

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3400

Home Energy Rating Rebate Program

- Homeowners would need an As-is and Post Energy Rating
- Rebate would be in a step-approach as energy star ratings are increased

Increase Energy Star Ratings of Home

- 1-^{STAR}step increase, \$2500
- 2-steps, \$3000
- 3-steps, \$3500
- 4-steps, \$4000
- 5 or more steps \$5000

Home Energy Rating Rebate Program

- Expected 30% reduction in home energy costs
- Up to \$5,000 rebate
- State cost - \$100 million
- Homeowner investment – est \$175 million

SB 289 Summary

- Improved and more flexible process at AHFC to respond to rising fuel costs
- Existing AHFC programs will be more responsive
- Broadens scope at AHFC to help more Alaskans

Income Guidelines
(Effective April 23, 2007)

2007 PFD \$1,654

Family Size	60% median Income limit	100%
1	23,887	39,811.67
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12	68,904	114,840.00
13	70,282	117,136.67
14	71,660	119,433.33

Each additional \$1,378

ALASKA STATE LEGISLATURE

Session:
State Capitol, Rm 518
Juneau, AK 99801
(907) 465-4453
Fax (907) 465-4523

Interim:
716 W. 4th Ave.
Anchorage, AK 99501
(907) 269-0269
Fax (907) 269-0270

Senator_Lyman_Hoffman@legis.state.ak.us



Co-Chair Finance Committee
Vice-Chair Legislative Budget & Audit

Committee Member:
Labor & Commerce
Legislative Council
World Trade & State/Federal Relations

SENATOR LYMAN F. HOFFMAN

SPONSOR STATEMENT

Senate Bill 289 Home Energy

Senate Bill 289 would update and expand the home energy conservation and weatherization programs in the Alaska Housing Finance Corporation (AHFC).

Section 1. AS 18.56.096 (c) refers to the Limitation on power to make or purchase mortgage loans by the Alaska Housing Finance Corporation.

This calls for the removal of the reference to the Alaska Craftsman Home program from this section and it thereby allows AHFC to establish training programs and certifications that are satisfactory to AHFC rather than specifically naming organizations and non-state programs to provide training and certifications.

The current statute refers to training and certifications "that are satisfactory to the corporation". These are normally specified in regulations for the program they govern and guide. This is a better, more flexible administrative process for agencies to use when responding to economic impacts such as the rising cost of fuel across our state especially in Rural Alaska.

Section 2 AS 18.56.410 (c)... refers to the Alaska energy efficient home grant fund located in AHFC.

This calls for the removal of the "consultation with the board of directors of the Alaska Craftsman Home program".

There is statutory reference to a private entity relative to a public program administered by AHFC and it would be more prudent and efficient for AHFC to adopt these guidelines and procedures.

This allows AHFC to be more responsive through existing programs to the changing economic situation in our state. Various organizations and individuals will have ample opportunity to testify during the process on the program design elements and implementation.

Section 3 AS 18.56.850 (a)... refers to the home energy conservation and weatherization program located in AHFC.

This section calls for the removal of references to the Alaska Craftsman Home program (ACHP) and the Energy Rated Homes of Alaska (ERHA) program in statute and adds a reference to energy efficiency in this section. It also removes the reference to low income.

The ACHP and ERHA programs are private corporations that have no regulatory authority relative to the public state programs administered by AHFC. As such their reference in statute is not necessary for the administration by AHFC of its programs that are funded with corporate receipts or state general funds.

The addition of the reference to "Energy efficiency" in this section and the deletion of the reference to "low income" broadens the scope of this program. It allows AHFC to plan, study, implement, and assist Alaskans through existing programs to deal with home energy conservation and weatherization without limiting it to low income.

Low income Alaskans will continue to receive the priority focus of the programs, however. This change would simply allow AHFC to assist a larger number of Alaskans. This broader scope will allow AHFC to design a menu of programs that will address the needs of Alaskans from the neediest to the average Alaskan homeowners relative to residential energy efficiency.

SB 289 provides the necessary language and changes that will facilitate AHFC's administrative process and program implementation of home energy efficiency programs that will be responsive to Alaskans being impacted by high energy costs.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 20, 2008

SUBJECT: Home energy conservation and weatherization under AHFC programs; sectional summary - SB 289 (Work Order No. 25-LS1354\C)

TO: Senator Lyman Hoffman
Co-chair of the Senate Finance Committee
Attn: John Weise

FROM: Tamara Brandt Cook
Director

Sec. 1. Amends a provision permitting the Alaska Housing Finance Corporation to participate in loans for residential buildings only if certain thermal and lighting energy standards are met by deleting, as a method of showing that the standards are met, proof that a person responsible for the construction has completed a training program of the Alaska Craftsman Home Program or an equivalent training program. Provides that a residential building complies with the energy standards if it has received a rating under a home energy rating system adopted by AHFC. Existing law requires that the rating system be developed by Energy Rated Homes of Alaska.

Sec. 2. Deletes the requirement that AHFC consult with the board of directors of the Alaska Craftsman Home Program before adopting guidelines and procedures for the Alaska energy efficient home grant fund.

Sec. 3. Deletes the requirements that AHFC plan, study, implement, and assist programs for the Alaska Craftsman Home Program and for the Energy Rated Homes of Alaska Program. Substitutes reference to the energy efficiency and weatherization program for a reference to the low income weatherization program.

TBC:med
08-128.med

Income Guidelines
(Effective April 23, 2007)

2007 PFD \$1,654

Family Size	60% median Income limit	100%
1	23,887	39,811.67
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Alaska Conservation Alliance

Uniting for Alaska's Future

March 25, 2008

Rep. Mike Chenault and Rep. Kevin Meyer
Co-Chairs of House Finance
State Capitol
Juneau, Alaska 99801

Re: SB 289 – Home Energy Conservation

Dear Chairmen Chenault and Meyer

On behalf of the Alaska Conservation Alliance (ACA), a consortium of 40 Alaska-based conservation groups, I would like to express our strong support for SB 289, an act that would update and expand the home energy conservation and weatherization programs of the Alaska Housing Finance Corporation (AHFC). Energy issues have risen to the forefront of priority issues for ACA. While there are many reasons for this, one of the primary motivators to engage in energy issues is the inordinately high price of fuel and heating oil in rural Alaska. As you know, the cost of energy is undermining the economic viability of Alaska's villages and way of life. SB 289 is at its core a responsible action to the energy crisis in rural Alaska.

While doing our best to turn off lights and replace traditional light bulbs with more efficient ones, many Alaskans are seeing most of their spare cash float out of drafty windows, poor insulation and old roofs. In fact the 2005 Statewide Housing Assessment estimated the number of weatherization income-eligible households to be 45,000 statewide. According to the Alaska Energy Efficiency Program and Policy Interim Report (released March 5, 2008), if two-thirds of these homes were weatherized we would see a present value savings of more than \$227 million. Overall these programs have shown that for every \$1 invested in efficiency, homeowners typically save \$2 in lower energy bills.

As noted above SB 289 is a responsive to the energy crisis in rural Alaska. But is more than that. Energy conservation and efficiency is the first prong of a building a secure and affordable energy future for all of Alaska. The second prong requires investing in renewable energy. SB 289 represents the first prong and HB 152 the second. One provides much needed short-term assistance; the other sets the stage for Alaska's secure, clean energy future. We encourage you to pass SB289 and then adequately fund both these measures as a packaged solution to our growing energy crisis.

Sincerely,

Kate Troll
Executive Director

c.c. Members of House Finance and SB 289 Sponsor Senator Hoffman



Association of Village Council Presidents
Regional Housing Authority
P.O. Box 767 – Bethel, AK 99559
907-543-3121
1-800-478-4687
907-543-2270 (FAX)
www.avcphousing.org

March 3, 2008

The Senate Labor & Commerce Committee:

Sen. Lyman Hoffman
Alaska State Capitol
Room #518
Juneau, AK 99801

Re: SB 289: Home Energy Conservation and Weatherization - An Act relating to home energy conservation and weatherization for purposes of certain programs of the Alaska Housing and Finance Corporation.

Dear Honorable Senator Hoffman.

The Association of the Village Councils Presidents Regional Housing (AVCP RHA) is a state-chartered regional housing authority that was organized in 1974 to oversee housing needs in Southwest Alaska's Yukon-Kuskokwim Delta region.

During its existence, AVCPRHA has constructed over 1,500 homes in 49 villages across rural Alaska, and renovated thousands more. One of our concerns in building and renovating these homes is the issue of providing the best heating systems for them and ways to reduce heating costs. Therefore, we believe we have some understanding of the heating needs and issues of rural Alaska.

The 2005 Alaska Housing Assessment developed by the Alaska Housing Finance Corporation identifies households by the types of heating fuel for each Native corporation region (*Information Insights, 2005*). For instance, 92.3% of households within the for-profit Calista Corporation area heated with oil or diesel, 35.9%, wood, and 9.4%, electricity.

According to the study, more than 17,000 new housing units are currently needed to meet population growth, relieve overcrowding, and replace substandard housing. This information tells us that in order to partly relieve the current economic hardship of heating fuel costs in bush Alaska, one of the solutions is to renovate homes in order for them to become more energy efficient and consume less petroleum products, therefore resulting in lower heating costs.

The 2005 study suggested that \$520 million is needed to completely upgrade all existing substandard homes in the bush. Therefore, we support SB 289 as a very good start

in beginning to work at resolving the current energy crisis as we believe it will lower heating needs and costs for Alaska's rural residents.

With oil prices hovering around the \$100/barrel mark, we do not see the current energy crisis in bush Alaska easing soon or in the near future. Therefore, AVCP RHA urges passage of SB 289, but we also request that AVCP RHA *be* the recipient of those dollars bound for the Y-K Delta for efficiency of SB 289 services, since we are in equal footing with the Alaska Housing Finance Corporation.

Thank you very much for your concerns for rural Alaskans and seeing to our request.

Sincerely,

Ron Hoffman
President/CEO
AVCP Regional Housing Authority

Enclosure: 2005 Alaska Housing Assessment



March 4, 2008

VIA EMAIL

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
State Capitol, Rm 518
Juneau, AK 99801-1182

Dear Senator Hoffman:

I am writing on behalf of the Aleutian Housing Authority (AHA), and as Chair of the Legislative Committee of the Association of Alaska Housing Authorities (AAHA), to offer our strong support for SB 389, which would provide additional funding for energy conservation and weatherization issues.

I hope you have received and have been able to review one of our packets covering AAHA's 2008 State Legislative Priorities. One of the top issues for both my own regional housing authority and for our statewide association is the current energy crisis we are facing, particularly in rural Alaska. Energy conservation measures, including weatherization, are probably the most cost effective, immediate actions we can take to address the situation in the short term and we applaud efforts by the legislature to move in this direction.

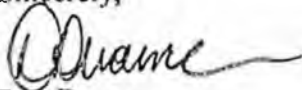
Given the impacts of rising energy costs on the communities served by my organization and those of my colleagues, I find it difficult to understand how members of the legislature can continue to pour significant amounts of potentially surplus funding into additional "rainy day" savings accounts. For us, the "raining day" is upon us, and some level of relief is warranted. SB 389 can provide a critically needed investment in rural infrastructure that will provide both short and long term returns to both individuals and the state generally.

Finally, as you deliberate on SB 389, I would like to respectfully suggest that strong consideration should be given to directing a significant amount of any funding provided under this measure to the regional housing authorities. Most, if not all of us are in the best position within our respective regions to efficiently and effectively administer such funds and activities that may be generated.

VIA EMAIL
The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
State Capitol, Rm. 518
Juneau, AK 99801-1182
Page 2 of 2

Thank you for your efforts and consideration of our views on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Duame", with a long, sweeping horizontal flourish extending to the right.

Dan Duame
Executive Director

Cc: Sen. Stedman, Finance Committee Co-Chair
Sen. Huggins, Finance Committee Vice-Chair
Senate Finance Committee Members
AAHA Members

SB

289

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/08

FURTHER:

DATE TURNED
IN TO OFFICE: 3/13/08

Finance Committee considered SENATE BILL NO. 289

SB 289 HOME ENERGY CONSERVATION

"An Act relating to home energy conservation and weatherization for purposes of certain programs of the Alaska Housing and Finance Corporation."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

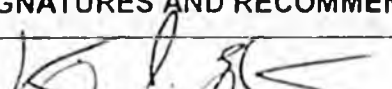


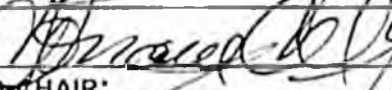
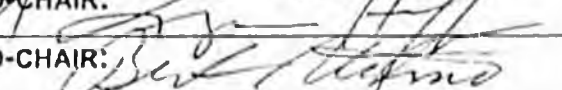

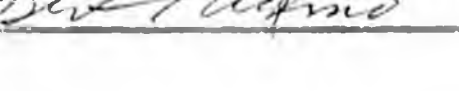
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	3/3/08			✓	

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Elton	✓			
	Thomas	✓			
	Dusen			✓	
	Huggins	✓			
	Olson	✓			
CO-CHAIR: 	Hoffman	✓			
CO-CHAIR: 	STUCHMAN	✓			

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 289
(S) Publish Date: 3/12/08

Identifier (file name): SB289-DOR-AHFC-3-3-08 Dept. Affected: Revenue
Title: Home Energy Conservation RDU: AK Housing Finance Corp
Sponsor: Senator Hoffman Component: Operations
Requestor: Senate Labor and Commerce Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()								

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts	0.0							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	0.0						
Part-time	0.0						
Temporary	0.0						

ANALYSIS: (Attach a separate page if necessary)

SB 289 will expand and update the weatherization and home energy rating rebate programs in the Alaska Housing Finance Corporation. There is a zero fiscal note attached to this legislation.

Although the passage of this bill will not add operating expenses to the Corporation, there is currently \$300 million in SB 256, the FY08 supplemental appropriations bill, for these two programs. Should SB 256 pass and get signed into law, the effect on the Corporation would require the addition of six new positions to administer the expansion of the programs as well as funds for travel, marketing and outreach. The estimate for the first year would be approximately \$700,000. This would be funded through CIP Receipts from the appropriation in SB 256.

Prepared by: Bryan Butcher, Director, Governmental Relations/Public Affairs Phone: 330-8445
Division: Alaska Housing Finance Corporation Date/Time: 3/3/08 12:00 AM
Approved by: Jerry Burnett Date: 3/3/2008
Department of Revenue

ALASKA STATE LEGISLATURE

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SENATOR LYMAN F. HOFFMAN

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Low income Alaskans will continue to receive the priority focus of the programs, however. This change would simply allow AHFC to assist a larger number of Alaskans. This broader scope will allow AHFC to design a menu of programs that will address the needs of Alaskans from the neediest to the average Alaskan homeowners relative to residential energy efficiency.

SB 289 provides the necessary language and changes that will facilitate AHFC's administrative process and program implementation of home energy efficiency programs that will be responsive to Alaskans being impacted by high energy costs.

Kate Trull

Testimony Supporting 289

- Introduce myself. Here to give a few brief comments in support of 289.
- Energy issues have risen to the forefront of priority issues for ACA. While there are many reasons for this one of the primary motivators to engage in energy issues is the inordinately high price of fuel and heating in rural Alaska. As you know, the cost of energy is undermining the economic viability of Alaska's villages and way of life. SB 289 is at its core a responsible action to the energy crisis in rural Alaska.

Rural

\$2 in cost
1:2

- Furthermore, spending money on energy conservation and efficiency is smart. Many states and utilities have energy efficiency programs. They typically save homeowners more than \$2 in lower energy bills for every \$1 invested in efficiency. *Alaska is not*

Megawatt

- In fact, energy conservation and efficiency programs are seen as the cheapest way to meet energy demands. It is the low hanging fruit or what energy experts now call the 'megawatt' - a watt of energy that wasn't created due to energy efficiency. *AK is behind*

The Every analysis concludes that the cheapest megawatt is the megawatt

2 prongs

- Capturing megawatts is the first prong of a building a secure, affordable energy future, the second prong involves investing in renewable energy. So SB 289 represents the first prong and HB 152 is the second prong. One provides much needed short-term assistance, the other sets the stage for Alaska's secure, clean energy future. I encourage you to pass and fund both these measures as a packaged solution to our growing energy crisis. *problem.*

broaden the scope

- ~~Understand that~~ SB 289 allows AHFC to assist a larger number of Alaskans while keeping the priority on low-income Alaskans. This broader scope will allow AHFC to design a menu of programs that will address the needs of Alaskans from the neediest to the average Alaskan homeowner *relative to residential energy efficiency.* This is a balanced approach. - *Reference*

jobs

- Lastly, I want to *point out that* highlight the fact that SB 289 will give an added boost to construction and development workers at a time when construction of new homes is declining by encouraging home improvements. *is also about jobs. WARR report*

- Thank you.

Read p. 23-24

implementing recommendations #9, 11, 12

2-12-08
John Weise

SB 289 Home Energy

Senate Finance Committee

John Weise, Ph.D.

Staff to Senator Hoffman

Housing Assessment Survey 2005

- Estimated Housing Stock 2005 – 278,118
- % older housing (21+ yrs) increasing
- % new housing (0-10 yrs) decreasing
- Households income eligible for weatherization services – 45,000
- Households report being drafty – 45%

Survey by Information Insights

SB 289 Home Energy

- Responsive to Alaskans being impacted by high energy costs
- Updates and expands the home energy efficiency and weatherization programs in the AHFC

SB 289 Weatherization

- Focus on energy-efficient improvements
- Direct the available funding to items that will save the most energy
- Typical improvements include air sealing, insulating and improved heater efficiencies

Energy Efficiency and Weatherization Program

- Eligibility for home energy efficiency programs extended from 60% to 100% median income.
- Low income Alaskans will continue to receive the priority focus of the program.

Median Income Guidelines

Family Size	60% Median	100% Median
1	\$23,887	\$39,812
2	\$31,236	\$52,060
3	\$38,586	\$64,310
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5	\$53,286	\$88,810

Each add'l person – 60% \$1378 and 100% \$2296

SB 289 Impact

Past Years	\$4.8 million (\$1.8 m federal \$3 m AHFC)	600 households	1700 people
Current Program 60% median income	With \$48 million	4167 households	11,800 people
Expanded Program Adjust to 100% median income	\$200 million	17,400 households	49,000 people

Home Energy Rating Rebate Program

- Homeowners would need an As-is and Post Energy Rating
- Rebate would be in a step-approach as energy star ratings are increased

Increase Energy Star Ratings of Home

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3-12-08

SB 289 Home Energy

Finance Committee

John Weise, Staff to Senator Hoffman

SB 289 Home Energy

**Responsive to Alaskans being
affected by high energy costs**

**Revises and expands the home
energy efficiency and weatherization
programs in the AHFC**

SB 289 Weatherization

**Focus on energy-efficient
improvements**

**Direct the available funding to items
that will save the most energy**

**Typical improvements include air
sealing, insulating and improved
water efficiencies**

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**Improved and more flexible process
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costs

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March 4, 2008

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The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
State Capitol, Rm 518
Juneau, AK 99801-1182

Dear Senator Hoffman:

I am writing on behalf of the Aleutian Housing Authority (AHA), and as Chair of the Legislative Committee of the Association of Alaska Housing Authorities (AAHA), to offer our strong support for SB 389, which would provide additional funding for energy conservation and weatherization issues.

I hope you have received and have been able to review one of our packets covering AAHA's 2008 State Legislative Priorities. One of the top issues for both my own regional housing authority and for our statewide association is the current energy crisis we are facing, particularly in rural Alaska. Energy conservation measures, including weatherization, are probably the most cost effective, immediate actions we can take to address the situation in the short term and we applaud efforts by the legislature to move in this direction.

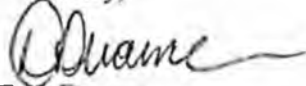
Given the impacts of rising energy costs on the communities served by my organization and those of my colleagues, I find it difficult to understand how members of the legislature can continue to pour significant amounts of potentially surplus funding into additional "rainy day" savings accounts. For us, the "raining day" is upon us, and some level of relief is warranted. SB 389 can provide a critically needed investment in rural infrastructure that will provide both short and long term returns to both individuals and the state generally.

Finally, as you deliberate on SB 389, I would like to respectfully suggest that strong consideration should be given to directing a significant amount of any funding provided under this measure to the regional housing authorities. Most, if not all of us are in the best position within our respective regions to efficiently and effectively administer such funds and activities that may be generated.

VIA EMAIL
The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
State Capitol, Rm. 518
Juneau, AK 99801-1182
Page 2 of 2

Thank you for your efforts and consideration of our views on this issue

Sincerely,



Dan Duame
Executive Director

Cc: Sen. Stedman, Finance Committee Co-Chair
Sen. Huggins, Finance Committee Vice-Chair
Senate Finance Committee Members
AAHA Members

SB

303

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 303
() Publish Date: _____

Identifier (file name): _____ Dept. Affected: DEC
Title _____ RDU Division of Water
An Act relating to certain grants awarded by DEC Component Facilities Construction
Sponsor Senate Rules by Request
Requester House Finance Committee Component Number 637

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0							
-----------------------------	------------	--	--	--	--	--	--	--

CHANGE IN REVENUES ()	0.0							
-------------------------------	------------	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0						

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

The FY 09 capital budget includes funding for eight projects for municipal water, sewage, and solid waste facilities grants under AS 46.03.030 in which funding would be impacted with passage of SB 303.

Additional language has been included in the capital budget to fund the costs to the state associated with providing 70% of the project costs, instead of 50% of project costs for projects in communities with populations between 5,000 and 10,000.

The capital budget also includes contingency language with the appropriation upon enactment of SB 303

Prepared by: Suzanne Armstrong
Division: House Finance Committee
Approved by: Rep. Kevin Meyer, Co-Chairman
Rep. Mike Chonault, Co-Chairman

Phone 465-6875
Date/Time 4/09/2008 9:20 p.m.
Date 4/9/2008

Amended
pg 1 & 2

SENATE BILL NO. 303

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST

Introduced: 3/12/08
Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to certain grants awarded by the Department of Environmental
2 Conservation."

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

4 * Section 1. AS 46.03.030(e) is amended to read:

5 (e) A grant under this section to a municipality for a project funded by an
6 appropriation made by the legislature

7 (1) before July 1, 1994, may not exceed 50 percent of the eligible costs
8 of the project;

9 (2) after July 1, 1994, may not exceed

10 (A) 85 percent of the eligible costs for a municipality with a
11 population of 1,000 persons or less;

12 (B) 70 percent of the eligible costs for a municipality with a
13 population of 1,001 to 10,000 [5,000] persons; and

14 (C) ~~50~~ percent of the eligible costs for a municipality with a

60

25-181445(C)
Deleted

1
2
3
4
5

population greater than 10,000 [5,000] persons; however, if a municipality
with a population greater than 10,000 [5,000] persons seeks a grant for a
project that relates to a solid waste processing or disposal system that
incorporates resource recovery, the department may provide a grant for up to
60 percent of the eligible costs of the project.]

OPERATING BUDGET AMENDMENT

21

OFFERED IN: The House Finance Committee

TO: HCS CSSB 221 (FIN) v. N

OFFERED BY: Representative Meyer/Chenault

Amend section 30, Fund Transfers, by adding new subsections to read:

(f) The sum of \$100,000,000 is appropriated from the general fund to the oil and gas tax credit fund (AS 43.55.028(a)).

(g) The sum of \$225,000,000 is appropriated from the general fund to the oil and gas tax credit fund (AS 43.55.028(a)).

Section f is effective June 30, 2008.

Section g is effective July 1, 2008.

EXPLANATION: The Department of Revenue has increased its estimate of the amount necessary for tax credits earned in FY08 to \$250 million. The amount in the fund is \$150 million, \$25 million from the FY08 operating budget and \$125 million from the fast track supplemental. Section f adds \$100 million to pay anticipated FY08 claims.

The department increased its estimate for FY09 credits to \$400 million. The amount included in the FY09 operating budget is \$175 million. Section g adds \$225 million to the fund in order to pay anticipated FY09 claims. If FY08 claims exceed the amount available in FY08, FY09 appropriations to the fund can be used to pay FY08 claims.

The state will pay the same amount for these tax credits regardless of whether money is appropriated for this purpose. If money is appropriated, it is more likely that state payments will go to those who earned the credits. If money is not appropriated, those who earned the credits are likely to sell them at a discount to major producers who can turn them in for full credit against their production tax liability.

AMENDMENT

22

OFFERED IN THE HOUSE

BY REPRESENTATIVE CHENAULT

TO: HCS CSSB 221(FIN) am (Version N)

Add a new project to Section 13:

Department of Natural Resources

Allocations	Appropriation Item	General Funds	Other Funds
Kenai River Public Use Study	200,000	200,000	

EXPLANATION:

This study fulfills a court-ordered review that is required before the Department of Natural Resources can consider use restrictions in the Kenai River Special Management Area, if such restrictions become necessary in the future to adequately manage the resource. The study will implement recommendations found in the Kenai River Comprehensive Management Plan by evaluating the social dynamics of recreational use on the river, as well as the environmental impacts of human use on the river's water quality and fish and wildlife habitat. As public use in the Management Area continues to expand, there is increased conflict between various recreational user groups, as well as increasing impacts on the water quality and health of the river. It has been four years since the court order was issued, and area user groups have expressed growing concerns about the inability to provide comprehensive management due to lack of implementation of this study.

AMENDMENT

23

OFFERED IN THE HOUSE

BY REPRESENTATIVE CHENAULT

TO: HCS CSSB 221 (FIN) am (Version N)

Arctic Power Appropriation

Page 34, line 10:

Delete "120,000"

Insert "250,000"

AMENDMENT

24

OFFERED IN THE HOUSE

BY REPRESENTATIVE CHENAULT

TO: HCS CSSB 221 (FIN) am

Page 86, line 20:

Add after "Alaska Energy Authority - Fire Island Wind Farm Transmission Lines (\$25,000,000)"

This appropriation is contingent on the owner of generation being legally obligated to build a generation facility through power sales agreements that are in place to accept the generation.

AMENDMENT

25

Offered in: House Finance Committee

By: Kelly

To: HCS CSSB221 (FIN) 25\GS2007\N

Page 172, Line 31

Project:

Fairbanks North Star Borough – Road Service Area Projects (HD 7-11)

Delete: \$5,000,000

Insert: \$9,949,000

Explanation:

Increase will cover the full amount requested by the Fairbanks North Star Borough for Major Area Projects needed for Road Service Areas.

AMENDMENT

26

Offered in: House Finance Committee

By: Kelly/Meyer

To: HCS CSSB221 (FIN) 25\GS2007\N

Agency: University of Alaska

Project: Tanana Valley Campus

Amount: \$4,000,000

Funding Source: General Fund

Explanation:

The project would include exterior Envelope Renovation, Civil Site Improvements, Interior Mechanical and Electrical upgrades, Interior Hydronic Heating, Interior Direct Digital Controls, and approximately 3000 square feet of renovated program space.

CAPITAL BUDGET AMENDMENT

27

OFFERED IN: House Finance

TO: HCS CSSB 221(FIN) v.N

OFFERED BY: Representative Meyer

Amend sec. 59, Office of the Governor, by adding a new subsection to read:

(b) The unexpended and unobligated general fund balances on June 30, 2008, of the appropriations made in sec. 1, ch. 28, SLA 2007, page 16, line 22 (Office of the Governor, commissions/special offices - \$1,848,400); sec. 1, ch. 28, SLA 2007, page 16, line 26 (Office of the Governor, executive operations - \$10,795,200); sec. 1, ch. 28, SLA 2007, page 16, lines 31 - 32 (Office of the Governor, state facilities rent - \$815,600); sec. 1, ch. 28, SLA 2007, page 17, lines 5 - 6 (Office of the Governor, office of management and budget - \$2,043,600); and sec. 1, ch. 28, SLA 2007, page 17, line 9 (Office of the Governor, elections - \$3,005,500) are reappropriated to the Office of the Governor for operating costs for the fiscal year ending June 30, 2009.

Amend sec. 69 (June 30, 2008 effective date) by adding a reference to sec. 59(b).

EXPLANATION:

This is the annual reappropriation of remaining FY08 balances in the Office of the Governor that is necessary to fund FY09 expenditures. It is anticipated that the FY2010 budget will be developed so that this annual reappropriation will not be necessary at the end of FY09.

AMENDMENT

28

Offered in: House Finance
To: HCS CSSB 221

By: Crawford

Page 23, line 4

Delete: 30,000 general funds

Insert new project in Section 10, under Grants to Municipalities (renumber accordingly)

Anchorage - Scotty Gomez Skating Rink Tikishla Park Improvements

\$30,000 General Funds

Explanation: Rebuild Hockey Rink

Sec. _____

The funds appropriated by Sec. _____ for the Major Maintenance Grant Fund (AS 14.11.007) projects which are determined by the department (DEED) to not be required for completion are hereby reappropriated to fund school major maintenance projects in accordance with the department's December 17, 2008 rankings as funding becomes available in the department's determination.

AMENDMENT

30 Meyer ✓

TO: HCS CSSB221(FIN)
Offered in House Finance

**Dept. of Community & Economic Development
Grants to Municipalities (AS 37.05.315)**

Matanuska Susitna Borough – Sutton Library Land Acquisition
\$600,000 General Funds

Description

Construction of a new community facility/public library in Sutton. The facility is approximately 5,800 square feet and will provide services to residences along the Upper Glenn Highway (Moose Creek, Sutton, Chickaloon, and Glacier View). This project is a priority established by the local community council and the borough assembly.

Matching funds of \$600,000 have been approved by the Mat-Su Borough, and there is an application pending at the Rasmussen Foundation for \$658,000 this year. Additional funds have been raised locally -- along with thousands of hours of volunteer in-kind services.

Technical 1.3 31 Meyer

25-GS2007N.7
Kane
4/10/08

AMENDMENT

OFFERED IN THE HOUSE

TO: HCS CSSB 221(FIN), Draft Version "N"

- 1 Page 207, line 27, following "project":
- 2 Insert ", unless specifically identified in this Act as an operating grant,"

AMENDMENT 32

OFFERED IN HOUSE FINANCE BY REPRESENTATIVE CHENAULT

TO: HCS CSSB 221 (FIN) am (Version N)

Add a new project to Section 10:

Alaska Natural Gas Development Authority

	Allocations	Appropriation Item	General Funds	Other Funds
Engineering and Economic Study on Gas Bullet Line		4,000,000	4,000,000	

1. Purpose of funding request:

The development of a North Slope gas pipeline project has been in flux for several decades. The Commissioners of Natural Resources and Revenue are considering whether to recommend to the legislature issuing an AGIA license for a mainline project moving Alaska North Slope gas to market. There are other alternatives being discussed by the public, the legislature, and a number of private and semi-public entities. These alternatives include other mainline projects moving large volumes of gas to markets as well as other small in-state projects serving primarily Alaska's energy needs.

AGIA specifically allows for projects smaller than 500 MMscfd. The purpose of this engineering and economic study on a bullet line from the North Slope to Alaska tidewater is to determine if a small bullet line project is feasible to develop. This information could then be compared with other energy generating projects that are under review to determine what energy sources would most feasibly serve the energy and feedstock needs of Alaska.

2. Scope of the work effort:

The work would encompass three Phases and the following major tasks:

- a. A Phase 1 basic economic and engineering review of more than two stand alone small (less than 500 MMscfd) in-state gas transmission line project alternatives covering Cook Inlet and Valdez tidewater terminals, residential heat & power uses, methane enriched NGL content for export / manufacturing, and different North Slope production sources. This Phase 1 work effort would identify the preferred economic alternative. (6 months & less than \$ 1 million)

- b. Phase 2 would develop more detailed design, engineering, cost and timing information on the preferred alternative.

- Pipeline sizing and material specification
- Operating pressures, compressor stations, and hydraulic & temperature profiles
- Pipeline installation & construction - buried and elevated segments
- Gas treatment plant (if needed) design and location on North Slope
- Receiving terminal design at tidewater
- Pipeline system routing, take-off points, and intermediate feed-in points
- NGL plant design and siting at tidewater
- Incorporation of existing pipeline & power infrastructure and manufacturing plants
- Integrated construction planning & logistics

This Phase 2 work effort would produce a definitive project cost estimate and construction schedule (18 months in parallel with Phase 3 at a cost of \$ 6 million).

- c. Phase 3 would develop the economic analysis of potential financing alternatives and potential profitability of the project. Potential gas sellers & buyers would be identified thru letters of intent. Phase 3 would define the business & financial underpinnings of the project (12 months after a cost estimate is available at a cost of \$ 1 million)

3. Schedule:

- a. Phase 1 work effort would be complete by year end 2008 and Phase 2 & 3 definitions would be available by early 2010.

4. Funding Request:

- a. \$4 million for work to be done by Alaska engineering contractors and business / financial consultants.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Replaid
4/10

Fiscal Note Number: 1
Bill Version: SB 303
(S) Publish Date: 3/25/08

Identifier (file name): SB303-DEC-FC-03-21-08 Dept. Affected: Department of Environmental Conservation
Title: An Act relating to certain grants awarded by DEC RDU: Division of Water
Component: Facilities Construction
Sponsor: Senate Rules Committee
Requester: Resources, Finance Component Number: 637

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	3,720.8		0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (GF 1004)	3,720.8		0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Capital expenditures are based on the assumption that the bill will only affect grants made beginning in FY2009 and later, and will not affect grants made prior to FY2009. The FY2009 capital cost projection is based on the increased costs to the state associated with providing 70% of project costs, instead of 50% of project costs, for projects in communities with populations between 5,000 and 10,000 included in FY2009 capital budget bills HB311 and SB221.

Detailed information about FY2009 projects and increased costs to the state are included on the next page.

Prepared by: Lynn J. Tomich Kent, Director
Division: Water
Approved by: Dan Easton
Department of Environmental Conservation

Phone: 907-269-7599
Date/Time: 3/21/08 3 51 PM
Date: 3/21/2008

FISCAL NOTE # 1

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. SB 303

ANALYSIS CONTINUATION

FY2009 Projects	Current 50/50 Project Cost Sharing		Proposed 70/30 Project Cost Sharing		Difference Between 50/50 and 70/30 Project	
	State	Local	State	Local	State	Local
Homer Water Treatment Plant Upgrade	\$1,236,000	\$1,236,000	\$1,730,400	\$741,600	\$494,400	-\$494,400
Kenai New Water Transmission Main Phase II Wellhouse	\$698,625	\$698,625	\$978,075	\$419,175	\$279,450	-\$279,450
Kodiak Aleutian Homes Water & Sewer Replacement Ph 4	\$1,297,800	\$1,297,800	\$1,816,920	\$778,680	\$519,120	-\$519,120
Kodiak Ultraviolet Secondary Water Treatment Facility	\$2,060,000	\$2,060,000	\$2,884,000	\$1,236,000	\$824,000	-\$824,000
Palmer Steel Water Main Replacement Phase 6	\$1,369,793	\$1,369,793	\$1,917,710	\$821,876	\$547,917	-\$547,917
Palmer Wastewater Treatment Plant Improvements Design	\$148,781	\$148,781	\$208,293	\$89,269	\$59,512	-\$59,512
Palmer Southwest Utility Extension Phase II	\$1,766,605	\$1,766,605	\$2,473,247	\$1,059,963	\$706,642	-\$706,642
Wasilla Mission Hills Water Extension	\$724,500	\$724,500	\$1,014,300	\$434,700	\$289,800	-\$289,800
<i>FY 2009 Total</i>	<i>\$9,302,104</i>	<i>\$9,302,104</i>	<i>\$13,022,946</i>	<i>\$5,581,262</i>	<i>\$3,720,842</i>	<i>-\$3,720,642</i>

ALASKA STATE LEGISLATURE



SESSION ADDRESS
Alaska State Capitol
Juneau, AK 99801-1182
(907) 465-4925
Fax (907) 465-3517

INTERIM ADDRESS
112 Mill Bay Road
Kodiak, AK 99615
(907) 486-4925
Fax (907) 486-5264

Senator Gary Stevens Senate Rules Chair

SPONSOR STATEMENT – SB 303

"An Act relating to certain grants awarded by the Department of Environmental Conservation."

A population criterion that determines water quality project reimbursement rates was last reviewed in 1994. Since that time project costs have skyrocketed and create an undue hardship on cities with population levels close to 5,000. The combination of rising construction costs and increased water and sewer improvement needs has created a financial hardship on the citizens of Alaska's middle-sized municipalities.

As small municipalities continue to invest in economic development and community growth the cost of improved water and sewer are a detriment to those considering moving to those communities. Cities with populations slightly above 5,000 must pay the additional 20% from their budgets meaning that the tax rates must be increased significantly to a few households, or other services may be passed over to accommodate for basic water and sewer needs.

Current law allows 85% state reimbursement for water / sewer projects for municipalities with a population of 1,000 or less. Municipalities with populations from 1,001 to 5,000 are eligible for 70% state reimbursement. And municipalities with 5,001 or higher are eligible for 50% state reimbursement.

There are eight municipalities that are impacted by the population limits set at 5,000: Sitka 8,833, Ketchikan 7,622, Kenai 6,864, Wasilla 6,775, Kodiak 5,937, Bethel 5,812, Palmer 5,574, and Homer 5,454. Municipalities with populations greater than 10,000 jump to municipalities with more than 30,000 and include Juneau, Fairbanks and Anchorage.

Increasing the limit for the 1,001 to 5,000 population to be 1,001 to 10,000 would help eight municipalities to afford water and sewer projects.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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

4/3/08
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 7, 2008

SUBJECT: Determination of certain grant amounts awarded by the Department of Environmental Conservation (Work Order No. 25-LS1445A)

TO: Senator Lyda Green
Attn: Ginger Blaisdell

FROM: Alpheus Bullard *AB*
Legislative Counsel

This memorandum accompanies the draft bill you requested.

Ginger Blaisdell of your office had asked if the formula employed in determining what percentage of a municipal water quality enhancement, water supply, sewage, or solid waste project's cost could be met by a grant made by the Department of Environmental Conservation under AS 46.03.030(e)¹ was found elsewhere in the Alaska statutes.

Under AS 46.03.030(e)(2) the percentage of a municipal project's costs eligible for a grant is based on community population size. For a community with a population of (1) 1,000 persons or less, a grant is not to exceed 85 percent of a project's eligible costs, (2) 1,001 to 5,000 persons, a grant is not to exceed 70 percent of a project's eligible costs, and (3) 5,000 persons or more, a grant is not to exceed 50 percent of a project's eligible costs (unless the project relates to certain solid waste processing or disposal systems, in

¹ AS 46.03.030(e) provides in relevant part,

[a] grant under [AS 46.03.030] to a municipality for a project funded by an appropriation made by the legislature . . . may not exceed

(A) 85 percent of the eligible costs for a municipality with a population of 1,000 persons or less;

(B) 70 percent of the eligible costs for a municipality with a population of 1,001 to 5,000 persons; and

(C) 50 percent of the eligible costs for a municipality with a population greater than 5,000 persons; however, if a municipality with a population greater than 5,000 persons seeks a grant for a project that relates to a solid waste processing or disposal system that incorporates resource recovery, the department may provide a grant for up to 60 percent of the eligible costs of the project.

ON FILE

Senator Lyda Green
February 7, 2008
Page 2

which case the Department of Environmental Conservation may provide a grant for up to 60 percent of the project's eligible costs).

While community population size is a factor in the determination of other grants, the 85, 70, 50/60 percent formula for communities of 1,000 or fewer, 1,001 to 5,000, and 5,000 or more persons is unique to AS 46.03.030.

Changing what percentage of project costs are eligible for a grant under AS 46.03.030 does not necessitate conforming changes elsewhere in the Alaska statutes.

If you have any questions, please do not hesitate to contact me.

ALB:lmb
08 016.lmb

Enclosure

<u>Community</u>	<u>Population</u>	<u>Incorp_Type</u>
Anchorage	282,813	Unified Home Rule Municipality
Juneau	30,650	Unified Home Rule Municipality
Fairbanks	30,552	Home Rule City
Sitka	8,833	Unified Home Rule Municipality
Ketchikan	7,622	Home Rule City
Kenai	6,864	Home Rule City
Wasilla	6,775	1st Class City
Kodiak	5,937	Home Rule City
Bethel	5,812	2nd Class City
Palmer	5,574	Home Rule City
Homer	5,454	1st Class City
Valdez	4,353	Home Rule City
Barrow	4,065	1st Class City
Unalaska	3,940	1st Class City
Unalaska	3,940	1st Class City
Soldotna	3,807	1st Class City
Nome	3,540	1st Class City
Petersburg	3,129	Home Rule City
Kotzebue	3,104	2nd Class City
Seward	2,627	Home Rule City
Dillingham	2,397	1st Class City
Cordova	2,211	Home Rule City
Wrangell	1,911	Home Rule City
North Pole	1,710	Home Rule City
Houston	1,537	2nd Class City
Hooper Bay	1,157	2nd Class City
Craig	1,105	1st Class City
Delta Junction	1,039	2nd Class City
Chevak	908	2nd Class City
Sand Point	890	1st Class City
Selawik	841	2nd Class City
Hoonah	829	1st Class City
King Cove	807	1st Class City
Emmonak	796	2nd Class City
Mountain Village	796	2nd Class City
Togiak	733	2nd Class City
Klawock	776	1st Class City
Akutan	741	2nd Class City
Point Hope	737	2nd Class City
Unalakleet	727	2nd Class City
Kwethluk	721	2nd Class City
Savoonga	712	2nd Class City
Alakanuk	663	2nd Class City
Quinhagak	648	2nd Class City
Gambell	643	2nd Class City
Noorvik	636	2nd Class City
Galena	636	1st Class City
Shishmaref	615	2nd Class City
Stebbins	612	2nd Class City
Kotlik	611	2nd Class City
Toksook Bay	598	2nd Class City

Fort Yukon	596 2nd Class City
Pilot Station	574 2nd Class City
Nenana	553 Home Rule City
Saint Mary's	551 1st Class City
Nunapitchuk	547 2nd Class City
Anderson	536 2nd Class City
Kake	536 1st Class City
Scammon Bay	520 2nd Class City
Wainwright	517 2nd Class City
Aniak	512 2nd Class City
Angoon	482 2nd Class City
Thorne Bay	482 2nd Class City
New Stuyahok	472 2nd Class City
Napaskiak	464 2nd Class City
Chefornak	460 2nd Class City
Saint Paul	460 2nd Class City
Kachemak	458 2nd Class City
Buckland	457 2nd Class City
Saint Michael	446 2nd Class City
Gustavus	441 2nd Class City
Manokotak	423 2nd Class City
Saxman	422 2nd Class City
Nuiqsut	417 2nd Class City
Kiana	401 2nd Class City
Kivalina	391 2nd Class City
Marshall	387 2nd Class City
Napakiak	370 2nd Class City
Koyuk	368 2nd Class City
Akiak	367 2nd Class City
Hydaburg	352 1st Class City
Russian Mission	329 2nd Class City
Brevig Mission	324 2nd Class City
McGrath	321 2nd Class City
Anaktuvuk Pass	299 2nd Class City
Elim	294 2nd Class City
Nulato	290 2nd Class City
Kaktovik	288 2nd Class City
Eek	287 2nd Class City
Seldovia	287 1st Class City
Ambler	277 2nd Class City
Upper Kalskag	271 2nd Class City
Lower Kalskag	269 2nd Class City
Tanana	261 1st Class City
Shungnak	260 2nd Class City
Huslia	259 2nd Class City
Teller	258 2nd Class City
Goodnews Bay	242 2nd Class City
Aleknagik	241 2nd Class City
Atkasuk	237 2nd Class City
Nightmute	237 2nd Class City
White Mountain	224 2nd Class City
Mekoryuk	217 2nd Class City

Shaktoolik	214	2nd Class City
Port Lions	211	2nd Class City
Holy Cross	204	2nd Class City
Nunam Iqua	201	2nd Class City
Nunam Iqua	201	2nd Class City
Kaltag	199	2nd Class City
Nondalton	196	2nd Class City
Ouzinkie	193	2nd Class City
Old Harbor	192	2nd Class City
Ruby	183	2nd Class City
Grayling	174	2nd Class City
Newhalen	167	2nd Class City
Coffman Cove	162	2nd Class City
Golovin	154	2nd Class City
Adak	146	2nd Class City
Wales	139	2nd Class City
Deering	138	2nd Class City
Kobuk	135	2nd Class City
Shageluk	124	2nd Class City
Saint George	120	2nd Class City
Whittier	117	2nd Class City
Ekwok	111	2nd Class City
Diomedes	110	2nd Class City
Eagle	110	2nd Class City
Tenakee Springs	109	2nd Class City
Pelican	106	1st Class City
Chuathbaluk	99	2nd Class City
Nikolai	98	2nd Class City
Allakaket	94	2nd Class City
Larsen Bay	90	2nd Class City
Anvik	88	2nd Class City
Koyukuk	88	2nd Class City
Cold Bay	87	2nd Class City
Chignik	85	2nd Class City
Port Heiden	79	2nd Class City
Egegik	76	2nd Class City
Atka	73	2nd Class City
Clark's Point	69	2nd Class City
Hughes	68	2nd Class City
Pilot Point	66	2nd Class City
Port Alexander	64	2nd Class City
Kasaan	59	2nd Class City
False Pass	54	2nd Class City
Akhiok	44	2nd Class City
Platinum	38	2nd Class City
Kupreanof	32	2nd Class City
Buttes	25	2nd Class City



217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

4/3/08

March 21, 2008

Senator Charlie Huggins, Chair
Senate Resources Committee
Room 119
State Capitol
Juneau, Alaska

RE: SB 303 – An Act relating to certain grants awarded by the Department of Environmental Conservation

Dear Senator Huggins,

The Alaska Municipal League would like to go on record as being in favor of SB 303. Without passage of this bill, many municipalities will be negatively impacted. Communities that are growing will find themselves supporting infrastructure and utilities that supply more and more people, yet are eligible for less grant money from ADEC.

This bill's passage would positively impact Bethel, Palmer, Homer, Kenai, Ketchikan, Kodiak, the North Slope Borough, the Northwest Arctic Borough, Sitka, and Wasilla. There are a few communities that are right on the cusp of having their population reach over 5,000 people and those communities will be positively impacted soon; Valdez, Unalaska and Barrow.

We think it is important that cities that thrive and grow their economy be eligible for grant funds in an amount that allow them to provide for the additional people added to their population.

Thank you for the privilege of commenting on this bill.

Sincerely,

Kathio Wasserman

Kathio Wasserman
Executive Director

04/17/08

Ginger Blaisdell

From: Easton, Dan (DEC) [dan.easton@alaska.gov]
Sent: Wednesday, February 06, 2008 4:33 PM
To: Ginger Blaisdell
Cc: Griffith, Bill (DEC sponsored)
Subject: FW: here comes the request I warned you about
Attachments: Senator Green Report.xls

Ginger -- I hope the attached spreadsheet and the below e-mail from Bill Griffith answer your questions.

I would only add to Bill's response to question 2. that funds are almost always quickly obligated through grant agreements and rarely (if ever) lapse, though it can be a number of years before they are completely expended. As Bill explains, that's because the projects take years to complete and funds are disbursed as costs are incurred over the duration of the construction project.

Please let me know if you have other questions or if we can help. -- Dan.

From: Griffith, Bill (DEC sponsored)
Sent: Wednesday, February 06, 2008 2:23 PM
To: Kent, Lynn J T (DEC)
Cc: Easton, Dan (DEC)
Subject: RE: here comes the request I warned you about

Lynn - I've attached a spreadsheet showing the projects that would potentially be affected by the change being discussed.

In addition, these are our initial responses to the questions posed by Ginger:

1. What, if any, programmatic impacts would this population change create?

- Assuming this change was applied only to projects funded in FY09 and later, there would be no programmatic impacts. Projects are administered the same way, regardless of the percentage of local matching funds.

- If the change was applied retroactively to projects originally funded in FY07 or FY08, complications would be created. Existing grant agreements would require amendments; accounting and funding adjustments would need to be made; and we would need to figure out how to deal with cities and projects that have already been substantially completed under the original match ratio and grant agreement.

2. Was all state funding expended in FY07 for water/sewer projects? Have we typically laid/carried forward funds for this program?

- State funding for FY07 (and FY08) has been partially expended. For projects that had designs in place, or where designs were completed quickly, some or all of the funding has been expended. In other cases, the design is still in progress, and little or no funding has been expended. These capital projects typically require 1 - 5 years to complete, so funding is almost always expended over several fiscal years.

Please let me know if there are any additional questions.

Bill

2/8/2008

From: Ginger Blaisdell [mailto:Ginger_Blaisdell@legis.state.ak.us]
Sent: Tuesday, February 05, 2008 11:27 AM
To: Easton, Dan (DEC)
Subject: here comes the request I warned you about

We are looking at the state/local match rates for water/sewer project funding population breakout listed in AS 46.03.030 (e).
What would the funding impact be for ranked projects for FY07 and FY08 for communities in the 1,001-5,000 population if the population criteria were changed to 1,001-10,000 population?

What if any programmatic impacts would this population change create?

Was all state funding expended in FY07 for water/sewer projects? Have we typically lapsed/carried forward funds for this program?

Please call if you have any questions – 465-5038.
Ginger

Senator Green Report

		Current 50/50 Project Cost Sharing		Proposed 70/30 Project Cost Sharing		Difference Between 50/50 and 70/30 Project Sharing	
		State	Local	State	Local	State	Local
SFY 2007 Projects							
Homer	Water Treatment Plant Upgrades	\$1,062,727	\$1,062,727	\$1,487,818	\$637,636	\$425,091	-\$425,091
Ketchikan	Tongass Avenue Water and Sewer Phase 3	\$1,884,179	\$1,884,179	\$2,637,851	\$1,130,507	\$753,672	-\$753,672
Palmer	Steel Water Main Replacement Phase 5	\$1,016,964	\$1,016,964	\$1,423,750	\$610,178	\$406,786	-\$406,786
Sitka	Kimsham Landfill Closure	\$1,220,356	\$1,220,356	\$1,708,498	\$732,214	\$488,142	-\$488,142
<i>SFY 2007 Total</i>		<i>\$5,184,226</i>	<i>\$5,184,226</i>	<i>\$7,257,916</i>	<i>\$3,110,536</i>	<i>\$2,073,690</i>	<i>-\$2,073,690</i>

SFY 2008 Projects							
Homer	Water Treatment Plant Upgrade Phase 3	\$1,310,160	\$1,310,160	\$1,834,224	\$786,096	\$524,064	-\$524,064
Kenai	Water Treatment Plant Upgrades Phase 3	\$648,945	\$648,945	\$908,523	\$389,367	\$259,578	-\$259,578
Ketchikan	Disinfection By-Products Reduction Project	\$3,347,500	\$3,347,500	\$4,686,500	\$2,008,500	\$1,339,000	-\$1,339,000
Kodiak	Aleutian Homes Water and Sewer Replacement, Phase 2	\$1,525,400	\$1,525,400	\$2,135,560	\$915,240	\$610,160	-\$610,160
Palmer	Water Main Replacement, Phase 5	\$1,035,000	\$1,035,000	\$1,449,000	\$621,000	\$414,000	-\$414,000
Sitka	Cove Lift Station Replacement	\$155,300	\$155,300	\$217,420	\$93,180	\$62,120	-\$62,120
Sitka	Japonski Island Submarine Water Crossing	\$776,300	\$776,300	\$1,086,820	\$465,780	\$310,520	-\$310,520
Sitka	Water Distribution System Improvements	\$466,785	\$466,785	\$653,499	\$280,071	\$186,714	-\$186,714
Wasilla	Garden Terrace Water Main Extension, Phase 2	\$1,376,100	\$1,376,100	\$1,926,540	\$825,660	\$550,440	-\$550,440
<i>SFY 2008 Total</i>		<i>\$10,641,490</i>	<i>\$10,641,490</i>	<i>\$14,898,086</i>	<i>\$6,384,894</i>	<i>\$4,256,596</i>	<i>-\$4,256,596</i>

SFY 2009 Projects							
Homer	Water Treatment Plant Upgrade	\$1,236,000	\$1,236,000	\$1,730,400	\$741,600	\$494,400	-\$494,400
Kenai	New Water Transmission Main Phase II Wellhouse	\$698,625	\$698,625	\$978,075	\$419,175	\$279,450	-\$279,450
Kodiak	Aleutian Homes Water and Sewer Replacement, Phase 4	\$1,297,800	\$1,297,800	\$1,816,920	\$778,680	\$519,120	-\$519,120
Kodiak	Ultraviolet Secondary Water Treatment Facility	\$2,060,000	\$2,060,000	\$2,884,000	\$1,236,000	\$824,000	-\$824,000
Palmer	Steel Water Main Replacement Phase 6	\$1,369,793	\$1,369,793	\$1,917,710	\$821,876	\$547,917	-\$547,917
Palmer	Wastewater Treatment Plant Improvements Design	\$148,781	\$148,781	\$208,293	\$89,269	\$59,512	-\$59,512
Palmer	Southwest Utility Extension Phase II	\$1,766,605	\$1,766,605	\$2,473,247	\$1,059,963	\$706,642	-\$706,642
Wasilla	Mission Hills Water Extension	\$724,500	\$724,500	\$1,014,300	\$434,700	\$289,800	-\$289,800
<i>SFY 2009 Total</i>		<i>\$9,302,104</i>	<i>\$9,302,104</i>	<i>\$13,022,946</i>	<i>\$5,581,262</i>	<i>\$3,720,842</i>	<i>-\$3,720,842</i>