD BE USED FIRST AND WOULD NOT BE DISPLACED WITH STATE FUNDS.) MY BILL WOULD SIMPLY EXPAND THE CURRENT PROGRAM (AS 46.03.030 GRANTS) TO ALLOW GRANT FUNDING FOR SURFACE AND SUBSURFACE WATER QUALITY ENHANCEMENT.

I BELIEVE YOU WILL FIND THAT THE 50/50 GRANT PROCESS IS WELL KNOWN TO BOTH THE MUNICIPALITIES AND THE DEPARTMENT. THE KIND OF PROGRAM THAT I HAVE PROPOSED HERE WOULD NOT BE DIFFICULT TO ADMINISTER SINCE IT SIMPLY ADDS ANOTHER AVENUE FOR FUND USE TO AN ALREADY EXISTING GRANT PROGRAM. IT WOULD NOT REQUIRE ADDITIONAL STAFFING AND, AS YOU CAN SEE, IT HAS A ZERO FISCAL NOTE FROM DEC.

I BELIEVE THAT EXPANDING THE CURRENT PROGRAM IS PREFERABLE TO INSTITUTE A NEW PROGRAM BECAUSE IT ENCOURAGES LOCAL PARTICIPATION AND RESPONSIBILITY REGARDING WATER QUALITY ENHANCEMENT. WE'RE ADDING TO A PROGRAM THAT WE KNOW WORKS RATHER THAN CREATING A NEW BUREAUCRACY. THIS IS A LONG RANGE SOLUTION CREATING A COMPREHENSIVE PROGRAM THAT WILL ENABLE STATE AND LOCAL GOVERNMENTS TO MAKE A CONTINUING EFFORT TO ENHANCE WATER QUALITY THROUGHOUT THE STATE. AS SOME OF THE MEMBERS OF THIS COMMITTEE KNOW, THE RESIDENTS OF ANCHORAGE EXPRESSED GRAVE CONCERN REGARDING THE QUALITY OF WATER IN THEIR COMMUNITY LAST FALL BY APPROVING THE SALE OF \$15 MILLION IN SEWER BONDS AND \$10 MILLION FOR VARIOUS WATER QUALITY PROJECTS. MANY OF THE PROJECTS IN THE BOND ISSUE FOR WATER QUALITY COULD NOT QUALIFY FOR STATE MATCHING FUNDS UNDER EXISTING LAW. UNDER THIS PROPOSED AMENDMENT TO TITLE 46 THEY WOULD QUALIFY.

THE BILL BEFORE YOU IS SUPPORTED BOTH BY D.E.C. AND THE MUNICIPALITY, AS WELL AS OTHER GROUPS WITHIN THE ANCHORAGE AREA, INCLUDING THE LEAGUE OF WOMEN VOTERS, THE SPENARD ROAD COMMITTEE AND THE ANCHORAGE WATERWAYS COUNCIL.

I WOULD LIKE TO POINT OUT THE FACT THAT ALTHOUGH HB 461 DOES HAVE A ZERO FISCAL NOTE, IN ORDER TO CONTINUE SUPPLYING GRANTS FOR WATER SUPPLY, SEWER, AND SOLID WASTE DISPOSAL FACILITY PROGRAMS THAT ALREADY EXIST, ADDITIONAL APPROPRIATIONS WOULD HAVE TO BE PROVIDED BY THE LEGISLATURE FOR GRANTS TO BE PROVIDED UNDER THIS AMENDMENT.

IN CONCLUSION I WOULD LIKE TO NOTE THAT YOU WILL FIND IN YOUR PACKET LETTERS FROM THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION, THE MUNICIPALITY OF ANCHORAGE, AND THE ANCHORAGE WATERWAYS COUNCIL ALL EXPRESSING THEIR SUPPORT OF HB 461.

I UNDERSTAND THAT A REPRESENTATIVE OF D.E.C. IS IN THE AUDIENCE AND WILL BE ABLE TO TESTIFY TO THE MORE TECHNICAL ASPECTS OF ADMINISTERING THE PROGRAM.

2/10/86  
4 (12/85)

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

H  
B  
461

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No. : CS HB 461 (HSS)  
 Title : Act relating to grants for water quality enhancement programs;  
Pearce, Gruenberg, Uehling, Boucher.  
 Sponsor : Furnace, Hanley, Martin, Jenkins  
 Requestor : \_\_\_\_\_  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : \_\_\_\_\_  
 BRU : \_\_\_\_\_  
 \_\_\_\_\_  
 Components : \_\_\_\_\_  
 \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

CAPITAL						
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REVENUE						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS :**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

Prepared by : Gary Hayden, Director Phone : 465-2610  
 Division : Facility Construction & Operation Date : 2/04/86

Approved by Commissioner : Bill R... Date : 2/4/86  
 Agency : Department of Environmental Conservation

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

OK  
3/14

Submitted by Representative Drue Pearce

March 12, 1986

Letter of Intent - CSHB 461

This letter of intent is in regard to Section 3 of CSHB 461. In Section 3, AS 46.03.030 is amended to expand eligible costs for grant funds to include costs of testing, research, education, enforcement, and clean-up programs for the purpose of discovering and solving water pollution problems. It is the intent of Section 3 of this legislation to first fund actual clean-up programs. If funds are remaining they may be used for testing, research, education, and enforcement.

  
Representative Dick Shultz  
Co-Chair, House Resources



# Alaska State Legislature

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## House of Representatives

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4150 WEST 88TH  
ANCHORAGE, ALASKA 99502  
(907) 243-8110

REPRESENTATIVE DRUE PEARCE  
DISTRICT 9, SEAT A

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4993

### MEMORANDUM

TO: Members of the House Finance Committee *Al Adams*  
FROM: Representative Drue Pearce *Pearce*  
SUBJECT: HB 461  
DATE: March 21, 1986

This is to familiarize you with HB 461, which will be heard in Finance on Monday, March 24. I introduced HB 461 to address serious water pollution problems throughout the State. Many streams in the Anchorage area have become so polluted that they are unfit for any recreational purpose, even wading. HB 461 will provide an avenue for local governments to acquire matching grant funds for water quality improvements from an already existing program.

Presently, under the D.E.C.'s 50/50 match program, the state provides grants to local governments for the purpose of constructing water and sewer systems and solid waste facilities. HB 461 will simply expand the current program (46.03.030 Grants) to allow grant funding for surface and subsurface water quality enhancement. The grants are, of course, dependent upon Legislative appropriation.

In the past the State has generally taken on 100% of cleanup costs through Legislative appropriations. The program I am proposing would encourage local participation and responsibility regarding water quality enhancement, which in this time of declining revenues is even more important.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
GRANTS PROGRAM HISTORY

<u>Funding Source</u>	<u>Municipal Grants</u>	<u>VSW</u>	<u>Grant Funds to Municipality of Anchorage</u>
70 BF	\$ 8,000,000	\$ 3,000,000	\$ 3,459,407 (43%)
72 BF	32,000,000	1,000,000	8,746,279 (27%)
76 BF	29,500,000	1,500,000	12,119,015 (41%)
78 BF	19,890,000	7,750,000	4,110,649 (21%)
80 BF	<u>23,000,000</u>	<u>10,000,000</u>	<u>1,197,374 ( 5%)</u>
Total	<u>\$112,390,000</u>	<u>\$23,250,000</u>	<u>\$29,632,724 (26.4%)</u>

<u>Funding Source</u>	<u>Municipal Grants</u>	<u>VSW</u>	<u>Federal Funds</u>
FY82 approp	\$ 9,359,000	\$ 1,608,900	\$11,300,000
FY83 approp	4,590,000	515,000	14,642,000
FY84 approp	19,302,969	690,610	14,642,000
FY85 approp	15,700,000	7,972,000	14,642,000
FY86 approp	1,823,100	1,219,000	14,642,000*

FUNDING FOR WATER, WASTEWATER, AND SOLID WASTE  
FROM GENERAL FUNDS

<u>Fiscal Year</u>	<u>Through ADEC</u>	<u>Direct</u>	<u>Total</u>
FY83	\$ 5,105,000	\$ 26,441,700	\$ 31,546,700
FY84	19,993,579	108,587,100	128,580,679
FY85	16,492,000	132,501,525	148,993,525
FY86	<u>3,042,100</u>	<u>25,115,300</u>	<u>28,157,400</u>
Total	<u>\$41,632,679</u>	<u>\$292,645,625</u>	<u>\$337,278,304</u>

BOND FUNDS OBLIGATED TO ANCHORAGE  
WATER AND SEWER PROJECTS

70	\$ 3,459,407
72	8,746,279
76	12,119,015
78	4,110,649
80	<u>1,197,374</u>
Total Bond Funds	<u>\$29,632,724</u>

ANCHORAGE FUNDING HISTORY FOR  
GENERAL FUND APPROPRIATIONS

<u>Fiscal Year</u>	<u>Through ADEC</u>	<u>Direct</u>	<u>Total</u>	<u>% of Statewide</u>
FY83	\$ 3,744,038	\$ 8,382,000	\$ 12,126,038	38%
FY84	6,397,069	55,423,500	61,820,569	48%
FY85	-0-	49,920,300	49,920,300	33%
FY86	-0-	5,860,600	<u>5,860,000</u>	21%
Total			<u>\$129,727,507</u>	

During this time, Anchorage received 38.5 percent of all State money spent on this type of project.

ANCHORAGE AND FEDERAL FUNDS  
September 18, 1985

	<u>Total Available</u>	<u>Awarded to Anchorage</u>
FY83	\$14,642,000	\$ 6,836,292
FY84	\$14,642,000	3,786,904
FY85	\$14,642,000	18,464,000
FY86	<u>\$14,642,000</u>	<u>8,500,000</u> *
Total	<u>\$58,568,000</u>	<u>\$37,587,196</u> (64.2% of Total available)

\*Estimated to be awarded

ANCHORAGE PROJECTS

70 BOND FUND

<u>Project</u>	<u>Amount</u>
Pt Woronzof Improvements	\$ 12,555
Water System	500,000
Phase II Water	203,482
South Street & 14th Ave. Water	5,565
Pressure Reducing Stations	43,498
Laterals	377,045
Sewer Treatment	1,571,456
Sewer Interceptor	575,252
Eagle River	75,936
Henshaw Service	42,343
Infiltration/Inflow	<u>52,275</u>
TOTAL	\$3,459,407

76 BOND FUND

<u>Project</u>	<u>Amount</u>
Water System	\$ 188,000
LID 69 & 70	154,612
1977 LID	431,033
Ace LID 50-9	31,727
LID 50-8	53,830
Halo Extension	8,464
Yale LID 88	28,079
Production Well #12	66,583
36th Avenue Main	148,885
SE Interceptor	33,490
SE Int/Diamond E-2	77,046
E-2 Trunk	111,420
Lake Otis/Dowling E-77	221,036
E-1 Trunk Phase II	210,165
E-3 Crossing of Old Sewer	17,985
LID 93-Homecrest	36,190
Kelly LID 92	114,576
"A" Street Water/Benson-39	99,204
E-1-1 Trunk Phase II	287,509
SE Inc Crossing of Old Sewer	17,214
Well #4 Aux Power	81,035
5th Avenue Unga-Gambell	620,037
LID 90 - Hyatt Estates	32,148
LID 91 - Campbell Heights	109,205
LID 95 - Marys	32,197
Misc Test Wells	31,917
East 68th Ave Water	18,970
Shalikoff	46,140
"A" Street Alley Water	29,876
10th Avenue Water	84,944
Bluff/Richardson Water	32,562
O'Malley Crossing Seward	10,418
LID 98 - Shelikof	47,089
LID 100 - Century	12,222
LID 96 - Timothy	44,523
Misc Water Main Extensions	17,557
Gruman Water	21,330
South Street Water	14,466
Water Improvements #6	72,018
Test Wells	36,288
Panchos Villa Sewer	8,738
DeBarr Road Sewer	34,273
Airport 12" Water	44,773
Industrial LID 75	125,812
Sewer A-2 Phase II	109,448
Brookwood LID 87	238,818
5th Avenue Water	161,715
Sewer Extension 77-1	23,919
Baxter LID 89	8,855

76 BOND FUND (Continued)

<u>Project</u>	<u>Amount</u>
Roberts Lateral Extensions	\$ 4,546
East 4th Avenue Main	30,734
LID 311	49,071
Railroad Bore Crossings	19,121
Campbell Creek Pump	111,500
D-3 Trunk Sewer	51,305
LID 94 - Hathor	137,710
LID 102 - Alpine	18,098
LID 107 - O'Brien	86,109
LID 113 - O'Brien	36,822
Water Well #7	6,449
Laterals	116,328
LID 126 - Atkins	17,027
Eagle River STP	789,765
"C" Street Trunk	35,750
Well House #12	242,605
SE Interceptor Xing New Seward Hwy	250,000
Int'l Airport Road "A" Minnesota	242,500
SE Interceptor E-2 to O'Malley	278,918
Infiltration/Inflow	134,883
E-3 Trunk, Phase I	150,323
Water Main, Dam to WTP	1,087,002
LID 115 Bruce	206,000
Bragaw, Tudor to University	290,000
Hawthorne Subdivision Water	18,300
Hawthorne Sewer Stubouts	7,600
Fireweed Lane Water	16,860
Wisconsin Street Water	42,610
Eagle River Urban Sewer Crossings	16,100
Arctic Blvd Main	58,200
Pt. Woronzof STP Improvements	357,316
16th Ave Water Main Extension	88,353
Girdwood STP	1,471,330
Fire lake Interceptor	87,500
44th Avenue Fish Creek Trunk	556,880
Spruce Street 68th - 64th Avenue	82,925
Gambell Street Water	14,370
LID 50-13 Citation	50,650
LID 127 Poggas	17,117
Prroduction Well #13	69,737
CBD-2 Trunk	282,250
	<u>\$12,119,015</u>

72 BOND FUND

<u>Project</u>	<u>Amount</u>
Water System	\$ 646,828
Water Well #7	111,250
1977 LID	166,591
Dowling Road/Potter	99,391
Campbell Creek Pump	129,000
Campbell Creek Force	148,991
Willow Street Main	11,822
East 26th Avenue	30,425
5th Avenue Unga-Gambell	58,250
"A" Street Alley	3,230
Pt. Woronzof Waterline	234,192
Tudor Corners LID 103	93,775
LID 118 Stewart	39,206
LID 119 Frisley	15,258
Laterals	1,237,832
New Eagle River	29,661
Sewer Treatment	1,300,906
Sewer Interceptor	107,336
Eagle River	69,531
Henshaw Service	5,031
Lambert WID 3 4	28,188
LID 130 Mason	29,531
12th Avenue Water P-R	13,371
78th West Interceptor	643,526
"C" Street Trunk	35,750
International Airport Road Water	401,635
STP Extension Design	85,000
SE Interceptor Crossing	196,200
Eagle River STP	11,471
Infiltration/Inflow	67,000
Girdwood STP	1,792,503
Northern Lights Water	30,296
Eagle River Road Sewer Trunk	95,399
Gambell Street Water	29,399
Gambell Street Sewer	31,100
Production Well #13	79,320
CBD-2 Trunk	347,300
7th Avenue Watermain	241,244
Downtown Alley Waterline	49,788
	<hr/>
	\$8,746,279

78 BOND FUND

<u>Project</u>	<u>Amount</u>
O'Malley - Seward	\$ 1,062
East 76th Avenue 16" Main	113,840
LID 86-Campbell Hts. North	115,942
LID 67-Kim	9,348
"C" Street Trunk	93,250
Eagle River STP	18,000
East 68th - Hyatt to Abbott	331,600
10 MG Reservoir #4	1,638,000
Fire Lake Interceptor Phase I	500,000
LID 123-Hillcrest	138,667
LID 50-11-Tonsina Court	142,100
Arctic Blvd Sewer	17,850
CBD-1 Sewer Trunk	90,504
Well House #13	324,750
Gambell Street Water	114,436
Warehouse Avenue Trunk	135,850
Lake Otis Water Main	325,450
	<u>\$4,110,649</u>

80 BOND FUND

<u>Project</u>	<u>Amount</u>
10 MG Reservoir #4	\$ 112,000
Aero WID 315	170,949
Eagle River Road Sewer Trunk	131,000
Gambell Street Water	281,875
Intn'l Airport Road Sewer	373,300
Denali Street Sewer	28,450
Abbott Road Water Main	99,800
	<u>\$1,197,374</u>

**BILL SHEFFIELD, GOVERNOR**

**DEPT. OF ENVIRONMENTAL CONSERVATION**  
OFFICE OF THE COMMISSIONER  
POUCH O, JUNEAU 99811

Telephone: (907) 465-2600  
Address:

February 25, 1986

The Honorable Drew Pearce  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Representative Drew:

I would like to offer my support for HB 461 "An Act Relating to Grants for Water Quality Enhancement Programs . . ." I presented testimony in favor of the proposed amendments to AS 46.03.030 before the Senate Community and Regional Affairs Committee during their February 18, 1986, hearing of SB 324. SB 324 and HB 461 are identical bills.

The Sheffield administration and the proponents of this legislation are in strong agreement on the need to preserve the quality of Alaska's water resources. Recent monitoring and analysis by the Department of Environmental Conservation (DEC) indicates the need to reduce the pollution in several of Alaska's streams, lakes, and tributaries. A very graphic example of the type of problem was the discovery of high fecal coliform bacteria in the Lower Campbell and Fish Creeks in Anchorage. As you know, this public health threat led to the cancellation of the annual canoe race on Campbell Creek. Once this problem was discovered, the Governor allocated \$110,000 from the contingency fund for a grant to Anchorage to assist in defining the source of this problem. The Legislature appropriated an additional \$200,000 grant to Anchorage to address the problem.

The proposed bill would amend DEC's current authority (AS 46.03.030) for administration of 50 percent grants for new construction to allow us to administer grants to address "water quality enhancement" projects. DEC's grant program has successfully administered funds for construction since 1970. The matching grants program offers several advantages to administration of State funds. Four of these are:

1. Providing technical review of projects.
2. Stretching State and local dollars. In a cooperative partnership, State and local government can combine efforts to achieve twice as much as either body could do alone.
3. Accountability is ensured by all parties.
4. DEC staff are trained and experienced in water quality management, troubleshooting, monitoring, analysis, evaluation, and program implementation.

Representative Pearce

-2-

February 25, 1986

I would point out that the proposed amendment would limit water quality enhancement grants to new construction projects. The additional amendments proposed by the Anchorage Waterways Council, recently sent to you by Jim Nordlund, would broaden the statute to include grants for program type activities, in addition to construction of water quality enhancement facilities.

*done in  
NESS  
C.S.*

I also support their proposal. The ability to address water quality issues through both facility construction and program implementation activities, such as monitoring, will provide an effective tool for making water quality improvements to adversely impacted waters.

Our analysis of the fiscal impact of this proposed bill shows it would have a zero impact on our operating budget and staffing levels. As with other capital projects, the Legislature will control the fiscal impact of program through the appropriation of grant money. The Department does not have a separate source of revenue for the matching grant program other than what is appropriated from the general funds each year of the Legislature.

Again, I support the proposed Water Quality Enhancement Bill. If this Bill passes and funds are appropriated, we will work with the communities in a joint effort to address significant water quality problems.

Sincerely,



Bill Ross  
Commissioner

cc: Senator Tim Kelly



# ANCHORAGE WATERWAYS COUNCIL

801 W. Fireweed Lane, Suite 103 • Anchorage, Alaska 99503

February 20, 1986

Senator Tim Kelly  
Representative Drue Pearce  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Kelly and Representative Pearce:

The Anchorage Waterways Council wants to extend our appreciation to each of you for introducing SB 324 and the identical bill HB 461, both titled, "An Act relating to grants for water quality enhancement programs...". The initiative that you have taken by proposing this legislation will help to establish stronger state sponsored programs to improve water quality.

The Council believes that the 50/50 match program is an excellent vehicle for water quality enhancement. We agree that this program will encourage local participation, will place little or no burden on existing state agencies, will leverage additional funds from municipalities, and will be subject to rational allocation mechanisms already in place within the Department of Environmental Conservation.

We do, however, have reservations about the contents of SB 324 and HB 461. The bills only go part of the way toward establishing a comprehensive program. Grant funds would be limited to the construction of facilities only, and no funds could be used for the administration of a water quality enhancement program. Except for the construction of certain facilities, such as oil and grease separators and water detention basins, this bill does not address many important measures that could be taken to improve surface and subsurface water quality in Anchorage, and other communities.

We have enclosed an amended version of the bills and encourage your support. What we have done is to allow programs as well as facilities to be funded by the 50/50 match. Also, we have stricken the sentence disallowing the costs of administration and made eligible the costs of research, testing, education, enforcement and clean up.

*explanation of  
HESS C.S.  
amendments*

Senator Kelly  
Representative Pearce

Page Two

Using Anchorage as an example, it would be impossible to resolve the stream pollution problem without these components:

- \* Research would enable an effective monitoring program to be designed to track pollutants.
- \* Testing would allow for the collection of water samples and their lab analysis.
- \* Enforcement would enable violators to be located and brought into compliance.
- \* Clean-up would help fund efforts to clean up litter and other pollutants when violators cannot be located.
- \* Education is most important. Stream pollution sources in Anchorage are widely dispersed, most often due to the activities of average citizens. Without an effort to inform people about their role in contributing to and alleviating water pollution, the problem will not go away. In dealing with air pollution, for example, the success of Anchorage's vehicle maintenance and inspection program is due, in large part, to a very effective public education program by the Municipality.

In short\* just building facilities will not do the job. To illustrate this clearly, last year's legislative appropriation to the Municipality of Anchorage for the detection of stream pollution, could not have been funded through your proposed legislation.

Our version of the bill reflects one additional change to the existing statute. Sec. 46.03.030 (d) states that the "replacement" of a facility is not eligible for funding under this section. We can see no reason for this exclusion. For example, an old wood stave water main needs replacement in Fairbanks and is ineligible for the 50/50 program because of the exclusion. Indeed, the goal of water pollution control will be promoted by eliminating this unnecessary exclusion.

We apologize for not informing you earlier of our proposed version. Committee action on SB 324 has compelled us to respond. We urge you to adopt our amendments to SB 324 and HB 461 so that a comprehensive water quality enhancement program can be created.

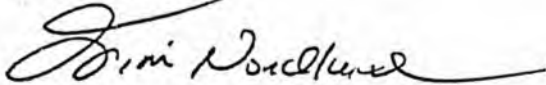
Senator Kelly  
Representative Pearce

Page Three

If you have any questions, please contact me in Juneau at  
465-4968 or our office in Anchorage at 277-WATR.

Thank you again for your concern about water quality.

Sincerely,



Jim Nordlund  
President

c.c. All Co-Sponsors  
Rep. Koponen  
Rep. Clocksin  
Governor Sheffield  
Commissioner Ross, DEC  
Mayor Knowles, Municipality of Anchorage

Municipality  
of  
Anchorage



P.O. BOX 6-650  
ANCHORAGE, ALASKA 99502-0650  
(907) 264-4960

TONY KNOWLES  
MAYOR

INTERGOVERNMENTAL AFFAIRS  
February 20, 1986

FEB 27 1986

Rep. Drue Pearce  
Pouch V  
Juneau, Alaska 99801

Re: Revisions to Title 46 to Water Quality Enhancement

Dear Rep. Pearce:

The Water Quality Council of the Municipality of Anchorage has reviewed this matter again recently, and it heartily supports your draft bill to add surface and subsurface water quality enhancement to the DEC 50/50 match program.

Anchorage is making progress in the matter of surface and groundwater pollution through defining accurately the problem, searching out point sources of contamination, planning for better drainage, and raising public consciousness about the need for more sewers. Two state grants in 1985 - \$110,000 from the Governor's contingency fund, and \$200,000 appropriated from the Legislature through DEC - have helped us greatly in those efforts.


Also, as you know, Anchorage citizens approved in October the sale of \$15 million in sewer bonds and \$10 million for various water quality projects including purchase of wetlands and buffer zones along certain endangered streams and other projects to halt or reverse degradation.

Recently, Mayor Knowles gave a major address on water quality before the Anchorage Chamber of Commerce. In addition to setting policy goals for the administration in this area over the next several years, he stressed the integrated approach which we are taking in dealing with water resources - through providing safe drinking water (Eklutna), dealing with our subsurface waters (water and sewer extensions and a new wastewater ordinance), and surface waters (our water quality bond issue). The State has a partnership with the Municipality in each of these areas. We view the matching construction grants program as an ongoing program. Adding the category of water quality enhancement to that program is consistent with the overall policy direction the Municipality has taken in integrating all of our water programs.

Rep. Drue Pearce  
February 20, 1986  
Page Two

We appreciate your concern and leadership in this matter. We offer our assistance in helping you achieve passage of your proposed amendments to Title 46.

Sincerely yours,



Chip Dennerlein

cc: Bill Ross, Commissioner, ADEC  
Jim Ayers

Offered: 2/26/86  
Referred: Resources and Finance

Original sponsors: Pearce, Gruenberg,  
Uehling, et al

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2

CS FOR HOUSE BILL NO. 461 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to grants for water quality enhance-  
ment programs and water supply, sewerage, and solid  
waste facilities."

7

8

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  
supply, sewerage, and solid waste facilities fund created in 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:

15

(d) The department shall, by regulation, identify those costs  
that [WHICH] are eligible costs for the purposes of this section.  
Eligible costs include the costs established in a construction con-  
tract that [WHICH] are necessary for construction of a project, but do  
not include the cost of interest and financing and right-of-way acqui-  
sition, or costs related to operation, maintenance, or repair [OR  
REPLACEMENT] of a project.

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\* Sec. 3. AS 46.03.030 is amended by adding a new subsection to read:

23

(f) The department may grant to a municipality not more than 50  
percent of the eligible costs not financed by the federal government  
of programs and facilities for enhancing the water quality of streams,  
lakes, waterways, and other bodies of water if the costs are incurred  
after July 1, 1986. Eligible costs include costs of testing,  
research, education, enforcement, and clean-up programs for the  
purpose of discovering and solving water pollution problems. A grant

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- 1        may be made under this subsection only for a water enhancemant program
- 2        approved by the department.

Introduced: 1/13/86  
Referred: Health, Education & Social  
Services, Resources and Finance

BY PEARCE, GRUENBERG, UEHLING,  
BOUCHER, FURNACE, HANLEY,  
MARTIN AND JENKINS

1 IN THE HOUSE

2 HOUSE BILL NO. 461

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to grants for water quality enhance-  
7 ment programs; and providing for an effective date."

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

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

10 (c) There is a water quality enhancement, water supply, sewer-  
11 age, and solid waste facilities fund created in the department to  
12 carry out the purposes of this section.

13 \* Sec. 2. AS 46.03.030 is amended by adding a new subsection to read:

14 (f) The department may grant to a municipality not more than 50  
15 percent of the eligible costs not financed by the federal government  
16 of enhancing the water quality of streams, lakes, waterways, and other  
17 bodies of water if the costs are incurred after July 1, 1986. Eligi-  
18 ble costs do not include costs of administering a water quality en-  
19 hancement program. A grant may be made under this subsection only for  
20 a water enhancement program approved by the department.

21 \* Sec. 3. This Act takes effect July 1, 1986.