

COMMITTEE REPORT  
SENATE

*Jerguson*  
3562

FURTHER:

2/20/85

Date 4/28/86

Mr. President

The Committee on FINANCE considered SB 13

making a special appropriation to the Office of the Governor for the federal budget impact fund; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 13 (Fin)
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation *No FN/yr back*
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*Jerguson*  
*Parrott*  
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MEMBERS HAVING  
OTHER RECOMMENDATIONS

*Wittke DO NOT pass*  
*Richardson*  
*Rick Halford NO REC*  
*Paul Fink NO REC*  
*Johnson " "*  
 \_\_\_\_\_  
 \_\_\_\_\_

Co-Chairman *Jan Lutz*  
 Chairman recommendation *No Rec*

**COMMITTEE REPORT**  
**SENATE**

FURTHER:

2/10/85

Date 2/18/85

Mr. President

The Committee on FINANCE considered SB 13

making a special appropriation to the Office of the Governor for the Federal budget impact fund; and.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for 2000/Fin
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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Chairman

\_\_\_\_\_  
Chairman recommendation

4/28/86

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Original sponsor: Ferguson

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 13 (FIN)

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 student loans; creating the  
7 Alaska Student Loan Corporation; and providing for an  
8 effective date."

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

10 \* Section 1. AS 14.42 is amended by adding new sections to read:

11 ARTICLE 2. ALASKA STUDENT LOAN CORPORATION

12 Sec. 14.42.100. CREATION OF ALASKA STUDENT LOAN CORPORATION.

13 There is created the Alaska Student Loan Corporation. The corporation  
14 is a public corporation and government instrumentality within the  
15 Department of Education but having a legal existence independent of  
16 and separate from the state. The corporation may not be terminated as  
17 long as it has bonds, notes or other obligations outstanding. Upon  
18 termination of the corporation, its rights and property pass to the  
19 state.

20 Sec. 14.42.110. PURPOSE OF CORPORATION. The purpose of the

21 corporation is to improve higher educational opportunities of resi-  
22 dents of Alaska in accordance with the provisions of this chapter.

23 Sec. 14.42.120. CORPORATION GOVERNING BODY. (a) The corpor-

24 ation shall be governed by a board of directors consisting of four  
25 individuals serving on the Commission on Postsecondary Education  
26 pursuant to AS 14.42.015(a)(1) - (2), (4) - (6) and (8), and one  
27 member appointed under AS 14.42.015(a)(3). Members of the board serve  
28 without compensation but are entitled to per diem and travel expenses  
29 as may be authorized by law for boards and commissions.

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1           Sec. 14.42.130. MEETING OF THE BOARD. (a) The Board shall  
2 elect a chairman from among the membership at its annual meeting each  
3 year. A majority of the members constitute a quorum for organizing  
4 the board, conducting its business and exercising the powers of the  
5 corporation. The board shall meet at the call of its chairman and at  
6 such other times as the board may determine in accordance with its  
7 regulations.

8           (b) The board may meet and transact business by electronic media  
9 if:

10           (1) public notice of the time and locations where the  
11 meeting will be held by electronic media has been given in the same  
12 manner as if the meeting were held in a single location; and

13           (2) participants and members of the public in attendance  
14 can hear and have the same right to participate in the meeting as if  
15 the meeting were conducted in person; and

16           (3) copies of pertinent reference materials, statutes,  
17 regulations, and audiovisual materials are reasonably available to  
18 participants and the public.

19           (c) A meeting by electronic media as provided in this section  
20 has the same legal effect as a meeting in person.

21           (d) For purposes of AS 14.42.100 - 14.42.320 public notice of 24  
22 hours or more is adequate notice of a meeting of the board at which  
23 the issuance of corporation bonds is authorized.

24           Sec. 14.42.140. MINUTES OF MEETINGS. The board shall keep  
25 minutes of each meeting and send a certified copy to the governor and  
26 to the Legislative Budget and Audit Committee.

27           Sec. 14.42.150. ADMINISTRATION OF AFFAIRS. The board shall  
28 manage the assets and business of the corporation and may prescribe,  
29 amend and repeal bylaws and regulations governing the manner in which

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1 the business of the corporation is conducted and the manner in which  
2 its powers are exercised in accordance with the Administrative pro-  
3 cedure Act (AS 44.62). The board shall delegate supervision of the  
4 administration of the corporation to the executive director of the  
5 corporation.

6 Sec. 14.42.160. EXECUTIVE DIRECTOR. The corporation shall  
7 employ an executive officer, who may not be a member of the board.  
8 The executive director shall be the executive officer of the Commis-  
9 sion on Postsecondary Education appointed under AS 14.42.040(a).

10 Sec. 14.42.170. EMPLOYMENT OF PERSONNEL. The board may appoint  
11 other officers and engage professional and technical advisors as  
12 independent contractors. The executive director may hire employees of  
13 the corporation and, subject to the approval of the board, engage  
14 professional and technical advisors under contract with the corpor-  
15 ation. The board shall prescribe the duties and compensation of  
16 corporation personnel, including the executive director.

17 Sec. 14.42.190. GENERAL BUDGET ACT. The operating budget of the  
18 corporation is subject to the Executive Budget Act (AS 37.07).

19 Sec. 14.42.200. GENERAL POWERS. In addition to other powers  
20 granted in this chapter, the corporation may:

- 21 (1) sue and be sued in its own name;
- 22 (2) adopt an officia' seal;
- 23 (3) adopt bylaws for the regulation of its affairs and the  
24 conduct of its business;
- 25 (4) employ fiscal consultants, attorneys, and such othe.  
26 consultants and employees as may be required in the judgement of the  
27 corporation, and fix and pay their compensation from money available  
28 to the corporation;
- 29 (5) make and execute agreements, contracts and other

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1 instruments necessary or convenient in the exercise of the powers and  
2 functions of the corporation under this chapter, including contracts  
3 with any person, firm, corporation, governmental agency or other  
4 entity;

5 (6) receive, administer and comply with the conditions and  
6 requirements respecting any appropriation or gift, grant or donation  
7 of property or money;

8 (7) acquire real property, or any interest in real pro-  
9 perty, in its own name, by purchase, transfer or foreclosure, when the  
10 acquisition is necessary or appropriate to protect any loan in which  
11 the corporation has an interest; sell, transfer and convey any such  
12 property to a buyer; and, if the sale, transfer or conveyance cannot  
13 be effected with reasonable promptness or at a reasonable price, rent  
14 or lease the property to a tenant pending the sale, transfer or con-  
15 veyance;

16 (8) borrow money as provided in this chapter to carry out  
17 and effectuate its corporate purposes and issue its obligations as  
18 evidence of any such borrowing;

19 (9) include in any borrowing the amounts to pay financing  
20 charges, interest on the obligations for a period not exceeding one  
21 year after the date on which the corporation estimates funds will  
22 otherwise be available to pay the interest, consultant, advisory and  
23 legal fees and such other expenses as are necessary or incident to  
24 this borrowing;

25 (10) invest or reinvest, subject to its contracts with  
26 noteholders and bondholders, any money or funds held by the corpor-  
27 ation in any obligations or other securities authorized under AS  
28 37.10.070(a);

29 (11) collect from a borrower amounts owed with respect to a

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1 student loan the corporation has purchased or made;

2 (12) gather information on loans available to residents of  
3 Alaska attending or planning to attend an eligible institution and  
4 disseminate the information to reasonably assure that qualified stu-  
5 dents are aware of financial resources available to those attending or  
6 desiring to attend an eligible institution;

7 (13) require an eligible institution or eligible lender to  
8 file reports with the corporation as the corporation considers neces-  
9 sary for the effective performance of its duties and publish the  
10 information from the reports or other sources as the corporation  
11 considers necessary;

12 (14) service student loans held by the corporation;

13 (15) except as specifically prohibited by law, obtain infor-  
14 mation from a state agency or instrumentality or other source to  
15 verify information submitted by or on behalf of a student applying for  
16 or receiving assistance from the corporation;

17 (16) make or participate in the making of and purchase or  
18 participate in the purchase of student loans;

19 (17) contract in advance for the purchase or sale of student  
20 loans;

21 (18) sell or participate in the sale, either public or  
22 private and on terms authorized by the board, of student loans to the  
23 Student Loan Marketing Association or to other purchasers;

24 (19) collect and pay reasonable fees and charges in connec-  
25 tion with the purchase, sale, and servicing of student loans;

26 (20) enter into agreements with the federal government  
27 (including guaranty agreements and supplemental guaranty agreements as  
28 described in the United States Higher Education Act of 1965) as neces-  
29 sary to provide for the receipt by the corporation of administrative

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1 allowances and other benefits available under the United States Higher  
2 Education Act of 1965;

3 (21) enter into contracts with lenders upon terms and con-  
4 ditions agreed upon between the corporation and the lenders, which  
5 terms and conditions may reflect the requirements of the United States  
6 Higher Education Act of 1965;

7 (22) enter into contracts with institutions upon the terms  
8 and conditions agreed upon between the corporation and the institu-  
9 tions, which terms and conditions may reflect the requirements of the  
10 United States Higher Education Act of 1965;

11 (23) administer federal money allotted to the state with  
12 respect to insured student loans and related administrative costs and  
13 other matters;

14 (24) consent to the modification of the rate of interest,  
15 time of payment of an installment of principal or interest, or other  
16 terms of a student loan made or purchased by the corporation;

17 (25) procure insurance against any loss in connection with  
18 the operation of its programs under this chapter;

19 (26) provide advisory services to borrowers and other parti-  
20 cipants in the corporation's programs under this chapter;

21 (27) do all acts and things necessary, convenient or desir-  
22 able to carry out the powers expressly granted or necessarily implied  
23 in this chapter.

24 Sec. 14.42.210. STUDENT LOAN FUND. (a) The student loan fund  
25 is established in the corporation. The student loan fund is a trust  
26 fund for the uses and purposes of AS 14.42.100 - 14.42.320. The  
27 student loan fund consists of money or assets appropriated or trans-  
28 ferred to the corporation and other money or assets deposited in it by  
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1 (b) Money and other assets of the student loan fund may be used  
2 to secure bonds of the corporation, or invested in the types of in-  
3 vestments under AS 37.10.070a or shall be used to make or purchase  
4 loans approved under AS 14.43.090 - 14.43.160.

5 Sec. 14.42.220. BONDS OF THE CORPORATION. (a) Subject to (g)  
6 of this section, the corporation may borrow money and may issue bonds,  
7 including but not limited to bonds on which the principal and interest  
8 are payable, (1) exclusively from the income and receipts or other  
9 money derived from the loans financed with proceeds of the bonds, (2)  
10 exclusively from the income and receipts or other money derived from  
11 designated loans whether or not they are financed in whole or in part  
12 with the proceeds of the bonds, or (3) from its income and receipts or  
13 other assets generally, or a designated part or parts of them.

14 (b) Bonds shall be authorized by resolution of the corporation,  
15 and be dated and may not mature more than 20 years from the date of  
16 its issue. Bonds shall bear interest at the rate or rates, be in the  
17 denominations, be in the form, either coupon or registered, carry the  
18 registration privileges, be executed in the manner, be payable in the  
19 medium of payment, at the place or places, and be subject to the terms  
20 of redemption which the resolution or a subsequent resolution may  
21 provide.

22 (c) All bonds, regardless of form or character, shall be nego-  
23 tiable instruments for all the purposes of the Uniform Commercial  
24 Code.

25 (d) All bonds may be sold at public or private sale in the  
26 manner, for the price or prices, and at the time or times which the  
27 corporation may determine.

28 (e) Before issuance of any bonds, the corporation shall make  
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1 judgment of the corporation to pay the principal of and interest on  
2 the bonds as they become due and to create and maintain the reserves  
3 therefor as the corporation considers necessary or desirable and to  
4 meet all obligations in connection with the agreement and all costs  
5 necessary to service the bonds unless the agreement provides that the  
6 obligations are to be met or costs are to be paid by a party other  
7 than the corporation.

8 (f) The superior court shall have jurisdiction to hear and  
9 determine suits, actions or proceedings relating to the corporation,  
10 including suits, actions or proceedings brought to foreclose or other-  
11 wise enforce a mortgage or other security interest or brought by or  
12 for the benefit of a holder of its bonds or by a trustee for or other  
13 representative of the holders.

14 (g) The corporation may not issue bonds during any fiscal year  
15 in an amount greater than \$45,000,000 unless the legislature, by law,  
16 approves issuance of a greater amount.

17 Sec. 14.42.230. TRUST INDENTURES AND TRUST AGREEMENTS. In the  
18 discretion of the corporation, an issue of bonds may be secured by a  
19 trust indenture or trust agreement between the corporation and a  
20 corporate trustee (which may be a trust company, bank, or national  
21 banking association, with corporate trust powers, located inside or  
22 outside the state) or by a secured loan agreement or other instrument  
23 or under a resolution giving powers to a corporate trustee (herein-  
24 after in this section referred to as "trust agreement") by means of  
25 which the corporation may:

26 (1) make and enter into any and all the covenants and  
27 agreements with the trustee or the holders or the bonds which the  
28 corporation may determine to be necessary or desirable, including,  
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1 as to:

2 (A) the application, investment, deposit, use and  
3 disposition of the proceeds of bonds of the corporation or of money or  
4 other property of the corporation or in which it has an interest;

5 (B) the fixing and collection of loan payments and  
6 other consideration for, and the other terms to be incorporated in, a  
7 student loan;

8 (C) the assignment by the corporation of its rights in  
9 a student loan or in a mortgage or other security interest created  
10 with respect to a student loan to a trustee for the benefit of bond-  
11 holders;

12 (D) the terms and conditions upon which additional  
13 bonds of the corporation may be issued;

14 (E) the vesting in a trustee of rights, powers,  
15 duties, funds or property in trust for the benefit of bondholders,  
16 including, without limitation, the right to enforce payment, perfor-  
17 mance and all other rights of the corporation or of the bondholders,  
18 under a student loan or a security interest created with respect to a  
19 student loan;

20 (2) pledge, mortgage or assign money, agreements, property,  
21 or other assets of the corporation either presently in hand or to be  
22 received in the future, or both; and

23 (3) provide for any other matters of like or different  
24 character which in any way affect the security or protection of the  
25 bonds.

26 Sec. 14.42.240. CAPITAL RESERVE FUNDS AND CAPITAL RESERVE FUND  
27 REQUIREMENTS. (a) For the purpose of securing one or more issues of  
28 its bonds, the corporation may establish one or more special funds,  
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1 reserve funds the proceeds of the sale of its bonds and other moneys  
2 which may be made available to the corporation from other sources for  
3 the purposes of the capital reserve funds. A capital reserve fund may  
4 be established only if the corporation determines that the establish-  
5 ment of the fund would enhance the marketability of the bonds. Money  
6 in a capital reserve fund, except as provided in this section, may be  
7 used as required only for (1) the payment of the principal of, and  
8 interest on, bonds or of the sinking fund payments with respect to  
9 those bonds; (2) the purchase or redemption of the bonds, or (3) the  
10 payment or a redemption premium required to be paid when the bonds are  
11 redeemed before maturity. However, money in a capital reserve fund  
12 may not be withdrawn if the withdrawal would reduce the amount in the  
13 capital reserve fund to less than the capital reserve fund require-  
14 ment, except for the purpose of making payment, when due, of princi-  
15 pal, interest redemption premiums on the bonds, and sinking fund  
16 payments when other money of the corporation is not available for the  
17 payments. Income or interest earned by, or increment to, a capital  
18 reserve fund, from the investment of all or part of the fund, may be  
19 transferred by the corporation to other funds or accounts of the  
20 corporation if the transfer does not reduce the amount of the capital  
21 reserve fund below the capital reserve fund requirement.

22 (b) If the corporation decides to issue bonds secured by a  
23 capital reserve fund, the bonds may not be issued if the amount in  
24 requirement, unless the corporation, at the time of issuance of the  
25 bonds, deposits in the capital reserve fund from the proceeds of the  
26 bonds to be issued or from other sources, an amount of which, together  
27 with the amount then in the fund, is not less than the capital reserve  
28 fund requirement.  
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1 purpose of this section, securities in which all or a portion of the  
2 fund is invested shall be valued by a reasonable method established by  
3 the corporation by resolution. Valuation shall include the amount of  
4 interest earned or accrued as of the date of valuation.

5 (d) The chairman of the corporation shall annually, no later  
6 than January 2, certify in writing to the governor and the legislature  
7 the amount, of any, required to restore a capital reserve fund to the  
8 capital reserve fund requirement. The legislature may appropriate to  
9 the corporation the amount certified by the chairman of the corpora-  
10 tion. The corporation shall deposit the amounts appropriated under  
11 this subsection during a fiscal year in the proper capital reserve  
12 fund. Nothing in this section creates a debt or liability of the  
13 state.

14 (e) In this section, "capital reserve fund requirement" means  
15 the amount required to be on deposit in the capital reserve fund as of  
16 the date of computation as determined by resolution of the corpora-  
17 tion.

18 (f) The corporation may establish reserve funds, other than  
19 capital reserve funds, to secure one or more issues of its bonds. The  
20 corporation may deposit in a reserve fund established under this  
21 subsection the proceeds of sale of its bonds and other money which may  
22 be made available from any other source. A reserve fund established  
23 under this subsection must comply with (a) - (c) of this section. The  
24 corporation may allow a reserve fund established under this subsection  
25 to be depleted without complying with (d) of this section.

26 Sec. 14.42.250. VALIDITY OF PLEDGE. It is the intention of the  
27 legislature that a pledge made in respect of bonds shall be valid and  
28 binding from the time the pledge is made; that the money or property

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1 immediately be subject to the lien of the pledge without physical  
2 delivery or further act; and that the lien of the pledge shall be  
3 valid and binding as against all parties having claims of any kind in  
4 tort, contract or otherwise against the corporation irrespective of  
5 whether the parties have notice. Neither the resolution, trust agree-  
6 ment nor any other instrument by which a pledge is created need be  
7 recorded or filed under the provisions of the Uniform Commercial Code  
8 to be valid, binding or effective against parties.

9 Sec. 14.42.260. NONLIABILITY ON BONDS. (a) Neither the mem-  
10 bers of the corporation nor a person executing the bonds are liable  
11 personally on the bonds or are subject to personnel liability or  
12 accountability by reason of the issuance of the bonds.

13 (b) The bonds issued by the corporation do not constitute an  
14 indebtedness or other liability of the state or of a political sub-  
15 division of the state, except the corporation, but shall be payable  
16 solely from the income and receipts or other funds or property of the  
17 corporation. The corporation may not pledge the faith or credit of  
18 the state or of a political subdivision of the state (except the  
19 corporation) to the payment of a bond and the issuance of a bond by  
20 the corporation does not directly or indirectly contingently obligate  
21 the state or a political subdivision of the state to apply money from,  
22 or levy or pledge any form of taxation whatever to the payment of the  
23 bond.

24 Sec. 14.42.270. PLEDGE OF STATE. The state pledges to and  
25 agrees with holders of bonds issued under this chapter that the state  
26 will not limit or alter the rights and powers vested in the corpor-  
27 ation by this chapter to fulfill the terms of a contract made by the  
28 corporation with the holders or in any way impair the rights and  
29 remedies of the holders until the bonds, together with the interest on

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1 them with interest on unpaid installments of interest, and all costs  
2 and expenses in connection with an action or proceeding by or on  
3 behalf of the holders, are fully met and discharged. The corporation  
4 is authorized to include this pledge and agreement of the state in  
5 contract with the holders.

6 Sec. 14.42.280. EXEMPTION FROM TAXATION. The real and personal  
7 property of this corporation and its assets, income and receipts are  
8 declared to be the property of a political subdivision of the state  
9 and devoted to an essential public and governmental function and  
10 purpose, and the property, assets income, receipts, and other in-  
11 terests of the corporation shall be exempt from all taxes and special  
12 assessments of the state of a political subdivision of the state,  
13 including, without limitation, all borough, cities, municipalities,  
14 school districts, public utility districts and other taxing units.  
15 All bonds of the corporation are declared to be issued by a political  
16 subdivision of the state and for an essential public and governmental  
17 purpose and to be public instrumentality, and the bonds, and the  
18 interest on them, the income from them and the transfer of the bonds,  
19 and all assets, income and receipts pledged to pay or secure the  
20 payment of the bonds, or interest on them, shall at all times be  
21 exempt from taxation by or under the authority of the state, except  
22 for inheritance and estate taxes and taxes on transfers by or in  
23 contemplation of death. Nothing in this section affects or limits an  
24 exemption from license fees, property taxes, or excise, income or any  
25 other taxes provided under any other law, nor does it create a tax  
26 exemption with respect to the interest of any business, enterprise or  
27 the person, other than the corporation, in any property, assets,  
28 income, receipts, or other interest.

29 Sec. 14.42.290. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The

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1 bonds of the corporation are securities in which all public officers  
 2 and bodies of the state and all municipalities and municipal sub-  
 3 divisions, all insurance companies and associations and other persons  
 4 carrying on a insurance business, all banks, bankers, trust companies,  
 5 savings banks, savings associations, including savings associations  
 6 and building and loan associations, investment companies and other  
 7 persons carrying on a banking business, all administrators, guardians,  
 8 executors, trustees and other fiduciaries, and all other persons  
 9 whatsoever who are now or may hereafter be authorized to invest in  
 10 bonds or other obligations of the state, may properly and legally  
 11 invest funds including any other provisions of law, the bonds of the  
 12 corporation are also securities which may be deposited with and may be  
 13 received by all public officers and bodies of this state and all  
 14 municipalities and municipal subdivisions for any purpose for which  
 15 the deposit of bonds or other obligations of the state is now or may  
 16 hereafter be authorized.

17 Sec. 14.42.310. OPERATION OF CERTAIN STATUTES EXCEPTED. (a)

18 The corporation shall not be considered or constitute (1) a political  
 19 subdivision of the state as the term is used in AS 37.10.085, (2) a  
 20 municipal corporation or political subdivision of the state as the  
 21 terms are used in AS 29, or (3) except as provided in AS 14.42.330, a  
 22 state agency as the term is used in AS 37, but for all other purposes  
 23 the corporation constitutes a political subdivision and an instrumen-  
 24 tality of the state provided in this chapter.

25 (b) The funds, income or receipts of the corporation shall not  
 26 be considered or constitute money of the state, nor shall real pro-  
 27 perty in which the corporation has an interest be considered land  
 28 owned in fee by the state or to which the state may become entitled or  
 29 in any way lands belonging to the state, or state lands referred to in

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1 Article VIII of the Alaska Constitution.

2 Sec. 14.42.320. ANNUAL AUDIT. The corporation shall have its  
3 financial records audited annually by the legislative auditor or by a  
4 certified public accountant approved by the legislative auditor. The  
5 legislative auditor may prescribe the form and content of the finan-  
6 cial records of the corporation and shall have access to these records  
7 at any time.

8 \* Sec. 2. AS 14.43.120(d) is amended to read:

9 (d) scholarship loans may not be made to a student:

10 (1) for more than five years of undergraduate study;

11 (2) for more than five years of graduate study;

12 (3) for more than a total of eight years of undergraduate  
13 and graduate study;

14 (4) to attend an institution for which the default rate on  
15 loans made to students to attend the institution exceeds the program  
16 default rate by more than 150%.

17 \* Sec. 3. Notwithstanding the provisions of AS 14.42.160 enacted by  
18 section 1 of this Act, if the executive officer of the Commission on Post-  
19 secondary Education does not consent to his appointment as executive direc-  
20 tor of the Alaska Student Loan Corporation in writing filed with the Alaska  
21 Student Loan Corporation within 60 days after the effective date of this  
22 Act, the Alaska Student Loan Corporation shall take such steps as it con-  
23 siders necessary or appropriate to employ an executive director who is not  
24 the executive officer of the Commission on Postsecondary Education. If the  
25 Alaska Student Loan Corporation employs an executive director under this  
26 section who is not the executive officer of the Commission on Postsecondary  
27 Education, each time an vacancy occurs in the position of executive direc-  
28 tor, the Alaska Student Loan Corporation shall allow the executive officer  
29 of the Commission on Postsecondary Education three business days to file a

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1 written consent to the provisions of AS 14.42.160. If the executive officer  
2 fails to file the written consent within the three business days allowed,  
3 the Alaska Student Loan Corporation shall seek an executive director other  
4 than the executive officer of the Commission on Postsecondary Education. If  
5 the executive officer of the Commission on Postsecondary Education files a  
6 written consent described in this section during any of the times described  
7 in this section, the provisions of AS 14.42.160 shall thereafter control  
8 with respect to the appointment of the executive director of the Alaska  
9 Student Loan Corporation.

10 \* Sec. 4. This Act takes effect immediately in accordance with AS  
11 01.10.070(c).

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29

Senator John B. (Jack) Coghill  
Alaska State Legislature

Pouch V  
Juneau, Alaska 99811  
(907) 465-4921

Box 55028  
North Pole, Alaska 99705  
(907) 488-7332



March 5, 1986

Senator Jan Faiks  
Senator John Sackett  
Co-chairmen  
Senate Finance Committee

Dear Senators Faiks and Sackett:

Your Senate Finance Committee is hearing CS SB13 at 8:30 a.m.  
Thursday, March 6.

I request that you consider making an amendment to that bill  
by adding in Sec. 1, page 2, between lines 21 and 22, the  
following language:

North Pole - Northwest Sewer Interceptor and Highway Park Sewer System	1,033,000
---	-----------

The total cost of this North Pole project is \$2,833,000. The  
Governor has budgeted only \$1,800,000 in his capital budget  
for this continued sewer expansion program. My request would  
bring the funding up to the level needed to complete the work  
as designed.

Sincerely

A handwritten signature in cursive script, appearing to read "John B. Coghill".

JBC/kmd

cc: Sen. Ferguson

encl.

5/10/86

S E N A T E            A M E N D M E N T

By: \_\_\_\_\_

To:        AMEND

SENATE BILL NO. CS SB 13

Sec. 1

Page 2

Between lines 21 and 22

Insert the following language:

North Pole - Northwest Sewer Interceptor and Highway  
Park Sewer System

\$1,033,000

Senator John B. (Jack) Coghill  
Alaska State Legislature

Pouch V  
Juneau, Alaska 99811  
(907) 465-4921

Box 55028  
North Pole, Alaska 99705  
(907) 488-7332



March 3, 1986

Senator Jan Faiks  
Senator John Sackett  
Co-chairmen  
Senate Finance Committee

Dear Senators Faiks and Sackett:

Your Senate Finance Committee is hearing CS SB13 at 8:30 a.m. Thursday, March 6.

I request that you consider making an amendment to that bill by adding in Sec. 1, page 3, line 5, the following language:

*page 2, line 28*

North Pole - Northwest Sewer Interceptor and  
Highway Park Sewer System 1,033,000

The total cost of this North Pole project is \$2,833,000. The Governor has budgeted only \$1,800,000 in his capital budget for this continued sewer expansion program. My request would bring the funding up to the level needed to complete the work as designed.

Sincerely

A handwritten signature in cursive script, appearing to read "John B. Coghill".

JBC/kmd

cc: Sen. Ferguson

encl.

S E N A T E            A M E N D M E N T

By: \_\_\_\_\_

To:     AMEND

SENATE BILL NO. CS SB 13

Sec. 3

Page 3

Line 5

Insert the following language:

North Pole - Northwest Sewer Interceptor and Highway  
Park Sewer System

\$1,033,000



RESOLUTION 85-6.

000453

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORTH POLE ESTABLISHING CAPITAL PROJECT PRIORITIES FOR FUNDING BY THE ALASKA STATE LEGISLATURE.

WHEREAS, the need has been identified for several capital project improvements in the City of North Pole; and

WHEREAS, the proposed capital projects will achieve important objectives for the citizens of the area, including improvements in public safety, planning, utility facilities, and economic expansion; and

WHEREAS, these projects are aimed towards improving the local economy and providing employment. Public safety items are supportive projects aimed at improving public safety and streamlining operations; and

WHEREAS, several public meetings have been conducted and community input has been solicited regarding the proposed capital projects; and

WHEREAS, the Interior Legislative Delegation has requested the City of North Pole to develop priority ranking for its capital projects requests to be funded by surplus state revenues;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTH POLE THAT THIS LIST REFLECTS CAPITAL PROJECT PRIORITIES FOR CONSIDERATION BY THE 1986 ALASKA LEGISLATURE.

A. Capital Construction

- |  |                 |
|--|-----------------|
| 1. Northwest Sewer Interceptor and Highway Park Sewer System       | \$ 2,833,000.00 |
| 2. Northwest Transmission Main and Highway Park Water Distribution | 3,553,000.00    |
| 3. Lagoon Force Main and Outfall Structure                         | 552,000.00      |
| 4. Parkway Storm Drain   | 265,000.00      |
| 5. Highway Park Drainage, Lighting, and Street Improvement Project | 1,805,000.00    |

B. Capital Equipment Items

- |                                 |               |
|---------------------------------|---------------|
| 1. Hazardous Chemical Fire Unit | \$ 400,000.00 |
| 2. Modular Ambulance Unit       | 65,000.00     |

RESOLUTION 85-6 Continued:

000454

PASSED AND APPROVED by a duly constituted quorum of the  
City Council of the City of North Pole, Alaska this \_\_\_\_\_  
day of \_\_\_\_\_, 1985.

\_\_\_\_\_  
MAYOR CARLETA LEWIS

ATTEST:

\_\_\_\_\_  
SHELLEY DUGAN, CITY CLERK

INTRODUCED: NOVEMBER 18, 1985

ADOPTED:

PROGRAM FOR PROGRESS

PROJECT: NORTHWEST SEWER INTERCEPTOR AND  
HIGHWAY PARK SEWER SYSTEM

SPONSORING AGENCY: City of North Pole

CAPITAL REQUEST: \$2,833,000.00

ESTIMATED ANNUAL O & M COST: \$24,000.00

000455

DESCRIPTION/PUBLIC BENEFIT:

The Northwest section of North Pole has been greatly expanded due to three recent annexations. The annexed areas include new major commercial development and an existing residential subdivision.

Commercial development in the northwest section of North Pole is being hindered by the lack of sanitary sewer service. A high water table makes conventional sewage leaching pits impractical. This project will construct the large interceptor mains required to support developer constructed collection systems. Construction will consist of constructing a 10 inch gravity interceptor sewer, 4 lift stations, 1,800 feet of force main and related appurtenances.

The project will also include of an 8 inch collection system in the Highway Park Subdivision. The area has had a long history of leach field failures and other problems related to sanitary sewage disposal.

A major goal of the City of North Pole is to provide base sanitary sewage facilities to all areas of the City. This project is an essential step in achieving this goal.

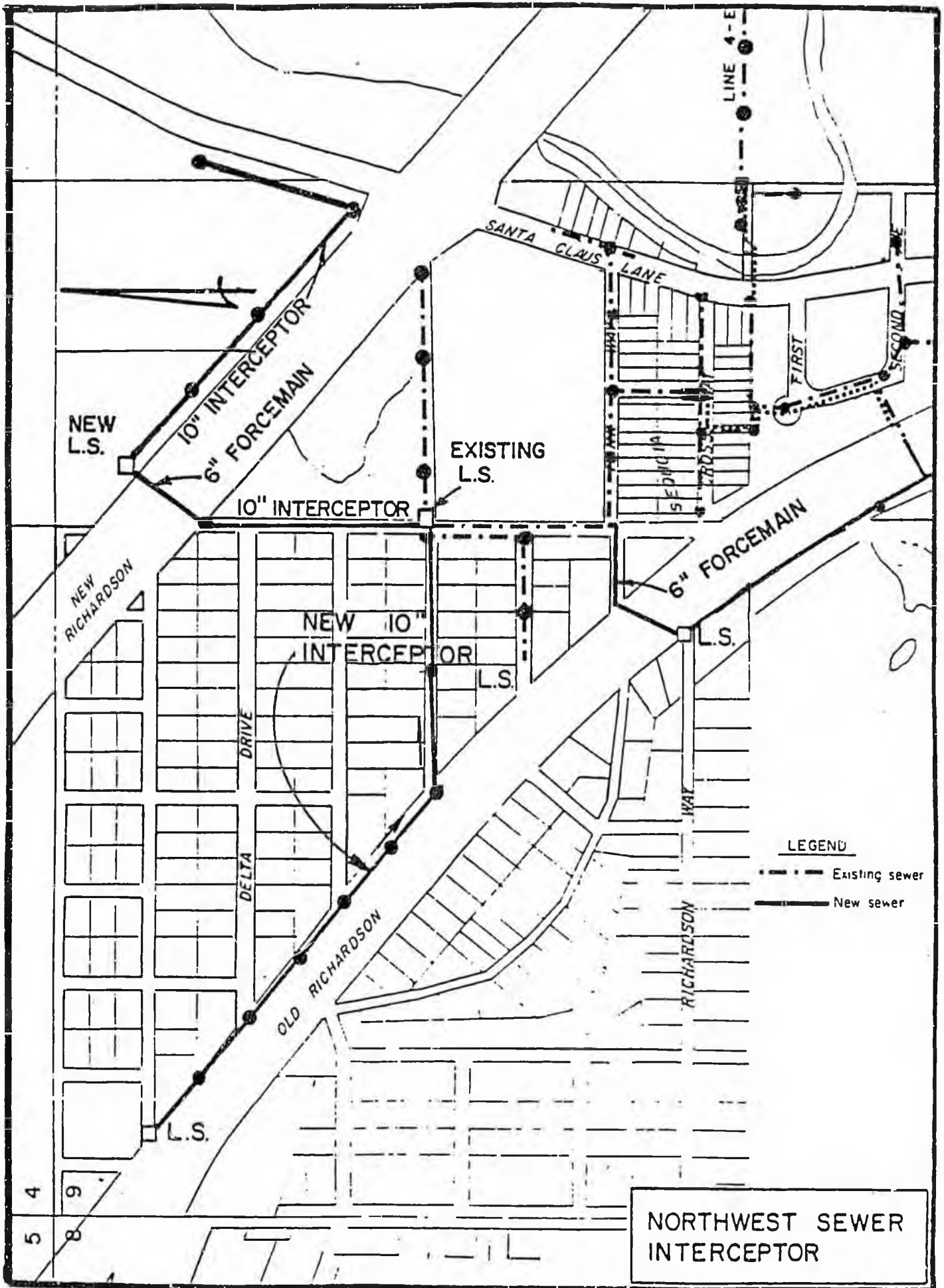
Major benefits to the North Pole community can be seen in improved public health and a positive environment for continued residential and commercial growth.

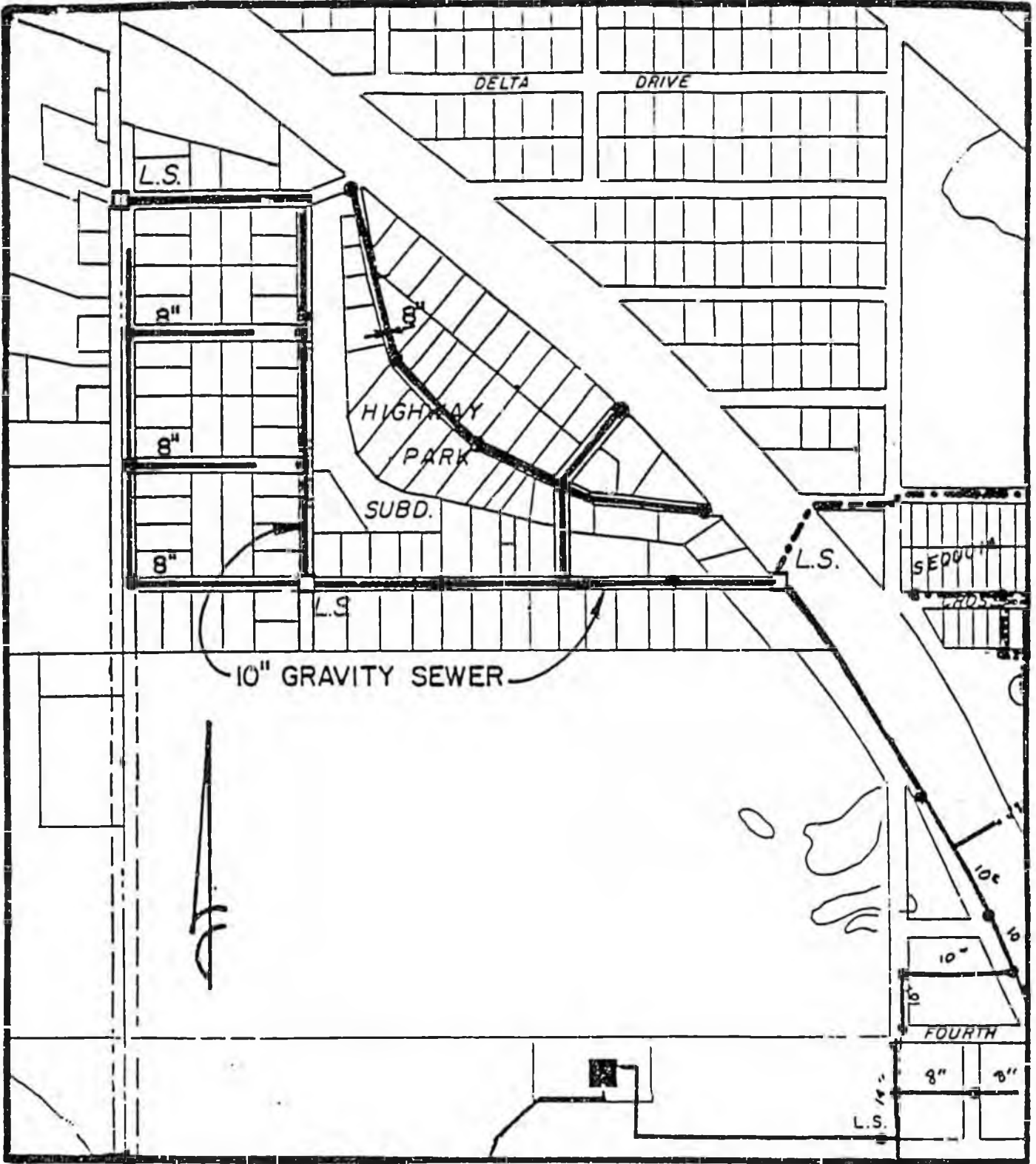
CONTACT PERSON:

NAME: John Fischer

TITLE: Administrative Assistant

PHONE: 488-2281





HIGHWAY PARK  
SEWER  
INTERCEPTOR

Senator John B. (Jack) Coghill  
Alaska State Legislature

Pouch V  
Juneau, Alaska 99811  
(907) 465-4745

Box 458  
Nenana, Alaska 99760  
(907) 852-5471

February 19, 1986

Senator Frank Ferguson  
Room 119 Capitol Building  
Juneau, AK 99811

Subj: Sewer/water CIPs, Senate District J

Dear Senator Ferguson:

The Governor's budget includes three sewer/water capital improvement projects which we want to see remain in the budget. Those are:

- |   |              |
|---|--------------|
| a) Item # 170, Cantwell Village safe water solid waste disposal site, DEC | \$100,000.00 |
| b) Item # 181, Healy Lake Community watering point, DEC                   | 83,000.00    |
| c) Item # 192, North Pole Sewer Interceptor & Highway Park Sewer, MUNI    | 1,800,000.00 |

We have additional sewer/water CIPs that need to be funded. They are:

- |   |                  |
|---|------------------|
| 1) Glennallen water sewer project   | \$4,163,000.00   |
| 2) North Pole, northwest transmission and Highway Park Water Distribution | 3,553,000.00     |
| 3) Delta City Complex Sewer System  | 200,000.00       |
| 4) Nenana Water/Sewer, Phase II   | 4,000,000.00     |
| 5) Anderson Sewer Cost Study  | <u>47,000.00</u> |

TOTAL \$13,899,000.00

Thank you for considering these requests. I will follow this letter with complete back-up information on the five CIPs that we have requested.

Sincerely,



JBC/kmd

water results in a poor standard of personal hygiene, which in turn leads to the transmission of infection by means of unwashed hands, crockery, etc.

Water-associated infective diseases can be classified under four categories:

1. Infections spread through water supplies -- waterborne diseases (tylphoid, cholera).
2. Diseases due to lack of water for personal hygiene -- water-washed diseases (scabies, trachoma).
3. Infections transmitted by aquatic invertebrate animals -- water-based diseases (schistosomiasis, guinea worm).
4. Infections spread by insects that depend on water -- water-related insect vectors (malaria, sleeping sickness).

To these must also be added a further group of infections associated with defective sanitation (hookworm). The more common water-associated diseases and their sources are shown

TABLE I  
WATER RELATED DISEASES WITH THEIR WATER ASSOCIATIONS AND  
PATHOGENIC AGENTS<sup>1</sup>

Water-Related Disease	Pathogenic Agent
Amoebic dysentery	C
Ascariasis	D
Bacillary dysentery	A
Balantidiasis	C
Cholera	A
Diarrhoeal disease	H
Enteroviruses (some)	B
Gastroenteritis	H
Giardiasis	C
Hepatitis (infectious)	B
Leptospirosis	E
Paratyphoid	A
Tularaemia	A
Typhoid	A
Conjunctivitis	H
Leprosy	A
Louse-borne relapsing fevers	E
Scabies	H
Skin sepsis and ulcers	H
Tinea	F
Trachoma	B
Flea/lice/tick/mite- borne typhus	G
Yaws	E
Clonorchiasis	D
Diphyllobothriasis	D
Fasciolopsiasis	D
Guinea worm	D
Paragonimiasis	D
Schistosomiasis	D
Arboviral infections (some)	B
Dengue	B
Filariasis	D
Malaria	C
Onchocerciasis	D
Trypanosomiasis	C
Yellow Fever	B

A = bacteria; B = virus; C = protozoa D = helminth;  
E = spirochaete; F = fungus; G = rickettsiae; H = miscellaneous

### Water-related insect vectors

Malaria, a disease producing an acute fever, is transmitted by the bite of an infected mosquito. The larvae of the mosquito live in stagnant water. Filariasis is also spread by mosquito. The worms obstruct the lymphatic system causing fluid to accumulate in the legs and external genital organs, sometimes with the bizarre results suggested by its alternative name, elephantiasis.

### Diseases due to defective sanitation

These diseases include hookworm and roundworm. Hookworms exist in damp soil, for example around wells, and can penetrate the skin to enter the system. They cause major blood loss and can lead to anaemia. Roundworms can be transmitted by, for example, dirty food; the effect is to divert food from the victim.

### BENEFITS AND COSTS OF GOOD SANITATION FACILITIES

Most of the benefits of sewerage schemes are not directly quantifiable. In brief, they can be divided into two categories, private and external benefits. Private benefits include:

1. Convenience of having a waterborne waste disposal unit in the home;
2. Improved household hygiene;
3. Reduced health hazards;
4. Property value appreciation; and
5. Reduction in space required for sewage disposal on the property by alternative means such as septic tanks.

External benefits include:

1. Improvements in the urban environment by removal of the sight and smell of sewage at the soil surface and in canals;
2. Benefits to public health;
3. Reduced downstream river pollution;
4. Increased potential for tourism;
5. Introduction of new technologies with spinoff benefits of training, experience, and employment generation;
6. Institutional development; and
7. Water pollution monitoring, legislation, and enforcement programs usually initiated in parallel with major wastewater collection investments.

Ill-health costs foregone

These may be grouped into costs due to: 1) premature loss of life; 2) loss of productivity; 3) treatment; and 4) measures taken in avoiding the disease. A fifth and important loss of productivity is more difficult to estimate but included here as 5) debility losses.

As Alaska becomes more densely populated, the unavailability of adequate sanitation facilities can scarcely be hidden. The presence of fecal material or standing pools of sewage where water is available, and swarms of flies readily identify a breakdown in our society's responsibility to its members. The proximity of these sites to homes where people eat and children play assures the spread of enteric disease and provides a setting for explosive outbreaks when Hepatitis A may be passing through.

The argument as to whether the absence of proper water supply is of greater significance than the absence of adequate sanitation facilities in determining the health of a population will not easily be resolved, nor need it be. The absence of either will assure the spread of disease. In fact, the provision of water supply in the absence of adequate excreta disposal facilities may exacerbate the situation by assuring easier and wider spread of human waste. The desire for a water service does not flow from an appreciation that a proper water service would improve health. Rather, water is, and is perceived to be, an essential utility necessary for life itself.

Therefore, while it is not likely that a community will opt for improved sanitation ahead of water supply, the commitment should be made to both at the same time. Such commitments have been made in word but not yet in deed.

Water supply and sanitation facilities are often not yet available to our people in rural areas, villages, and in some urban areas.

#### ALASKA'S FUNDING OF SANITATION PROJECTS

Since 1970, Alaska has spent close to \$500 million in providing basic sanitation services in the State. The U.S. Public Health Service estimates it would take an additional \$200 million to meet the needs of rural Alaska alone.

For the last three years, 70 percent of the money appropriated by the State has been for sanitation projects in what could be classified as urban areas, and only 30 percent has been spent in rural communities.

A 1982 Alaska Statewide Housing Study prepared by the Department of Community and Regional Affairs defines adequate plumbing on a regional bases as:

Metropolitan and urban - Facilities including hot and cold water piped to a kitchen sink and bathtub or shower, and a flush toilet.

Rural - Facilities including hot and cold water piped to a kitchen sink and bathtub or shower and a human waste disposal system.

Remote - A human waste disposal system and source of potable water.

The study results are presented in Figure 1. While only one percent of Anchorage homes lack adequate plumbing, seventy percent of remote/rural homes lack adequate plumbing.

#### INCIDENCE OF DISEASE IN ALASKA

Let's look at one type of waterborne disease currently identified in some of our remote villages -- Hepatitis A. The method of transmission is from person to person by the fecal-oral route. Common outbreaks in the Norton Sound villages of Stebbins and St. Michaels have been related to contaminated water and unsanitary conditions. Where environmental sanitation is poor, infection is common at an early age.

Physicians working at the Norton Sound Regional Hospital in Nome are worried these outbreaks will continue unless better sanitation facilities are made available to these people.

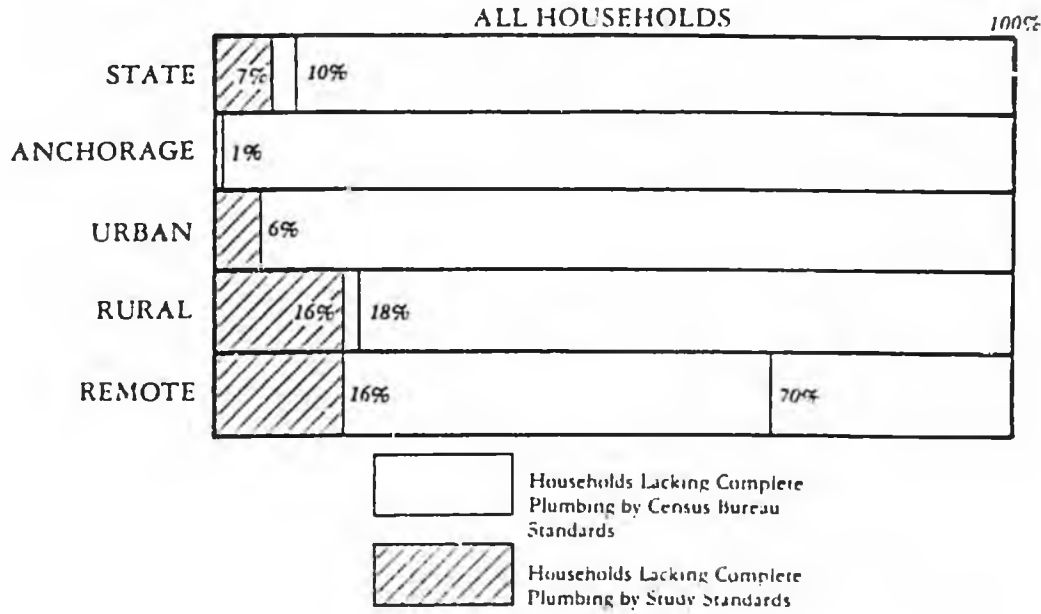
It is both interesting and sad that studies suggest a diminishing frequency in the contiguous states but on the increase in remote Alaskan villages.

TABLE II  
 CONFIRMED WATERBORNE DISEASE OUTBREAKS IN ALASKA

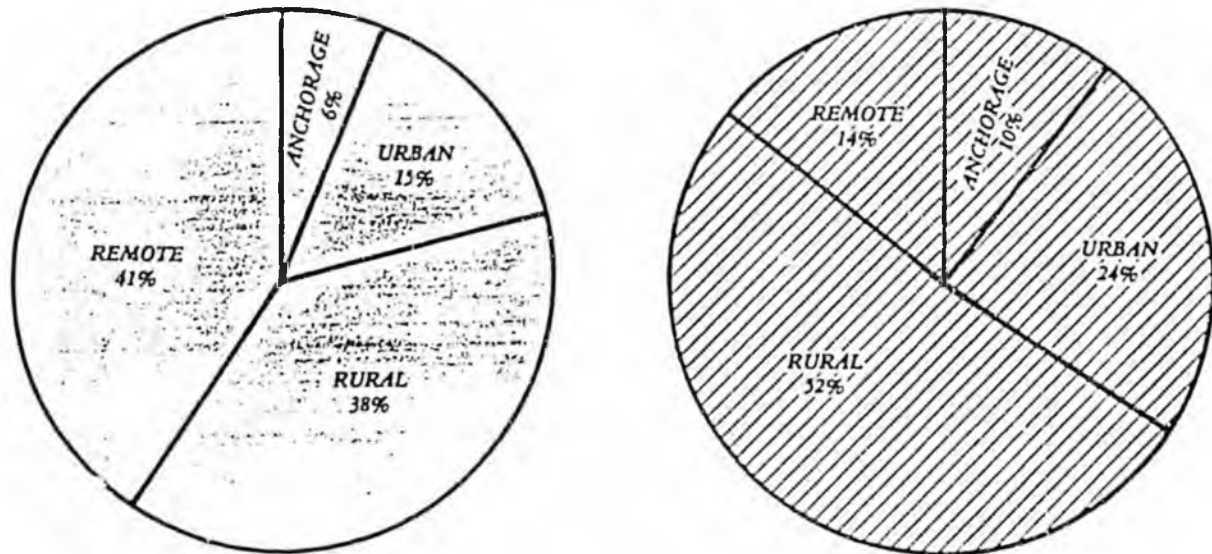
<u>Year</u>	<u>Location</u>	<u>Source</u>	<u>Disease</u>	<u>Cases</u>	<u>Comments</u>
1984	Ketchikan Public Utilities	Carlanna Lake	Giardiasis	146	See File
1980	Barge Unisea, Dutch Harbor		Giardiasis	189	X-connection w/boost pumps on board
1979/81	Angoon, Broken Wastewater Main		None		
1979	Valdez		Giardiasis suspected (actually yeast)		
1971	Restuarant near Tok Junction		Gastroenteritis	112	
1972	Cordova	Eyak Lake	Dysentery	400	Chlorination not operating
1971	Anchorage Traylor Court	Well	Shigellosis	89	No disinfection
1974	Juneau Switzer Creek	Surface Reservoir	Salmonellosis	28	Inadequate disinfection
1967/68	Kodiak	Island Lake	Dysentery	2 infant deaths	No disinfection
1977	Craig	Surface	Dysentery	Unknown	
1976?	Russian Mission	Yukon River	Shigellosis	300	Chlorinator inoperable
1949	Unalaska	Lake	Dysentery (probably Shigellosis)	20-30	No disinfection
1954	Ketchikan	Lake	Salmonellosis	2 deaths/ approx 20	No disinfection

Housing Assistance

PROPORTION OF HOUSEHOLDS LACKING COMPLETE PLUMBING WITHIN THE STATE AND REGIONS



DISTRIBUTION OF HOUSEHOLDS LACKING COMPLETE PLUMBING AMONG REGIONS



CENSUS BUREAU STANDARDS

(Represents shaded and hatched areas in above bar chart)

STUDY STANDARDS

(Represents hatched areas in above bar chart)

FIGURE 1

HOUSING WITH ADEQUATE PLUMBING



## IS YOUR DRINKING WATER SAFE?

"No doubt there is a vague awareness that toxic chemicals from industry... and thousands of other contaminants enter our waterways, but most of us assume that 'somebody' removes these substances before our water comes out of the tap. This is not the case..."

from *Water Wasteland*, a 1972 report of the Ralph Nader study group on water pollution.

From the rain forests of the Southeast to the semi-arid expanses of the northern slope, Alaska has abundant quantities of water. From region to region its uses vary—transportation, power generation, mining operations, and fish and wildlife habitats. The water we use to drink, however, is often taken for granted as safe.

Alaska has millions of acres of uninhabited wilderness where evidence of man's polluting influences are at the present time minimal. Alaskans have always lived very close to their natural resources. Many rely on water for their livelihoods and subsistence, so it is important that our waters be kept safe for all their many uses.

Alaska, at present is relatively undeveloped, but as our population grows and as our natural resources are explored and developed, the need increases to learn more about how we keep our waters safe. The quality of drinking water can vary greatly from community to community, and even house to house, depending on which sources are used. But there are also problems that are common to specific geographical regions. This booklet discusses contaminants and health hazards associated with Alaska's drinking waters, with particular attention to those which present regional problems. Where do you live, and is your drinking water safe?

\*\*\*\*\*

Alaska encompasses a land area of 586,300 square miles, with a coastline of approximately 46,300 miles. Alaska has great rivers, huge lakes, large amounts of underground water, and areas of rain-forest precipitation. Glaciers supply streams and lakes with water frozen thousands of years ago.

Climatic factors influence both life forms and life-styles considerably and have a great impact on our water resources. Because of cold winters, little precipitation, and permafrost, vast areas of the state have little available water during much of the year. Other areas have either great precipitation, as in Southeast; or extensive groundwater resources, as in the Rural Interior. But problems both man-made and natural affect the quality of drinking water.

There can also be a shortage of water where the demands on a water source cannot be met. Much of Alaska's population and associated industrial activity are located close to our natural watersheds. Problems of wastes contaminating water supplies, overuse, or overdevelopment are major issues of concern.

Contaminated water supplies directly affect health. Many rivers and streams which are crystal clear give the false impression that the water is pure and safe to drink. The clarity of the water is not an indication of the presence or absence of bacteria. These water supplies may be contaminated by disease-causing organisms from improperly disposed human wastes, or waste from other animals. Spring flooding creates an additional problem to water supplies from contaminated wastes, sediment and other pollutants washing into the water source from overflow. Water may contain natural contaminants such as arsenic, nitrate, or mercury, which are also hazardous to your health.

Cloudiness, or turbidity, is considered a physical contaminant to drinking water. It is caused by minute particles which remain suspended in the water. Excessive turbidity may shield disease-causing organisms from removal by most treatment processes. Turbidity also makes water unappealing to many people.

Most of us assume that unless the water looks dirty or tastes bad, it is safe for drinking. However, oftentimes contaminants are not only colorless, but also odorless and tasteless. Without proper protection or treatment, contaminated water can cause chronic or acute illness.

Alaska is a vast land composed of diverse environmental areas. Some drinking water problems are common to specific areas, while others are found statewide. The prevalent threats to human health in Rural Southeast, Rural Interior, Rural Arctic Coast, and Urban areas are the focal point of the following discussion. It is important to know the facts about your area because the impact is on you and the health of your family.

\*\*\*\*\*



## Rural Southeast:

\*Emergency order issued on Switzer Creek (July 24, 1974): 33 cases of salmonella were confirmed in Juneau, caused by the introduction of untreated wastes into residential (trailer court) water distribution system.

\*Ketchikan laboratory studies disclose gulls in disease spread (April, 1964): Studies done by the Ketchikan Public Health Laboratory have connected sewage disposal, water supply and gulls in spreading salmonella disease-producing organisms from contaminated sources into public drinking water supplies.

Polluted water sources involving improper sewage disposal systems have been major factors in these outbreaks. In occurrences such as these contaminated drinking water was found to be the means of transmission. Harmful microorganisms from human and animal wastes, if present in water sources and not properly treated, can cause such waterborne diseases as giardiasis, salmonella, shigellosis, typhoid fever, infectious hepatitis, dysentery, and skin infections such as impetigo.

Rainwater collection is a common practice in Southeast where precipitation is usually high. Rainwater meets the needs of small water users where wells or other surface water sources are not feasible. Collected rain does not contain concentrations of minerals found in most groundwaters or dissolved minerals such as sulfur and iron, which often give water an objectional taste. There is no danger of contamination from human waste; however, bacterial contamination can occur from birds dropping waste on roofs where rainwater is collected. Roofing materials may also contain harmful chemicals which can get into the collected rainwater. Radioactive particles can also be washed from the air. Rainwater needs to be filtered and disinfected to be safe for drinking.

The high water tables and shallow soils with high bedrock common to Southeast present problems to the conventional on-lot sewage disposal systems of septic tanks with leach fields. The ground water in areas with high water tables can become contaminated when septic systems are flooded and proper biological breakdown cannot take place. In areas with shallow soils, the liquid wastes all too often surface and drain into streams. (Surface streams are used quite often as water supplies for one or more families.)

Unappealing color and turbidity in drinking water from surface sources are common in Southeast. They present health hazards if a) turbidity prevents adequate disinfection of disease-causing organisms, and b) when the displeasing appearance, tastes, or odors of the water make users go to another, less safe source of drinking water.

Iron is probably the most common drinking water problem in Southeast groundwater, though it is primarily an aesthetic problem.

## Rural Interior:

\*Restaurant near Tok Junction (August 20 - September 2, 1971): 112 cases of gastroenteritis were attributed to contaminated water at a roadside restaurant on the Alaska Highway between Tok Junction, Alaska and Whitehorse, Yukon Territory.

\*Arsenic in waters of Ester Dome Area (February, 1976): At least 30 families were shown to be intoxicated with arsenic contamination from domestic well waters. The arsenic contaminated groundwater samples were all located on a mineralized belt extending in an arc from Ester Dome to Pedro Dome-Cleary Summit.

\*From 1936-1951 in the areas of Kuskokwim River and Nushagak Bay, many outbreaks of typhoid and dysentery occurred. These outbreaks were attributed to summer fishing camps consisting of tents crowded together with no sewage facilities. Drinking water for both man and animals was collected at the most convenient pond or creek.

The Rural Interior regions of Alaska encompass a diversity of environments, and a great variety of water resources. Water supplies are generally the most convenient river, stream or lake. In areas where precipitation is high, rainwater is used. Wells are a source of water in areas away from river systems and where permafrost is not too deep. In general the Rural Interior has abundant water resources, however, many factors control the quality and quantity for drinking water.

Seasonal climate changes are the major limiting factor of these sources. During winter months, most surface waters freeze. In some areas, water can be drawn from below the ice, or the ice can be cut and hauled to be melted in the home. This decrease in water flow affects health in that sufficient quantities are necessary for personal hygiene.

Quality can be degraded during the spring runoff period from wastes seeping into surface or groundwater sources from snow melt. In some areas, this dramatic increase of surface waters causes flooding. Flood waters can further contaminate a water source from overflows washing over land where human or animal waste may be deposited.

Rainwater is another seasonal source of water. Precipitation is strongly influenced by the mountain ranges in this area. Most precipitation comes from the south and decreases as it moves northward through the Alaska Range, causing northern regions to be semi-arid. The western portion of the Rural Interior does receive abundant rainfall during part of the year, and uses it as a source of drinking water. (Advantages and disadvantages to rainwater collection are discussed in the section on Southeast.)

In many areas of the Interior there is an abundance of groundwater, but once again quality and quantity of these sources can vary. In locations away from river systems, the available groundwater is often restricted by permafrost. The presence of frozen ground necessitate deeper drilling for water. A well that passes through great thicknesses of permafrost often freezes up. Iron in drinking water can be common. In areas where shallow wells are feasible, water can be high in dissolved solids and contaminants which filter in from the surface. Some ground and surface water naturally contains varying amounts of chemicals which can adversely

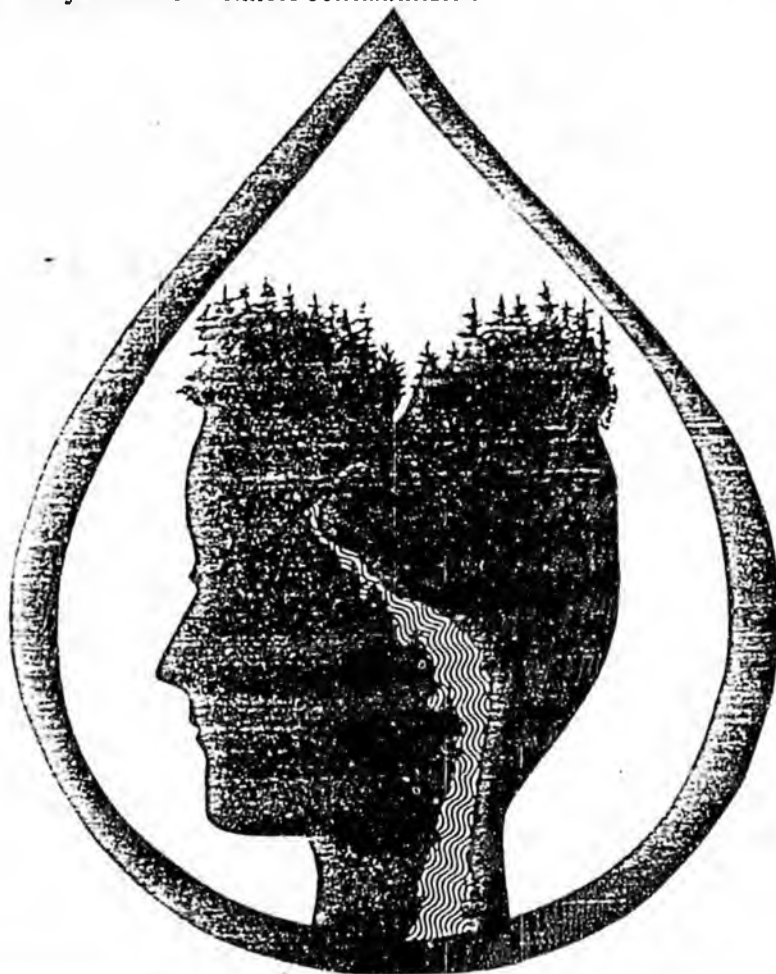
affect human health. Some of the chemical contaminants and their related health hazards are as follows:

**Arsenic**—a natural contaminant which, when consumed over a long period of time, can cause skin irritations, changes in skin color, and gastrointestinal and neurological disturbances.

**Nitrate**—poses an immediate threat to infants under three months of age by producing an anemic condition commonly known as "baby blue."

**Mercury**—levels in water can occur naturally or can be caused by industrial and agricultural use. Mercury poisoning in large doses may be acute; or chronic when in low doses over a period of time.

Other chemicals in water such as iron and manganese although acceptable from a health standpoint, may be undesirable because of odor, appearance, or taste. Scientists are still exploring the exact long-term, low-level effects on human health by many of these chemical contaminants.



## Rural Arctic Coast:

\*Since 1922, in the Barrow area alone, there have been 47 cases with 4 fatalities from typhoid fever and 31 cases with 1 fatality of paratyphoid fever. All were attributed to contaminated water.

\*In the 1948 outbreak of Bacillary dysentery in Cape Halkett in the Barrow area there were 105 cases with 1 death, over a 5 month period. The water from Barrow village came from a lake, and during winter months, the slopes draining into the lake were used as the disposal area for human wastes.

Due to climatic factors and geographical location, the Arctic Coastal Region of Alaska faces the most severe problems of limited usable water. The Brooks Range, which forms the southern border of the arctic area, removes most of the moisture as air masses move northward causing annual precipitation to be that of a desert—about 5 inches. Permafrost in this area is continuous and deep, aggravating problems of water availability. During winter months, extreme water shortages exist because surface waters freeze entirely, making them nearly impossible to use. Water availability problems in the Arctic region directly affect health and restrict economic growth.

The complexity of water quality problems is vast in an area where limited water supplies are a major issue. Difficulties in treating waste water pose the biggest threat to available water supplies. Spring flooding in many areas of this region can further contaminate water sources by washing over land where human or animal waste may be deposited. In coastal communities, saltwater penetration into groundwater has also limited the quality of drinkable water. Oil and gas or mining operations now or will present competition for water supplies and a potential for water quality degradation. Measures must be taken now to protect the quality of available water. Both water availability and quality have a direct impact on health in that adequate amounts of safe water are needed for consumption, personal, and household hygiene.

There is a great need for development of adequate water storage and treatment facilities, distribution systems and sewage disposal systems. In colder climates, the capacity of water to assimilate wastes is much lower. The temperature of these waters seldom rises above 10° to 20° C, which retards biological and chemical reactions that naturally break down *some* wastes. However, bacteria, viruses and other sources of disease cannot be so removed.

Only the sparse population of this area and relatively low quantities of contaminants have kept water quality and availability under control. As Alaska develops and population pressures on the environment increase, so will the need to develop adequate water related systems.

## Urban:

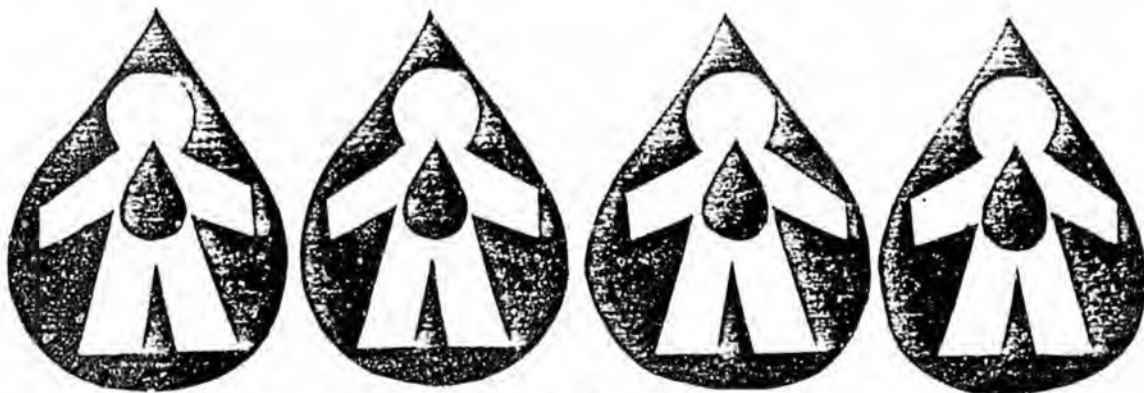
\*On November 16, 1971, a trailer court tenant in Anchorage telephoned local health authorities to complain that the water was "dirty and had a bad odor." Upon investigation, the sanitary engineer found what appeared to be gross sewage contamination in the well water supply. Raw sewage backed up through the drain from a "soft plug" obstructing the borough sewer and spilled over the casings into the wells. Further investigation revealed 89 of 114 persons exposed were ill. The shigellosis symptoms included nausea, vomiting, abdominal pain, fever and diarrhea.

\*In 1950, there was a typhoid fever outbreak involving 17 children. This outbreak occurred in the congested area outside Anchorage city limits where the people were dependent on shallow wells for water and single-premise sewage disposal (generally cesspools or privies). The outbreak was found to be from water contamination.

Contaminated water supplies and improper sewage disposal have been major causes of outbreaks like these. In all instances, poor sanitation played an important role. The crowding of people in urban areas increases health hazards. Rapid growth without suitable planning and development of water-related facilities can impact public health considerably.

As population increases, so will the demands on water supplies to support associated industrial and economic growth. Water shortages can develop from over-allocations of water supplies. The projected water needs for the Anchorage area have already exceeded the present known supplies. The lake levels in this area have been lowered significantly due to heavy demands on groundwater sources. Urban areas and their associated economic growth are very dependent on the quality of water on a sustained basis.

Another danger to existing water sources in urban areas is the problem of urban runoff. Pollutants are carried into our water supplies from the discharging of storm water, snow removal, sedimentation from land-development activities, etc. Systems must be developed to deal with these overflows before permanent damage to our waters occur.



4/25/86

SECTIONAL ANALYSIS OF THE ALASKA STUDENT LOAN CORPORATION

\*Section 1.

Sec. 14.42.100. ALASKA STUDENT LOAN CORPORATION. This paragraph creates the Alaska Student Loan Corporation. The corporation cannot be terminated while debt obligations are outstanding.

Sec. 14.42.110 PURPOSE OF CORPORATION. This paragraph establishes the purpose of the corporation to provide higher education opportunities for residents of Alaska.

Sec. 14.42.120. CORPORATION GOVERNING BODY. The Corporation shall be governed by an executive committee of five members made up from the thirteen members of the Alaska Commission on Postsecondary Education Board. The board members are made up of one member of the State Board of Education and four members are from the rest of the board excluding the two legislative members. Board members shall receive travel and per diem.

Sec. 14. 42.130. MEETING OF THE BOARD. A majority of the board constitutes a quorum for the organization. The board meetings may be conducted by electronic media. Any board meeting where bonds are authorized shall have a twenty-four hour notice.

Sec. 14.42.140. MINUTES OF MEETINGS. The board shall keep minutes of every meeting and shall send copies to the governor and legislative audit committee.

Sec. 14.42.150. ADMINISTRATION OF AFFAIRS. The board may pass by-laws and manage the affairs of the coporation and delegate supervision of the executive director.

Sec. 14.42.160. EXECUTIVE DIRECTOR. The coporation shall employ an executive director who is the executive director of the Commission on Postsecondary Education.

Sec. 14.42.170. EMPLOYMENT OF PERSONNEL. The executive director may hire employees in the exempt service. The board may appoint other officers and engage professionals.

Sec. 14.41.190. EXECUTIVE BUDGET ACT. The operating budget of the corporation is subject to the Executive Budget Act.

Sec. 14.41.200. EXECUTIVE POWERS. The coporation has the powers to sue and be sued, adopt an official seal, adopt bylaws, employ consultants, enter into contracts, receive and administer gifts or grants according to the terms and conditions of gift or grant, acquire an interest in real property, borrow money, pay finance charges and interest, invest money, collect from borrowers, gather information on loans, require an elegendible institution to file

reports, service student loans, obtain information about students applying for loans, make or participate in making student loans, contract for purchase of student loans for sale, sell student loans, collect and pay reasonable fees as well as charges in connection with student loans, enter into agreements on student loans concerning federal student loans, enter into contracts with lenders about contracts on student loans, enter into contracts with institutions on student loans, administer federal money, consent to the modification of terms of the student loans, procure insurance against losses, provide advisory services to borrowers, do all acts necessary to carry out the powers implied in this chapter.

Sec. 14.42.210. STUDENT LOAN FUND. Creates a student loan fund inside the corporation to make student loans and secure bond issues the proceeds of which are used to make student loans.

Sec. 14.42.220. BONDS OF THE CORPORATION. The Corporation may borrow money and issue bonds secured by the income and receipts from student loans and other assets. The bonds are issued by resolutions. Each bond issue shall have a maturity of twenty years or less and be subject to the Uniform Commercial Code. The corporation cannot issue an amount of bonds more than \$45 million a year. The corporation may enter into trust agreements to secure bond issues and create covenants as to investments, collections of loan payments, assignment of corporation interest, in terms and conditions under which additional bonds may be issued. The trustee shall be given the right to enforce these rights on behalf of the bond holders.

Sec. 14.42.240. CAPITAL RESERVE FUNDS AND CAPITAL RESERVE FUND REQUIREMENTS. This section creates the Capital Reserve Fund. These paragraphs create what is commonly know as the moral obligation of the State to repay these bonds.

Sec. 14.42.250. VALIDITY OF PLEDGE. Bonds issued under this chapter shall be valid and binding against all parties having claim of any kind from the corporation.

Sec. 14.42.260. NONLIABILITY OF BONDS. Members of the corporation are not subject to personal liability for issuance of the bonds. The bonds issued do not constitute liability for the State but are payable solely from the income and receipts of the corporation.

Sec. 14.42.270. PLEDGE OF STATE. The State pledges not to alter or limit the rights of bond holders interest when the bonds are outstanding.

Sec. 14.42.280. EXEMPTION FROM TAXATION. The real and personal property of the corporation are not subject to state or local tax.

Sec. 14.42.290. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. Bonds are legal investments for all fiduciaries and municipalities in the State.

Sec. 14.42.310. OPERATION OF CERTAIN STATUTES EXCEPTED. The corporation may not be considered or constitute a political subdivision for the purpose of lending it's credit. The corporation is not considered a municipal corporation under Title 29. The funds and real estate of the corporation are not considered property of the State.

Sec. 14.42.320. ANNUAL AUDIT. The corporation shall have an annual audit.

\* Section 2.

Scholarship loans may not be made to students who attend an institution where the default rate on loans made to students to attend the institution exceeds the program default rate by more than 150%.

\* Section 3.

Provides for the transition of the corporation should the executive officer be someone other than the executive director of the Commission on Postsecondary Education.

\* Section 4.

This Act has an immediate effective date.

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

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

**REQUEST**

Bill/Resolution No. : \_\_\_\_\_  
 Title : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Sponsor : \_\_\_\_\_  
 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		1,572.3				
TRAVEL		5.3				
CONTRACTUAL		441.4				
SUPPLIES		58.6				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>2,087.6</b>				

<b>CAPITAL</b>		<b>37,000.0</b>				
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plus appropriate all assets in the Alaska Student Loan Fund

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

GENERAL FUND						
FEDERAL FUNDS		217.7				
OTHER		1,869.9				
<b>TOTAL</b>		<b>2,087.6</b>				

**POSITIONS :**

FULL-TIME		45.0				
PART-TIME		7.0				
TEMPORARY						

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

40.0 was added to perform an annual audit  
 35.0 of capital for Student Loan  
 2.0 of capital for Capital Reserve Fund

Prepared by : \_\_\_\_\_ Phone : \_\_\_\_\_  
 Division : \_\_\_\_\_ Date : \_\_\_\_\_

Approved by Commissioner : \_\_\_\_\_ Date : \_\_\_\_\_  
 Agency : \_\_\_\_\_

Distribution (by Agency preparing fiscal note) :

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

PUBLIC HEALTH AND SANITATION  
RELATED TO  
DRINKING WATER AND WASTE DISPOSAL  
IN ALASKA

INTRODUCTION

Winblad et. al. (1980) concluded their review on sanitation and disease in developing countries with the following remarks:

There are no shortcuts to improved public health in developing countries. Vaccination, chemotherapy and insecticides are in most cases of limited value. Lasting results can only be achieved with the general introduction of satisfactory systems of water supply, waste-water disposal and sanitation together with intensive health education campaigns.

Comparison of Alaska to developing countries in the area of sanitation and public health reveals many similarities. Alaska finds itself in the position of rapid growth and economic development while attempting to bring up to date its drinking water supplies and waste disposal facilities. Without the necessary utility development, the public health of Alaskan cities will be adversely impacted, through unnecessary and often costly exposure to disease.

WATER AND HEALTH

Water and health are closely connected; in fact, the World Health Organization (WHO) has estimated that 80 percent of the world's disease and illness is due to contaminated water. Water can cause intestinal and parasite infection either by contamination, as in the case of drinking water supplies, or by providing an environment in which disease carriers can flourish. Lack of

water results in a poor standard of personal hygiene, which in turn leads to the transmission of infection by means of unwashed hands, crockery, etc.

Water-associated infective diseases can be classified under four categories:

1. Infections spread through water supplies -- waterborne diseases (tylphoid, cholera).
2. Diseases due to lack of water for personal hygiene -- water-washed diseases (scabies, trachoma).
3. Infections transmitted by aquatic invertebrate animals -- water-based diseases (schistosomiasis, guinea worm).
4. Infections spread by insects that depend on water -- water-related insect vectors (malaria, sleeping sickness).

To these must also be added a further group of infections associated with defective sanitation (hookworm). The more common water-associated diseases and their sources are shown

TABLE I  
WATER RELATED DISEASES WITH THEIR WATER ASSOCIATIONS AND  
PATHOGENIC AGENTS<sup>1</sup>

Water-Related Disease	Pathogenic Agent
Amoebic dysentery	C
Ascariasis	D
Bacillary dysentery	A
Balantidiasis	C
Cholera	A
Diarrhoeal disease	H
Enteroviruses (some)	B
Gastroenteritis	H
Giardiasis	C
Hepatitis (infectious)	B
Leptospirosis	E
Paratyphoid	A
Tularaemia	A
Typhoid	A
Conjunctivitis	H
Leprosy	A
Louse-borne relapsing fevers	E
Scabies	H
Skin sepsis and ulcers	H
Tinea	F
Trachoma	B
Flea/louse/tick/mite- borne typhus	G
Yaws	E
Clonorchiasis	D
Diphyllobothriasis	D
Fasciolopsiasis	D
Guinea worm	D
Paragonimiasis	D
Schistosomiasis	D
Arboviral infections (some)	B
Dengue	B
Filariasis	D
Malaria	C
Onchocerciasis	D
Trypanosomiasis	C
Yellow Fever	B

A = bacteria; B = virus; C = protozoa D = helminth;  
E = spirochaete; F = fungus; G = rickettsiae; H = miscellaneous

### Water-related insect vectors

Malaria, a disease producing an acute fever, is transmitted by the bite of an infected mosquito. The larvae of the mosquito live in stagnant water. Filariasis is also spread by mosquito. The worms obstruct the lymphatic system causing fluid to accumulate in the legs and external genital organs, sometimes with the bizarre results suggested by its alternative name, elephantiasis.

### Diseases due to defective sanitation

These diseases include hookworm and roundworm. Hookworms exist in damp soil, for example around wells, and can penetrate the skin to enter the system. They cause major blood loss and can lead to anaemia. Roundworms can be transmitted by, for example, dirty food; the effect is to divert food from the victim.

### BENEFITS AND COSTS OF GOOD SANITATION FACILITIES

Most of the benefits of sewerage schemes are not directly quantifiable. In brief, they can be divided into two categories, private and external benefits. Private benefits include:

1. Convenience of having a waterborne waste disposal unit in the home;
2. Improved household hygiene;
3. Reduced health hazards;
4. Property value appreciation; and
5. Reduction in space required for sewage disposal on the property by alternative means such as septic tanks.

External benefits include:

1. Improvements in the urban environment by removal of the sight and smell of sewage at the soil surface and in canals;
2. Benefits to public health;
3. Reduced downstream river pollution;
4. Increased potential for tourism;
5. Introduction of new technologies with spinoff benefits of training, experience, and employment generation;
6. Institutional development; and
7. Water pollution monitoring, legislation, and enforcement programs usually initiated in parallel with major wastewater collection investments.

Ill-health costs foregone

These may be grouped into costs due to: 1) premature loss of life; 2) loss of productivity; 3) treatment; and 4) measures taken in avoiding the disease. A fifth and important loss of productivity is more difficult to estimate but included here as 5) debility losses.

As Alaska becomes more densely populated, the unavailability of adequate sanitation facilities can scarcely be hidden. The presence of fecal material or standing pools of sewage where water is available, and swarms of flies readily identify a breakdown in our society's responsibility to its members. The proximity of these sites to homes where people eat and children play assures the spread of enteric disease and provides a setting for explosive outbreaks when Hepatitis A may be passing through.

The argument as to whether the absence of proper water supply is of greater significance than the absence of adequate sanitation facilities in determining the health of a population will not easily be resolved, nor need it be. The absence of either will assure the spread of disease. In fact, the provision of water supply in the absence of adequate excreta disposal facilities may exacerbate the situation by assuring easier and wider spread of human waste. The desire for a water service does not flow from an appreciation that a proper water service would improve health. Rather, water is, and is perceived to be, an essential utility necessary for life itself.

Therefore, while it is not likely that a community will opt for improved sanitation ahead of water supply, the commitment should be made to both at the same time. Such commitments have been made in word but not yet in deed.

Water supply and sanitation facilities are often not yet available to our people in rural areas, villages, and in some urban areas.

#### ALASKA'S FUNDING OF SANITATION PROJECTS

Since 1970, Alaska has spent close to \$500 million in providing basic sanitation services in the State. The U.S. Public Health Service estimates it would take an additional \$200 million to meet the needs of rural Alaska alone.

For the last three years, 70 percent of the money appropriated by the State has been for sanitation projects in what could be classified as urban areas, and only 30 percent has been spent in rural communities.

A 1982 Alaska Statewide Housing Study prepared by the Department of Community and Regional Affairs defines adequate plumbing on a regional bases as:

Metropolitan and urban - Facilities including hot and cold water piped to a kitchen sink and bathtub or shower, and a flush toilet.

Rural - Facilities including hot and cold water piped to a kitchen sink and bathtub or shower and a human waste disposal system.

Remote - A human waste disposal system and source of potable water.

The study results are presented in Figure 1. While only one percent of Anchorage homes lack adequate plumbing, seventy percent of remote/rural homes lack adequate plumbing.

#### INCIDENCE OF DISEASE IN ALASKA

Let's look at one type of waterborne disease currently identified in some of our remote villages -- Hepatitis A. The method of transmission is from person to person by the fecal-oral route. Common outbreaks in the Norton Sound villages of Stebbins and St. Michaels have been related to contaminated water and unsanitary conditions. Where environmental sanitation is poor, infection is common at an early age.

Physicians working at the Norton Sound Regional Hospital in Nome are worried these outbreaks will continue unless better sanitation facilities are made available to these people.

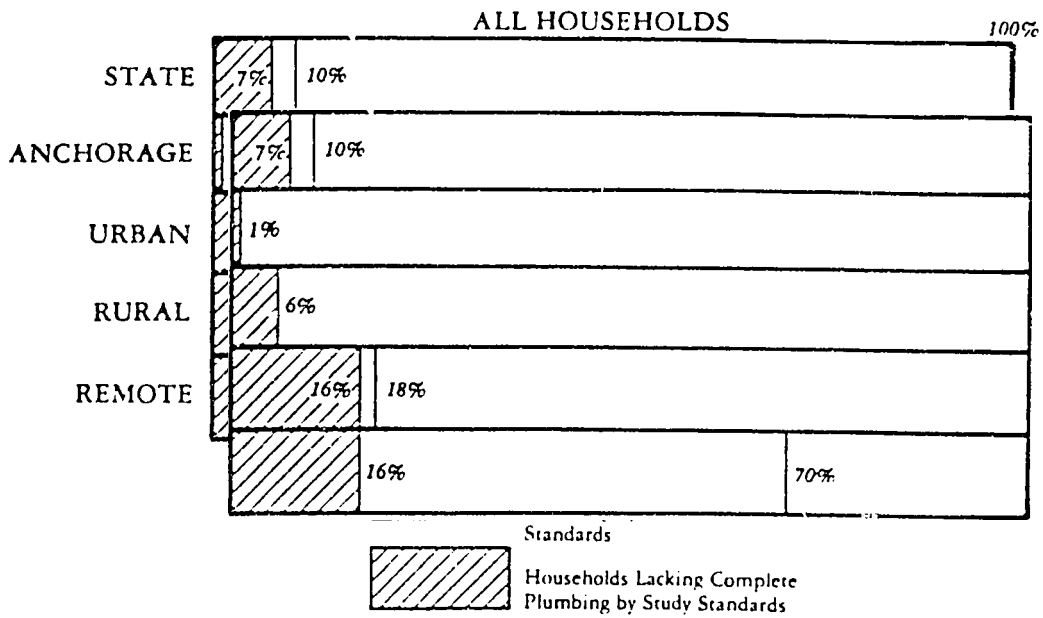
It is both interesting and sad that studies suggest a diminishing frequency in the contiguous states but on the increase in remote Alaskan villages.

TABLE II  
 CONFIRMED WATERBORNE DISEASE OUTBREAKS IN ALASKA

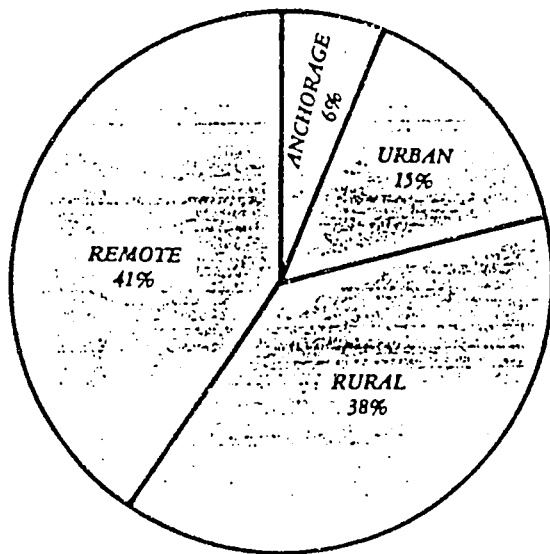
<u>Year</u>	<u>Location</u>	<u>Source</u>	<u>Disease</u>	<u>Cases</u>	<u>Comments</u>
1984	Ketchikan Public Utilities	Carlanna Lake	Giardiasis	146	See File
1980	Barge Unisea, Dutch Harbor		Giardiasis	189	X-connection w/boost pumps on board
1979/81	Angoon, Broken Wastewater Main		None		
1979	Valdez		Giardiasis suspected (actually yeast)		
1971	Restuarant near Tok Junction		Gastroenteritis	112	
1972	Cordova	Eyak Lake	Dysentery	400	Chlorination not operating
1971	Anchorage Traylor Court	Well	Shigellosis	89	No disinfection
1974	Juneau Switzer Creek	Surface Reservoir	Salmonellosis	28	Inadequate disinfection
1967/68	Kodiak	Island Lake	Dysentery	2 infant deaths	No disinfection
1977	Craig	Surface	Dysentery	Unknown	
1976?	Russian Mission	Yukon River	Shigellosis	300	Chlorinator inoperable
1949	Unalaska	Lake	Dysentery (probably Shigellosis)	20-30	No disinfection
1954	Ketchikan	lake	Salmonellosis	2 deaths/ approx 20	No disinfection

Housing Assistance

PROPORTION OF HOUSEHOLDS LACKING COMPLETE PLUMBING WITHIN THE STATE AND REGIONS

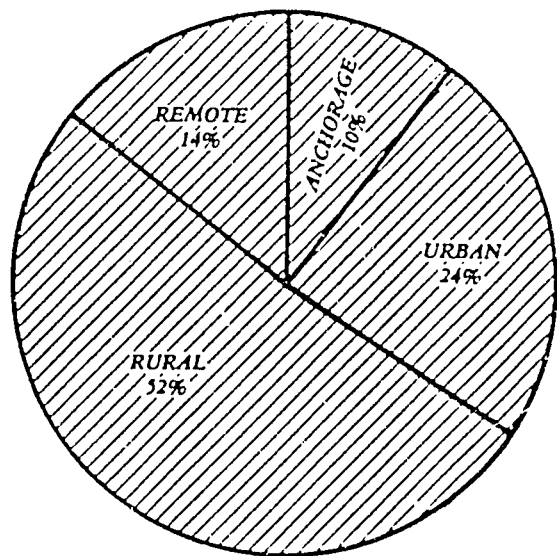


DISTRIBUTION OF HOUSEHOLDS LACKING COMPLETE PLUMBING AMONG REGIONS



CENSUS BUREAU STANDARDS

(Represents shaded and hatched areas in above bar chart)

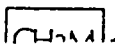


STUDY STANDARDS

(Represents hatched areas in above bar chart)

FIGURE 1

HOUSING WITH ADEQUATE PLUMBING





## IS YOUR DRINKING WATER SAFE?

"No doubt there is a vague awareness that toxic chemicals from industry... and thousands of other contaminants enter our waterways, but most of us assume that 'somebody' removes these substances before our water comes out of the tap. This is not the case..."

from Water Wasteland, a 1972 report of the Ralph Nader study group on water pollution.

From the rain forests of the Southeast to the semi-arid expanses of the northern slope, Alaska has abundant quantities of water. From region to region its uses vary—transportation, power generation, mining operations, and fish and wildlife habitats. The water we use to drink, however, is often taken for granted as safe.

Alaska has millions of acres of uninhabited wilderness where evidence of man's polluting influences are at the present time minimal. Alaskans have always lived very close to their natural resources. Many rely on water for their livelihoods and subsistence, so it is important that our waters be kept safe for all their many uses.

Alaska, at present is relatively undeveloped, but as our population grows and as our natural resources are explored and developed, the need increases to learn more about how we keep our waters safe. The quality of drinking water can vary greatly from community to community, and even house to house, depending on which sources are used. But there are also problems that are common to specific geographical regions. This booklet discusses contaminants and health hazards associated with Alaska's drinking waters, with particular attention to those which present regional problems. Where do you live, and is your drinking water safe?

\*\*\*\*\*

Alaska encompasses a land area of 586,300 square miles, with a coastline of approximately 46,300 miles. Alaska has great rivers, huge lakes, large amounts of underground water, and areas of rain-forest precipitation. Glaciers supply streams and lakes with water frozen thousands of years ago.

Climatic factors influence both life forms and life-styles considerably and have a great impact on our water resources. Because of cold winters, little precipitation, and permafrost, vast areas of the state have little available water during much of the year. Other areas have either great precipitation, as in Southeast; or extensive groundwater resources, as in the Rural Interior. But problems both manmade and natural affect the quality of drinking water.

There can also be a shortage of water where the demands on a water source cannot be met. Much of Alaska's population and associated industrial activity are located close to our natural watersheds. Problems of wastes contaminating water supplies, overuse, or overdevelopment are major issues of concern.

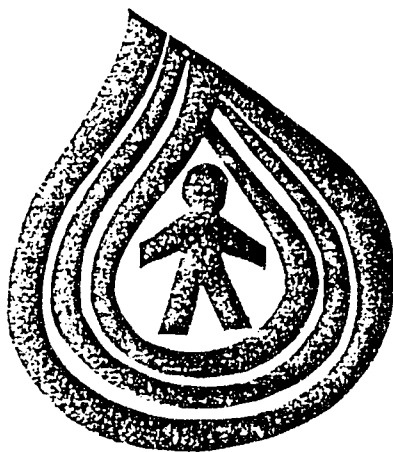
Contaminated water supplies directly affect health. Many rivers and streams which are crystal clear give the false impression that the water is pure and safe to drink. The clarity of the water is not an indication of the presence or absence of bacteria. These water supplies may be contaminated by disease-causing organisms from improperly disposed human wastes, or waste from other animals. Spring flooding creates an additional problem to water supplies from contaminated wastes, sediment and other pollutants washing into the water source from overflow. Water may contain natural contaminants such as arsenic, nitrate, or mercury, which are also hazardous to your health.

Cloudiness, or turbidity, is considered a physical contaminant to drinking water. It is caused by minute particles which remain suspended in the water. Excessive turbidity may shield disease-causing organisms from removal by most treatment processes. Turbidity also makes water unappealing to many people.

Most of us assume that unless the water looks dirty or tastes bad, it is safe for drinking. However, oftentimes contaminants are not only colorless, but also odorless and tasteless. Without proper protection or treatment, contaminated water can cause chronic or acute illness.

Alaska is a vast land composed of diverse environmental areas. Some drinking water problems are common to specific areas, while others are found statewide. The prevalent threats to human health in Rural Southeast, Rural Interior, Rural Arctic Coast, and Urban areas are the focal point of the following discussion. It is important to know the facts about your area because the impact is on you and the health of your family.

\*\*\*\*\*



## Rural Southeast:

\*Emergency order issued on Switzer Creek (July 24, 1974): 33 cases of salmonella were confirmed in Juneau, caused by the introduction of untreated wastes into residential (trailer court) water distribution system.

\*Ketchikan laboratory studies disclose gulls in disease spread (April, 1954): Studies done by the Ketchikan Public Health Laboratory have connected sewage disposal, water supply and gulls in spreading salmonella disease-producing organisms from contaminated sources into public drinking water supplies.

Polluted water sources involving improper sewage disposal systems have been major factors in these outbreaks. In occurrences such as these contaminated drinking water was found to be the means of transmission. Harmful microorganisms from human and animal wastes, if present in water sources and not properly treated, can cause such waterborne diseases as giardiasis, salmonella, shigelloses, typhoid fever, infectious hepatitis, dysentery, and skin infections such as impetigo.

Rainwater collection is a common practice in Southeast where precipitation is usually high. Rainwater meets the needs of small water users where wells or other surface water sources are not feasible. Collected rain does not contain concentrations of minerals found in most groundwaters or dissolved minerals such as sulfur and iron, which often give water an objectional taste. There is no danger of contamination from human waste; however, bacterial contamination can occur from birds dropping waste on roofs where rainwater is collected. Roofing materials may also contain harmful chemicals which can get into the collected rainwater. Radioactive particles can also be washed from the air. Rainwater needs to be filtered and disinfected to be safe for drinking.

The high water tables and shallow soils with high bedrock common to Southeast present problems to the conventional on-lot sewage disposal systems of septic tanks with leach fields. The ground water in areas with high water tables can become contaminated when septic systems are flooded and proper biological breakdown cannot take place. In areas with shallow soils, the liquid wastes all too often surface and drain into streams. (Surface streams are used quite often as water supplies for one or more families.)

Unappealing color and turbidity in drinking water from surface sources are common in Southeast. They present health hazards if a) turbidity prevents adequate disinfection of disease-causing organisms, and b) when the displeasing appearance, tastes, or odors of the water make users go to another, less safe source of drinking water.

Iron is probably the most common drinking water problem in Southeast groundwater, though it is primarily an aesthetic problem.

## Rural Interior:

\*Restaurant near Tok Junction (August 20 - September 2, 1971): 112 cases of gastroenteritis were attributed to contaminated water at a roadside restaurant on the Alaska Highway between Tok Junction, Alaska and Whitehorse, Yukon Territory.

\*Arsenic in waters of Ester Dome Area (February, 1976): At least 30 families were shown to be intoxicated with arsenic contamination from domestic well waters. The arsenic contaminated groundwater samples were all located on a mineralized belt extending in an arc from Ester Dome to Pedro Dome-Cleary Summit.

\*From 1936-1951 in the areas of Kuskokwim River and Nushagak Bay, many outbreaks of typhoid and dysentery occurred. These outbreaks were attributed to summer fishing camps consisting of tents crowded together with no sewage facilities. Drinking water for both man and animals was collected at the most convenient pond or creek.

The Rural Interior regions of Alaska encompass a diversity of environments, and a great variety of water resources. Water supplies are generally the most convenient river, stream or lake. In areas where precipitation is high, rainwater is used. Wells are a source of water in areas away from river systems and where permafrost is not too deep. In general the Rural Interior has abundant water resources, however, many factors control the quality and quantity for drinking water.

Seasonal climate changes are the major limiting factor of these sources. During winter months, most surface waters freeze. In some areas, water can be drawn from below the ice, or the ice can be cut and hauled to be melted in the home. This decrease in water flow affects health in that sufficient quantities are necessary for personal hygiene.

Quality can be degraded during the spring runoff period from wastes seeping into surface or groundwater sources from snow melt. In some areas, this dramatic increase of surface waters causes flooding. Flood waters can further contaminate a water source from overflows washing over land where human or animal waste may be deposited.

Rainwater is another seasonal source of water. Precipitation is strongly influenced by the mountain ranges in this area. Most precipitation comes from the south and decreases as it moves northward through the Alaska Range, causing northern regions to be semi-arid. The western portion of the Rural Interior does receive abundant rainfall during part of the year, and uses it as a source of drinking water. (Advantages and disadvantages to rainwater collection are discussed in the section on Southeast.)

In many areas of the Interior there is an abundance of groundwater, but once again quality and quantity of these sources can vary. In locations away from river systems, the available groundwater is often restricted by permafrost. The presence of frozen ground necessitate deeper drilling for water. A well that passes through great thicknesses of permafrost often freezes up. Iron in drinking water can be common. In areas where shallow wells are feasible, water can be high in dissolved solids and contaminants which filter in from the surface. Some ground and surface water naturally contains varying amounts of chemicals which can adversely

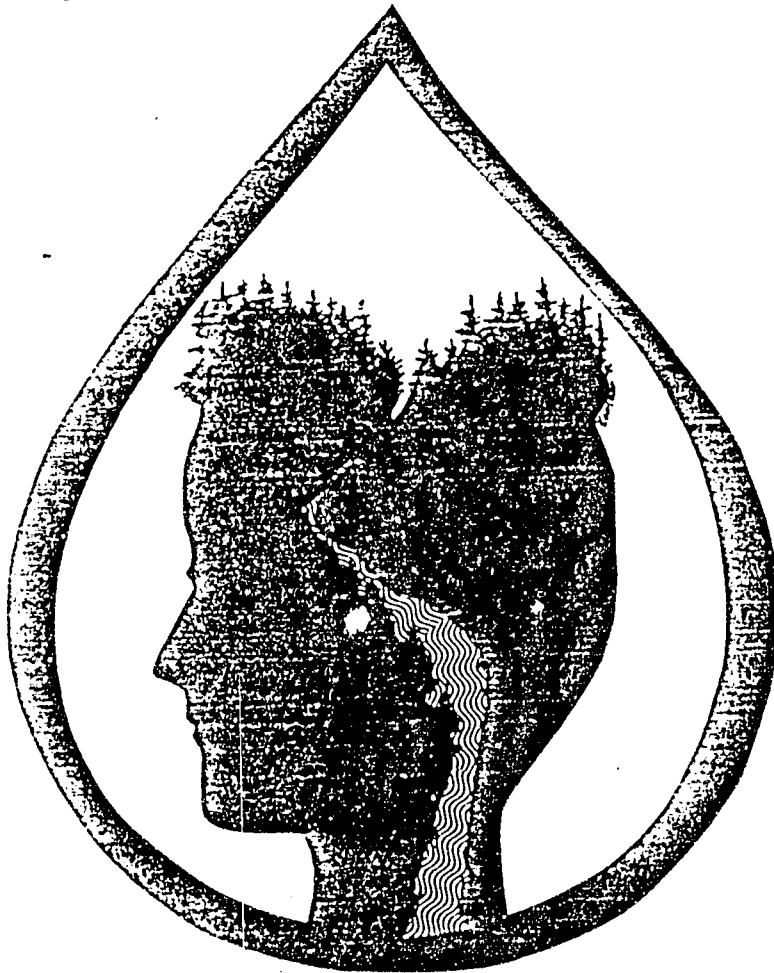
affect human health. Some of the chemical contaminants and their related health hazards are as follows:

**Arsenic**—a natural contaminant which, when consumed over a long period of time, can cause skin irritations, changes in skin color, and gastrointestinal and neurological disturbances.

**Nitrate**—poses an immediate threat to infants under three months of age by producing an anemic condition commonly known as “baby blue.”

**Mercury**—levels in water can occur naturally or can be caused by industrial and agricultural use. Mercury poisoning in large doses may be acute; or chronic when in low doses over a period of time.

Other chemicals in water such as iron and manganese although acceptable from a health standpoint, may be undesirable because of odor, appearance, or taste. Scientists are still exploring the exact long-term, low-level effects on human health by many of these chemical contaminants.



## Rural Arctic Coast:

\*Since 1922, in the Barrow area alone, there have been 47 cases with 4 fatalities from typhoid fever and 31 cases with 1 fatality of paratyphoid fever. All were attributed to contaminated water.

\*In the 1948 outbreak of Bacillary dysentery in Cape Halkett in the Barrow area there were 105 cases with 1 death, over a 5 month period. The water from Barrow village came from a lake, and during winter months, the slopes draining into the lake were used as the disposal area for human wastes.

Due to climatic factors and geographical location, the Arctic Coastal Region of Alaska faces the most severe problems of limited usable water. The Brooks Range, which forms the southern border of the arctic area, removes most of the moisture as air masses move northward causing annual precipitation to be that of a desert—about 5 inches. Permafrost in this area is continuous and deep, aggravating problems of water availability. During winter months, extreme water shortages exist because surface waters freeze entirely, making them nearly impossible to use. Water availability problems in the Arctic region directly affect health and restrict economic growth.

The complexity of water quality problems is vast in an area where limited water supplies are a major issue. Difficulties in treating waste water pose the biggest threat to available water supplies. Spring flooding in many areas of this region can further contaminate water sources by washing over land where human or animal waste may be deposited. In coastal communities, saltwater penetration into groundwater has also limited the quality of drinkable water. Oil and gas or mining operations now or will present competition for water supplies and a potential for water quality degradation. Measures must be taken now to protect the quality of available water. Both water availability and quality have a direct impact on health in that adequate amounts of safe water are needed for consumption, personal, and household hygiene.

There is a great need for development of adequate water storage and treatment facilities, distribution systems and sewage disposal systems. In colder climates, the capacity of water to assimilate wastes is much lower. The temperature of these waters seldom rises above 10° to 20° C, which retards biological and chemical reactions that naturally break down *some* wastes. However, bacteria, viruses and other sources of disease cannot be so removed.

Only the sparse population of this area and relatively low quantities of contaminants have kept water quality and availability under control. As Alaska develops and population pressures on the environment increase, so will the need to develop adequate water related systems.

## Urban:

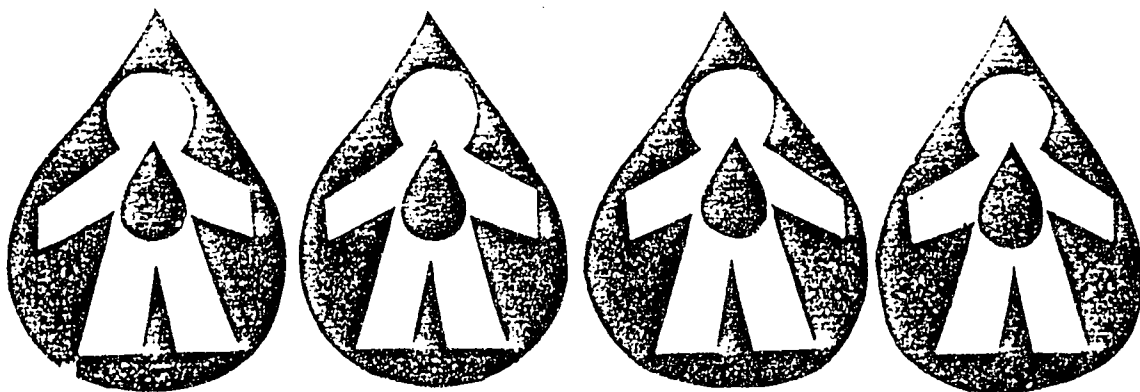
\*On November 16, 1971, a trailer court tenant in Anchorage telephoned local health authorities to complain that the water was "dirty and had a bad odor." Upon investigation, the sanitary engineer found what appeared to be gross sewage contamination in the well water supply. Raw sewage backed up through the drain from a "soft plug" obstructing the borough sewer and spilled over the casings into the wells. Further investigation revealed 89 of 114 persons exposed were ill. The shigellosis symptoms included nausea, vomiting, abdominal pain, fever and diarrhea.

\*In 1950, there was a typhoid fever outbreak involving 17 children. This outbreak occurred in the congested area outside Anchorage city limits where the people were dependent on shallow wells for water and single-premise sewage disposal (generally cesspools or privies). The outbreak was found to be from water contamination.

Contaminated water supplies and improper sewage disposal have been major causes of outbreaks like these. In all instances, poor sanitation played an important role. The crowding of people in urban areas increases health hazards. Rapid growth without suitable planning and development of water-related facilities can impact public health considerably.

As population increases, so will the demands on water supplies to support associated industrial and economic growth. Water shortages can develop from over-allocations of water supplies. The projected water needs for the Anchorage area have already exceeded the present known supplies. The lake levels in this area have been lowered significantly due to heavy demands on groundwater sources. Urban areas and their associated economic growth are very dependent on the quality of water on a sustained basis.

Another danger to existing water sources in urban areas is the problem of urban runoff. Pollutants are carried into our water supplies from the discharging of storm water, snow removal, sedimentation from land-development activities, etc. Systems must be developed to deal with these overflows before permanent damage to our waters occur.



April 24, 1986

Senator Frank Ferguson  
State of Alaska  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Ferguson:

We have run several different scenarios as to the level of bonds that can be financed on a sustained basis versus the terms on the loans and have found the following results:

Leaving the Student Loan Program exactly like it is with a 5% interest rate and forgiveness clause allows us to sell \$40 million worth of bonds per year on a sustained basis assuming there are \$80 million in loans to be funded each year.

If the interest rate is raised from 5% to 8%, \$45 million of bonds can be sold with a \$35 million equity contribution to the general fund.

If the state abolishes forgiveness on the student loans, the ratio is \$48 million of bonds and \$32 million of appropriation.

If the state abolishes both the forgiveness clause and charge 8%, \$55 million in bonds could be financed with a \$25 million general fund contribution.

Yours Truly,

JOHN NUVEEN & CO. INCORPORATED

Sterling Gallagher  
Vice President

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
ALASKA STUDENT LOAN PROGRAM  
SERIES 1906 VARIABLE RATE DEMAND BONDS  
ANALYSIS OF AMORTIZATION

YEAR ENDING 6/30	NEW LOANS MADE	EQUITY & RECYCLED LOANS MADE	COLLECTIONS ON PRIOR LOANS *	COLLECTIONS ON NEW BOND LOANS **	COLLECTIONS ON EQUITY LOANS **	OUTSTANDING PRINCIPAL	INTEREST	PRINCIPAL RETIREMENT	ENDING PRINCIPAL BALANCE
1987	40,000,000	48,912,599	14,547,599	0	0	40,000,000	4,000,000	7,635,000	32,365,000
1988	40,000,000	44,030,779	20,152,279	0	0	72,365,000	7,236,500	8,885,000	63,480,000
1989	40,000,000	45,307,660	25,396,203	544,890	584,567	103,480,000	10,348,000	10,870,000	92,610,000
1990	40,000,000	46,680,866	29,461,182	1,888,954	2,041,730	132,610,000	13,261,000	13,450,000	119,160,000
1991	40,000,000	48,097,170	31,071,125	4,504,488	4,902,617	159,160,000	15,916,000	16,465,000	142,695,000
1992	40,000,000	49,527,857	31,077,952	7,882,749	8,661,656	182,695,000	18,269,500	19,825,000	162,870,000
1993	40,000,000	50,934,326	30,504,435	11,442,700	12,724,191	202,870,000	20,287,000	23,450,000	179,420,000
1994	40,000,000	52,253,711	29,184,877	15,075,304	16,985,530	219,420,000	21,942,000	27,050,000	192,370,000
1995	40,000,000	53,401,266	26,901,710	18,707,907	21,373,648	232,370,000	23,237,000	30,345,000	202,025,000
1996	40,000,000	54,309,836	23,297,945	22,340,510	25,888,880	242,025,000	24,202,500	33,015,000	209,010,000
1997	40,000,000	54,986,002	18,406,869	25,973,114	30,527,019	249,010,000	24,901,000	35,020,000	213,990,000
1998	40,000,000	55,486,034	12,546,025	29,605,717	35,278,292	253,990,000	25,399,000	36,545,000	217,445,000
1999	40,000,000	55,856,535	7,024,621	32,693,430	39,542,984	257,445,000	25,744,500	37,660,000	219,785,000
2000	40,000,000	56,131,143	2,642,964	34,981,970	43,014,710	259,785,000	25,978,500	38,530,000	221,255,000
2001	40,000,000	56,361,994	649,219	35,999,099	45,144,176	261,255,000	26,125,500	39,305,000	221,950,000
2002	40,000,000	56,566,545	146,531	36,253,381	46,421,632	261,950,000	26,195,000	40,060,000	221,890,000
2003	40,000,000	56,752,291	0	36,326,033	47,430,258	261,890,000	26,189,000	40,815,000	221,075,000
2004	40,000,000	56,920,303	0	36,326,033	48,266,769	261,075,000	26,107,500	41,565,000	219,510,000
2005	40,000,000	57,068,318	0	36,326,033	48,998,285	259,510,000	25,951,000	42,305,000	217,205,000
2006	40,000,000	57,192,045	0	36,326,033	49,621,511	257,205,000	25,720,500	43,035,000	214,170,000
2007	40,000,000	57,297,588	0	36,326,033	50,138,555	254,170,000	25,417,000	43,750,000	210,420,000
2008	40,000,000	57,381,372	0	36,326,033	50,557,339	250,420,000	25,042,000	44,460,000	205,960,000
2009	40,000,000	57,446,204	0	36,326,033	50,891,171	245,960,000	24,596,000	45,175,000	200,785,000
2010	40,000,000	57,499,011	0	36,326,033	51,156,477	240,785,000	24,078,500	45,905,000	194,880,000

CASH FLOW COVERAGE FACTOR: 1.25  
VARIABLE RATE DEMAND BOND INTEREST RATE: 10.00%  
DEFAULT RATE ON NEW LOANS: 15.00%

\* Collections on Prior Loans are based on 4/17/86 projections.  
\*\* Collections on New Loans reflects forgiveness on 15% of expected repayments.

ALASKA COMMISSION ON POSTSECONDARY EDUCATION  
 ALASKA STUDENT LOAN PROGRAM  
 SERIES 1986 VARIABLE RATE DEMAND BONDS  
 ANALYSIS OF AMORTIZATION (FUTURE LOANS AT 8%)

YEAR ENDING 6/30	NEW BOND LOANS MADE	EQUITY & RECYCLED LOANS MADE	COLLECTIONS ON PRIOR LOANS †	COLLECTIONS ON NEW BOND LOANS ††	COLLECTIONS ON EQUITY LOANS ††	OUTSTANDING PRINCIPAL	INTEREST	PRINCIPAL RETIREMENT	ENDING PRINCIPAL BALANCE
1987	45,000,000	37,912,599	14,547,599	0	0	45,000,000	4,500,000	7,135,000	37,865,000
1988	45,000,000	39,030,779	20,152,279	0	0	82,865,000	8,286,500	7,835,000	75,030,000
1989	45,000,000	40,342,944	25,376,203	705,422	594,319	120,030,000	12,003,000	9,350,000	110,680,000
1990	45,000,000	41,801,480	29,461,182	2,445,462	2,077,836	155,680,000	15,568,000	11,615,000	144,065,000
1991	45,000,000	43,980,487	31,071,125	5,831,487	4,994,376	189,065,000	18,906,500	14,610,000	174,455,000
1992	45,000,000	45,024,450	31,077,952	10,205,102	8,836,896	219,455,000	21,945,500	18,150,000	201,305,000
1993	45,000,000	46,666,137	30,534,435	14,813,857	13,008,345	246,305,000	24,630,500	22,030,000	224,275,000
1994	45,000,000	48,223,146	29,184,877	19,516,369	17,409,100	269,275,000	26,927,500	25,960,000	243,315,000
1995	45,000,000	49,622,038	26,901,710	24,219,481	21,972,348	288,315,000	28,831,500	29,640,000	258,675,000
1996	45,000,000	50,785,635	23,297,945	28,922,293	26,702,897	303,675,000	30,367,500	32,770,000	270,905,000
1997	45,000,000	51,730,074	18,406,869	33,625,104	31,598,601	315,905,000	31,590,500	35,310,000	280,595,000
1998	45,000,000	52,509,021	12,546,025	38,327,916	36,649,579	325,595,000	32,559,500	37,455,000	282,140,000
1999	45,000,000	53,121,077	7,024,621	42,325,306	41,245,149	333,140,000	33,314,000	39,160,000	293,980,000
2000	45,000,000	53,603,318	2,642,964	45,288,078	45,070,276	338,980,000	33,898,000	40,500,000	298,480,000
2001	45,000,000	53,966,614	649,219	46,604,865	47,560,530	343,480,000	34,348,000	41,500,000	301,980,000
2002	45,000,000	54,257,251	146,531	46,934,062	49,204,658	346,980,000	34,698,000	42,330,000	304,650,000
2003	45,000,000	54,526,608	0	47,028,118	50,583,490	349,650,000	34,965,000	43,120,000	306,530,000
2004	45,000,000	54,763,157	0	47,028,118	51,783,039	351,530,000	35,153,000	43,895,000	307,635,000
2005	45,000,000	54,979,318	0	47,028,118	52,859,700	352,635,000	35,263,500	44,645,000	307,990,000
2006	45,000,000	55,170,480	0	47,028,118	53,801,362	352,990,000	35,299,000	45,360,000	307,630,000
2007	45,000,000	55,330,953	0	47,028,118	54,605,835	352,630,000	35,263,000	46,040,000	306,590,000
2008	45,000,000	55,463,959	0	47,028,118	55,279,841	351,590,000	35,159,000	46,685,000	304,905,000
2009	45,000,000	55,574,578	0	47,028,118	55,836,960	349,905,000	34,990,500	47,300,000	302,605,000
2010	45,000,000	55,667,252	0	47,028,118	56,294,634	347,605,000	34,760,500	47,895,000	299,710,000

CASH FLOW COVERAGE FACTOR:

1.25

VARIABLE RATE DEMAND BOND INTEREST RATE:

10.00%

DEFAULT RATE ON NEW LOANS:

15.00%

† Collections on Prior Loans are based on 4/17/86 projections.

†† Collections on New Loans reflects Forgiveness on 15% of expected repayments.

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Original sponsor: Ferguson

1 IN THE SENATE BY THE FINANCE COMMITTEE  
 2 COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 13 (FIN)  
 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 student loans; creating the  
 7 Alaska Student Loan Corporation; and providing for an  
 8 effective date."

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

10 \* Section 1. AS 14.42 is amended by adding new sections to read:

11 ARTICLE 2. ALASKA STUDENT LOAN CORPORATION

12 Sec. 14.42.100. CREATION OF ALASKA STUDENT LOAN CORPORATION.

13 There is created the Alaska Student Loan Corporation. The corporation  
 14 is a public corporation and government instrumentality within the  
 15 Department of Education but having a legal existence independent of  
 16 and separate from the state. The corporation may not be terminated as  
 17 long as it has bonds, notes or other obligations outstanding. Upon  
 18 termination of the corporation, its rights and property pass to the  
 19 state.

20 Sec. 14.42.110. PURPOSE OF CORPORATION. The purpose of the  
 21 corporation is to improve higher educational opportunities of resi-  
 22 dents of Alaska in accordance with the provisions of this chapter.

23 Sec. 14.42.120. CORPORATION GOVERNING BODY. (a) The corpor-  
 24 ation shall be governed by a board of directors consisting of four  
 25 individuals serving on the Commission of Postsecondary Education  
 26 pursuant to AS 14.42.015(a)(1) - (2), (4) - (6) and (8), and one  
 27 member appointed under AS 14.42.015(a)(3). Members of the board serve  
 28 without compensation but are entitled to per diem and travel expenses  
 29 as may be authorized by law for boards and commissions.

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1           Sec. 14.42.130. MEETING OF THE BOARD. (a) The Board shall  
2 elect a chairman from among the membership at its annual meeting each  
3 year. A majority of the members constitute a quorum for organizing  
4 the board, conducting its business and exercising the powers of the  
5 corporation. The board shall meet at the call of its chairman and at  
6 such other times as the board may determine in accordance with its  
7 regulations.

8           (b) The board may meet and transact business by electronic media  
9 if:

10           (1) public notice of the time and locations where the  
11 meeting will be held by electronic media has been given in the same  
12 manner as if the meeting were held in a single location; and

13           (2) participants and members of the public in attendance  
14 can hear and have the same right to participate in the meeting as if  
15 the meeting were conducted in person; and

16           (3) copies of pertinent reference materials, statutes,  
17 regulations, and audiovisual materials are reasonably available to  
18 participants and the public.

19           (c) A meeting by electronic media as provided in this section  
20 has the same legal effect as a meeting in person.

21           (d) For purposes of AS 14.42.100 - 14.42.310 public notice of 24  
22 hours or more is adequate notice of a meeting of the board at which  
23 the issuance of corporation bonds is authorized.

24           Sec. 14.42.140. MINUTES OF MEETINGS. The board shall keep  
25 minutes of each meeting and send a certified copy to the governor and  
26 to the Legislative Budget and Audit Committee.

27           Sec. 14.42.150. ADMINISTRATION OF AFFAIRS. The board shall  
28 manage the assets and business of the corporation and may prescribe,  
29 amend and repeal bylaws and regulations governing the manner in which

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1 the business of the corporation is conducted in the manner in which  
2 its powers are exercised in accordance with the administrative pro-  
3 cedures act AS 44-160. The board shall delegate supervision of the  
4 administration of the corporation to the executive director of the  
5 corporation.

6 Sec. 14.42.160. EXECUTIVE DIRECTOR. The corporation shall  
7 employ an executive director, who may not be a member of the board.  
8 The executive director shall be the executive director of the Commis-  
9 sion on Postsecondary Education appointed under AS 04.42.040a.

10 Sec. 14.42.170. EMPLOYMENT OF PERSONNEL. The board may appoint  
11 other officers and engage professional and technical advisors as  
12 independent contractors. The executive director may hire employees of  
13 the corporation and, subject to the approval of the board, engage  
14 professional and technical advisors under contract with the corpor-  
15 ation. The board shall prescribe the duties and compensation of  
16 corporation personnel, including the executive director.

17 Sec. 14.42.190. EXECUTIVE BUDGET ACT. The operating budget of  
18 the corporation is subject to the Executive Budget Act (AS 37.07).

19 Sec. 14.42.200. EXECUTIVE POWERS. In addition to other powers  
20 granted in this chapter, the corporation may:

- 21 (1) sue and be sued in its own name;
- 22 (2) adopt an official seal;
- 23 (3) adopt bylaws for the regulation of its affairs and the  
24 conduct of its business;
- 25 (4) employ fiscal consultants, attorneys, and such other  
26 consultants and employees as may be required in the judgement of the  
27 corporation, and fix and pay their compensation from money available  
28 to the corporation;
- 29 (5) make and execute agreements, contracts and other

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1 instruments necessary or convenient in the exercise of the powers and  
 2 functions of the corporation under this chapter, including contracts  
 3 with any person, firm, corporation, governmental agency or other  
 4 entity;

5 (6) receive, administer and comply with the conditions and  
 6 requirements respecting any appropriation or gift, grant or donation  
 7 of property or money;

8 (7) acquire real property, or any interest in real pro-  
 9 perty, in its own name, by purchase, transfer or foreclosure, when the  
 10 acquisition is necessary or appropriate to protect any loan in which  
 11 the corporation has an interest; sell, transfer and convey any such  
 12 property to a buyer; and, if the sale, transfer or conveyance cannot  
 13 be effected with reasonable promptness or at a reasonable price, rent  
 14 or lease the property to a tenant pending the sale, transfer or con-  
 15 veyance;

16 (8) borrow money as provided in this chapter to carry out  
 17 an effectuate its corporate purposes and issue its obligations as  
 18 evidence of any such borrowing;

19 (9) include in any borrowing the amounts to pay financing  
 20 charges, interest on the obligations for a period not exceeding one  
 21 year after the date on which the corporation estimates funds will  
 22 otherwise be available to pay the interest, consultant, advisory and  
 23 legal fees and such other expenses as are necessary or incident to  
 24 this borrowing;

25 (10) invest or reinvest, subject to its contracts with  
 26 noteholders and bondholders, any money or funds held by the corpor-  
 27 ation in any obligations or other securities authorized under AS  
 28 37.10.070;

29 (11) collect from a borrower amounts owed with respect to a

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1 student loan the corporation has purchased or made;

2 (12) gather information on loans available to residents of  
3 Alaska attending or planning to attend an eligible institution and  
4 disseminate the information to reasonably assure that qualified stu-  
5 dents are aware of financial resources available to those attending or  
6 desiring to attend an eligible institution;

7 (13) require an eligible institution or eligible lender to  
8 file reports with the corporation as the corporation considers neces-  
9 sary for the effective performance of its duties and publish the  
10 information from the reports or other sources as the corporation  
11 considers necessary;

12 (14) service student loans held by the corporation;

13 (15) except as specifically prohibited by law, obtain infor-  
14 mation from a state agency or instrumentality or other source to  
15 verify information submitted by or on behalf of a student applying for  
16 or receiving assistance from the corporation;

17 (16) make or participate in the making of and purchase or  
18 participate in the purchase of student loans;

19 (17) contract in advance for the purchase or sale of student  
20 loans;

21 (18) sell or participate in the sale, either public or  
22 private and on terms authorized by the board, or student loans to the  
23 Student Loan Marketing Association or to other purchasers;

24 (19) collect and pay reasonable fees and charges in connec-  
25 tion with the purchase, sale, and servicing of student loans;

26 (20) enter into agreements with the federal government  
27 (including guaranty agreements and supplemental guaranty agreements as  
28 described in the United States Higher Education Act of 1965) as neces-  
29 sary to provide for the receipt by the corporation of administrative

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1 allowances and other benefits available under the United States Higher  
2 Education Act of 1965;

3 (21) enter into contracts with lenders upon terms and con-  
4 ditions agreed upon between the corporation and the lenders, which  
5 terms and conditions may reflect the requirements of the United States  
6 Higher Education Act of 1965;

7 (22) enter into contracts with institutions upon the terms  
8 and conditions agreed upon between the corporation and the institu-  
9 tions, which terms and conditions may reflect the requirements of the  
10 United States Higher Education Act of 1965;

11 (23) administer federal money allotted to the state with  
12 respect to insured student loans and related administrative costs and  
13 other matters;

14 (24) consent to the modification of the rate of interest,  
15 time of payment of an installment of principal or interest, or other  
16 terms of a student loan made or purchased by the corporation;

17 (25) procure insurance against any loss in connection with  
18 the operation of its programs under this chapter;

19 (26) provide advisory services to borrowers and other parti-  
20 cipants in the corporation's programs under this chapter;

21 (27) do all acts and things necessary, convenient or desir-  
22 able to carry out the powers expressly granted or necessarily implied  
23 in this chapter.

24 Sec. 14.42.210. STUDENT LOAN FUND. (a) The student loan fund  
25 is established in the corporation. The student loan fund is a trust  
26 fund for the uses and purposes of AS 14.42.010 - 14.42.310. The  
27 student loan fund consists of money or assets appropriated or trans-  
28 ferred to the corporation and other money or assets deposited in it by  
29 the corporation.

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1 (b) Money and other assets of the student loan fund may be used  
2 to secure bonds of the corporation in the types of investments under  
3 AS 37.10.070a or shall be used to make or purchase loans approved  
4 under AS 14.43.09 - 14.43.160.

5 Sec. 14.42.220. BONDS OF THE CORPORATION. (a) Subject to (g)  
6 of this section, the corporation may borrow money and may issue bonds,  
7 including but not limited to bonds on which the principal and interest  
8 are payable, (1) exclusively from the income and receipts or other  
9 money derived from the loans financed with proceeds of the bonds, (2)  
10 exclusively from the income and receipts or other money derived from  
11 designated loans whether or not they are financed in whole or in part  
12 with the proceeds of the bonds, or (3) from its income and receipts or  
13 other assets generally, or a designated part or parts of them.

14 (b) Bonds shall be authorized by resolution of the authority,  
15 and be dated and shall mature more than 20 years from the date of its  
16 issue. Bonds may not bear interest at the rate or rates, be in the  
17 denominations, be in the form, either coupon or registered, carry the  
18 registration privileges, be executed in the manner, be payable in the  
19 medium of payment, at the place or places, and be subject to the terms  
20 or redemption which the resolution or a subsequent resolution may  
21 provide.

22 (c) All bonds, regardless of form or character, shall be nego-  
23 tiable instruments for all the purposes of the Uniform Commercial  
24 Code.

25 (d) All bonds may be sold at public or private sale in the  
26 manner, for the price or prices, and at the time or times which the  
27 corporation may determine.

28 (e) Before issuance of any bonds, the corporation shall make  
29 provision by agreement or otherwise at least sufficient in the

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1 judgement of the corporation to pay the principal of and interest on  
2 the bonds as they become due and to create and maintain the reserves  
3 therefor as the corporation considers necessary or desirable and to  
4 meet all obligations in connection with the agreement and all costs  
5 necessary to service the bonds unless the agreement provides that the  
6 obligations are to be met or costs are to be paid by a party other  
7 than the corporation.

8 (f) The superior court shall have jurisdiction to hear and  
9 determine suits, actions or proceedings relating to the corporation,  
10 including suits, actions or proceedings brought to foreclose or other-  
11 wise enforce a mortgage or other security interest or brought by or  
12 for the benefit of a holder of its bonds or by a trustee for or other  
13 representative of the holders.

14 (g) The corporation may not issue bonds during any fiscal year  
15 in an amount greater than \$100,000,000 unless the legislature, by law,  
16 approves issuance of a greater amount.

17 Sec. 14.42.230. TRUST INDENTURES AND TRUST AGREEMENTS. In the  
18 discretion of the corporation, an issue of bonds may be secured by a  
19 trust indenture or trust agreement between the corporation and a  
20 corporate trustee (which may be a trust company, bank, or national  
21 banking association, with corporate trust powers, located inside or  
22 outside the state) or by a secured loan agreement or other instrument  
23 or under a resolution giving powers to a corporate trustee (herein-  
24 after in this section referred to as "trust agreement") by means of  
25 which the corporation may:

26 (1) make and enter into any and all the covenants and  
27 agreements with the trustee or the holders or the bonds which the  
28 corporation may determine to be necessary or desirable, including,  
29 without limitation, covenants, provisions, limitations and agreements

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1 as to:

2 (A) the application, investment, deposit, use and  
3 disposition of the proceeds of bonds of the corporation or of money or  
4 other property of the corporation or in which it has an interest;

5 (B) the fixing and collection of loan payments and  
6 other consideration for, and the other terms to be incorporated in, a  
7 student loan;

8 (C) the assignment by the corporation of its rights in  
9 a student loan or in a mortgage or other security interest created  
10 with respect to a student loan to a trustee for the benefit of bond-  
11 holders;

12 (D) the terms and conditions upon which additional  
13 bonds of the corporation may be issued;

14 (E) the vesting in a trustee of rights, powers,  
15 duties, funds or property in trust for the benefit of bondholders,  
16 including, without limitation, the right to enforce payment, perfor-  
17 mance and all other rights of the corporation or of the bondholders,  
18 under a student loan or a security interest created with respect to a  
19 student loan;

20 (2) pledge, mortgage or assign money, agreements, property,  
21 or other assets of the corporation either presently in hand or to be  
22 received in the future, or both; and

23 (3) provide for any other matters of like or different  
24 character which in any way affect the security or protection of the  
25 bonds.

26 Sec. 14.42.240. CAPITAL RESERVE FUNDS AND CAPITAL RESERVE FUND  
27 REQUIREMENTS. (a) For the purpose of securing one or more issues of  
28 its bonds, the corporation may establish one or more special funds,  
29 called "capital reserve funds", and shall pay into those capital

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1 reserve funds the proceeds of the sale of its bonds and other moneys  
2 which may be made available to the corporation from other sources for  
3 the purposes of the capital reserve funds. A capital reserve fund may  
4 be established only if the corporation determines that the establish-  
5 ment of the fund would enhance the marketability of the bonds. Money  
6 in a capital reserve fund, except as provided in this section, may be  
7 u as required only for (1) the payment of the principal of, and  
8 interest on, bonds or of the sinking fund payments with respect to  
9 those bonds; (2) the purchase or redemption of the bonds, or (3) the  
10 payment or a redemption premium required to be paid when the bonds are  
11 redeemed before maturity. However, money in a capital reserve fund  
12 may not be withdrawn if the withdrawal would reduce the amount in the  
13 capital reserve fund to less than the capital reserve fund require-  
14 ment, except for the purpose of making payment, when due, of princi-  
15 pal, interest redemption premiums on the bonds, and sinking fund  
16 payments when other money of the corporation is not available for the  
17 payments. Income or interest earned by, or increment to, a capital  
18 reserve fund, from the investment of all or part of the fund, may be  
19 transferred by the corporation to other funds or accounts of the  
20 corporation if the transfer does not reduce the amount of the capital  
21 reserve fund below the capital reserve fund requirement.

22 (b) If the corporation decides to issue bonds secured by a  
23 capital reserve fund, the bonds may not be issued if the amount in  
24 requirement, unless the corporation, at the time of issuance of the  
25 bonds, deposits in the capital reserve fund from the proceeds of the  
26 bonds to be issued or from other sources, an amount of which, together  
27 with the amount then in the fund, is not less than the capital reserve  
28 fund requirement.

29 (c) In computing the amount of a capital reserve fund for the

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1 purpose of this section, securities in which all or a portion of the  
 2 fund is invested shall be valued by a reasonable method established by  
 3 the corporation by resolution. Valuation shall include the amount of  
 4 interest earned or accrued as of the date of valuation.

5 (d) The chairman of the corporation shall annually, no later  
 6 than January 2, certify in writing to the governor and the legislature  
 7 the amount, of any, required to restore a capital reserve fund to the  
 8 capital reserve fund requirement. The legislature may appropriate to  
 9 the corporation the amount certified by the chairman of the corpora-  
 10 tion. The corporation shall deposit the amounts appropriated under  
 11 this subsection during a fiscal year in the proper capital reserve  
 12 fund. Nothing in this section creates a debt or liability of the  
 13 state.

14 (e) In this section, "capital reserve fund requirement" means  
 15 the amount required to be on deposit in the capital reserve fund as of  
 16 the date of computation as determined by resolution of the corpora-  
 17 tion.

18 (f) The corporation may establish reserve funds, other than  
 19 capital reserve funds, to secure one or more issues of its bonds. The  
 20 corporation may deposit in a reserve fund established under this  
 21 subsection the proceeds of sale of its bonds and other money which may  
 22 be made available from any other source. A reserve fund established  
 23 under this subsection must comply with (a) 9(c) of this section. The  
 24 corporation may allow a reserve fund established under this subsection  
 25 to be depleted without complying with (d) of this section.

26 Sec. 14.42.250. VALIDITY OF PLEDGE. It is the intention of the  
 27 legislature that a pledge made in respect of bonds shall be valid and  
 28 binding from the time the pledge is made; that the money or property  
 29 so pledged and thereafter received by the corporation shall

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1 immediately be subject to the lien of the pledge without physical  
 2 delivery or further act; and that the lien of the pledge shall be  
 3 valid and binding as against all parties having claims of any kind in  
 4 tort, contract or otherwise against the corporation irrespective of  
 5 whether the parties have notice. Neither the resolution, trust agree-  
 6 ment nor any other instrument by which a pledge is created need be  
 7 recorded or filed under the provisions of the Uniform Commercial Code  
 8 to be valid, binding or effective against parties.

9 Sec. 14.42.260. NONLIABILITY ON BONDS. (a) Neither the mem-  
 10 bers of the corporation nor a person executing the bonds are liable  
 11 personally on the bonds or are subject to personnel liability or  
 12 accountability by reason of the issuance of the bonds.

13 (b) The bonds issued by the corporation do not constitute an  
 14 indebtedness or other liability of the state or of a political sub-  
 15 division of the state, except the corporation, but shall be payable  
 16 solely from the income and receipts or other funds or property of the  
 17 corporation. The corporation may not pledge the faith or credit of  
 18 the state or of a political subdivision of the state (except the  
 19 corporation) to the payment of a bond and the issuance of a bond by  
 20 the corporation does not directly or indirectly contingently obligate  
 21 the state or a political subdivision of the state to apply money from,  
 22 or levy or pledge any form of taxation whatever to the payment of the  
 23 bond.

24 Sec. 14.42.270. PLEDGE OF STATE. The state pledges to and  
 25 agrees with holders of bonds issued under this chapter that the state  
 26 will not limit or alter the rights and powers vested in the corpor-  
 27 ation by this chapter to fulfill the terms of a contract made by the  
 28 corporation with the holders or in any way impair the rights and  
 29 remedies of the holders until the bonds, together with the interest on

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1       them with interest on unpaid installments of interest, and all costs  
2       and expenses in connection with an action or proceeding by or on  
3       behalf of the holders, are fully met and discharged. The corporation  
4       is authorized to include this pledge and agreement of the state in  
5       contract with the holders.

6           Sec. 14.42.280. EXEMPTION FROM TAXATION. The real and personal  
7       property of this corporation and its assets, income and receipts are  
8       declared to be the property of a political subdivision of the state  
9       and devoted to an essential public and governmental function and  
10      purpose, and the property, assets income, receipts, and other in-  
11      terests of the corporation shall be exempt from all taxes and special  
12      assessments of the state of a political subdivision of the state,  
13      including, without limitation, all borough, cities, municipalities,  
14      school districts, public utility districts and other taxing units.  
15      All bonds of the corporation are declared to be issued by a political  
16      subdivision of the state and for an essential public and governmental  
17      purpose and to be public instrumentality, and the bonds, and the  
18      interest on them, the income from them and the transfer of the bonds,  
19      and all assets, income and receipts pledged to pay or secure the  
20      payment of the bonds, or interest on them, shall at all times be  
21      exempt from taxation by or under the authority of the state, except  
22      for inheritance and estate taxes and taxes on transfers by or in  
23      contemplation of death. Nothing in this section affects or limits an  
24      exemption from license fees, property taxes, or excise, income or any  
25      other taxes provided under any other law, nor does it create a tax  
26      exemption with respect to the interest of any business, enterprise or  
27      the person, other than the corporation, in any property, assets,  
28      income, receipts, or other interest.

29           Sec. 14.42.290. BONDS LEGAL INVESTMENTS FOR FIDUCIARIES. The

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1 bonds of the corporation are securities in which all public officers  
2 and bodies of the state and all municipalities and municipal sub-  
3 divisions, all insurance companies and associations and other persons  
4 carrying on a insurance business, all banks, bankers, trust companies,  
5 savings banks, savings associations, including savings associations  
6 and building and loan associations, investment companies and other  
7 persons carrying on a banking business, all administrators, guardians,  
8 executors, trustees and other fiduciaries, and all other persons  
9 whatsoever who are now or may hereafter be authorized to invest in  
10 bonds or other obligations of the state, may properly and legally  
11 invest funds including any other provisions of law, the bonds of the  
12 corporation are also securities which may be deposited with and may be  
13 received by all public officers and bodies of this state and all  
14 municipalities and municipal subdivisions for any purpose for which  
15 the deposit of bonds or other obligations of the state is now or may  
16 hereafter be authorized.

17 Sec. 14.42.310. OPERATION OF CERTAIN STATUTES EXCEPTED. (a)  
18 The corporation shall not be considered or constitute (1) a political  
19 subdivision of the state as the term is used in AS 37.10.085, (2) a  
20 municipal corporation or political subdivision of the state as the  
21 terms are used in AS 29, or (3) except as provided in AS 14.42.330, a  
22 state agency as the term is used in AS 37, but for all other purposes  
23 the corporation constitutes a political subdivision and an instrumen-  
24 tality of the state provided in this chapter.

25 (b) The funds, income or receipts of the corporation shall not  
26 be considered or constitute money of the state, nor shall real pro-  
27 perty in which the corporation has an interest be considered land  
28 owned in fee by the state or to which the state may become entitled or  
29 in any way lands belonging to the state, or state lands referred to in

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1 Article VIII of the Alaska Constitution.

2 Sec. 14.42.320. ANNUAL AUDIT. The corporation shall have its  
3 financial records audited annually by the legislative auditor or by a  
4 certified public accountant approved by the legislative auditor. The  
5 legislative auditor may prescribe the form and content of the finan-  
6 cial records of the corporation and shall have access to these records  
7 at any time.

8 Sec. 14.42.330. OPERATING BUDGET. The operating budget of the  
9 corporation is subject to the Executive Budget Act (AS 37.07).

10 \* Sec. 2. AS 14.43.120(d) is amended to read:

11 (d) scholarship loans may not be made to a student:

12 (1) for more than five years of undergraduate study;

13 (2) for more than five years of graduate study;

14 (3) for more than a total of eight years of undergraduate  
15 and graduate study;

16 (4) to attend an institution for which the default rate on  
17 loans made to students to attend the institution exceeds the program  
18 default rate by more than 150%.

19 \* Sec. 3. This Act takes effect immediately in accordance with AS  
20 01.10.070(c).

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Original sponsor: Ferguson

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Funding Information

General Fund	\$ 103,715,000
Other Funds	-0-
	<u>\$ 103,715,000</u>

1 IN THE SENATE BY THE FINANCE COMMITTEE  
 2 COMMITTEE SUBSTITUTE FOR SENATE BILL NO.13  
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 4 FOURTEENTH LEGISLATURE - SECOND SESSION

A BILL

6 For an Act entitled: "An Act making special appropriations of \$103,715,000  
 7 for grants to municipalities and unincorporated  
 8 communities for water, sewer and solid waste facili-  
 9 ties, for the village safewater program, and for  
 10 water, sewer, solid waste and feasibility studies;  
 11 and providing for an effective date."

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

13 \* Section 1. The following sums are appropriated from the general fund  
 14 for payment as grants under AS 37.05.315 for water, sewer, and solid waste  
 15 facilities to the following municipalities in the amounts listed:

16 RECIPIENT AND PURPOSE	16 APPROPRIATION
17 Akhiok - Sanitary Landfill Relocation	500,000
18 Anderson - Sewer Cost Study	47,000
19 Bristol Bay Borough - Solid Waste Phase IV	750,000
20 Cordova - Copper River Highway Sewer	900,000
21 Delta Junction - Complex Sewer System	200,000
22 Emmonak - Water and Sewer	2,000,000
23 Fairbanks - Sewer/Water Rehabilitation	4,200,000
24 Fairbanks North Star Borough - Ballaine Lake Sewer	
25 Project	700,000
26 Fort Yukon - Safewater Facility	400,000
27 Fort Yukon - Water/Sewer System	900,000
28 Goodnews Bay - Water/Waste Disposal Improvements	150,000
29 Hooper Bay - Water, Sewer and Solid Waste	2,029,000

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1	Hughes - Safe Water Facility	350,000
2	Kasigluk - Washeteria Improvements	98,600
3	Ketchikan - Water System	2,838,000
4	King Cove - Water and Sewer Expansion	836,000
5	Kivalina - Water and Sewer	1,800,000
6	Kodiak - Water Filtration Plant	450,000
7	Kodiak - Solid Waste Incinerator and Land	-
8	Fill Improvements	2,000,000
9	Kodiak Island Borough - Services Dist. 1 Water/Sewer	2,771,100
10	Kotzebue - Water and Sewer	300,000
11	Koyuk - Water and Sewer	2,000,000
12	Mat-Su Borough - Meadow Lakes Sewer Construction	450,000
13	McGrath - Water System	365,300
14	Mekoryuk - Waste/Water Disposal Improvement	750,000
15	Nenana - Water/Sewer, Phase II	4,000,000
16	Newhalen - Sewer System	549,800
17	Newtok - Water/Waste Disposal Improvements	200,000
18	Nightmute - Water/Waste Disposal Improvements	1,000,000
19	Nome - Water and Sewer	1,611,511
20	North Pole - Northwest Transmission and Highway	
21	Park Water Distribution	3,553,000
22	Ouzinkie - Water and Sewer Improvements	730,000
23	Ouzinkie - Sanitary Landfill/Incinerator	1,000,000
24	Palmer - Water Well	404,000
25	Palmer - Water Main Replacement and Extension	1,050,000
26	Palmer - Sanitary Sewer	1,300,000
27	Port Lions - Water and Sewer Renovations	380,000
28	St. Mary's Water and Sewer System	650,000
29	St. Michael - Water and Sewer	1,500,000

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1	St. Paul - Water and Sewer and Sanitary Landfill	1,000,000
2	Saxman - Industrial Zone Water Improv. Phase II	485,389
3	Selawik - Water and Sewer	840,000
4	Stebbins - Water and Sewer	1,600,000
5	Tanana - Waste Disposal Improvements	368,100
6	Tununak - Water/Waste Disposal Improvements	1,750,000
7	Wasilla - Water and Sewer Extension	2,050,000
8	White Mountain - Water and Sewer	1,600,000

9 \* Sec. 2. The following sums are appropriated from the general fund to  
 10 the Department of Environmental Conservation for payment as grants under AS  
 11 37.05.315 for capital projects to the following municipalities participat-  
 12 ing in the village safe water program under AS 46.07:

13	RECIPIENT AND PURPOSE	APPROPRIATION
14	Akiak - Waste Disposal Study	10,000
15	Alatna - Water/Waste Disposal Study	10,000
16	Aleknagik - Water and Sewer	85,000
17	Aniak - Waste Disposal Improvements	1,500,000
18	Atmautluak - Waste Disposal Demonstration Project	35,000
19	Beaver - Waste Disposal Study	10,000
20	Buckland - Water and Sewer and Solid Waste	761,000
21	Cantwell - Village Safe Water/Solid Waste Disposal	
22	Site (DEC)	100,000
23	Chignik Lagoon - VSW Project Completion	400,000
24	Crooked Creek - Water and Sewer Improvements	148,500
25	Egegik - Sewer System	706,900
26	Glennallen - Water and Sewer Project	1,400,000
27	Golovin - Water and Sewer	800,000
28	Igiugig - Water and Sewer	730,000
29	Iliamna - Sewer and Water	446,200

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1	Kasaan - Water and Sewer	30,000
2	Kipnuk - Solid Waste Disposal Site	247,000
3	Kokhanok - Water and Sewer Feasibility Study	15,000
4	Kongiganak - Water/Waste Disposal Improvements	1,245,000
5	Kotlik - Water and Sewer Feasibility Study	15,000
6	Marshall - Safe Water Facility	151,600
7	Metlakatla - Storm Drains	500,000
8	Nikiski - Landfill	150,000
9	Nikolai - Safe Water Study	10,000
10	Nondalton - Water and Sewer	100,000
11	Nunapitchuk - Waste Disposal Demonstration Project	35,000
12	Red Devil - Water/Waste Disposal Study	10,000
13	Talkeetna - Water and Sewer Construction	1,900,000
14	Thorne Bay - Water Storage Tank and Replace Water Line	
15	Crossing Deer Creek	200,000

16 \* Sec. 3. The following sums are appropriated from the general fund to  
 17 the Department of Environmental Conservation for payment to the following  
 18 municipalities for water, sewer, and solid waste facilities under AS 46.-  
 19 03.030:

20	RECIPIENT AND PURPOSE	APPROPRIATION
21	Anchorage - Eklutna Water Project	18,000,000
22	Bristol Bay - Solid Waste - Phase IV	750,000
23	Craig - Water Source Project	2,100,000
24	Dillingham - Sewage Treatment Plant	950,000
25	Galena - Water and Sewer System - Phase II	2,50,000
26	Juneau - City and Borough - Water and Sewer	1,738,000
27	Juneau - City and Borough - Water Match	5,401,000
28	Kenai - Thompson Park Water & Sewer Improvements	1,433,000
29	Klawock - Sewer Improvements	100,000

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1	Nulato - Water and Sewer System - Phase II	1,600,000
2	Quinhagak - Water/Waste Disposal Improvements	1,000,000
3	St. George - Water, Sewer, and Solid Waste	800,000
4	Shungnak - Water and Sewer	400,000
5	Tuluksak - Waste Disposal Demonstration Project	35,000

6 \* Sec. 4. This Act takes effect immediately in accordance with AS  
7 01.10.070(c).

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Original sponsor: Ferguson

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Funding Information  
General Fund \$ 100,000,000  
Other Funds -0-  
\$ 100,000,000

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Outdated  
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1 IN THE SENATE

2 COMMITTEE SUBSTITUTE FOR SENA

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for payment to  
7 the Department of Administration for payment as  
8 grants to municipalities for water, sewer and solid  
9 waste facilities; making a special appropriation to  
10 to municipalities and unincorporated communities for  
11 the village safewater program; making a special  
12 appropriation to the Department of Environmental Con-  
13 servation for water, sewer, solid waste and feasibil-  
14 ity studies, and providing for and effective date.

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

16 \* Section 1. The sum of \$ 85,856,400 is appropriated from the general  
17 fund to the Department of Administration for payment as grants to munic-  
18 ipalities for water, sewer and solid waste facilities under AS 37.05:

<u>APPROPRIATION</u>	<u>AMOUNT</u>
Akhiok - Sanitary Landfill Relocation	500,000
Aleknagik - Water and Sewer	85,000
Anchorage - Water and Sewer	15,000,000
Anderson - Sewer Cost Study	47,000
Aniak - Waste Disposal Improvements	1,500,000
Buckland - Water and Sewer and Solid Waste	761,000
Cordova - Copper River Highway Sewer	900,000
Craig - Water Source Project	2,100,000
Delta City - Complex Sewer System	200,000
Emmonak - Water and Sewer	2,000,000

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Original sponsor: Ferguson

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Funding Information

General Fund	\$ 100,000,000
Other Funds	-0-
	<u>\$ 100,000,000</u>

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 COMMITTEE SUBSTITUTE FOR SENATE BILL NO.13

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations for payment to  
7 the Department of Administration for payment as  
8 grants to municipalities for water, sewer and solid  
9 waste facilities; making a special appropriation to  
10 to municipalities and unincorporated communities for  
11 the village safewater program; making a special  
12 appropriation to the Department of Environmental Con-  
13 servation for water, sewer, solid waste and feasibil-  
14 ity studies, and providing for and effective date.

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

16 \* Section 1. The sum of \$ 85,856,400 is appropriated from the general  
17 fund to the Department of Administration for payment as grants to munic-  
18 ipalities for water, sewer and solid waste facilities under AS 37.05:

<u>APPROPRIATION</u>	<u>AMOUNT</u>
Akhiok - Sanitary Landfill Relocation	500,000
Aleknagik - Water and Sewer	85,000
Anchorage - Water and Sewer	15,000,000
Anderson - Sewer Cost Study	47,000
Aniak - Waste Disposal Improvements	1,500,000
Buckland - Water and Sewer and Solid Waste	761,000
Cordova - Copper River Highway Sewer	900,000
Craig - Water Source Project	2,100,000
Delta City - Complex Sewer System	200,000
Emmonak - Water and Sewer	2,000,000

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1	Fairbanks - Sewer/Water Rehabilitation	4,200,000
2	Fort Yukon - Safewater Facility	400,000
3	Fort Yukon - Water/Sewer System	900,000
4	Glennallen - Water and Sewer Project	1,400,000
5	Goodnews Bay - Water/Waste Disposal Improvements	150,000
6	Hooper Bay - Water, Sewer and Solid Waste	2,029,000
7	Hughes - Safe Water Facility	350,000
8	Juneau - City and Borough - Water and Sewer	1,738,000
9	Juneau - City and Borough - Water Match	5,401,000
10	Kasaan - Water and Sewer	30,000
11	Kasigluk - Washeteria Improvements	98,600
12	Kenai - Thompson Park Water & Sewer Improvements	1,433,000
13	Ketchikan - Water System	2,838,000
14	King Cove - Water and Sewer Expansion	836,000
15	Kivalina - Water and Sewer	1,800,000
16	Klawock - Sewer Improvements	100,000
17	City of Kodiak - Water Filtration Plant	450,000
18	City of Kodiak - Solid Waste Incinerator and land	
19	fill improvements	2,000,000
20	Kodiak Island Borough - Services Dist. 1 Water/Sewer	536,100
21	Kodiak Island Borough - Services Dist 1 Water/Sewer	2,235,000
22	Kotzebue - Water and Sewer	300,000
23	Koyuk - Water and Sewer	2,000,000
24	Marshall - Safe Water Facility	151,600
25	Mat-Su Borough - Meadow Lakes Sewer Construction	450,000
26	McGrath - Water System	365,300
27	Mekoryuk - Waste/Water Disposal Improvement	750,000
28	Nenana - Water/Sewer, Phase II	4,000,000
29	Newhalen - Sewer System	549,800

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1	Newtok - Water/Waste Disposal Improvements	200,000
2	Nightmute - Water/Waste Disposal Improvements	1,000,000
3	Nome - Water and Sewer	1,611,511
4	Nondalton - Water and Sewer	100,000
5	North Pole - Northwest Transmission and Highway	
6	Park Water Distribution	3,553,000
7	Ouzinkie - Water and Sewer Improvements	730,000
8	Ouzinkie - Sanitary Landfill/Incinerator	1,000,000
9	Palmer - Water Well	404,000
10	Palmer - Water Main Replacement & Extension	1,050,000
11	Palmer - Sanitary Sewer	1,300,000
12	Port Lions - Water and Sewer Renovations	380,000
13	St. Mary's Water and Sewer System	650,000
14	St. Michael - Water and Sewer	1,500,000
15	St. Paul - Water and Sewer and Sanitary Landfill	1,000,000
16	Saxman - Industrial Zone Water Improv. Phase II	485,389
17	Selawik - Water and Sewer	840,000
18	Stebbins - Water and Sewer	1,600,000
19	Talkeetna - Water and Sewer Construction	1,900,000
20	Tanana - Waste Disposal Improvements	368,100
21	Thorne Bay - Water Storage Tank & replace water line	
22	crossing Deer Creek	200,000
23	Tununak - Water/Waste Disposal Improvements	1,750,000
24	Wasilla - Water and Sewer Extension	2,050,000
25	White Mountain - Water and Sewer	1,600,000

26 \* Sec. 2. The sum of \$ 9,343,600.00 is appropriated from the general  
 27 fund for payment to the Department of Environmental Conservation as grants  
 28 for capital projects to the following municipalities and unincorporated  
 29 communities participating in the village wastewater program under AS 46.07:

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1	<u>APPROPRIATION</u>	<u>AMOUNT</u>
2	Akiak - Waste Disposal Study	10,000
3	Alatna - Water/Waste Disposal Study	10,000
4	Armautluak - Waste Disposal Demonstration Project	35,000
5	Beaver - Waste Disposal Study	10,000
6	Bristol Bay Borough - Solid Waste Phase IV	1,500,000
7	Cantwell - Village Safe Water/Solid Waste Disposal	
8	Site (DEC)	100,000
9	Chignik Lagoon - VSW Project Completion	400,000
10	Crooked Creek - Water and Sewer Improvements	148,500
11	Egegik - Sewer System	706,900
12	Golovin - Water and Sewer	800,000
13	Igiugig - Water and Sewer	730,000
14	Iliamna - Sewer and Water	446,200
15	Kipnuk - Solid Waste Disposal Site	247,000
16	Kokhanok - Water and Sewer Feas. Study	15,000
17	Kongiganak - Water/Waste Disposal Improvements	1,245,000
18	Metlakatla - Storm Drains	500,000
19	Nikiski - Landfill	150,000
20	Nikolai - Safe Water Study	10,000
21	Nunapitchuk - Waste Disposal Demonstration Project	35,000
22	Quinhagak - Water/Waste Disposal Improvements	1,000,000
23	Red Devil - Water/Waste Disposal Study	10,000
24	St. George - VSW Project	800,000
25	Shungnak - Water and Sewer	400,000
26	Tuluksak - Waste Disposal Demonstration Project	35,000

27 \* Sec. 3. The sum of \$ 4,800,000 is appropriated from the general fund  
 28 to the Department of Environmental Conservation for payment as grants to  
 29 municipalities for water, sewer and solid waste facilities under AS 46.03:

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APPROPRIATION

AMOUNT

Lillingham - Sewage Treatment Plant	950,000
Galena - Water and Sewer System - Phase II	2,250,000
Nulato - Water and Sewer System - Phase II	1,600,000

\* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.070(c).

Bradley  
3/4/86

Original sponsor: Ferguson

<u>Funding Information</u>	
General Fund	\$100,000,000
Other Funds	-0-
	<u>\$100,000,000</u>

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 13 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making special appropriations of \$100,000,000

7 for grants to municipalities and unincorporated

8 communities for water, sewer and solid waste facil-

9 ities, for the village safewater program, and for

10 water, sewer, solid waste and feasibility studies;

11 and providing for an effective date."

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

13 \* Section 1. The following sums are appropriated from the general fund

14 for payment as grants under AS 37.05.315 for water, sewer, and solid waste

15 facilities to the following municipalities in the amounts listed:

16 RECIPIENT AND PURPOSE	16 APPROPRIATION
17 Akhiok - Sanitary Landfill Relocation	\$ 500,000
18 Aleknagik - Water and Sewer	85,000
19 Anchorage - Water and Sewer	15,000,000
20 Anderson - Sewer Cost Study	47,000
21 Aniak - Waste Disposal Improvements	1,500,000
22 Buckland - Water and Sewer and Solid Waste	761,000
23 Cordova - Copper River Highway Sewer	900,000
24 Craig - Water Source Project	2,100,000
25 Delta Junction - Sewer System Complex	200,000
26 Emmonok - Water and Sewer	2,000,000
27 Fairbanks - Sewer/Water Rehabilitation	4,200,000
28 Fort Yukon - Safewater Facility	400,000
29 Fort Yukon - Water/Sewer System	900,000

1	Goodnews Bay - Water/Waste Disposal Improvements	150,000
2	Hooper Bay - Water, Sewer and Solid Waste	2,029,000
3	Hughes - Safe Water Facility	350,000
4	Juneau - City and Borough - Water and Sewer	1,738,000
5	Juneau - City and Borough - Water Match	5,401,000
6	Kasaan - Water and Sewer	30,000
7	Kasigluk - Washeteria Improvements	98,600
8	Kenai - Thompson Park Water & Sewer Improvements	1,433,000
9	Ketchikan - Water System	2,838,000
10	King Cove - Water and Sewer Expansion	836,000
11	Kivalina - Water and Sewer	1,800,000
12	Klawock - Sewer Improvements	100,000
13	Kodiak - Water Filtration Plant	450,000
14	Kodiak - Solid Waste Incinerator and Land	
15	Fill Improvements	2,000,000
16	Kodiak Island Borough - Services Dist. 1 Water/Sewer	2,771,100
17	Kotzebue - Water and Sewer	300,000
18	Koyuk - Water and Sewer	2,000,000
19	Mat-Su Borough - Meadow Lakes Sewer Construction	450,000
20	McGrath - Water System	365,300
21	Mekoryuk - Waste/Water Disposal Improvement	750,000
22	Nenana - Water/Sewer, Phase II	4,000,000
23	Newhalen - Sewer System	549,800
24	Newtok - Water/Waste Disposal Improvements	200,000
25	Nightmute - Water/Waste Disposal Improvements	1,000,000
26	Nome - Water and Sewer	1,611,511
27	Nondalton - Water and Sewer	100,000
28	North Pole - Northwest Transmission and Highway	
29	Park Water Distribution	3,553,000

1	Ouzinkie - Water and Sewer Improvements	730,000
2	Ouzinkie - Sanitary Landfill/Incinerator	1,000,000
3	Palmer - Water Well	404,000
4	Palmer - Water Main Replacement & Extension	1,050,000
5	Palmer - Sanitary Sewer	1,300,000
6	Port Lions - Water and Sewer Renovations	380,000
7	St. Mary's - Water and Sewer System	650,000
8	St. Michael - Water and Sewer	1,500,000
9	St. Paul - Water and Sewer and Sanitary Landfill	1,000,000
10	Saxman - Industrial Zone Water Improv. Phase II	485,389
11	Selawik - Water and Sewer	840,000
12	Stebbins - Water and Sewer	1,600,000
13	Tanana - Waste Disposal Improvements	368,100
14	Thorne Bay - Water Storage Tank and Replace Water Line	
15	Crossing Deer Creek	200,000
16	Tununak - Water/Waste Disposal Improvements	1,750,000
17	Wasilla - Water and Sewer Extension	2,050,000
18	White Mountain - Water and Sewer	1,600,000

19 \* Sec. 2. The following sums are appropriated from the general fund to  
 20 the Department of Environmental Conservation for payment as grants under  
 21 AS 37.05.315 for capital projects to the following municipalities partic-  
 22 ipating in the village wastewater program under AS 46.07:

23	RECIPIENT AND PURPOSE	APPROPRIATION
24	Akiak - Waste Disposal Study	\$ 10,000
25	Atmautluak - Waste Disposal Demonstration Project	35,000
26	Bristol Bay Borough - Solid Waste Phase IV	1,500,000
27	Golovin - Water and Sewer	800,000
28	Nikolai - Safe Water Study	10,000
29	Nunapitchuk - Waste Disposal Demonstration Project	35,000

1	Quinhagak - Water/Waste Disposal Improvements	1,000,000
2	St. George - VSW Project	800,000
3	Shungnak - Water and Sewer	400,000
4	Tuluksak - Waste Disposal Demonstration Project	35,000

5 \* Sec. 3. The following sums are appropriated from the general fund to  
 6 the Department of Environmental Conservation for payment as grants to the  
 7 following communities participating in the village safewater program under  
 8 AS 46.07:

9	RECIPIENT AND PURPOSE	APPROPRIATION
10	Alatna - Water/Waste Disposal Study	\$ 10,000
11	Beaver - Waste Disposal Study	10,000
12	Cantwell - Village Safe Water/Solid Waste Disposal	
13	Site (DEC)	100,000
14	Chignik Lagoon - VSW Project Completion	400,000
15	Crooked Creek - Water and Sewer Improvements	148,500
16	Egegik - Sewer System	706,900
17	Glennallen - Water and Sewer Project	1,400,000
18	Igiugig - Water and Sewer	730,000
19	Iliamna - Sewer and Water	446,200
20	Kipnuk - Solid Waste Disposal Site	247,000
21	Kokhanok - Water and Sewer Feas. Study	15,000
22	Kongiganak - Water/Waste Disposal Improvements	1,245,000
23	Marshall - Safe Water Facility	151,600
24	Metlakatla - Storm Drains	500,000
25	Nikiski - Landfill	150,000
26	Red Devil - Water/Waste Disposal Study	10,000
27	Talkeetna - Water and Sewer Construction	1,900,000

28 \* Sec. 4. The following sums are appropriated from the general fund to  
 29 the Department of Environmental Conservation for payment to the following

1 municipalities for water, sewer, and solid waste facilities under AS 46.-  
2 03.030:

3	RECIPENT AND PURPOSE	APPROPRIATION
4	Dillingham - Water and Sewer Project	\$ 950,000
5	Galena - Water and Sewer System - Phase II	2,250,000
6	Nulato - Water and Sewer System - Phase II	1,600,000

7 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.-  
8 10.070(c).

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COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

1/14/85

Date 2-19-85

Mr. President

The Committee on JUDICIARY considered SB 13  
making a special appropriation to the Office of the Governor for the  
federal budget impact fund; efd.

and (a majority of the committee) (~~the committee~~) reports it back with  
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

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MEMBERS HAVING  
OTHER RECOMMENDATIONS

1 Rick Halford NO REC  
\_\_\_\_\_  
1 Jim NO REC  
\_\_\_\_\_  
\_\_\_\_\_  
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1 Chairman T. Kelly  
\_\_\_\_\_  
NO REC  
Chairman recommendation

Introduced: 1/14/85  
Referred: Judiciary and  
Finance

Funding Information  
General Fund \$20,000,000  
Other Funds - 0 -  
\$20,000,000

1 IN THE SENATE

BY FERGUSON

2

SENATE BILL NO. 13

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation to the Office  
7 of the Governor for the federal budget impact fund;  
8 and providing for an effective date."

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

10 \* Section 1. The sum of \$20,000,000 is appropriated from the general  
11 fund to the Office of the Governor for the federal budget impact fund.

12 \* Sec. 2. The unexpended and unobligated portion of the appropriation  
13 made by this Act lapses into the general fund June 30, 1986.

14 \* Sec. 3. This Act takes effect on the effective date of an Act enti-  
15 tled "An Act establishing a federal budget impact fund; and providing for  
16 an effective date."