

S B

488

SB 488: Girdwood Water Appropriation

Sponsor: SZYMANSKI

The first bill before the committee this evening is SB 488, a bill I sponsored to make a special appropriation to the Department of Environmental Conservation for payment as a grant to the Municipality of Anchorage for the Alyeska Basin subdivision water system.

The residents of Alyeska Basin Subdivision are currently faced with a severe health threat, the area's drinking water is contaminated with tetrachloroethylene, a carcinogenic toxin. Recent tests of the Alyeska Water System have shown that the drinking water contains over 10 times the EPA allowable exposure level for this chemical. A Health Advisory has been issued by the Department of Environmental Conservation and has been in effect for over a year.

At this time I would like to ask Gary Hayden, of the ADEC, to join the committee and give us an overview of the Girdwood water problem.



Alaska State Legislature

Senator Mike Szymanski

March 2, 1990

STATEMENT OF THE PROBLEM

The residents of Alyeska Basin Subdivision are faced with two distinct but related problems, both of which relate to the water system. First, the drinking water to our homes is contaminated with tetrachloroethylene, a human carcinogen in excess of 10 times the EPA recommended maximum exposure level. This is an immediate and urgent health and safety issue. A Health Advisory has been issued by the Department of Environmental Conservation and has been in effect for over a year. (Exhibit 1)

The second problem related to the water system is that the ownership structure of the water system originally established under the State lease is unacceptable to mortgage lenders. No lending institution has been prepared to lend money in Girdwood for over two years. The lenders say that they will not lend in Girdwood because the homeowners do not have guaranteed legal access to water since it is provided by a private unregulated utility. (Exhibit 2, attached)

The problems related to the Health Advisory include the following:

1. The Health Advisory instructs affected homeowners not to drink or bathe in the contaminated water. Some residents have been packing water to their homes for 16 months and bathing elsewhere.
2. The residents are alarmed about the long term health effects of exposure to the tetrachloroethylene. The pipes in the effected area have been in place for 7 to 9 years. The exposure levels in prior years may have been as much or greater than those currently measured. It was only the extended power outage in April 1989 that raised concentration to levels that were readily detectible without instruments. Some young children in Girdwood have ingested contaminated water their entire lives.
3. There is concern about the present level of contamination. The last tests done showed 11 times the EPA recommended maximum exposure level (down from 13 times the acceptable level) even though the affected lines have been draining continuously for months (Exhibit 3). There is uncertainty about the true extent of the pollution. Residents outside the Health Advisory area are concerned about being hooked up to a system containing contaminated water. In the event of a power outage in Girdwood (a yearly occurrence) the contaminated water from the upper levels of the Basin will flow down to areas outside the Health Advisory.
4. People have also lost their homes because even potential home buyers with their own financing in place will not buy on the polluted system. Several bankruptcies and foreclosures have been the direct result of property owners being unable to sell their home and access their equity to pay other obligations.

While in Session
P.O. Box V
Juneau, Alaska 99811
(907) 465-4976

Interim:
3111 C Street, Suite 510
Anchorage, Alaska 99503
(907) 561-7617
or
165 E Parks Highway
Wasilla, Alaska 99657
(907) 376-6453

AHFC granted a temporary extension of financing in 1986 based on Wayne Cherrier's promise of obtaining APUC approval of the system. When, in February of 1987, AHFC learned that Mr. Cherrier had done nothing to obtain the APUC approval, financing in the subdivision was again stopped.

May 1986

Alaska Housing Finance Corporation stopped financing property in the Alyeska Basin Subdivision due to a lack of assurance that the owners of the water system would supply a perpetual source of water. By this time, other major investors and FHA had already stopped financing in the subdivision.

April 12, 1988

A number of avalanches along the Seward Highway severed power lines into the Girdwood valley resulting in a four day power outage. During this period the contaminated water that had collected in the eddies and dead legs of the upper portions of the water system drained down into lower sections of the system. The strong taste and smell of a petroleum product noticed by residents on the lower sections of the water system at this time was the first major indication of the contamination problem.

April to July 1988

Tetrachloroethylene in amounts 13 times above the EPA recommended maximum level were confirmed in tests of water samples taken from homes connected to the Alyeska Basin water system owned and operated by Cherrier, King and Cherrier.

Tests conducted on a pipe section removed from the Alyeska Basin system under a proper chain of custody produced levels of contamination up to 1,000 times greater than maximum recommended exposure levels.

August 1, 1988

A Health Advisory was issued by the Alaska Department of Environmental Conservation due to the presence of a known human carcinogen (tetrachloroethylene). Residents were warned not to drink or bathe in the water.

December, 1988

A steady flushing of the water system began by opening certain dead end lines in the area under the Health Advisory.

July 7, 1989

The State of Alaska filed a civil lawsuit against the owners of the water system after the failure of negotiations between the DEC and CKC to get the contamination problem fixed voluntarily. That lawsuit is still pending.

September 12, 1989

After 8 months of flushing the system the latest samples taken by ADEC show contamination levels 11 times greater than the EPA recommended maximum exposure level. (See Exhibit 3)

September 20, 1989

Seibu Alaska, Inc. announces the construction of their new resort hotel in Girdwood and their acceptance of the Anchorage Economic Development Council's plan for financial assistance in the construction of their new water and sewer systems.

PROPOSED SOLUTION

It is the opinion of the Alyeska Basin Water Committee that AWWU must acquire the CKC water system. We fully support the proposal of the City of Anchorage which includes a mix of local participation, State matching funds and a direct grant. We believe that the creation of a single water improvement district run by the Anchorage Water and Wastewater Utility will provide good water, fire safety, features not now in existence and will set the stage for real economic growth in Girdwood Valley.

The AWWU plan is a comprehensive plan involving the creation of a water improvement district combining the existing resort system and the CKC system. The water improvement district will be served by the development of a new water source and a million gallon reservoir. Girdwood property owners will pay 20% of the cost of the new system.

AWWU is requesting through the Alaska Department of Environmental Conservation 50% Matching Construction Grants Program, \$3.9 million for project upgrades. The funds are included in AWWU's request to DEC titled "Anchorage Water Projects" totalling \$4,663,500. This will be submitted to you through DEC's Budget Proposal. Your support and funding of this line item is greatly appreciated.

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

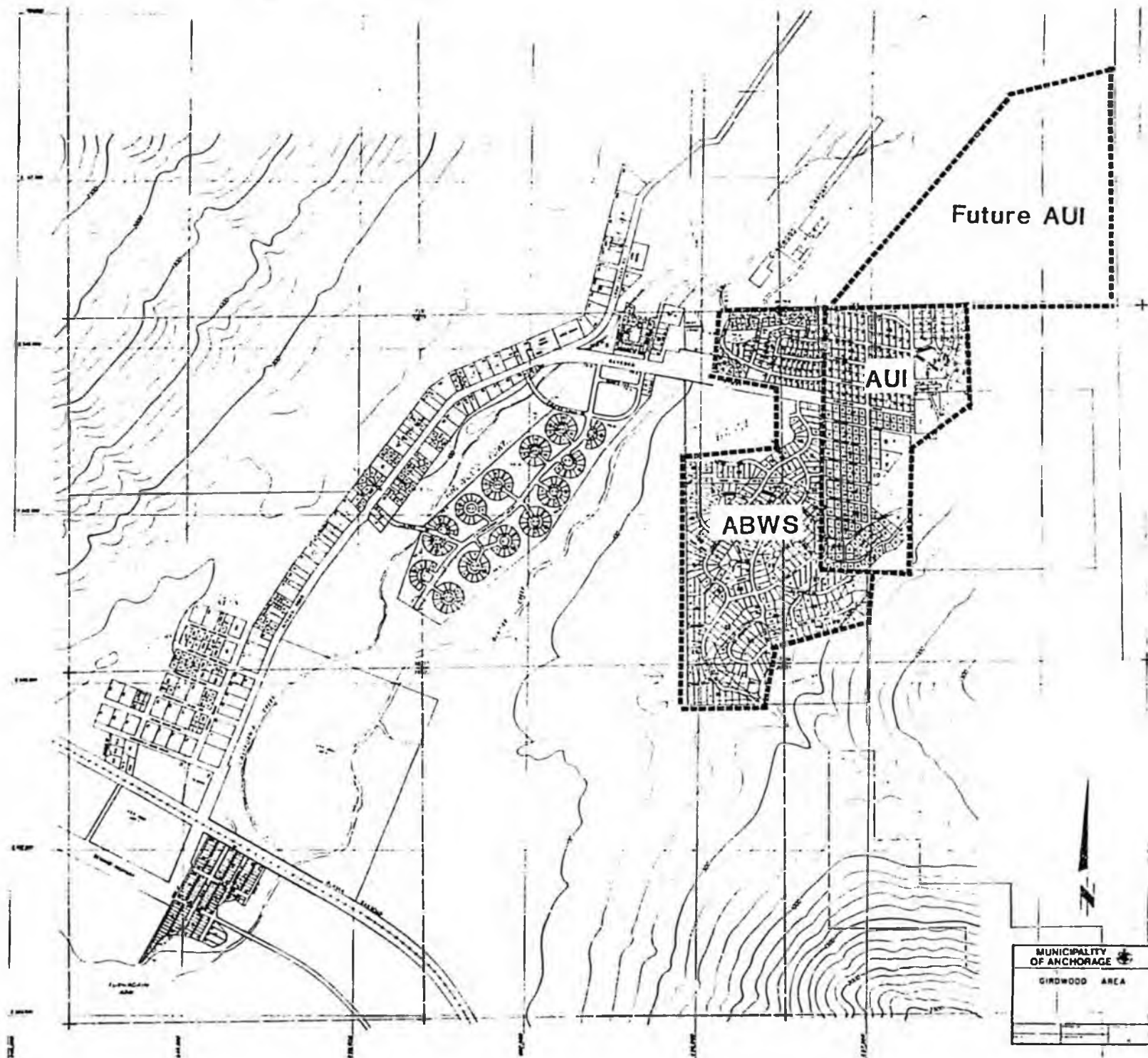
STEVE COOPER, GOVERNOR

HEALTH ADVISORY

Tetrachloroethylene has been detected in two upper water systems households drawing water from the Alyeska Basin Public Water System. Levels as high as 79 parts per billion (ppb) were discovered during recent sampling conducted by the Alaska Department of Environmental Conservation. No tetrachloroethylene was found in the main water source for Girdwood and half of the wells sampled contained no tetrachloroethylene. The proposed EPA maximum contaminant level for tetrachloroethylene is 0.006mg/liter (approximately 6 ppb). Additional sampling will be conducted in the immediate future. In the meantime consumers should not use water from the Alyeska Basin for drinking or bathing. Washing clothes and cleaning uses of the water are acceptable. An information sheet on tetrachloroethylene is attached.

If you have questions regarding this health advisory please contact the Anchorage Western District of the Alaska Department of Environmental Conservation in Anchorage at (907) 563-6775.

Map of Affected Area



Future AUI

AUI

ABWS

MUNICIPALITY
OF ANCHORAGE
GIRDWOOD AREA

TELECONFERENCE PARTICIPATION

SPONSOR _____

DATE/TIME _____

SUBJECT _____

LIO'S

(moderator)

	TESTIFY	OBSERVE	TESTIFY	OBSERVE
ANCHORAGE ()			PETERSBURG * ()	
BARROW * ()	<i>Sara</i>	<i>Steve Germain</i>	SITKA ()	
BETHEL ()	<i>Wally</i>	<i>John Oscar</i>	SOLDOTNA ()	
DELTA JUNCTION * ()			VALDEZ * ()	
DILLINGHAM * ()			LTC'S	
FAIRBANKS ()			HOMER	
GLENNALLEN * ()			WRANGELL	
JUNEAU ()			OFFNETS <i>Brooks Chandler</i>	
KETCHIKAN ()			OFF1 <i>Sam Evans</i>	
KODIAK ()			OFF2	
KOTZEBUE ()	<i>Mary</i>	<i>Margaret Willygrad</i>	OFF3	
MAT-SU ()			OFF4	
NOME ()			OFF5	
			OFF6	

VTS'S ON BACK

* SESSION ONLY