

**SB**

**326**

HFIN

FILE



# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CS SB 326 FIN  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affect: Environmental Conservation  
Title Wastewater Discharge Program BRU Air and Water Quality  
Component Water Quality  
Sponsor Senators Therriault, Olson  
Requester House Finance Component No. 2062

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	47.1	47.1				
Travel	6.0	12.0				
Contractual	110.2	81.7				
Supplies	2.0	1.0				
Equipment	6.9	1.0				
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>172.2</b>	<b>142.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	63.1	46.0				
1003 GF Match						
1004 GF	109.1	96.8				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>172.2</b>	<b>142.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary	2	2	(see explanation attached - nonpermanent)			

**ANALYSIS:** (Attach a separate page if necessary)  
See Attached.

Prepared by: Lynn J. Tomich Kont Phone (907) 465-5312  
Division Air and Water Quality Date/Time 5/7/02 8:52 AM  
Approved by: Kurt Fredriksson, Deputy Commissioner Date 5/7/2002  
Agency Department of Environmental Conservation

Permitting decisions for wastewater discharges covered under the National Pollutant Discharge Elimination System (NPDES) are currently made by the Environmental Protection Agency (EPA) in Seattle. Alaska is one of only six states in the nation that does not make NPDES permit decisions at the state level. Alaska stakeholders have expressed a desire for local decision making but are guarded about endorsing Alaska primacy unless a state program provides more benefits than one executed by EPA. This bill requires the department to develop a plan for assuming NPDES primacy by the state to be provided to the legislature in January 2004. The plan will enable the Legislature to make a decision on whether or not Alaska will seek NPDES primacy.

If this fiscal note is adopted, the funding of the project now partially depends upon federal receipts from EPA. At the present time these receipts are not secured from EPA. Final approval of federal funds is likely to be strongly linked to the outcome of the federal budget for water pollution control grants which will be concluded in early fall 2002. If the department is not successful in receiving federal funds, this will be known before the project start date and the project should not proceed since it can not be successfully completed without full funding.

During the second half of FY2003 and for the first half of FY2004, one full time temporary, non-permanent Environmental Specialist IV and one part time temporary, non-permanent Environmental Specialist III, with assistance by private contractors and the Department of Law, will prepare an implementation plan for state assumption of the federal wastewater discharge permitting program in Alaska.

Other line item funding will provide travel for staff to meet with stakeholders and interested citizens, technical assistance from environmental contractor(s) with experience in NPDES program implementation, basic support costs, and equipment.

CS FOR SENATE BILL NO. 326(FIN)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 4/18/02  
Referred: Rules

Sponsor(s): SENATORS THERRIAULT, Olson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to evaluating state assumption of the wastewater discharge program  
2 under the federal Clean Water Act; and providing for an effective date."

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

4 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
5 to read:

6 FINDINGS AND PURPOSE. The Department of Environmental Conservation has  
7 proposed assuming the national pollutant discharge elimination system (NPDES) permit  
8 system program for Alaska under 33 U.S.C. 1342 from the United States Environmental  
9 Protection Agency. The department is directed to evaluate the potential benefits and  
10 consequences of assuming NPDES primacy for Alaska.

11 \* Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to  
12 read:

13 PLAN FOR ASSUMING NPDES PRIMACY BY STATE. (a) The Department of  
14 Environmental Conservation shall develop an implementation plan for the assumption of

1 NPDES primacy by the state, including

2 (1) statutory and regulatory changes;

3 (2) procedures for issuing permits;

4 (3) procedures for conflict resolution with the United States Environmental  
5 Protection Agency;

6 (4) a statement of the cost of assuming NPDES primacy;

7 (5) a statement of sources of federal funding available.

8 (b) The draft plan shall be submitted to relevant interest groups and the public for  
9 review and comment before the Department of Environmental Conservation adopts a final  
10 plan. The draft plan shall be submitted to the legislature for review and comment. The final  
11 plan shall be submitted to the legislature on the first day of the Second Regular Session of the  
12 Twenty-Third Alaska State Legislature.

13 \* Sec. 3. This Act takes effect January 1, 2003.

CS FOR SENATE BILL NO. 326(RES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 3/27/02  
Referred: Finance

Sponsor(s): SENATORS THERRIAULT, Olson

A BILL  
FOR AN ACT ENTITLED

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10 plan. The draft plan shall be submitted to the legislature for review and comment. The final  
11 plan shall be submitted to the legislature on the first day of the Second Regular Session of the  
12 Twenty-Third Alaska State Legislature.

13 \* Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

# Alaska State Legislature

SENATOR  
GENE THERRIAULT

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Senate District 10

## Senate

**Senate Bill 326:** "An act relating to evaluating state assumption of the wastewater discharge program under the federal Clean Water Act; and providing for an effective date."

**Sponsor:** Senator Gene Therriault 

### Sponsor Statement

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Passage of Senate Bill 326 will direct the Department of Environmental Conservation (DEC) to evaluate the potential benefits and consequences of assuming primacy for the National Pollutant Discharge Elimination System (NPDES) program and develop an implementation plan.

In 1972 the federal government enacted the Clean Water Act (CWA) to protect and restore the quality of the nations water. The CWA provided that states can be authorized to operate their own NPDES program as long as it complies with federal requirements. Currently 44 states and the U.S. Virgin Islands administer their own NPDES program and Idaho is currently considering assuming NPDES primacy. The main reason that states have adopted primacy is to allow them to tailor their water discharge program to regional concerns and environmental features rather than follow federal guidelines designed to cover all states.

Senate Bill 326 would direct the DEC to study and describe:

- EPA's existing program in Alaska,
- Required and recommended primacy program components,
- Advantages, disadvantages, and experiences from similarly situated states along with their program costs,
- Draft rules and regulations needed for primacy,
- Guidance and implementation recommendations for executing the permit review, issuing permits and performing field compliance assistance,
- Necessary resources including number of staff, use of contractors and specific technical expertise of staff for an Alaskan program,
- legal issues and propose solutions necessary to acquire primacy, and
- A proposed action plan to secure federal funding as an ongoing contributor to offset operational costs of an Alaska NPDES permit Program

This proposal is supported by the Waste Water Permit Work Group which was formed by the Department of Environmental Conservation. This group is comprised of external stakeholders who were asked to make recommendations to guide the rebuilding of the wastewater discharge program. I envision this group being involved throughout this proposed process helping to evaluate the pros and cons of state assumption of the NPDES program. This review would involve public comment and a final report to be submitted to the Second Regular Session of the Twenty-Third Alaska State Legislature. The Legislature could then take action if it believed assumption would be in the state's best interest.

#### Changes to SB 326 in Senate Resources

- 1) Deleted line 4 on page 2 "(3) modifications of permit requirements for Alaska conditions:" because the permit requirements would not necessarily be changing. The permitting standards and guidelines are set by EPA.
- 2) Changed line 11 through 13 of the original bill (Lines 10 through 12 of the CS) from:  
"The final Plan shall be submitted to the legislature on the first day of the First Regular Session of the Twenty-Third Alaska State Legislature"  
  
To:  
"The final plan shall be submitted to the legislature on the first day of the Second Regular Session of the Twenty-Third Alaska State Legislature."

This change is a realistic assumption of the amount of time it will take to evaluate the program potential and draft a plan.

#### Changes to SB 326 in Senate Finance

- 1) Changed the effective date from "immediately" to Jan 1, 2003.
- 2) Changed Fiscal note to reflect change in effective date. Cut half of the \$218,200 in FY 2003 and funding for FY 2004 stayed the same.

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: CS SB 326 (FIN)  
(S) Publish Date: 4/18/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Environmental Conservation  
Title: Wastewater Discharge Program  
Sponsor: Senator Therriault and Olson BRU: Air and Water Quality  
Requester: Senate Finance Committee Component: Water Quality  
Component Number: 2062

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	47.9	23.9				
Travel	5.6	6.0				
Contractual	51.1	58.0				
Supplies	1.0	2.0				
Equipment	3.5	6.9				
Land & Structures						
Grants & Claims						
Miscellaneous*	0.0					
<b>TOTAL OPERATING</b>	<b>109.1</b>	<b>96.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	109.1	96.8				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>109.1</b>	<b>96.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0

**POSITIONS**

Full-time					
Part-time					
Temporary	1	1			

ANALYSIS: (Attach a separate page if necessary)

With change in effective date, funding was cut in half for FY '03 and FY'04 funding remained the same. Reduced personal services line by 1 temporary position.

Prepared by: SENATE FINANCE COMMITTEE

Phone 465-2327

Sponsor: /s/ Senator Pete Kelly

Date 4/16/2002

**CS FOR SENATE BILL NO. 326(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-SECOND LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered: 4/18/02**

**Referred: Rules**

**Sponsor(s): SENATORS THERRIAULT, Olson**

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- 13 \* **Sec. 3.** This Act takes effect January 1, 2003.