

HB387

HOUSE COMMITTEE REPORT

(11)

Date Referred: May 2, 1992

FURTHER REFERRALS:

Date of Committee Action: 5/4/92

The FINANCE Committee considered:

HB 387

HOUSE BILL NO. 387

REGULATION OF HOUSEHOLD SEPTIC SYSTEMS

"An Act relating to regulation of domestic sewage."

RECOMMENDATIONS:

be replaced with CS HB 387 (RES) the same title a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

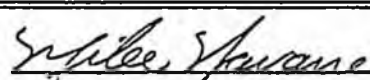
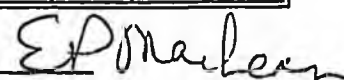
fiscal impact _____

fiscal note(s) DEC 5/2/92

zero fiscal note _____

zero fiscal note(s) _____

| SIGNING DO PASS | DP | OTHER RECOMMENDATIONS | DNP | NR | AM |
|----------------------|----|----------------------------|-----|----|----|
| Mark Boyer Boyer | X | EP Machean Machean | | V | |
| Jay Brown Brown | ✓ | Raymond Koponen | | ✓ | |
| Mike Spavone Spavone | ✓ | Raymond J. Harrison | | ✓ | |
| J. Ulmer | X | Raymond J. Harrison | | X | |
| | | Raymond J. Harrison | | X | |
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 CHAIRMAN'S SIGNATURE

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSHB 387 (RES)

Revision Date: 1-May-92
 Title: Accrediting Engineers
On-Lot/Site Assessment
 Sponsor: Rep. Boyer
 Requestor: (H) RES

Department Affected: Environmental Conservation
 BRU: EQ/SPAR
 Component: Domestic Wastewater
Contaminated Sites

COMPONENT SERIAL NO.

| | | | |
|---|---|---|---|
| 1 | 4 | 2 | 6 |
| 1 | 4 | 3 | 1 |

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 93 | FY 94 | FY 95 | FY 96 | FY 97 | FY 98 |
|------------------------|------------|------------|------------|------------|------------|-------------|
| PERSONAL SERVICES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TRAVEL | 6.5 | 0.0 | 0.0 | 0.0 | 0.0 | 5.0 |
| CONTRACTUAL | 25.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 |
| SUPPLIES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EQUIPMENT | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LAND&STRUCTURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GRANTS, CLAIMS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| MISCELLANEOUS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL OPERATING | 33. | 9.5 | 9.5 | 9.5 | 9.5 | 14.5 |

| | | | | | |
|---------|--|--|--|--|--|
| CAPITAL | | | | | |
|---------|--|--|--|--|--|

| | | | | | |
|----------------------|--|--|--|--|--|
| REVENUE FUND SOURCE: | | | | | |
|----------------------|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|------------------------|------------|------------|------------|------------|------------|-------------|
| GENERAL FUND | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FEDERAL FUNDS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| OTHER P/R FUND SOURCE: | 33.0 | 9.5 | 9.5 | 9.5 | 9.5 | 14.5 |
| TOTAL | 33. | 9.5 | 9.5 | 9.5 | 9.5 | 14.5 |

POSITIONS:

| | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|
| FULL-TIME | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)
 The Department will charge an exam fee for the certifications provided under this legislation.

Prepared by: Janice Adair Phone: 465-5010
 Division: Commissioner's Office Date: 5/1/92

Approved by Commissioner: *Janice Adair* Date: 5/1/92
 Agency: Environmental Conservation

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CS FOR HOUSE BILL NO. 387 (RESOURCES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE BOYER

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to accrediting engineers for inspections of wastewater systems for single-
2 family homes and duplexes; and relating to the accreditation of engineers and
3 environmental consultants for the assessment and cleanup of sites contaminated with
4 hazardous substances."

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

6 * Section 1. LEGISLATIVE INTENT. (a) It is the intent of the legislature that the accreditation
7 program established by the Department of Environmental Conservation for inspection of certain
8 wastewater systems will provide engineers with the information needed to knowledgeably review existing
9 domestic wastewater systems, plans to modify existing systems, and plans to construct or install new
10 systems for compliance with standards established by regulation for domestic wastewater systems for
11 single-family homes and duplexes.

12 (b) It is the intent of the legislature that the accreditation program established by the Department
13 of Environmental Conservation for the assessment and cleanup of sites contaminated with hazardous
14 substances will provide engineers and environmental consultants with the information needed to

1 knowledgeable perform assessments and cleanups of contaminated sites in accordance with departmental
2 regulations.

3 * Sec. 2. AS 46.03 is amended by adding new sections to article 3 to read:

4 Sec. 46.03.125. ACCREDITATION FOR WASTEWATER SYSTEMS. (a) The
5 department shall develop criteria for the accreditation of engineers to inspect existing domestic
6 wastewater systems, to review plans for construction or modification of domestic wastewater
7 systems, and to conduct as-built inspections of new or modified systems to ensure that the system
8 meets standards established by law and by regulations adopted by the department. The
9 accreditation shall apply to single-family homes and to duplexes.

10 (b) The department shall grant accreditation to engineers registered under AS 08.48.211
11 who satisfactorily complete the accreditation program under (a) of this section. The department
12 may charge an appropriate fee for evaluating an application for accreditation.

13 (c) After notice and a hearing, the department may revoke an accreditation issued under
14 this section for cause.

15 (d) The department may develop a training program for engineers to enable them to meet
16 the accreditation standards of this section. The department shall confer with the Department of
17 Labor and the state Board of Registration for Architects, Engineers, and Land Surveyors in
18 developing the training program. The department may charge an appropriate fee for participation
19 in the training program.

20 (e) The department shall adopt regulations to implement this section.

21 (f) This section does not restrict or prohibit the department from delegating its
22 responsibilities under this section.

23 Sec. 46.03.127. ACCREDITATION FOR ASSESSMENT AND CLEANUP OF
24 CONTAMINATED SITES. (a) The department shall develop a program for the accreditation
25 of engineers and qualified environmental consultants to perform assessment and cleanup of sites
26 contaminated with hazardous substances to ensure that assessment and cleanup meet standards
27 adopted by the department by regulation.

28 (b) The department shall grant accreditation to engineers registered under AS 08.48.211
29 and to qualified environmental consultants who satisfactorily complete the accreditation program
30 under (a) of this section. The department may charge an appropriate fee for evaluating an
31 application for accreditation.

1 (c) After notice and a hearing, the department may revoke an accreditation issued under
2 this section for cause.

3 (d) The department may develop a training program for engineers and qualified
4 environmental consultants to enable them to meet the accreditation standards of this section. The
5 department shall confer with the Department of Labor and the state Board of Registration for
6 Architects, Engineers, and Land Surveyors in developing the training program. The department
7 may charge an appropriate fee for participation in the training program.

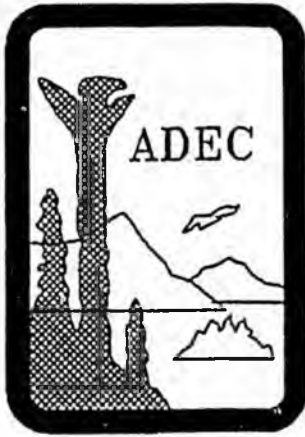
8 (e) The department shall adopt regulations to implement this section.

9 (f) This section does not restrict or prohibit the department from delegating its
10 responsibilities under this section.

11 (g) In this section,

12 (1) "hazardous substance" has the meaning given in AS 46.03.826;

13 (2) "qualified" means a person who meets requirements established by regulations
14 adopted by the department for performing the assessment and cleanup of sites contaminated with
15 hazardous substances.



Department of Environmental Conservation

POSITION PAPER

BILL NO: CSHB 387 (Res)

APPROVED: James Adams

TITLE: Accrediting Engineers

DATE: 4-30-92

The Department of Environmental Conservation supports CSHB 387 (Res).

CSHB 387 (Res) would allow the Department of Environmental Conservation to certify that professional registered engineers were knowledgeable about the Department's wastewater regulations for the purposes of providing lending institutions with the assurance they need that an on-lot sewer system meets the design criteria established in those regulations.

The Department's current regulations require an engineering report for on-lot systems for triplexes and larger buildings. Single family homes and duplexes are not required to have such an engineering report. However, lending institutions have asked that the Department, as the state's health authority, certify that an engineering report prepared for any size structure meets the Department's regulatory requirements.

To meet the lending industry's concern, the Department conducted a familiarization seminar to provide private sector registered engineers with information on the subject regulations. However, it was learned that the secondary market, where many banks sell their mortgages, require a sign-off by the local health authority. In Alaska, that would be DEC. CSHB 387 (Res) would allow DEC to provide an accreditation to private registered engineers that would also meet the requirement of the secondary financial market. For this reason, the Department supports this provision.

The Resources Committee Substitute would also establish a similar program for registered engineers and qualified environmental consultants for assessment and cleanup of sites contaminated with hazardous substances. Generally, the substance will be a petroleum based product, such as would be found at an underground storage tank site.

There are a number of contaminated sites in Alaska. However, many of these sites are low risk as to public health and welfare. The Department would be able to develop a program to certify registered engineers and environmental consultants are familiar with the Department's regulations on hazardous substance assessment and cleanup. The Department believes such a program will significantly increase the number of contaminated site cleanups around the State. The Department strongly supports this provision.

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN
HOUSE FINANCE COMMITTEE



House of Representatives

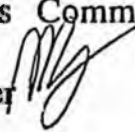
FAIRBANKS

SUITE 205
119 NORTH CUSHMAN STREET
FAIRBANKS, ALASKA 99701-2879
(907) 456-6473

JUNEAU

STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-3466

To: Rep. Mike Navarre, Co- Chair
House Resources Committee

From: Rep. Mark Boyer 

Date: April 28, 1992

Subject: Request to hear HB 387

I am requesting that HB 387, "An Act relating to accrediting engineers for inspections of waste water systems for single-family homes and duplexes", be waived from the Finance Committee or placed on the consent agenda for Monday, May 4.

The State Department of Environmental Conservation has terminated the certification of wells and septic systems for one and two family dwellings as of February, 1992. While the Department continues to assert authority for larger units, it is currently in the process of training professional engineers and installers to complete the certification procedures for one and two family units.

The DEC proposal to cease agency certification could force ill equipped lending institutions to certify that the environmental quality standards for on-site systems are met. This could increase the cost of originating new loans.

HCSHB 387(C&RA) requires the DEC to develop criteria for accrediting engineers to inspect domestic waste water systems. The bill also requires the department to grant accreditation to engineers who satisfactorily complete the accreditation program.

The bill has the support of the DEC, Alaska Mortgage Bankers, and the Alaska Association of Realtors. There is a \$25,000 GF/PR fiscal note. The bill should pass out of the Resources Committee tomorrow.

FAIRBANKS 20B

Alaska State Legislature

REPRESENTATIVE
MARK BOYER

VICE-CHAIRMAN
HOUSE FINANCE COMMITTEE

hand carry



House of Representatives

Jan. 31, 1992

FAIRBANKS

1098 LAKEVIEW TERRACE
FAIRBANKS, ALASKA 99701
(907) 456-6473

JUNEAU

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3466

The Honorable John Sandor
Commissioner
Department of Environmental Conservation

Dear Commissioner Sandor:

I request that the Department of Environmental Conservation postpone its plans to discontinue on February 2 certification of on-lot domestic wastewater systems for one and two family properties.

As you know, I have introduced legislation to give the DEC specific authority to issue certifications of these properties for property owners who request them (HB 387).

We have requested our legal staff to review the memorandum of understanding between the Department of Labor and the Department of Environmental Conservation, giving the DEC primary responsibility for regulating private sewage disposal systems," so long as such regulation is no less stringent than that set forth in AS 18.60.705 and Appendix I of the Uniform Plumbing Code." I question whether or not the DEC can delegate that authority away to the private sector.

The prudent course of action with regard to this issue would be to wait until a determination has been made on the department's authority to discontinue the certification process.

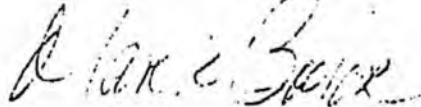
If we don't clear up the cloudy issue of regulatory responsibility and authority before DEC takes further action, the home mortgage industry could be adversely affected, by discontinuing approval of new mortgages, or at least greatly lengthening the time it would take a prospective home buyer to secure a loan.

FAIRBANKS 20B

Neither one of us wants to make home ownership any more difficult than it already is. By going forward with your plan to discontinue on-lot certifications, while there are unanswered questions, you will be doing a great disservice to the home buyers and lenders of Alaska.

I look forward to hearing from you soon.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark Boyer".

Mark Boyer
Representative

cc: Rep. Jerry Mackie, Chair
House Community and Regional Affairs
Senator Steve Frank
Senate Community and Regional Affairs

DEPT. OF ENVIRONMENTAL CONSERVATION

OFFICE OF THE COMMISSIONER
410 WILLOUGHBY AVENUE, SUITE 105
JUNEAU, AK 99801-1795

Phone: (907) 465-5000
Fax: (907) 465-5070

February 10, 1992

The Honorable Mark Boyer
Alaska State House
P.O. Box V
Juneau, AK 99811

Dear Representative Boyer:

I have received your letter asking that DEC continue to provide certification of engineering plans for on-lot sewage disposal beyond our target cut off date of February 1. I apologize for not responding in writing prior to now; we have, however, been in close and nearly daily contact with your office on this issue.

As you know, we met with Kurt Parken of your staff, Wes Coyner representing the Alaska Bankers Association and Lucille Steitz representing the Alaska Mortgage Bankers Association on February 6. The result of that meeting was the following:

- * DEC would provide to the bankers the list of engineers who attended the workshop on on-lot certification in Anchorage and Fairbanks last month with a cover letter stating that DEC felt these engineers were qualified and competent to perform the work;

- * DEC would continue such workshops around the state, and would look at either contracting with these "trained" engineers or continuing to provide to the bankers a listing of those engineers DEC feels are qualified and competent; and

- * Where there are no engineers trained by DEC on the on-lot certification, DEC will continue to provide that service.

A second meeting with Mr. Parken, Ms. Steitz, Bob Sullivan of Alaska Housing Finance Corporation, and John Boyd of Key Bank of Alaska was also held on February 6. At that meeting, our letter of transmittal was reviewed and accepted by the banks. That letter was received by Ms. Steitz on February 7.

I understand you question the precise requirements of the Memorandum of Understanding between the DEC and the Department of Labor. Our files indicate that this agreement was reached in order to clarify which agency would be responsible for determining the proper regulatory requirements for private sewage systems and that DOL would defer to our regulations. However, because we feel it is important to obtain a legal

determination, we will be asking the Department of Law for a formal opinion. We will provide your office with a copy as soon as it is received.

Change often results in questions and concerns. We are confident that as the transition continues, they will be resolved. Cooperation by all parties is needed, and DEC has indicated our willingness to make the transition as smooth a possible by continuing to provide the certifications where no "trained" engineer is available, and by fielding calls from the public as stated in our press release of February 7.

Thank you for your concern and we look forward to continuing to work with you.

Sincerely,


John A. Sandor
Commissioner

cc: Senator Steve Frank
Senator Paul Fischer
Representative Jerry Mackie
Representative Cheri Davis
Representative Larry Baker
Representative Ron Larson
Janice Adair, Special Assistant
Deena Henkins, Water/Wastewater
Mike Menge, Director, EQ

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

240 Main Street, Suite 500
Juneau, Alaska 99801-2101

MEMORANDUM

February 5, 1992

SUBJECT: Regulation of domestic wastewater systems (HB 387)

TO: Representative Jerry Mackie, Chair
House Community and Regional Affairs Committee

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have asked several questions that pertain to the above referenced bill.

1. Does the Uniform Plumbing Code require state review and approval for domestic sewage systems in single family homes and duplexes.

Under AS 18.60.705, the state has adopted the Uniform Plumbing Code, with some exceptions. The plumbing code requires inspection by the Administrative Authority for new construction or changes in existing sewage systems in single family homes. (See sec. 318(a) of the Uniform Plumbing Code.) The Administrative Authority is defined as the individual official, board, department, or agency established and authorized by a state . . . to administer and enforce the provisions of the plumbing code. (See sec. 102(c) of the Uniform Plumbing Code.) I did not find any requirement for approval of existing, unchanged plumbing, even if a house was being sold.

2. Is the Memorandum of Understanding between the Department of Environmental Conservation and the Department of Labor, entered into in February 1983 still in effect?

According to both Janice Adair of the Department of Environmental Conservation (DEC) and Al Dwyer of the Department of Labor (DOL), the Memorandum of Understanding was still in effect when I spoke with them on January 27 of this year. Note that, as an agreement between two departments, it is subject to change by those departments.

3. Will the Department of Labor have to assume the required state review if the Department of Environmental Conservation ceases to review plumbing systems?

According to Mr. Dwyer of DOL, the department would have to assume this responsibility. I found nothing in the Uniform Plumbing Code permitting the Administrative Authority to delegate the inspection and approval function. The code does permit the Administrative Authority to delegate the observation of tests to a "duly appointed representative." (See sec. 318(a)(5) of the Uniform Plumbing Code.) Mr. Dwyer added that DOL would rely on engineering reports furnished by the owners of the houses in conducting their review and approval function. Mr. Dwyer also noted that under the terms of the current collective bargaining agreement that covers plumbing inspectors, the state is prohibited from contracting out work that is currently performed by state employees.

4. What effect does DEC's decision to stop approving plans for modification or new construction of wastewater systems have on the ability of the Alaska Housing Finance Corporation (AHFC) to make and purchase loans?

Under AS 18.56.300(a), AHFC may not make or purchase a housing loan for residential housing constructed after June 30, 1992, unless the unit complies with the construction codes of the municipality or the state building codes. Both "construction codes" and the "state building code" are defined, in subsection (d), to include the applicable plumbing code. Under subsection (b), AHFC may not make a commitment to purchase or approve a loan for residential housing constructed after June 30, 1992, until the unit has been inspected. The subsection states, in part

The inspection must be performed by a municipal building inspector or by a person who is approved or certified to perform residential inspections by the International Conference of Building Officials or the International Association of Electrical Inspectors. The person who makes the inspection shall determine whether the construction conforms to relevant provisions of the construction codes of the municipality or of the state building code, as applicable, at each of the following stages of construction:

...
(3) completion of electrical installation, plumbing, and framing;
...

It appears, therefore, that AHFC may accept inspections performed by properly approved or certified private individuals. The cost of these inspections would presumably be an item of negotiation between the seller and the buyer but would increase the cost of purchasing (or decrease the profit of selling) residential housing.

If I may be of further assistance, please advise.

TC:pl
92-070.plm

National Bank of Alaska



Mortgage Loan Department P.O. Box 107025 Anchorage, Alaska 99510-7025 (907) 257-3434
1500 W. Benson Blvd., Fourth Floor Anchorage, Alaska 99503

February 11, 1992

Ms. Deena Henkins
Water/Wastewater
Dept. of Environmental Conservation
410 Willoughby Avenue, Suite 105
Juneau, AK 99801-1795

Dear Ms. Henkins:

As we discussed on the telephone last night, representatives of the mortgage banking industry met this morning to review the various information and communications which have been distributed since February 1.

Attached is a news release from the Alaska Mortgage Bankers Association. The proposed guidelines referred to in the fifth paragraph of the news release are as follows:

Our first preference is that DEC continue to perform on-lot certifications on single family and duplex residences as it has historically done.

If DEC proceeds with its plan to have on-lot certifications performed by private engineers, the industry representatives present stated they would accept certifications by engineers on DEC's list of trained engineers on an interim basis. This would allow DEC time to adopt regulations to establish a certification program for professional engineers, including suspension and removal, or other options which would continue state oversight, such as a contract arrangement between the state and the engineers. Those present agreed to the above arrangement, provided the regulations are in place by April 15th.

The group further agreed that passage of legislation which clears up the issue of authority and responsibility is necessary and plans to continue its efforts toward that goal.

Representatives attending the meeting were from AHFC, FHA, VA, Alaska Assn. of Realtors, Security Pacific Bank, National Bank of Alaska, First National Bank of Anchorage and Northrim Bank. Others not present but agreeing with the position include Key Bank of Alaska, Northland Mortgage Company, and City Mortgage.

We look forward to an early resolution of the situation and appreciate your interest.

Sincerely,

Lucille Stietz
Vice President

ALASKA MORTGAGE BANKERS ASSOCIATION

P.O. BOX 9-2691 / ANCHORAGE, ALASKA 99509-2691

February 11, 1992

Reference: News Release of February 7, 1992 by DEC regarding Approval of On-Lot Septic Systems.

Contact: Jon R. Boyd

The Alaska Department of Environmental Conservation issued a Press Release on Feb. 7th, which stated that approval of on-lot septic systems serving single family or duplex residences would now be done by private engineers instead of by DEC. The Alaska Mortgage Bankers Association has not agreed to the discontinuation of the program as was previously reported by DEC.

House Bill 387, which was introduced by Rep. Mark Boyer, would clearly give DEC the authority to perform the certifications, an authority which DEC has in the past said it did not have. The industry believes that DEC should continue its oversight of this important public health issue and strongly supports passage of Boyer's bill.

The mortgage banking industry has, since last May when DEC first announced discontinuation of on-lot certifications, asked DEC to continue providing oversight on single family and duplex units, as it does on 3 or more unit properties and as it has historically done on the smaller properties. An additional postponement of implementation of DEC's plan was requested until the pending legislation had been addressed; however, DEC discontinued the certifications effective February 1.

Three mortgage industry officials met with DEC on February 6th to discuss the issue and to attempt to arrive at an acceptable resolution of the situation. Those attending, in addition to DEC staff, were Robert Sullivan, Intergovernmental Affairs Director, Alaska Housing Finance Corporation; Jon R. Boyd, Executive Vice President, Key Bank of Alaska, and Lucille Stietz, Vice President, National Bank of Alaska. The meeting with DEC was intended to help resolve the issue quickly, to prevent delay in closing of real estate transactions and alleviate uncertainty as to requirements by lenders and DEC.

Mortgage lenders continue to look for a resolution which includes state oversight. The industry preference is that DEC continue to perform on-lot certifications as it has historically done. The industry has, however, proposed guidelines to DEC which would meet secondary market criteria and avoid disruption to the housing market if DEC proceeds with its plan to have private engineers perform the certification. Boyd stated, "We are lenders. It is not our intent to be an approving authority or to certify to the training of engineers."

Industry representatives are especially concerned about the potential for disruption to the housing market during this time when interest rates are at their lowest since the mid 70's.

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

Division of Environmental Quality
Water and Wastewater Treatment Section

410 Willoughby Avenue
Juneau, Alaska 99801
Phone: 465-5300
February 7, 1992

Ms. Lucille Stietz
National Bank of Alaska
P.O. Box 10-7025
Anchorage, Alaska 99510-7025

Dear Ms. Stietz:

List of Professional Engineers trained at recent workshops for On-Site Wastewater Disposal- January 1992

As you are aware, the Department conducted two one-day workshops for Professional Engineers involved with the design, construction, evaluation and approval of individual home and duplex on-site wastewater disposal systems. The workshops were held January 14, 1992 in Anchorage and January 16, 1992 in Fairbanks. Engineers who have completed the training are considered by the Department to be trained and competent to perform all functions related to design, construction, evaluation and rehabilitation of On-Site Wastewater Disposal systems.

It is our intention to offer additional training opportunities for engineers in the future, and we will keep you informed of the current group of trained engineers. The recent workshops were the initial sessions in our new training program. Future programs will be developed further, and will probably involve more formalized instructional goals, examinations and establishment of a period of validity for certifications issued.

We have attached a list of the Professional Engineers that completed the workshops in the recently held sessions. We would like to have your assistance in getting the word to AMBA member banks of the engineers who successfully completed these training workshops.

On a related subject, I am enclosing a draft of the "generic" approval form that we are presently having printed. The form has been developed for the use of Professional Engineers on Conventional On-Site Wastewater Systems. We expect the final form will be distributed to banks and Department field offices in approximately two weeks. Member banks should feel free to use the draft in the interim.

Sincerely,


Eugene M. Rehfield, P.E.

Domestic Wastewater Program Manager

cc: Distribution List

**PROFESSIONAL ENGINEERS REPORT ON CONVENTIONAL ON-SITE WASTEWATER SYSTEM
APPROVAL OF ON-SITE RESIDENTIAL WATER AND SEWER SYSTEMS**

PROPERTY DESCRIPTION

| | |
|---|--|
| LOT, BLOCK & SUBDIVISION OR U.S. SURVEY Buyer: _____ Seller: _____ | DEC Approval Not Required DEC District Office Authorized Representative |
|---|--|

WATER SUPPLY

A recent water sample was tested and found to meet Department of Environmental Conservation drinking water standards for total coliform bacteria. Results of other tests may be attached (i.e., Nitrates, etc.).

| | | |
|------|-------|------|
| Name | Title | Date |
| | | |

WASTEWATER DISPOSAL

The domestic wastewater system was:

- Inspected by a Professional Engineer who certifies that the system complies with applicable requirement of 18 AAC 72;
- tested by a Professional Engineer who certifies that the performance of the system is satisfactory and that on the day of inspection no non-compliance with the minimum separation distances specified in 18 AAC 72 was observed;
- Installed by a Certified Installer who certifies that the system complies with applicable requirements of 18 AAC 72.

This approval is valid for a single family duplex unit with a total of ____ bedrooms.

| | |
|------|------|
| Name | Date |
| | |

Professional Engineer Seal

This approval does not constitute a guarantee or warranty of any kind, explicit or implied, as to the performance of the water supply and wastewater disposal system.

To: MARK GAYE R

From:

Co. Home

965-5070

965-5070

NEWS RELEASE

Alaska Department of Environmental Conservation
410 Willoughby Ave. Juneau, Alaska 99801-1795
Phone: (907) 465-5060 Fax: 465-5070



February 7, 1992

Contact: Joe Ferguson

APPROVAL OF ON-LOT SEPTIC SYSTEMS TO BE DONE BY PRIVATE ENGINEERS INSTEAD OF DEC

Juneau... Private engineers instead of State employees will conduct the reviews and approvals of on-lot wastewater disposal systems needed for obtaining home mortgage financing, according to a proposal by the Department of Environmental Conservation. Alaska's mortgage banking industry has agreed to the approach.

DEC Special Assistant Janice Adair said that DEC will conduct workshops for private engineers on how to do reviews according to wastewater disposal regulations, and the department will continue to review on-lot systems on an as-needed basis until the private engineers have received the instruction. Adair added that 57 private engineers in Alaska attended the first workshops in January.

The review and approval of septic systems is required by the mortgage industry prior to approval of home loans, but in an efficiency move DEC discontinued its reviews for single-family and duplex dwellings. Adair said that the department needs its staff to work on higher-priority environmental protection projects.

"Fortunately, there is a private sector answer to this need--the private engineers--and we can provide the necessary training. It seems to be a workable solution all-around," said Adair. She said that the Alaska Mortgage Bankers Association and the Alaska Housing Finance Corporation agreed to the new approach.

DEC will send its list of trained engineers to bankers, and will keep the list updated. Where no private engineer is available to conduct a review, the department will do so until trained engineers are available. Engineers will do approvals for new systems, inspect existing systems, and approve modifications to existing systems for conventional on-lot single family and duplex wastewater systems. DEC will maintain its current wastewater program in other areas and continue to do approvals for other types of systems.

During the transition to the use of private engineers, buyers or sellers of homes experiencing problems with a mortgage loan because of a septic system review should contact a local DEC office for information.

For further information, contact Deena Henkins, DEC in Juneau, 465-5300.

#

Background on Alaska Department of Environmental Conservation On-Site Wastewater Disposal System Certification Program

House Bill 387- Seventeenth Alaska Legislature Date: January 23, 1992
Prepared for House Community and Regional Affairs Committee

The Department of Environmental Conservation reviews and approves engineered plans for modification of existing or new construction of wastewater systems as required by 18 AAC 72.210 Domestic Wastewater System Plan Review.

Exception: Plan approval is not required for conventional on-site wastewater system serving a single-family or duplex residence. This exception does not apply to systems that require waiver of separation distance from water.

The Current Situation: Approvals of these systems by the Department is not required by regulation. It has been conducted at the request of the Banks and Real Estate industries. The program has required 8.9 FTE's and a budget of \$536,000 (FY 91). In FY 91 the Department approved about 2,400 on-site wastewater systems. Of these, approximately 1,300 systems were conventional and would be affected by the proposed private sector assumption.

Proposed Reduction: The Department is planning to have private sector engineers review conventional on-site wastewater systems for single-family and duplexes and their evaluation would be given directly to the bank. A phased transition has been proceeding in FY 92, and should be completed by February 1992. The reduction of program responsibilities not required by regulations is necessary to make use of our limited resources in other important public health and environmental protection areas.

Other program activities are proposed to continue. These include engineering plan approval of all non-conventional systems, or systems which require separation distance waivers. Also, filing and maintaining archival records of previous on-site system approvals. The Department offers training statewide for Certified Wastewater Installers, and maintains a list of contractors who have met the requirements.

Activities to Date: In support of the proposed reduction in single-family and duplex approvals the Department testified at House and Senate Finance Committee Hearings on our FY 92 Budget Request. We have also notified the Banking and Real Estate industry, and the Professional Engineering community of the planned change. A series of meetings were held with these groups to identify concerns, and to provide for an orderly transition. Training was presented to Engineers in Anchorage and Fairbanks. A form has been prepared for the use of the industry in substituting Professional Engineer approval for the Departments approval.

Situation in Other States: Alaska is unique in having a state agency involved with the on-site wastewater system approvals. In most other states, the local government or county health departments provide this service. The state usually is only involved as far as establishing minimum criteria.

Sec. 18.60.690. Nonapplicability to certain activities. AS 18.60.670 — 18.60.695 do not apply to

(1) activities relating to high voltage overhead conductors or their supporting structures conducted by persons authorized by the operator or owner of high voltage overhead conductors or their supporting structures;

(2) work done on telephone or communication circuits or their supporting structures;

(3) the operation or maintenance of equipment traveling or moving upon fixed rails of a railroad; or

(4) emergency situations in which life is endangered. (§ 1 ch 83 SLA 1972)

Revisor's notes. — Enacted as AS 42.20.038. Renumbered in 1972.

Sec. 18.60.695. Definitions. In AS 18.60.670 — 18.60.695

(1) "high voltage" means a voltage in excess of 750 volts between conductors or between any single conductor and the ground;

(2) "overhead lines or overhead conductors" means all bare or insulated electrical conductors installed aboveground except those that are deenergized and grounded or enclosed in iron pipe or other metal covering of equal strength. (§ 1 ch 83 SLA 1972)

Revisor's notes. — Enacted as AS 42.20.039. Renumbered in 1972.

Article 8. Plumbing Code.

Section

705. Plumbing code
710. Duties of the department
715. Administration
720. Cost of permits

Section

725. Enforcement of compliance
730. Penalty for violations
735. Borough or city regulation
740. Definitions

Collateral references. — 13 Am. Jur. 2d, Buildings, § 29.

39A C.J.S., Health and Environment, §§ 28-32.

Sec. 18.60.705. Plumbing code. (a) The following publications are adopted as the minimum plumbing code for the state:

(1) chapters 1 — 13 of Part II and the appendices of the 1991 edition of the Uniform Plumbing Code, published by the International Associ-

ation of Plumbing and Mechanical Officials and adopted at the 61st annual conference, September 1990;

(2) the 1991 edition of the Uniform Swimming Pool, Spa, and Hot Tub Code, published by the International Association of Plumbing and Mechanical Officials and adopted at the 61st annual conference, September 1990, but excluding Part I, Administration, pages xiii — xxi; and

(3) the 1991 edition of the Uniform Solar Energy Code, published by the International Association of Plumbing and Mechanical Officials and adopted at the September 1990 annual conference, but excluding Part I, Administration, pages xv — xxii.

(b) Notwithstanding (a) of this section, the use of a pipe or pipe fitting containing more than 8.0 percent lead, or of solder or flux containing more than 0.2 percent lead in the installation or repair of a public water system or in the installation or repair of plumbing of a residential or nonresidential facility that provides water for human consumption is prohibited. This subsection does not apply to the use of leaded joints necessary to repair cast iron pipe. (§ 1 ch 15 SLA 1972; am § 1 ch 88 SLA 1980; am § 1 ch 101 SLA 1988; am § 3 ch 29 SLA 1991)

Revisor's notes. — Enacted as AS 18.60.680. Renumbered in 1972.

Cross references. — For certificates of fitness required to perform work subject to this section, see AS 18.62.010.

Effect of amendments. — The 1988 amendment, effective June 5, 1988, added subsection (b).

The 1991 amendment, effective June 12, 1991, rewrote subsection (a).

Editor's notes. — Section 3, ch. 101, SLA 1988 provides that (b) of this section "applies to the installation or repair of a water system or plumbing begun on or after June 5, 1988."

Sec. 18.60.710. Duties of the department. The department is responsible for the administration of the code. The department may adopt regulations designed for maximum practical implementation of the code, and may grant exceptions from specific code provisions, where distance or other factors make implementation impractical. Specific consideration shall be given to outlying villages and sparsely populated areas to ensure that AS 18.60.705 — 18.60.740 will not impose an undue financial burden. The department may by regulation designate appropriate inspection to a public or private utility company. A company so designated may refuse utility connections if an installation does not meet the requirements of this code. (§ 1 ch 15 SLA 1972)

Revisor's notes. — Enacted as AS 18.60.690. Renumbered in 1972.

Sec. 46.03.100. Waste disposal permit. (a) A person who conducts an operation that results in the disposal of solid or liquid waste material or heated process or cooling water into the waters or onto the land of the state shall procure a permit from the department before disposing of the waste material or water. The permit shall be obtained for direct disposal and for disposal into publicly operated sewerage systems.

(b) A permit for disposal of a hazardous waste may not be issued under this section unless the applicant for the permit has furnished proof to the commissioner of financial ability to control the hazardous waste. Proof of financial responsibility may be demonstrated by self-insurance, insurance, surety, or guarantee, under regulations adopted by the department. Acceptance of proof of financial responsibility under this subsection expires

(1) one year from its issuance for self-insurance;

(2) on the effective date of a change in the surety bond, guarantee, or insurance agreement; or

(3) on the expiration or cancellation of the surety bond, guarantee, or insurance agreement.

(c) This section does not apply to a person discharging only domestic sewage into a sewerage system.

(d) This section does not apply to injection projects permitted under AS 31.05.030(h).

(e) A person who applies for a solid waste permit under this section shall demonstrate to the satisfaction of the commissioner that the applicant has reasonably considered all solid waste management options and that the permit would be consistent with the practices and priorities established under AS 46.06.021. (§ 3 ch 120 SLA 1971; am § 3 ch 220 SLA 1976; am § 9 ch 93 SLA 1981; am § 4 ch 91 SLA 1984; am § 3 ch 88 SLA 1990)

Revisor's notes. — Subsections (b) and (c) were formerly (c) and (b), respectively. Relettered in 1987.

Cross references. — For further requirements for persons submitting proof of financial ability under this section, see AS 46.03.833.

Effect of amendments. — The 1990 amendment added subsection (e).

Opinions of attorney general. — This section confers upon the Department of Environmental Conservation permit authority over dredge or fill activities, including residential subdivisions, within

wetlands, estuaries, and inland and coastal marshes periodically inundated by discernible bodies of fresh or salt water upland from the mean high tide line to the extent of the aquatic or salt water vegetation line. November 13, 1975 Op. Att'y Gen.

Dredge or fill activities in coastal and fresh water wetlands shoreward to the aquatic vegetation line do result in the disposal of solid waste material into the waters of the state within the meaning of this section and thus, to the extent that these activities are of a commercial or in-

**Excerpts from 18 AAC 72.210
Alaska Wastewater Disposal Regulations**

18 AAC 72.210. APPLICATION FOR DEPARTMENT APPROVAL.
 (a) Subject to (b) and (d) of this section, a person must have written department approval to construct, install, modify, or operate any part of a domestic wastewater treatment, collection, or disposal system, and must ensure that the system . . .

(b) Subject to the requirements of Table E, plan approval under this chapter is not required for a conventional onsite soil absorption system serving a single-family or duplex residence, if that system meets the requirements of this chapter.

**TABLE E
REQUIREMENTS FOR SUBMISSION OF PLANS, REVISIONS TO PLANS,
AND CERTIFICATION OF CONSTRUCTION**

| Facility Type | Plan Preparation Requirements | | Requirements for Submission of Revisions to Plans | | Requirements for Certification of Construction | |
|--|--|---|---|--|--|--|
| | Subsurface Land Discharge | Surface Water and Surface Land Discharge | Subsurface Land Discharge | Surface Water and Surface Land Discharge | Subsurface Land Discharge | Surface Water and Surface Land Discharge |
| Single-family dwelling or duplex on a residential or recreational lot | Plans are not required for a conventional onsite disposal system, except that engineering plans will be required if similar systems in nearby areas have failed, or failure may be expected due to marginal soils or high groundwater table. Engineering plans are required for alternate onsite disposal systems. | Engineering plans are required, except that the department will, in its discretion, accept plans prepared by the applicant for discharge to marine waters. | Required in accordance with 18 AAC 72.235. | Required in accordance with 18 AAC 72.235. | Required only if engineering plans are required to be submitted. | Required only if engineering plans are required to be submitted. |
| Wastewater systems which are expected to serve, in the normal order of events, more than a single-family or duplex dwelling, but less than 25 persons per day, or have less than 2,500 gal/day average daily design flow | Plans are required; these plans may be prepared by the applicant, except that engineering plans are required when similar systems in nearby areas have failed, poor soil conditions or high groundwater table exists, or where the department finds that discharge may threaten public health or the environment. | Engineering plans are required, except that the department will, in its discretion, accept plans prepared by the applicant for discharges to marine waters. | Required in accordance with 18 AAC 72.235. | Required in accordance with 18 AAC 72.235. | Required only if engineering plans are required to be submitted. | Required only if engineering plans are required to be submitted. |
| Wastewater systems which are expected to serve 25 or more persons per day in the normal order of events, or have an average daily design flow equal to or greater than 2,500 gal/day | Engineering plans are required. | Engineering plans are required. | Required in accordance with 18 AAC 72.235. | Required in accordance with 18 AAC 72.235. | Required in accordance with 18 AAC 72.245. | Required in accordance with 18 AAC 72.245. |

(20) "conventional soil absorption system" means a soil absorption system of typical trench, bed, or seepage pit design as described by 18 AAC 72.950(12) and (15), using natural subsurface undisturbed soils for the treatment media, or any soil absorption system with the same characteristics;

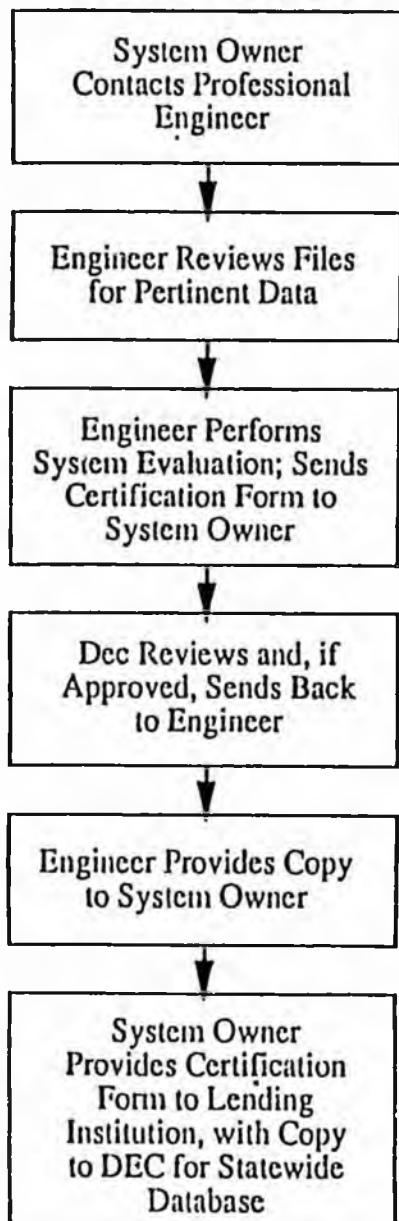
(77) "soil absorption system" means a surface or subsurface system using soil for the treatment and disposal of effluent from a domestic wastewater treatment works; "soil absorption system" includes a filtering field, leaching field, seepage bed, or seepage pit, but does not include a cesspool;

On-Lot Wastewater System Certification Process

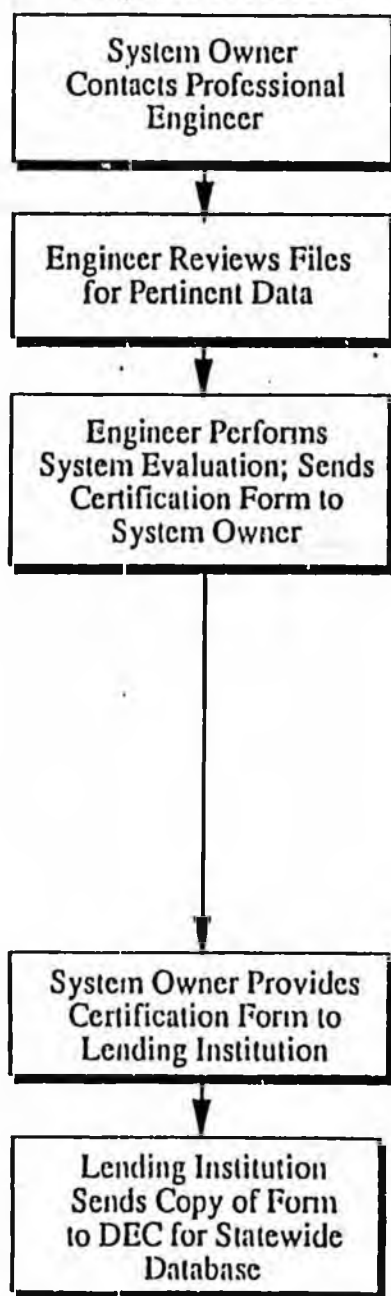
(Current and Proposed Procedures)

Existing Wastewater Systems, Unless Separation Distance Waiver Required

Current Procedure

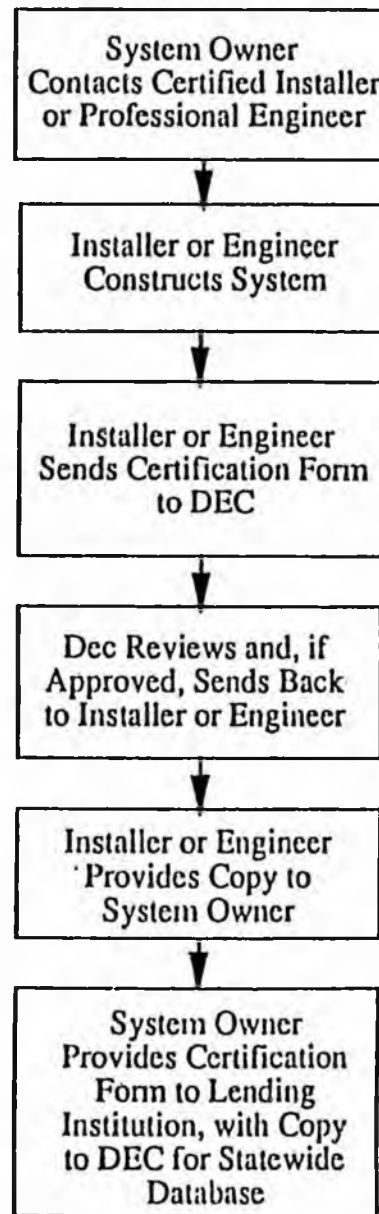


Proposed Procedure

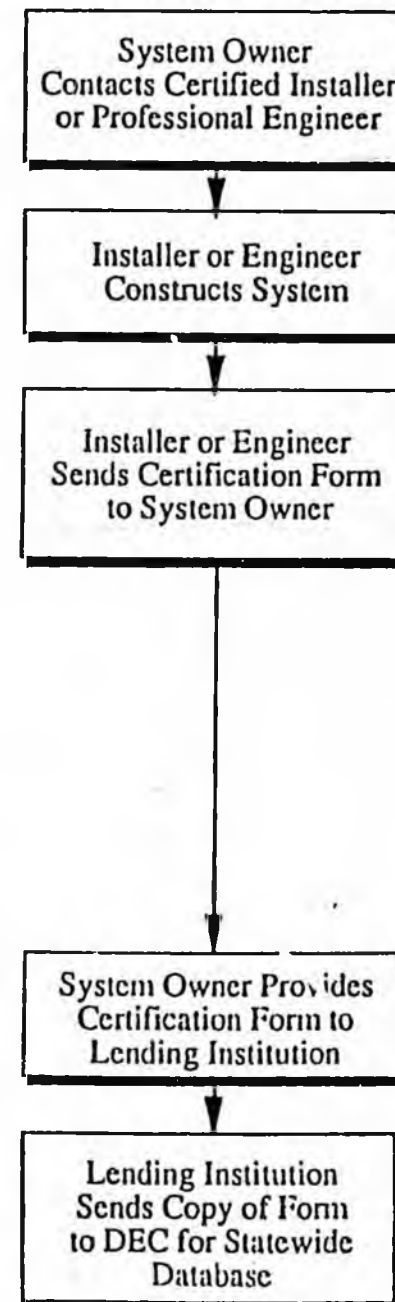


New Systems, Conventional Single-Family Home or Duplex

Current Procedure



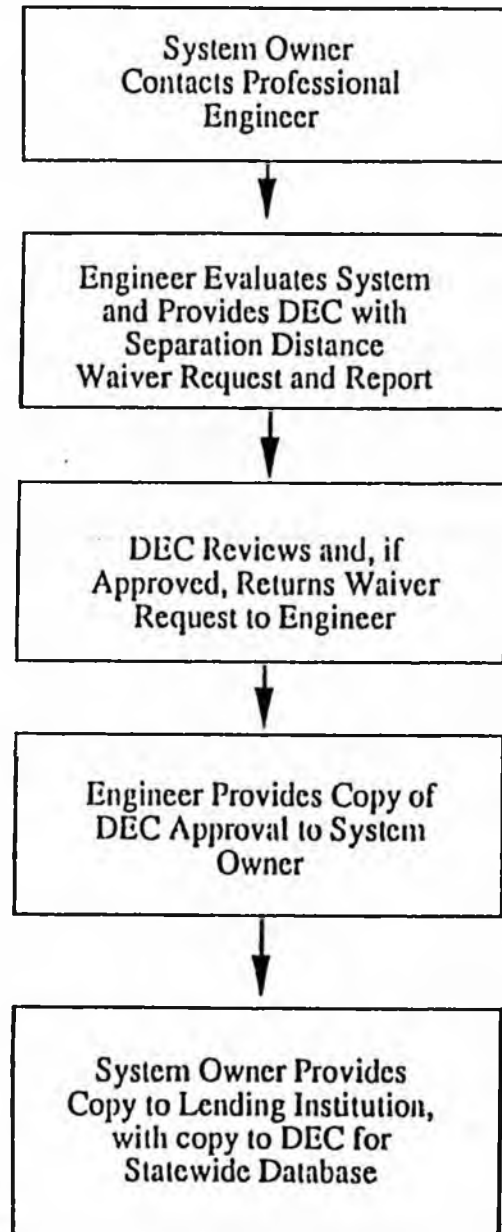
Proposed Procedure



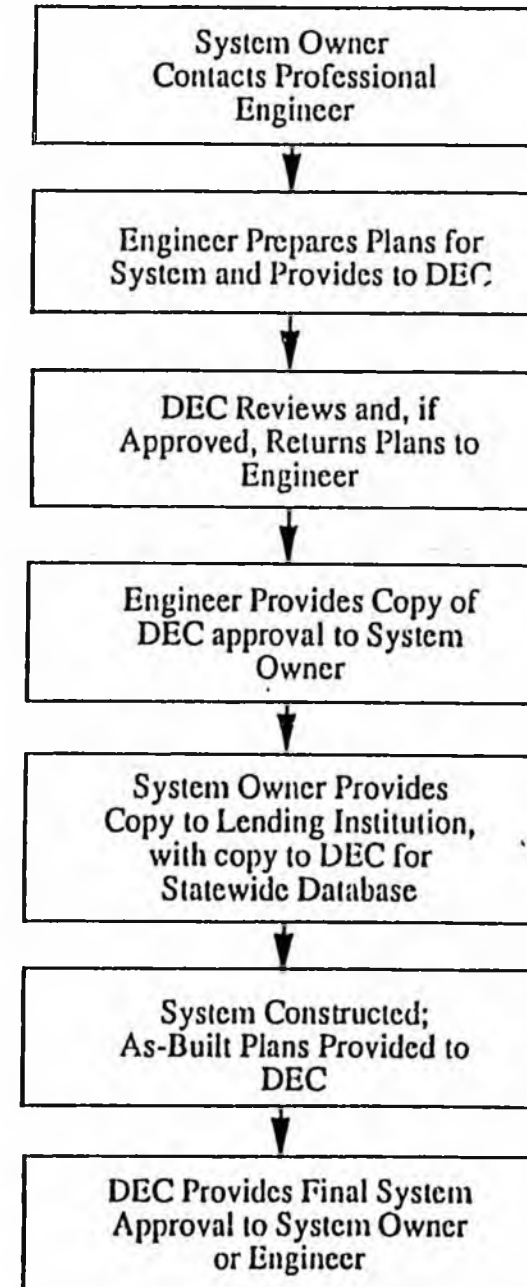
On-Lot Wastewater System Certification Process

(No Proposed Changes)

Existing or New Wastewater Systems, Requiring Separation Distance Waiver



New Systems, Larger than Duplex and/or Non-Conventional



RECEIVED FEB 18 1992



February 13, 1992

Representative Cliff Davidson
Alaska House of Representatives
State Capitol
Juneau, AK 99801-1182

Dear Representative Davidson:

The Alaska Association of REALTORS (AAR) supports in part the position of the Alaska Mortgage Bankers Association (AMBA) concerning the on-site certification of well and septic systems.

AAR supports DEC proceeding with their plan of private professional engineers performing the certification process. AAR urges the Department of Environmental Conservation to proceed as soon as possible with the request to adopt regulations concerning the certification program of professional engineers, and have these regulations in place by April 15, 1992.

AAR seeks DEC's support in passing H.B. 387 by Representative Boyer of Fairbanks; this bill is necessary for stability of the home loan process for the general public. It takes the yearly politics out of a process in which politics do not belong.

Respectfully,

Glenda Feeken
Glenda Feeken
Member, Alaska Association of REALTORS



RE/MAX of the peninsula
100 trading bay rd., suite 6
kenai, alaska 99611
phone: (907) 283-5888
each office independently owned and operated



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Alaska House of Representatives
State Capitol
Juneau, AK 99801-1182

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Respectfully,

Dave Feeken
Member, Alaska Association of REALTORS



RE/MAX of the peninsula
100 trading bay rd., suite 6
kenai, alaska 99611
phone: (907) 283-5888
each office independently owned and operated



biaa

Affiliated with NAHB

RESOLUTION

WHEREAS the suspension of On-Lot Well and Septic Certifications by the State of Alaska Department of Environmental Conservation is currently being considered, and,

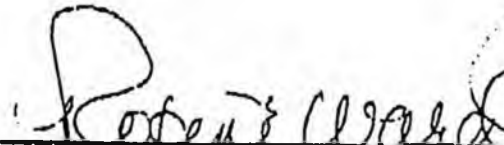
WHEREAS the Building Industry Association of Anchorage has grave concerns regarding the withdrawal of state oversight on an issue which is clearly related to the health and safety of Alaskans, and

WHEREAS it seems inappropriate to place the responsibility for health standards in the hands of private enterprise when the expertise to ensure compliance is currently in place in the state system, and

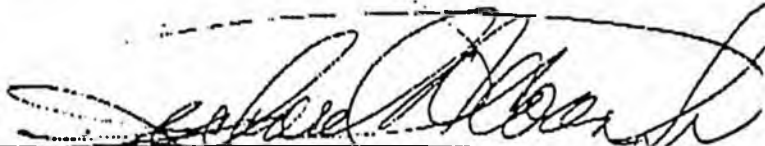
WHEREAS the state does not have to fund this program when users pay a fee for the inspections so the program is not cost prohibitive,

THEREFORE BE IT RESOLVED that the current approval system using the State of Alaska Department of Environmental Conservation for on-lot well and septic certifications is the most economical and efficient means of addressing this health and safety issue in home ownership.

Dated: This 16th day of January 1992.



Robin E. Ward
President



Richard A. Coan, Sr.
Secretary



AlaskaUSA

Federal Credit Union

January 21, 1992

Representative Mark Boyer
State Capitol
Juneau, AK 99801

Dear Representative Boyer:

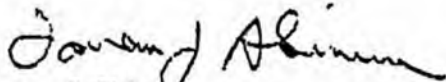
Re: DEC On-site Certification
House Bill 387

Please consider this letter as Alaska USA's support for the passage of House Bill 387.

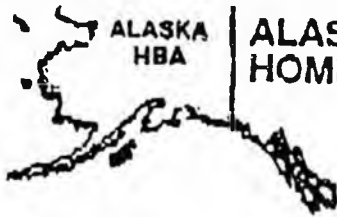
Based on numerous meetings that the mortgage lending community has had with the Department of Environmental Conservation (DEC), we feel that the review and approval of on-site well and septic systems should be performed by qualified personnel in the DEC's office. Mortgage lenders lack the expertise required to interpret engineers' reports on the performance of well and septic systems. Consequently, to confirm the adequacy of such systems, DEC's review and approval should be required.

We appreciate your assistance in this matter.

Sincerely,



Lorrان J. Skinner
First Senior Vice President



ALASKA STATE
HOMEBUILDERS ASSOCIATION

RESOLUTION

WHEREAS the suspension of On-Lot Well and Septic Certifications by the State of Alaska Department of Environmental Conservation is currently being considered, and,

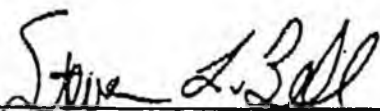
WHEREAS the Alaska State Homebuilders Association has grave concerns regarding the withdrawal of state oversight on an issue which is clearly related to the health and safety of Alaskans, and,

WHEREAS it seems inappropriate to place the responsibility for health standards in the hands of private enterprise when the expertise to ensure compliance is currently in place in the state system, and,

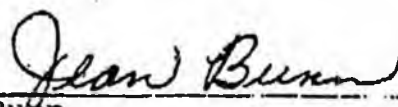
WHEREAS the state does not have to fund this program when users pay a fee for the inspections so the program is not cost prohibitive,

THEREFORE BE IT RESOLVED that the current approval system using the State of Alaska Department of Environmental Conservation for on-lot well and septic certifications is the most economical and efficient means of addressing this health and safety issue in home ownership.

Dated: This 8th day of January 1992.



Steven L. Bell
President



Jean Bunn
Secretary





DENALI STATE BANK

119 N. Cushman Street • (907) 456-1400 • FAX (907) 456-2140 • P.O. Box 74568 • Fairbanks, Alaska 99707-4568

January 15, 1992

Representative Mark Boyer
Alaska House of Representatives
Juneau, AK

Sent VIA FAX - 465-3841

RE: HB 387

Dear Representative Boyer:

Thank you for introducing the above referenced bill. This bill is supported by myself as President of Denali State Bank and by the Alaska Bankers Association of which I am the current President.

Your efforts in seeking the passage of this bill, which will continue to assist the financial institutions in originating mortgage loans on residential properties, is sincerely appreciated. Thank you.

Sincerely yours,

Gary Roth
President and Chief Executive Officer

GR/bf



520 East 34th Avenue
Anchorage, AK 99503
(907) 561-1900
P.O. Box 101020
Anchorage, AK 99510

MEMORANDUM

DATE: September 9, 1991
TO: Bob Sullivan
Intergovernmental Affairs Director
FROM: Kay Murphy *KM*
Mortgage Operations Director
RE: DEC Certifications

.....
As you know, Commissioner Sandor continues to push toward elimination of DEC's certification of wells and septic systems serving one and two family dwellings. Rumor has it that this action is being triggered by Governor Hickel's office. While you are in Juneau later this month, would you please talk with the Governor or members of his staff to discuss alternatives to DEC's reduction of services.

Areas of concern include:

- o Health and Safety issues are ignored by the State for small residential properties.
- o Quality of engineer's and certified installer's reports is suspect. Statistics provided by DEC show a statewide return rate of 31% and decline rate of 12%.
- o Increased lender liability as well as processing delays and added expense are expected.
- o Lack of expertise in identifying non-conventional systems and/or soils deficiencies. Per DEC, the engineers and lenders do not have the knowledge accumulated over the years by DEC staff.
- o Many DEC requirements are based on staff experience not published guidelines.
- o Cost is easily absorbed by User Fees.

Please find attached recent correspondence to and from Commissioner Sandor and Dick Farnell, DEC's Wastewater Program Manager.

Please contact me if I can be of further assistance.

1kay\kay9102



DEPARTMENT OF VETERANS AFFAIRS
Regional Office and Outpatient Clinic
235 East 8th Avenue
Anchorage AK 99501

February 13, 1992

In Reply Refer To: 363/26

John A. Sandor, Commissioner
Department of Environmental Conservation
P.O. Box 0
Juneau, Alaska 99811-1800

Dear Commissioner Sandor:

VA policy requires that when individual water and sewerage systems are contemplated, each must comply in all respects with the health authority regulations for the respective localities.

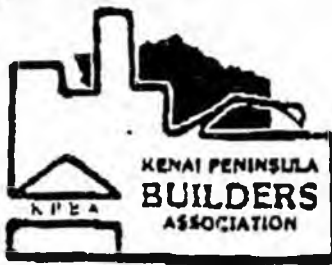
VA supports any efforts to ensure that such systems are subject to extremely careful study and investigation to assure against possible later deficiencies.

Passage of HB 387 seems essential to remove any concern about DEC's authority to regulate this important public policy function. Your support of Representative Boyer's HB 387 will alleviate the authority issue raised during the past years.

Sincerely,

A handwritten signature in cursive script that reads "Edward Hull".

Edward Hull
Loan Guaranty Officer



February 12, 1992

John A. Sandor, Commissioner
 Department of Environmental Conservation
 P.O. Box 0
 Juneau, Alaska 99811-1800

Dear Commissioner Sandor:

The Kenai Peninsula Builders Association requests the continuation of DEC oversight of on-lot certifications until such a time that building industry representatives have had an opportunity to be involved in establishing regulations governing the certification program.

There is concern that unregulated costs from private industry will make homeownership less affordable. Builders have obtained price quotes from private engineers that range from \$500 to \$5,000 for on-lot certifications.

The Kenai Peninsula Builders Association responds to the February 7, 1992, News Release which stated, "Adair said that the department needs its staff to work on higher-priority environmental projects." We ask, what issue could possibly be more important to Alaskans than the safety of our drinking water?

Sincerely,

Jean Bunn, President

| | | | |
|--|--------------------------------|------------|----------------------------|
| Post-It™ brand fax transmittal memo 7871 | | # of pages | 2 |
| To | <i>Russell, Steve</i> | From | <i>Pat Vincent</i> |
| CC | <i>National Bank of Alaska</i> | Re | <i>Kenai Pen. Builders</i> |
| Dept. | | Phone # | <i>776-5719</i> |
| Fax # | <i>257-3412</i> | Fax # | <i>776-8925</i> |



ALASKA ASSOCIATION OF REALTORS, INC.
 741 Saasame Street, Suite 100 • Anchorage, Alaska 99503
 Telephone 907-563-7133

Post-It™ brand fax transmittal memo 7671 # of pages 1

DATE: February 12, 1992

TO: Board Presidents
 Executive Officers
 Board Legislative Chairmen

FROM: Dave Feeken, Chairman
 Political Affairs Committee

| | | | |
|-------|----------------|---------|----------|
| To | Lucille Stictz | From | Dea Turr |
| Co. | NBA | Co. | AAR |
| Dept. | | Phone # | 563-7133 |
| Fax # | 257-3412 | Fax # | |

CALL TO ACTION

The Legislative and Political Affairs Committees of the Alaska Association of REALTORS® urge all members to contact their elected officials and the Department of Environmental Conservation (DEC) concerning the on-site certification process of well/septic systems. The Alaska Association of REALTORS® supports DEC's plan to privatize the approval process of "standard" single family and duplex on-site well/septic systems. Furthermore, we urge DEC to adopt regulations governing the engineer certification process by April 15, 1992.

1. Adoption of the DEC plan will save the Department funds in administering what all of us know is practically a rubber-stamp process now.
2. Adoption of the DEC plan will shorten the period of time for closing, as there will no longer be any DEC delays.
3. DEC will continue to approve "designated systems."
4. Privatization will allow for competition and the marketplace will set the fees.

AAR members are also urged to ask their legislators to pass H.B. 387, which mandates DEC issue written approval of single family and duplexes. This will take the certification process out of the political arena, at last. This bill does not affect the issue of private engineers approving "standard systems," as DEC can certify engineers through regulation.



- cc Steve Bell, President, Alaska State Home Builders Association
- Lucille Stoltz, Alaska Mortgage Bankers Association
- Senator Paul Fischer
- Representative Mike Navarre
- Representative Jim Zawacki
- Senator Steve Frank
- Representative Mark Boyer
- Representative Jerry Mackie
- Representative Cheri Davis
- Representative Bettye Davis
- Representative Richard Foster
- Representative John Gonzales
- Representative Larry Baker
- Representative Ron Larson
- Representative Gail Phillips
- Paul Fuhs, Office of the Governor
- Kurt Parkan

ALASKA MORTGAGE BANKERS ASSOCIATION
P.O. BOX 9-2691 / ANCHORAGE, ALASKA 99509-2691

 FAX TRANSMITTAL MEMO
 TO: West Park
 DEPT: _____ FAX #: 465-3841
 FROM: Foto PHONE: _____
 CO: _____ FAX #: _____
 Post-it® brand fax transmittal memo 7671

| |
|--------------|
| NO. OF PAGES |
| 3 |

January 23, 1992

Representative Mark Boyer
Alaska State Legislature
Juneau, Alaska

Dear Representative Boyer:

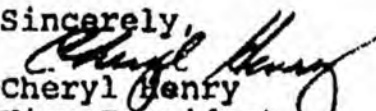
The Alaska Mortgage Bankers Association strongly supports the passage of CHSB 387.

The bill would provide for continuation of oversight by DEC of on-site systems, a service which DEC has historically performed.

Owners of one and two family units are currently the only homeowners not covered by DEC oversight by state statute; this bill would place these homeowners on an equal footing with other property owners.

There should be no financial effect on DEC, as user fees can be charged for the service.

If we can provide any information, please feel free to contact us.

Sincerely,

 Cheryl Henry
 Vice President

Attachment: Membership List

ASSOCIATE MEMBERS

Arctic Mortgage Insurance Co.
P.O. Box 23-0008
Anchorage, Alaska 99523
Doug Green 349-5641

Transalaska Title Co.
400 W. Tudor Rd.
Anchorage, Alaska 99503
561-1844

Credco of Alaska
1225 E. International Airport Rd.
Suite 200
Anchorage, Alaska 99518
Henri M. Roos 561-7333

Veterans Administration
2352 8th Ave.
Anchorage, Alaska 99513
Curtis Brantley 271-2222

Credit Bureau of Alaska
3003 Minnesota, Suite 300
Anchorage, Alaska 99513-7537
Brenda S. Reynolds 279-5689

AK. State Housing Auth.
624 W. Int'l Airport Rd.
Anchorage, Alaska 99503
Ann Marie Lindboe 562-2813

HUD
222 W. 8th Ave., Suite 64
Anchorage, Alaska 99513-7537
James Snyder 271-4175

Land Title Co.
1001 E. Benson Blvd.
Anchorage, Alaska 99508-4256
Jodi Clarke 563-5263

Mortgage Guaranty Insurance Corp.
1500 W. Benson Blvd., Suite 500
Anchorage, Alaska 99503
Tom Ster 274-6442
Sally Tower 274-6442
Jerry Tibor 274-6442

Pacific Rim Title Co.
307 E. Northern Lights Blvd.
Anchorage, Alaska 99503
Julie Korting 274-2562
Pat Kennedy 274-2562

Security Title & Trust Co.
3333 Denali St., Suite 100
Anchorage, Alaska 99503
Bob Stumpff 276-0909
Larry Moss 276-0909
Pamela Blank 276-0909

Stewart Title Co. of Alaska
510 W. Tudor Rd., Suite 1
Anchorage, Alaska 99503
Art Eash 561-5122

July 1991



First National Bank
of Anchorage

Representative Mark Boyer

The First National Bank of Anchorage would like to briefly describe our concerns regarding the possible suspension of on-lot well and septic approvals by DEC.

They are as follows:

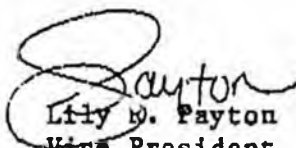
1. Lenders would be expected to rely on reports completed by certified installers and engineers who have already demonstrated a 31% return rate by DEC on their reports. The rate of return in Anchorage alone was 75%. Please refer to Dick Farnells letter dated August 21, 1991, a copy of which is attached.
2. We have been also advised by Dick Farnell in his letter of the following:
 - A working knowledge of on-lot septic systems is required of reviewers to adequately review certifications and reports.
 - Not all installers or engineers would know of the existence of special conditions, some of which may not be readily identifiable from cursory soil examinations, and would require experience with the local soils.
3. DEC has indicated they currently have a library of information available concerning soil conditions around the state and have suggested lenders submit copies of the reports received from engineers and installers to DEC so they can continue to update their library. As it is unclear how this procedure would be enforced, it is felt that this procedure would go by the wayside which would render this library obsolete in no time.

Although there are many qualified engineers and installers in Alaska, it appears as though lenders would ultimately be responsible for reviewing the reports submitted to determine whether they are accurate and complete. I think we can all agree that lenders do not have this type of expertise and to leave this to chance would do a great injustice to the public.

The First National Bank of Anchorage would like to thank you for introducing House Bill No. 387, which appears to address the problem.

If you have any questions concerning this matter, please feel free to contact me at 265-3566.

Sincerely,



Lily D. Payton
Vice President

Investor Lending Production Division

LRP/ph

REGULAR MEMBERS (under new By-Laws)

Alaska Housing Finance Corp.
P.O. Box 101020
Anchorage, Alaska 99510
Paul Kapansky 561-1900
Bob Sullivan 561-1900

National Bank of Alaska
P.O. Box 107025
Anchorage, Alaska 99510-7025
Pat Ledbetter 257-3440
Lucille Stietz 257-3442
Cheryl Henry 257-3301

Alaska USA Federal Credit Union
P.O. Box 196613
Anchorage, Alaska 99519-6613
Susan Taylor 786-2570
Carol Anderson 786-2777
Loran Skinner 786-2747

Northland Mortgage
2605 Denali, Suite 100
Anchorage, Alaska 99503
Jan Sheperd 274-5150

City Mortgage Corp.
405 West 36th Ave., Suite 100
Anchorage, Alaska 99503
Roger Aldrich 563-0700
Julie North 563-0700
Mary Lee Hillier 563-0700

Northrim Bank
3111 C Street
Anchorage, Alaska 99524
Paula Cranmer 562-0062
Debbie Green 562-0062

Federal National Mortgage Assoc.
3301 C. Street, Suite 510
Anchorage, Alaska 99503
Collis Bearden 561-0828
Kathleen Petty 561-0828

Security Pacific Bank Alaska
P.O. Box 107007
Anchorage, Alaska 99510-7007
Theresa Wolf 276-8080

Fireman's Fund Mortgage Corp.
2600 Denali Street, Suite 102
Anchorage, Alaska 99503
Karla Vanderbee 278-5151

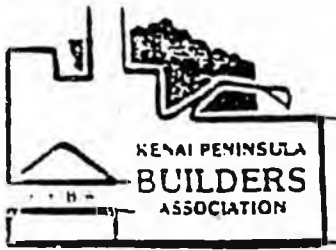
State of Alaska
DCRA-HAD
949 E. 36th, Suite 410
Anchorage, Alaska 99503
Hank Hodge 561-0900
Duane Wise 561-0900

First National Bank of Anchorage
P.O. Box 100720
Anchorage, Alaska 99510-0720
Betty Knipp 265-3450
Lily Payton 265-3566
Carole Johnson 265-3458
Lynn Johnson 265-3447

GMAC Mortgage
460 W. Tudor Road
Anchorage, Alaska 99503
Mina O'Dell 562-2181

Key Bank of Alaska
P.O. Box 100420
Anchorage, Alaska 99510-0420
Randy Boyd 564-0210
Kay Murphy 564-0335

Key Pacific Mortgage
P.O. Box 103016
Anchorage, Alaska 99510
Patrick Juul 564-0346



September 20, 1991

ALASKA
HOUSING
SEP. 23 1991
FINANCE CORP.
RECEIVED

Office of the Commissioner
Department of Environmental Conservation
John Sandoz, Commissioner
P.O. Box 0
Juneau, Alaska 99811-1800

Dear Sir:

The Kenai Peninsula Builders Association wishes to express our concern regarding the pending suspension of On-Lot Well and Septic Certifications by the State of Alaska Department of Environmental Conservation. Please find the enclosed Resolution in support of our position.

Members of our organization have expressed a number of concerns regarding the withdrawal of state oversight on an issue of Alaskan health and safety which include the increased liability for those involved in the home building industry and the possible delays and increased costs to homeowners.

The Kenai Peninsula Builders Association would support changes in the state statute which would allow the Department of Environmental Conservation to continue providing this important service.

We recognize a definite need for standardized forms and language, and would respectfully suggest DEC publish a uniform set of guidelines for use by those involved in our industry. Members of the Kenai Peninsula Builders Association would be available to discuss this matter with you at your convenience.

Sincerely,

Patricia Vincent
Executive Officer

cc: Walter J. Hickel, Governor
Lucille Stietz, President, Alaska Mortgage Bankers Association
Kay Murphy, Vice President, Alaska Mortgage Bankers Association
Steve Burnett, President, Alaska State Home Builders Association
Bob Sullivan, Intergovernmental Affairs Director, Alaska Housing Finance Corporation
Representative Gail Phillips
Representative Mike Navarre
Senator Paul Fischer

RESOLUTION


WHEREAS the suspension of On-Lot Well and Septic Certifications by the State of Alaska Department of Environmental Conservation is currently being considered, and,

WHEREAS the Kenai Peninsula Builders Association has grave concerns regarding the withdrawal of state oversight on an issue which is clearly related to the health and safety of Alaskans, and,

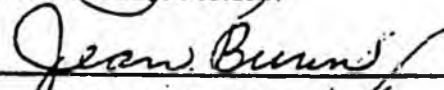
WHEREAS it seems inappropriate to place the responsibility for health standards in the hands of private enterprise when the expertise to ensure compliance is currently in place in the state system,

THEREFORE, the Kenai Peninsula Builders Association resolves that the current approval system as it exists today is the most economical and efficient means to address health and safety issues in home ownership.

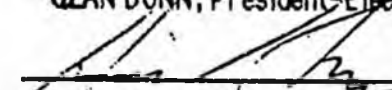
Dated: This 17th day of September, 1991



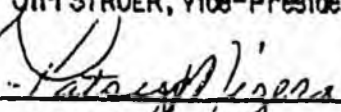
TONY DOYLE, President



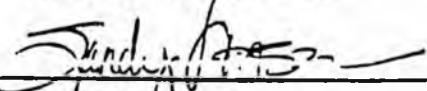
JEAN BUNN, President-Elect



JIM STROER, Vice-President



PATSY MIZERA, Treasurer



SANDY TASLER, Secretary



SECURITY PACIFIC BANK ALASKA, N.A.

MORTGAGE LOAN SERVICING, AK-210

3841 West Dimond Boulevard, P.O. Box 107007, Anchorage, AK 99510-7007
(907) 276-8080 • Fax: (907) 268-7427

February 3, 1992

To: Representative Mark Boyer
State Capital
Juneau, AK 99801
Fax 465-3841

From: Security Pacific Bank Alaska
Theresa Wolf

Theresa Wolf

RE: DEC on-site certifications

Security Pacific Bank Alaska is very concerned if DEC discontinues its on-lot certifications. This will put more liability on the lenders and engineers. Engineers will most likely raise their prices to accommodate the additional liability placed on them. This will result in higher costs to the home buyers and lenders will be taking a greater risk in interpreting the engineers report. We are not engineers and do not have engineers on staff. Therefore, we support House Bill 387.

GRIZZELL ENTERPRISES, INC.

BOX 1233
SOLDOTNA, ALASKA 99669
PHONE 282-5082
Contractor Lic. AA6369


February 10, 1992

House Community and Regional
Affairs Committee
Jerry Mackie, Chair (Craig)

Dear Sirs;

Please postpone discontinuation of
DEC certifications of on-lot wastewater
systems for one and two family properties
until the legislation has been addressed.

Sincerely,


James C. Grizzell, Jr. /
President



BELUGA REALTY

(907) 283-7473

FAX

(907) 283-7200

MEMO

DATE: February 13, 1992
TO: Representative Jerry Mackie 465-2299
FROM: Beluga Realty
RE: Bill HB 387

The Alaska Association of REALTORS® (AAR) supports in part the position of the Alaska Mortgage Bankers Association (AMBA) concerning the on-site certification of well and septic systems.

AAR supports DEC proceeding with their plan of private professional engineer performing the certification process. AAR urges the Department of Environmental Conservation to proceed as soon as possible with the request to adopt regulations concerning the certification program of professional engineers, and have these regulations in place by April 15, 1992.

AAR seeks DEC's support in passing HB 387 by Representative Boyer of Fairbanks, this bill is necessary for stability of the home loan process for the general public. It takes the yearly politics out of a process in which politics do not belong.

Respectfully,

Sandra Benson

Sandra Benson, Member, Alaska Association of REALTORS®

Dee Timlin

Dee Timlin, Member, Alaska Association of REALTORS®

Luella Yezierski

Luella Yezierski, Member, Alaska Association of REALTORS®

Art Woodward

Art Woodward, Member, Alaska Association of REALTORS®

Phyllis Hildebrandt

Phyllis Hildebrandt, Member, Alaska Association of REALTORS®

Sheryl Frolich

Sheryl Frolich, Member, Alaska Association of REALTORS®



TESTIMONY HB 387
February 18, 1992

The Kenai Peninsula Builders Association urges your support of House Bill 387.

There is a definite concern on the part of our members that the withdrawal of State oversight by the Department of Environmental Conservation will increase liability for those involved in the home building industry and increase costs to the homeowner. We feel that the State of Alaska should continue to be involved in an issue of public health and safety.

Patricia Vincent, E.O.



Alaska State Legislature

Please enter into the record my testimony to the

Community & Regional
~~House Committee~~ committee name

committee on HB 387

dated 1-23-92

affairs

bill/subject

The Alaska Bankers Association endorses passage of C.S HB 387 for the following reasons as a result of a survey of our members held in November, 1991.

1. Government has the sole responsibility for monitoring safe water and sewage, whether by statute or as a duty to the population.
2. Mortgage bankers have no technical training in the review of engineers reports and increased liability in this area will be a part of the bankers concern if they require certification of these systems prior to closing a loan.
3. Our secondary market investors currently require government certification prior to purchasing these loans. Failure to have this accomodation will result in a loss of the secondary market and limit access to home mortgages for consumers.

I had asked to testify today, but apparently was too late in my request. Thanks to Representative Boyzel and his staff for their efforts.

Signed:

Testifier

Alaska Bankers Association

Representing (Optional)

119 Northushman

Address

456-1400

Phone No.



STATE OF ALASKA

LEGISLATIVE AFFAIRS AGENCY

DIVISION OF PUBLIC SERVICES

DATE: January 23, 1992

Please accept the enclosed original(s) of written testimony
for the HOUSE Community & Regional Affairs teleconference hearing that was
scheduled on January 23, 1992.

A copy of this testimony was transmitted to your committee via
fax on Thursday, Jan. 23.

Thank you,

Christa Shields
Fairbank leg. info office



TransAlaska Title

Anchorage Branch
Corporate Office
400 W. Tudor Road
Anchorage, AK 99503
907-561-1844
FAX 561-1948

Eagle River Branch
11421 Old Glenn Highway, Suite 101 February 13, 1992
Eagle River, Alaska 99577
907-694-1456
FAX 694-1474

Fairbanks Branch
201 First Avenue, Suite 102
Fairbanks, AK 99701
907-452-2193
FAX 456-4194

Homer Branch
331 E. Pioneer Ave., Suite 1
Homer, AK 99603
907-235-5201
FAX 235-5203

Juneau Branch
2227 N. Jordan Avenue
Juneau, AK 99801
907-789-5252
FAX 789-7395

Kenai Branch
130 Trading Bay Road
Suite 390
Kenai, AK 99611
907-283-7503
FAX 283-7719

Kodiak Branch
326 Center Street, Suite 106
Kodiak, AK 99615
907-486-8338
FAX 486-8383

Seward Branch
909 3rd Avenue, Box 469
Seward, AK 99664
907-224-5272
FAX 224-5272

Soldotna Branch
170 N. Birch Avenue, Suite 101
Soldotna, AK 99669
907-262-5708
FAX 262-9594

Wasilla Branch
1590 E. Financial Blvd.
Suite 105
Wasilla, AK 99654
907-376-5248
FAX 376-6010

Representative Cliff Davidson
112 Mill Bay Road
Kodiak, Alaska 99611

Dear Mr. Davidson:

The Alaska Association of Realtors (AAR) supports in part the position of the Alaska Mortgage Bankers Association (AMBA) concerning the on-site certification of well and septic systems.

AAR supports DEC proceeding with their plan of private professional engineers performing the certification process. AAR urges the Department of Environmental Conservation to proceed as soon as possible with the request to adopt regulations concerning the certification program of professional engineers, and have these regulations in place by April 15, 1992.

AAR seeks DEC's support in passing H.B. 387 by Representative Boyer of Fairbanks; this bill is necessary for stability of the home loan process for the general public. It takes the yearly politics out of a process in which politics do not belong.

Respectfully,

Bob Ingalls
Member, Alaska Association of Realtors





BELUGA REALTY

(907) 283-7473
FAX
(907) 283-7200

MEMO

DATE: February 13, 1992
TO: Representative Cliff Davidson 465-5070
FROM: Beluga Realty
RE: Bill HB 387

The Alaska Association of REALTORS® (AAR) supports in part the position of the Alaska Mortgage Bankers Association (AMBA) concerning the on-site certification of well and septic systems.

AAR supports DEC proceeding with their plan of private professional engineer performing the certification process. AAR urges the Department of Environmental Conservation to proceed as soon as possible with the request to adopt regulations concerning the certification program of professional engineers, and have these regulations in place by April 15, 1992.

AAR seeks DEC's support in passing HB 387 by Representative Boyer of Fairbanks, this bill is necessary for stability of the home loan process for the general public. It takes the yearly politics out of a process in which politics do not belong.

Respectfully,

Sandra Benson
Sandra Benson, Member, Alaska Association of REALTORS®

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Phyllis Hildebrandt
Phyllis Hildebrandt, Member, Alaska Association of REALTORS®

Sheryl Frolich
Sheryl Frolich, Member, Alaska Association of REALTORS®



(907) 563-3333 FAX (907) 562-3808
640 WEST 36TH, SUITE ONE / ANCHORAGE, ALASKA 99503-5807

Alaska State House
Representative Cliff Davidson
Juneau, AK 99811

907 465-2487
FAX 465-3444

14 Feb 92

REF: STATER01

Re: On-Site Certification of well and Septic Systems

Dear Cliff,

I support the Alaska Association of Realtors (AAR) and the Alaska Mortgage Bankers Association (AMBA) position concerning the on-site certification of well and septic systems.

DEC should proceed with their plan of private professional engineers performing the certification process. I urge the Department of Environmental Conservation to proceed as soon as possible with the request to adopt regulations concerning the certification program of professional engineers, and have these regulations in place by 15 April 1992.

Sincerely,

Louis D. Campbell
Associate Broker
President

RECEIVED APR 27 1992



First National Bank
of Anchorage

April 23, 1992

House Resources Committee
Cliff Davidson, Chair
Alaska State Legislator
State Capital
Juneau, AK 99801-1182

RE: HOUSE BILL 387


Dear Mr. Davidson:

The First National Bank of Anchorage would like to express their support of House Bill 387, which provides for accreditation of engineers for inspections of wastewater systems for single family homes and duplexes.

We feel passage of this bill is important to the health and safety of the people of Alaska.

If you have any questions concerning this matter, please feel free to contact me at 265-3566.

Sincerely,



Lily R. Payton
Vice President

Investor Lending Production Division

LRP/ph

cc: Georgianne Lincoln
Pat Carney
David Finkelstein
Bill Hudson
Ivan M. Ivan
Tom Moyer
Loren Leman
Jim Zawacki



ALASKA ASSOCIATION OF REALTORS, INC.[®]
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503
Telephone 907-563-7133

April 13, 1992

Representative Mark Boyer
State Capitol
Juneau, AK 99801-1182

Dear Representative Boyer:

The Alaska Association of REALTORS[®] has reviewed CSHB 387, the act relating to accrediting engineers for inspections of wastewater systems for single family homes and duplexes.

The Association is satisfied with this bill as written and thanks you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script that reads 'Dea Turner'.

Dea Turner
Executive Vice President

cc: Konrad Reinke
Legislative Chairman

The Voice for Real Estate[™] in Alaska

REALTOR[®] is a registered mark which identifies a professional in real estate who subscribes to a strict Code of Ethics as a member of the NATIONAL ASSOCIATION OF REALTORS!

