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STATE OF ALASKA  
THE LEGISLATURE

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POUCHY - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

*Senate Community and Regional Affairs, 2/18/86, 3:36*



Official Business

# Alaska State Legislature

## Senate

Pouch V  
State Capitol  
Juneau, Alaska 99811

### MEMORANDUM

TO: Senator Edna DeVries, Chairman  
Senate Community and Regional  
Affairs Committee

FROM: Frank R. Ferguson  
Alaska State Senate

DATE: February 12, 1986

SUBJ: Senate Bill 335

Your staff has requested an explanation regarding the formulation of Senate Bill 335.

The projects listed in the bill include all Department of Environmental Conservation (DEC) priority projects and community projects not on DEC's list.

The projects were listed irrespective of the Governor's FY '87 proposed capital budget.

Attached is a list of Governor's water and sewer projects included on Senate Bill 335.

FRF/mjs

SANITATION PROJECTS IN GOV FY 87 CAPITAL BUD 1/21/86

ELEC DIST	TOWN	PROJECT	PRIORITY	DEC \$	Dir \$	Funding Mech
01	PETERSBURG	MILL SLOUGH SERVICE MAIN EXTENSION	2/7	114,000		MG
		SCOW BAY AREA SEWER EXTENSION	1/7	436,700		MG
		Total:		550,700		
02	CRAIG HAINES HOONAH KAKE PORT PROTECTION YAKUTAT	ST. NICHOLAS WATER	1/9		1,500,000	DIRECT
		WATER TREATMENT PLANT FLOCCULATION TANK	1/5	100,000		MG
		WATER/WASTEWATER	1/8		575,000	DIRECT
		WATER/SEWER SERVICE, REPAIRS AND MAINT	2/20		85,000	DIRECT
		PHASE II WATER	1/1	220,000		VSW
	WATER AND SEWER PROJECTS	2/5		13,000	DIRECT	
	Total:		320,000	2,173,000		
03	PORT ALEXANDER SITKA	WATER STORAGE TANK		60,000		VSW
		WATER LINE TO SITKA AIRPORT	4/4	460,000		MG
		Total:		520,000	0	
04	JUNEAU	MENDENHALL VALLEY TREATMENT PLANT EXP. S EG III & IV	2/11	902,400		MG
		COMMUNITY WIDE WATER SYSTEM COMPLETION	1/11	5,401,000		MG
		Total:		6,303,400	0	
05	HOMER SELDOVIA SOLDOTNA	EAST HILL RD. SEWER EXPANSION	14/19	550,000		MG
		WASTEWATER TREATMENT STUDY	1/5	48,000		VSW
		NEW WATER TANK, KALIFONSKY BEACH RD.	2/11	1,625,000		MG
		Total:		2,223,000	0	
06	VALDEZ	FIDALGO STREET SOUTH SPIT WATER IMPROVEM ENTS	02	170,000		MG
		Total:		170,000	0	
07	ANCHORAGE	EKLUTNA WATER AND SEWER PROJECTS	4/11	5,000,000	16,000,000	DIRECT MG
		Total:		5,000,000	16,000,000	
16	MATANUSKA-SUSITNA BOROUGH TALKEETNA WASILLA	HOUSTON SEPTAGE FACILITY		250,000		MG
		VSW SEWER SYSTEM	8/10	1,000,000		VSW
		E. WASILLA WATER AND SEWER EXTENSIONS	01	600,000		MG
		Total:		1,850,000	0	
17	CANTWELL HEALY LAKE TAZLINA VILLAGE	SOLID WASTE DISPOSAL SITE	1/1	100,000		VSW
		COMMUNITY WATERING POINT		83,000		VSW
		COMMUNITY WELL	2/3	24,000		VSW

SANITATION PROJECTS IN GOV FY 87 CAPITAL BUD 1/21/86

ELEC DIST	TOWN	PROJECT	PRIORITY	DEC \$	Dir \$	Funding Mech
				Total:	287,000	0
18	NORTH POLE	NW SEWER INTERCEPTOR AND HIGHWAY PARK SEWER	1/7		1,800,000	DIRECT
				Total:	0	1,800,000
19	CIRCLE	COMMUNITY WELL		50,000		VSW
				Total:	50,000	0
20	FAIRBANKS	VAN HORN AREA SEWER REHAB	1/29		1,800,000	DIRECT
		E SIDE WOODSTAVE WATER MAIN REPLACEMENT	3/29		1,290,000	DIRECT
				Total:	0	3,090,000
22	NORTH SLOPE BOROUGH	ANAKTUVUK PASS LANDFILL	1/4	500,000		MG
		ATQASUK LANDFILL AND ACCESS ROAD	1/4	500,000		MG
		NUIOSUT HONEYBUCKET DISPOSAL LAGOON	1/4	500,000		MG
	SELAWIK	ENGINEERING FEASIBILITY STUDY/DUMP RELOCATION		161,000		VSW
				Total:	1,661,000	0
24	CHUATHBALUK	SEWERAGE/SOLID WASTE SITE	1/7	110,000		VSW
	CROOKED CREEK	SEWER AND WATER FACILITY	1/1	148,500		VSW
	KALSKAG	WATERING POINT AND TREATMENT		300,000		VSW
	KOYUKUK	WATER PLANT IMPROVEMENTS	1/4	35,000		VSW
	LINE VILLAGE	WATERING POINT AND WASTE TREATMENT		365,000		VSW
	MULATO	WATER AND SEWER	1/5		1,500,000	DIRECT
	SHAGELUK	VILLAGE SAFE WATER PROJECT		75,000		VSW
	ST. MARY'S	WATER/SEWER PHASE II YUPIK RD	1/2	350,000		MG
	TELIDA	ENGINEERING FEASIBILITY STUDY		15,000		VSW
				Total:	1,398,500	1,500,000
25	AKIAKCHAK	SOLID WASTE SYSTEM	1/8	250,500		VSW
	AMAUTLUAK	WASHETERIA REHAB	1/3	371,000		VSW
	KASIELUK	WASHETERIA IMPROVEMENTS	2/10	159,000		VSW
	KWETHLUK	ENGINEERING FEASIBILITY STUDY		10,000		VSW
	NAPAKIAK	ENGINEERING FEASIBILITY STUDY		10,000		VSW
	TUNUNAK	RELOCATION OF DUMP SITE	2/6	362,000		VSW
				Total:	1,171,300	0
26	DILLINGHAM	SEWERAGE FACILITIES	1/10	950,000		MG
	IGUSHIK	COMMUNITY WELL		50,000		VSW
	LEWIS POINT	COMMUNITY WELL		55,000		VSW
	NELSON LAGOON	ENGINEERING FEASIBILITY STUDY		15,000		VSW
	TOGIAK	WATER, SEWER AND SOLID WASTE		50,000		VSW
	UNALASKA	WATER SYSTEM IMPROVEMENTS	1/6		102,600	DIRECT

SANITATION PROJECTS IN GOV FY 87 CAPITAL BUD 1/21/86

ELEC DIST	TOWN	PROJECT	PRIORITY	DEC \$	Dir \$	Funding Mech
				Total:	1,120,000	102,600
27	CHIGNIK	CENTRAL WATER SYSTEM FOR SERVICE AREA #2	02	82,000		VSW
	PORT LIONS	TOWNSITE WATER AND SEWER	2/2	300,000		MG
				Total:	382,000	0
30	ADEC -- VILLAGE SAFE WATER	CIP ADMINISTRATIVE RECEIPTS		300,000		VSW
	ADEC -- MUNICIPAL GRANTS SECTION	CIP ADMINISTRATIVE RECEIPTS		400,000		MG
				Total:	700,000	0
				Total:	23,625,900	24,655,600

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST  
 Bill/Resolution No: SB 335  
 Title: \$166,001,000 Water, Sewer, & Solid Waste General Obligation Bonds  
 \_\_\_\_\_  
 Sponsor: Ferguson  
 Requestor: Senate C & RA  
 Date of Request: February 11, 1986

FISCAL DETAIL  
 Agency Affected: State Bond Committee  
 BRU: \_\_\_\_\_  
 \_\_\_\_\_  
 Components: \_\_\_\_\_  
 \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
<u>OPERATING</u>						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	5,920	27,943	26,892	25,785	24,679
<u>TOTAL OPERATING</u>	-	5,920	27,943	26,892	25,785	24,679
<u>CAPITAL</u>	-	-	-	-	-	-
<u>REVENUE</u>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	5,920	27,943	26,892	25,785	24,679
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	5,920	27,943	26,892	25,785	24,679

POSITIONS:

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

ANALYSIS: Debt service on \$166,001,000 of bonds using 12-27-86 interest rates on ten year bonds with level principal. Attached Tables I and II compare debt service to unrestricted revenues without and with SB 335, respectively.

Prepared By: Milt Barker *MB*  
 Division: Treasury  
 Approved by Commissioner: *Mary G. Hurdale*  
 Agency: Department of Revenue

Phone: 465-2350  
 Date: February 12, 1986  
 Date: 2/12/86

Distribution (by Agency preparing fiscal note):

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

Table II

State Debt Service Burden  
in \$ Millions and as a % of Unrestricted Revenues <sup>1/</sup>  
Including Debt Service on \$166 Million GOB's  
in Columns 1, 3, 4, and 5

Fiscal Year	1		2		3		4		5	
	Existing Debt Service and Lease Obligations		Existing School Debt Reimbursement		Total Existing Debt Service (1 & 2)		Minimum Under Existing Law		Maximum Under HB 520	
86	\$178	6.1%	\$105	3.6%	\$283	9.7%	\$283	9.7%	\$283	9.7%
87	174	7.2	109	4.5	283	11.7	318	13.1	318	13.1
88	189	9.2	100	4.8	289	14.0	341	16.5	341	16.5
89	177	9.3	109	5.7	287	15.1	340	17.8	350	18.3
90	161	8.9	90	5.0	251	13.9	302	16.7	312	17.3
91	135	8.0	78	4.6	213	12.6	263	15.6	273	16.2
92	106	6.2	72	4.2	178	10.4	225	13.2	235	13.8
93	95	5.6	63	3.7	158	9.3	204	12.0	214	12.6
94	65	4.1	56	3.6	121	7.7	164	10.6	174	11.1
95	52	3.4	47	3.1	99	6.5	139	9.1	149	9.8
96	47	3.4	33	2.4	80	5.8	119	8.6	129	9.3
97	42	2.8	16	1.1	58	3.9	75	5.1	85	5.8
98	21	1.5	14	1.0	35	2.5	42	3.0	52	3.7
99	16	1.1	14	1.0	30	2.3	37	2.6	47	3.3
00	9	.7	12	.9	21	1.6	27	2.1	37	2.9

<sup>1/</sup> Unrestricted revenues are September 1985 30th percentile estimates.

Table I  
 State Debt Service Burden  
 in \$ Millions and as a % of Unrestricted Revenues <sup>1/</sup>

Fiscal Year	1		2		3		4		5	
	Existing Debt Service and Lease Obligations		Existing School Debt Reimbursement		Total Existing Debt Service (1 & 2)		Minimum Under Existing Law		Maximum Under HB 520	
86	\$178	6.1%	\$105	3.6%	\$283	9.7%	\$283	9.7%	\$283	9.7%
87	168	7.0	109	4.5	277	11.5	312	12.9	312	12.9
88	161	7.8	100	4.8	261	12.6	313	15.1	313	15.1
89	150	7.9	109	5.7	259	13.6	313	16.4	323	16.9
90	135	7.5	90	5.0	225	12.5	276	15.3	286	15.9
91	110	6.5	78	4.6	188	11.1	238	14.1	248	14.7
92	82	4.8	72	4.2	154	9.0	201	11.8	211	12.4
93	73	4.3	63	3.7	136	8.0	182	10.7	192	11.3
94	44	2.8	56	3.6	100	6.4	143	9.2	153	9.8
95	32	2.1	47	3.1	79	5.2	119	7.8	129	8.5
96	28	2.0	33	2.4	61	4.4	100	7.2	110	7.9
97	24	1.6	16	1.1	40	2.7	57	3.9	67	4.6
98	21	1.5	14	1.0	35	2.5	42	3.0	52	3.7
99	16	1.1	14	1.0	30	2.3	37	2.6	47	3.3
00	9	.7	12	.9	21	1.6	27	2.1	37	2.9

<sup>1/</sup> Unrestricted revenues are September 1985 30th percentile estimates.

Column Key

1. Debt service on State general obligation bonds, University of Alaska revenue bonds, ASHA lease revenue bonds, and lease payments on Seward Student Service Center and Correctional Center.
2. 80%, 90%, or 100% State reimbursement of debt service paid by municipalities on school debt outstanding as of December 31, 1985.
3. Total of columns 1 and 2.
4. Column 3 plus lease payments on Anchorage Court Building plus State reimbursement on \$312.5 million of authorized but unissued school debt and \$31.4 million of school debt to be authorized by the voters in January and March of 1986. Of this \$343.9 million new school debt, \$230.2 million is scheduled for issuance in FY 86. Reimbursement of school debt is 80% of current debt service payments on 10 year debt with level principal payments.
5. Column 4 plus maximum additional State reimbursement of \$10 million per year for school debt authorized after March 31, 1986. Reimbursement of school debt under this cap would be 100% of principal paid two years prior on 10 year debt with level principal payments.

Prepared by: Department of Revenue  
January 31, 1986

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

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

**REQUEST**

Bill/Resolution No. : SB 335  
Title : Water & Sewer Bond Bill

Sponsor : \_\_\_\_\_  
Requestor : \_\_\_\_\_  
Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : Dept. of Environmental Conserv  
BRU : Facility Construction & Operation

Components : CIP

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

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		431.2	431.2	431.2	431.2	431.2
TRAVEL		100.0	100.0	100.0	100.0	100.0
CONTRACTUAL		138.0	138.0	138.0	138.0	138.0
SUPPLIES		4.1	4.1	4.1	4.1	4.1
EQUIPMENT		5.9	5.9	5.9	5.9	5.9
LAND & STRUCTURES		---	---	---	---	---
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		679.2	679.2	679.2	679.2	679.2

<b>CAPITAL</b>		679.2	679.2	679.2	679.2	679.2
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<b>REVENUE</b>		---	---	---	---	---
----------------	--	-----	-----	-----	-----	-----

**FUNDING : (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER CIP		679.2	679.2	679.2	679.2	679.2
<b>TOTAL</b>						

**POSITIONS :**

FULL-TIME		8	8	8	8	8
PART-TIME		1	1	1	1	1
TEMPORARY						

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

DEC has administered a bond funded grant program for this type of project since 1970. It is assumed that a similar type of staff would be needed. It is also assumed the program would not start until mid FY87 and all VSW type projects could be completed in three construction seasons and part of FY91 to close out the projects.

Prepared by : Gary Hayden Phone : 465-2610  
Division : Facility Construction & Operation Date : 2-17-86

Approved by Commissioner : Bill Ross Date : 2-18-86

Agency : \_\_\_\_\_

**Distribution (by Agency preparing fiscal note) :**

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

Position Title Environmental Engineer III			No. of Positions 2	Range/Step 19A	Barg. Unit GGU	Gov.	Approv.	Disapp.
Time Status	Staff Months 24	RP Number	Location Anchorage		Election District	Leg.		
Type of Expenditure			Justification					
1		2	3					
Salary		80,064						
Benefits		24,406						
Premium Pay								
Other								
Total Personal Services			104,470					
Travel			30,800					
Contractual			30,700					
Commodities			2,000					
Equipment			3,000					
Other								
Total Cost			170,970					
Receipt Code		Funding Source						
		Federal Receipts 1002						
		G. F. Match 1003						
		General Funds 1004						
		I-A Receipts 1005						
		Program Receipts 1028						
		CIP Receipts 1061		170,970				
		Other						
For B&M Use Only Key Number _____								

**Request For  
New Position**

Agency Environmental Conservation  
 BRU Facility Construction & Operation  
 Component CIP Overhead Positions

Page 2 of 2  
 Revised Date 2-17-86

**FY 87**

Advised Nenana City

Ojc -- 2/24/86

That 335 was being held in committee at request of Bill sponsor, Sen. Ferguson. Steve Bainbridge in Anchorage.

\*\*\*\*\*  
\* DELIVER TO. JFOM  
\* ORIGINAL  
\* SENT: 02/17/86 TIME: 13:25  
\* FROM: ANNIE NEUBAUER  
\* SUBJECT: FOM/FAIRBANKS  
\* PRINT DATE: 02/17/86 TIME: 13:25  
\*\*\*\*\*

TO: SENATOR DEVRIES  
  
FROM: STEVE BAINBRIDGE, CITY ENGINEER,  
CITY OF NENANA, NENANA 99760  
  
PHONE: 832-5441  
  
RE: SB335 GENERAL OBLIGATION BONDS WATER/SEWER

THE CITY OF NENANA SUPPORTS SB335. AS "GRANTS TO MUNICIPALITIES" ARE FAST DISAPPEARING, AND SMALL COMMUNITIES ARE VERY LIMITED AS TO THEIR BONDED INDEBTEDNESS, A STATE BOND ISSUE IS ONE OF THE FEW REMAINING VEHICLES AVAILABLE TO FUND CONSTRUCTION OF MUCH NEEDED SANITATION FACILITIES. YOUR FAVORABLE CONSIDERATION OF SB335 IS GREATLY APPRECIATED.

-y-

C&RA

Feb 18th

Johnson for Tim Kelly  
Mark Kelly on SB 324 - in support

Bill Ross Supports SB 324

Campbell Creek so bad - had to cancel Campbell Co Class.  
\$110,000 from Gov  
200,000 from City to test purity  
of rivers

Anc passed \$10 mil bond issue for  
water clean-up

Coghull - if safe water - b' n' be spending  
on cleaning up lakes

Ross - No, we would still deal w/ funda-  
mentals 1st.

Ferg

# 335

It is my understanding

that no general obligation bond bill is  
going to pass the Senate this year -  
therefore don't want to waste  
the Commissioner's time, or

the Committee's time

Fisher SB 448 home rule powers to 2nd class cities

(ask DC&RA to suggest way to handle dissolution - then Committee review)

With this bill (SB448) also hear proposal from DC&RA on how to handle dissolution.

Coghill

6 of 13 / resolution is a hearing is on put on record what Leg 6 is on detachment of land areas, and what the Leg responsibility is for this type of action.

Do have reservation about DC&RA getting into this - 6 LBC of this and not the Dept.

of a message to the Constitution stay on watersheds in drawing lines.

Sen Ferguson I was Co. / v impartial and not vote until the Senate floor, but--  
a no. of people in Kotzebue who don't want a Boro don't v b. \$ / o Taxation.

Around 1992 Assembly for us, boro (leg) will meet / o us for unorganized boro. Our us -- b by the Leg & by our people. Therefore we need a boro.

Ferguson, & d may not like the resolution but m b b n to.

Fischer

Would not want to introduce legislation. Dialog was very shrill, but tempers have cooled. Essentially NS Boro is accepting the detachment at this time. If we do this, we will look like we support the resolution.

Stuy

I have concerns about introducing the resolution.  
Oppor to see another Boro is good.

4

Coghill - I agree, we need a clear-cut record.  
I want to put it on record that  
if the NS Boro sues the State, the Leg will not be  
responsible for paying..

Ferguson - If I were asked, I would say that they  
save their money on legal fees.

Delva's - Need to put some things on record  
by voting res. up or down -  
because other areas want to  
detach -- Lake Louise, Eagle River, Salcha.

V Fischer - What you do here doesn't affect other detachments.

COM. adjourned 4:17p