

SB391

SENATE FINANCE COMMITTEE REPORT

DATE: 3/6/92

FURTHER:

DATE TURNED INTO OFFICE: 03/31/92

The Finance Committee considered

SENATE BILL NO. 391

"An Act relating to the restoration of impaired public drinking water supplies or the provision of alternative public drinking water supplies in connection with oil or hazardous substance containment and cleanup activities; and providing for an effective date."

and recommends:

- replace with _____ CS _____ (FINANCE)
or adopt previous _____ CS _____ (_____)
 attaches amendment(s)

- same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

zero fiscal notes DEC - 02/10/92

fiscal notes _____

DO PASS:

W. Adams
[Signature]
[Signature]
[Signature]

OTHER RECOMMENDATIONS:

1. *[Signature]*
Co-Chair: Signature/Recommendation

Co-Chair: Signature/Recommendation

FISCAL NOTE

Bill Version: SB 391
 (S) Publish Date: 3-6-92

STATE OF ALASKA
 1991 LEGISLATIVE SESSION

Revision Date: _____ Department Affected: Environmental
 Title: Restoring impaired public Conservation
drinking water supplies BRU: Spill Prevention and Response
 Sponsor: Sen. Hoffman Component: Contaminated Sites
 Requestor: Sen. Hoffman

COMPONENT SERIAL NO.	1	4	3	1
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	*					
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER	*					
FUND SOURCE: 1052						
TOTAL	0	0	0	0	0	0

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.)

* Any costs associated with this legislation would be recovered from the party responsible for the contamination.

Prepared by: Janice Adair Phone: 465-5050
 Division: Commissioner's Office Date: 2/10/92

Approved by Commissioner: *Janice Adair*
 Agency: Environmental Conservation Date: 2/10/92

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

SENATE BILL NO. 391

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY SENATORS HOFFMAN, Adams

Introduced: 2/7/92

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the restoration of impaired public drinking water supplies or the
 2 provision of alternative public drinking water supplies in connection with oil or hazardous
 3 substance containment and cleanup activities; and providing for an effective date."

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

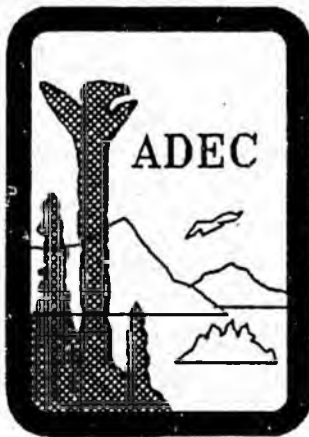
5 * Section 1. AS 46.08.010(c) is amended to read:

6 (c) The fund shall be used for actual expenses incurred under AS 46.08.040. Except for
 7 containment or cleanup activities related to restoration of impaired public drinking water
 8 supplies or the provision of alternative public drinking water supplies, or as provided in
 9 AS 46.08.040(d)(2), the fund may not be used for capital improvements.

10 * Sec. 2. AS 46.08.900(3) is amended to read:

11 (3) "containment and cleanup" includes the direct and indirect efforts associated
 12 with the prevention, abatement, containment, or removal of oil or a hazardous substance, and the
 13 restoration of the environment including the restoration of impaired public drinking water
 14 supplies or the provision of alternative public drinking water supplies; when applied to

1 expenses, the term includes the additional costs of providing a reasonable and appropriate
2 function or service incurred in response to the release of the oil or hazardous substance, including
3 administrative expenses for the incremental costs of providing the function or service;
4 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).



Department of Environmental Conservation

POSITION PAPER

RECEIVED
13 1992

BILL NO: SB 391

APPROVED:

Joel D. Taylor

TITLE: Restoration of Impaired Water

DATE:

3-18-92

The Department supports this legislation. There have been several occasions in the last few years when undetected spills of hazardous substances, including petroleum products, have contaminated public drinking water supplies in remote communities. In many cases, the Department of Environmental Conservation (ADEC) undertook containment and cleanup activities using the Oil and Hazardous Substance Release Response (470) Fund.

Generally, cleanup activities of contaminated soil involve drilling "monitoring" wells to determine the extent of the contamination. The same equipment used for these monitoring wells can be used to drill a new drinking water well. ADEC has no mechanism to provide an alternative drinking water source to a community absent a specific capital project appropriation. The legal restrictions on the 470 Fund prevent ADEC from using this fund source to reestablish the drinking water source as a part of ADEC's cleanup activities. The community is thus forced to wait through at least one capital budget cycle for the necessary funds. By this time, another construction season is gone, as is the equipment used to drill any monitoring wells. The need to return this equipment to the community in order to drill a new drinking water well can significantly add to the cost of the capital project.

A.S. 46.08.040 outlines the purposes for which the 470 Fund may be used. It includes the containment and cleanup of a release of a hazardous substance. Any funds so expended are to be recovered from the party responsible for the release pursuant to AS 46.08.070. SB 391 amends the definition of "containment and cleanup" to include the restoration of a contaminated public drinking water supply. Any funds used for this purpose would be added to those the responsible party must repay to the State.



Senator Lyman F. Hoffman

Alaska State Senate
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4453

- District M
- Akiachak
- Akiak
- Alatna
- Allakaket
- Andreafsky
- Aniak
- Anvik
- Arctic Village
- Atmautluak
- Beaver
- Bethel
- Bettles
- Birch Creek
- Chaiyikytik
- Cheforak
- Chuathbaluk
- Crooked Creek
- Eek
- Evansville
- Fort Yukon
- Galena
- Goodnews Bay
- Grayling
- Holy Cross
- Hughes
- Huslia
- Kalskag
- Kaltaq
- Kasigluk
- Kipruk
- Kongiganak
- Koyukuk
- Kwethluk
- Kwigillingok
- Lake Minchumina
- Lime Village
- Lower Kalskag
- Manley Hot Springs
- Marshall
- McGrath
- Mekoryuk
- Minto
- Mountain Village
- Napakiaik
- Napaskiak
- Newtok
- Nightmute
- Nikoiak
- Nulato
- Nunapituk
- Oscarville
- Pilot Station
- Pitkas Point
- Platinum
- Quinhagak
- Rampart
- Red Devil
- Ruby
- Russian Mission
- Shageluk
- Sleetmute
- St. Mary's
- Stevens Village
- Stony River
- Takotna
- Tanana
- Teiida
- Toksook Bay
- Tuluksak
- Tuntutuliak
- Tununak
- Tyonek
- Venetie
- Wiseman

SB 391
RESTORING IMPAIRED PUBLIC DRINKING WATER SUPPLIES
Senator Lyman F. Hoffman, Sponsor

A growing problem in rural areas is the increase of undetected spills of hazardous materials, especially fuel oil, which have contaminated public water supplies. In the past two years, fuel spills have contaminated the water supplies of the communities of Toksook Bay, Minto and Marshall. In each case, the Department of Environmental Conservation (DEC) reacted with a spill response team to identify the source of the pollution and initiate the cleanup. The cleanup was paid for with funds from the state's oil spill cleanup fund, referred to as the "470 fund".

However, although DEC could clean up the contamination, there has been no legal mechanism to allow DEC to use the 470 fund to replace the contaminated water source. Instead, communities have had to go through the normal capital appropriation process in order to provide funding for new water sources in these communities. This process can take months, and even years, with a substantial added cost. During that time, residents have had to pack water, usually from unreliable and marginal sources. This has created a very difficult situation for the communities and their schools and other facilities.

SB 391 would allow the 470 Fund to be tapped for the expense of replacing the contaminated water system with a new one. This could be done during the cleanup process, using the same crew and equipment, which would substantially reduce the state's costs.

The 470 fund was created to help people who have suffered from a hazardous material spill. SB 391 would help the fund live up to its purpose. This legislation is supported by DEC.

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

**DEPARTMENT OF MILITARY
AND VETERANS AFFAIRS**
ALASKA DIVISION OF EMERGENCY SERVICES

PO BOX 5750
FT. RICHARDSON, AK 99505-5750
PHONE: (907) 428-7000

January 2, 1992

NOTE:

This letter is an example of the problems experienced by rural residents faced with an unreliable water supply. Even obtaining water from traditional sources can now have environmental and health problems.

Mr. John Amik
Village Administrator
Kipnuk Village Council
General Delivery
Kipnuk, Alaska 99614

Dear Mr. Amik:

The Division of Emergency Services has reviewed your request for assistance in meeting the village's need for a more readily available source of water by filling the storage tank with water drawn from a nearby lake. While recognizing the difficulty that villagers encounter in supplying themselves with water in the traditional ways, hauling ice from nearby lakes, we have concluded that your proposal does not offer a feasible alternative.

This conclusion is based in part on engineering advice we have obtained from the Alaska Department of Environmental Conservation and the U.S. Public Health Service. There are two problems with your proposal: (1) the water in the lake from which you propose to draw, and other area lakes, is extremely turbid with suspended material at this time of year. Moreover, because of the shallowness of the lakes (two feet or less), it would be impossible to avoid pumping an excessive amount of material from the bottom along with the water. The quality of the water would thus be too poor for use in daily laundry purposes, let alone drinking. (2) the logistics of drawing water from lakes and pumping it a minimum of 2000 feet to the storage tank at this time of year would be extremely difficult to accomplish without a prolonged period of temperatures that are higher than normal for this time of year.

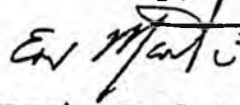
While this does not alleviate immediately the hardships that villagers must undergo to obtain water, there is some gratification in knowing that this will probably be the last year that residents of Kipnuk experience a water shortage of this magnitude. As you know, the State Department of Environmental Conservation and the U.S. Public Health Service have been working for some time on proposals to provide a long term solution to the village's water problems,

January 2, 1992
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including the construction of larger capacity storage facilities and a washeteria. At present, over \$1.2 million in federal and State funds are committed to this project, with construction of the first phase scheduled for next summer. It is expected that completion of this phase will assure a storage capacity adequate to meet all of the community's needs throughout the winter.

In the meantime, we can offer a recommendation. We suggest that the Village approach the school and request that the school make available, at least for elderly residents who have difficulty in obtaining water in the traditional way, a place for distributing limited supplies of drinking water from the school's storage tanks. With careful monitoring, this should be possible without depleting the water supply needed by the school to meet its own needs.

Sincerely,



Ervin Paul Martin
Director

EPM:JB:th

cc: Office of the Governor, ATTN: Nancy Barnes
Village Safe Water, ATTN: Greg Capito
US Public Health Service, ATTN: Tom Coolidge
Senator Lyman Hoffman
Representative Ivan Ivan