

This document was created from information available at:

<http://www.akleg.gov/basis/statutes.asp#46.03.034>

Sec. 46.03.032. Alaska clean water fund.

(a) There is established as a separate fund the Alaska clean water fund, which is distinct from any other money or fund in the treasury, and which consists of money appropriated by the legislature to meet federal matching requirements, federal capitalization grants, loan repayments, interest received from loan repayments, interest received from investment of money in the Alaska clean water fund, and the proceeds and accrued interest received from the sale of revenue bonds issued under [AS 37.15.560](#) — 37.15.605 and secured by the Alaska clean water fund. Separate accounts may be created in the Alaska clean water fund. The accounts may be combined for purposes of investment.

(b) The provisions of this section shall be liberally construed in order to carry out the purposes for which they were enacted. The department shall administer the Alaska clean water fund consistent with the requirements of this section and [AS 37.15.560](#) — 37.15.605.

(c) The department may accept and make use of all capitalization grants provided by the federal government under 33 U.S.C. 1251 — 1387 (the federal Clean Water Act), as amended.

(d) Except as otherwise limited by federal law, the Alaska clean water fund may be used

(1) for the following categories of projects:

(A) planning, designing, building, constructing, and rehabilitating a public wastewater collection, treatment, or discharge system;

(B) implementing a management program for controlling water pollution from nonpoint sources under 33 U.S.C. 1329, including planning, designing, building, constructing, and rehabilitating a solid waste management system; and

(C) developing and implementing an estuary conservation and management program under 33 U.S.C. 1330;

(2) to provide the following types of financial assistance for the categories of projects listed in (1) of this subsection:

(A) making loans to municipalities and other qualified entities;

(B) buying or refinancing the debt obligations of a municipality or other qualified entity;

(C) providing collateral security for or purchasing insurance for a municipal, state agency, or other qualified entity debt obligation; and

(3) to pay and secure the payment of the principal of and interest on revenue bonds issued by the state and to pay the costs of issuance and administration of the bonds, so long as the proceeds

of the bond sale are deposited in the Alaska clean water fund.

(e) Repayment of loans shall be secured in a manner that the department determines is feasible to assure prompt repayment under a loan agreement entered into with the borrower.

(f) The department

(1) may spend money from the Alaska clean water fund to pay the costs of

(A) administering the fund; and

(B) the department in conducting activities under this section and [AS 37.15.560](#) — 37.15.605, including the costs of issuance and administration as defined in [AS 37.15.605](#);

(2) shall spend money from the Alaska clean water fund to pay

(A) into the bond redemption fund ([AS 37.15.565](#)), and into any other bond redemption fund or account created by a relevant bond resolution, the amount certified by the state bond committee under [AS 37.15.585](#); and

(B) the costs of the state bond committee in conducting activities under this section and [AS 37.15.560](#) — 37.15.605, including the costs of issuance and administration as defined in [AS 37.15.605](#).

(g) A municipality or other qualified entity wishing to borrow money from the Alaska clean water fund shall demonstrate to the satisfaction of the department that it

(1) has sufficient legal authority to incur the debt for which it is applying; and

(2) will establish and maintain a dedicated source of revenue or other acceptable revenue source for repayment of the loan and sufficient reserves for the loan as may be necessary.

(h) Allocation of Alaska clean water fund loans shall be made in accordance with the priority list developed by the department, using criteria specified in regulations adopted by the department.

(i) Before making a loan from the Alaska clean water fund, the department shall, by regulation, specify

(1) standards for the eligibility of borrowers and the type of projects to be financed with loans;

(2) loan term and interest rate policies for loans made from the fund;

(3) standards regarding the technical and economic viability and revenue self-sufficiency of eligible projects;

(4) collateral or other security required for loans;

(5) terms of loans; and

(6) other relevant criteria, standards, or procedures.

(j) Except as necessary to comply with the covenants of a bond resolution under [AS 37.15.573](#), a loan made by the department shall be made according to the standards, criteria, and procedures established by regulations under this section. A loan made from the Alaska clean water fund may be subject to the state aid intercept provisions of [AS 37.15.575](#). Except as necessary to comply with the covenants of a bond resolution under [AS 37.15.573](#), in making a loan from the Alaska clean water fund for a solid waste management system, the department shall give priority to a project that will alleviate severe health or environmental concerns in the community or region proposing the system. In addition, the department may consider

(1) the extent of local or regional support for the proposed system; and

(2) the extent to which the applicant can demonstrate that the full range of solid waste management options has been reasonably considered and that the proposed system is consistent with the promotion of the solid and hazardous waste management practices established in [AS 46.06.021](#).

(k) The department shall prepare reports required by the federal government in conjunction with federal capitalization grant award conditions. The department shall also prepare reports and notices, including notices of default, required by the state bond committee in conjunction with bonds issued under [AS 37.15.560](#) — 37.15.605. The department shall also prepare a biennial report on the Alaska clean water fund and notify the legislature that it is available on or before the first day of each first regular session of the legislature.

(l) Loan repayments and interest earned by loans from the Alaska clean water fund shall be deposited in the Alaska clean water fund.

(m) Annual principal payments shall commence within one year after project completion.

(n) [Repealed, § 14 ch 106 SLA 1994.]

(o) Regulations adopted by the department under this section that would affect issuance or repayment of revenue bonds under [AS 37.15.560](#) — 37.15.605 may not be inconsistent with those statutes or with regulations adopted by the state bond committee under those statutes. To the extent that regulations adopted by the department are inconsistent with [AS 37.15.560](#) — 37.15.605, with regulations adopted by the state bond committee under those statutes, or with the covenants of a bond resolution adopted under [AS 37.15.573](#), the provisions of [AS 37.15.560](#) — 37.15.605, the regulations adopted under those statutes, and the covenants of the bond resolution govern.

(p) In this section,

(1) “other qualified entity” means

(A) an intermunicipal or interstate agency as those terms are used in 33 U.S.C. 1383, and may include an authority, corporation, instrumentality, enterprise, or other entity formed through an agreement between a municipality and one or more other governmental entities under [AS 29.35.010](#)(13) or under art. X, sec. 13, Constitution of the State of Alaska, or between a municipality and a regional housing authority under [AS 18.55.996](#)(b); or

(B) an organization that is eligible for assistance under 33 U.S.C. 1383, that is not exempted from regulation under [AS 42.05.711](#)(d), that provides wastewater service under a certificate of convenience and necessity from the former Alaska Public Utilities Commission or the Regulatory Commission of Alaska, and that is economically regulated by the Regulatory Commission of Alaska;

(2) “solid waste management system” includes capital improvements and equipment used for the purpose of solid and hazardous waste source reduction, recycling, treatment, or disposal.

Sec. 46.03.034. Alaska clean water administrative fund.

(a) The Alaska clean water administrative fund is established as a separate fund that is distinct from other money or funds in the treasury. The fund is composed of two accounts, the

(1) Alaska clean water administrative operating account; and

(2) Alaska clean water administrative income account.

(b) The legislature may appropriate to the Alaska clean water administrative operating account the annual balance of the Alaska clean water administrative income account.

(c) The department shall administer the Alaska clean water administrative fund.

(d) The Alaska clean water administrative operating account may be used to pay for the department’s operational and administrative costs necessary to manage the Alaska clean water fund and the Alaska clean water administrative fund and for such other purposes permitted by federal law.

(e) Money received in payment of fees charged by the department under the authority of [AS 46.03.035](#) and earnings on the Alaska clean water administrative fund shall be deposited in the Alaska clean water administrative income account.

Sec. 46.03.035. Fees charged for loans made from the Alaska clean water fund.

The department may charge and collect reasonable fees in connection with making and servicing loans made by the department under the authority of [AS 46.03.032](#). The department shall by regulation specify the rates and amounts of the fees.