

**State of Alaska
FY2005 Governor's Operating Budget**

**Department of Natural Resources
Water Development
Component Budget Summary**

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Component: Water Development

Contribution to Department's Mission

To facilitate the development and stewardship of Alaska's water resources.

The work within the Water Development Budget Component is intended to accomplish three outcomes:

- I. Protect and Provide for Water Property Rights
- II. Provide Technical Hydrologic Support
- III. Ensure Safe Operation and Construction of Jurisdictional Dams

Core Services

This component has three projects:

- Water Management, which provides water rights and temporary water use authorizations to industry and individual Alaskans;
- Hydrologic Survey, which provides scientific hydrologic expertise and maintains hydrologic data for use by state government and the public;
- Dam Safety, which protects public safety and property through ensuring safe dams.

WATER MANAGEMENT

WATER RIGHT. A water right is a property right necessary to establish legal standing against future water users and those current water users who never applied for a water right. Staff adjudicates the application to ensure that granting the water right will not impair the rights of other water right holders and that the water right is in the public interest (i.e., that it will not have a significant adverse effect on the environment). Adjudication includes public and agency notice of the application, resolving conflicting permit terms and conditions, and compliance with land use and coastal zone plans. A representative year of application filings would include approximately 250 water right applications such as: 10 commercial hydroelectric projects (primarily in SE Alaska); 25 oil and gas projects (North Slope and Cook Inlet), 2 seafood processing facilities, 75 for lodges, fish hatcheries, stores, golf courses, logging camps, ski areas and commercial projects; 35 mining operations; 15 village and community water systems; 10 public buildings (schools, state and federal offices, hospitals and camp grounds), 15 for instream flow (primarily ADF&G and USF&WS), 75 residential homes and 1 bulk water export. The Unit also asserts the state's interest and authority in water allocation issues raised by federal actions and for reservations of instream flow. Finally, staff maintains files on more than over 20,000 adjudicated water property rights, water use files and pending applications.

TEMPORARY WATER USE AUTHORIZATION. A temporary water use authorization is required when a significant amount of water is needed for a short-term project such as highway construction or reconstruction, or oil and gas exploration. (No right is granted under a temporary water use authorization.) Unless the project is within the coastal zone, or is controversial or unusually complex, a temporary water use authorization is completed within approximately 20 days of receipt. Authorizations within the coastal zone typically require a minimum 60 days.

HYDROLOGIC SURVEY

PERMIT REVIEW AND RESOLUTION OF LEGAL ISSUES. Staff of the Alaska Hydrologic Survey (AHS) provide hydrologic expertise for all of DNR. Staff is used extensively to provide the hydrologic expertise for water right adjudication and elsewhere where hydrologic expertise is needed. Other divisions within ADNR also request assistance with the collection, interpretation and analysis of hydrologic data in their permitting process. Outside of ADNR, assistance is requested by ADF&G, ADEC, USFS, USEPA, local government, industry, and private individuals.

TECHNICAL ASSISTANCE AND HYDROLOGIC DATA SEARCH AND RETRIEVALS. Staff update, search, and retrieve data contained within the databases maintained for the public and government. Staff maintain three primary databases. The Well Log Tracking System (WELTS) has ground water information on approximately 26,000 water wells throughout the state. Homeowners, communities, municipalities, consultants, and state and federal agencies seek these data which has just recently been made available on-line. The Alaska Water Use Database System (AKWUDS) is the only

comprehensive database in the state with information on community water use. In addition to information on public water supply, data on industrial use such as oil & gas production, seafood processing and hydroelectric production are available. It currently has several thousand-station years of record (a year of data for a single station). Agencies use this data category when seeking assistance with planning efforts dealing with community-based needs for water. The Alaska Rivers Information Database (ARID) contains data on more than 14,000 surface water bodies in Alaska. The ARID system is a primary source of information with regard to property ownership issues in navigability and hence is relied upon by ADNR navigability program. Approximately 375 (50% of total requests) requests for data retrieval are accompanied with a request for data interpretation or analysis.

DAM SAFETY

The Dam Safety and Construction Unit is responsible for supervising the safety of dams in Alaska. The unit consists of one registered professional engineer who oversees the following actions:

- *Periodic Safety Inspections of Jurisdictional Dams.* State laws require that dam safety inspections be conducted every three years for Class I and II dams, and every five years for Class III dams. These inspections are typically conducted by a private professional engineer and reviewed and approved by the State Dam Safety Engineer.
- *Certificates of Approval to Construct, Repair, Modify, Abandon or Operate a Dam.* Before work begins on a dam, it must be approved by the state to assure that the dam will be built and operated safely. The cycle time for the authorization is approximately 6 months from application to issuance.
- *Safe and Effective Emergency Response to Dam Failures.* Dam Safety regulations require Emergency Action Plans for all Class I and II dams. These plans must be updated and exercised regularly to prepare for a dam failure. 40% of the Class I and II dams in the state now have a current Emergency Action Plan, an increase of 200% since 1999. DMLW is enforcing the requirement for these important plans.
- *Other Dam Safety Related Work.* The Unit also provides engineering assistance for technical review of related work in DNR (such as unregulated dams at mines and other private dam owners, and engineering problems associated with active and abandoned mining operations).

End Results	Strategies to Achieve Results
<p>(1) Provide water for citizens and industry in an efficient manner that protects the environment; provide hydrologic technical assistance to Alaskans; and protect public safety.</p> <p><u>Target:</u> Process 100% of new water right and permit applications received, and process 100 backlogged water right applications.</p> <p><u>Measure:</u> Number of water right applications and temporary water use authorizations processed compared with the number received.</p> <p><u>Target:</u> Provide appropriate hydrologic assistance to industry and citizens.</p> <p><u>Measure:</u> Number of customers served.</p> <p><u>Target:</u> Ensure that 100% of jurisdictional dams are operated and constructed safely.</p> <p><u>Measure:</u> Percentage of jurisdictional dams in compliance with inspections and emergency action plans; no dam failures.</p>	<p>(1) Water Rights and Permits.</p> <p><u>Target:</u> Process 100% of new water rights and temporary water use authorizations applied for, decrease the water right backlog by 100 water rights; administer existing permits and water rights; and 10 new instream flow reservations.</p> <p><u>Measure:</u> Number of water rights, certificates of appropriation, or temporary water use authorizations; median cycle time; number of significant compliance actions; and number of instream flow reservations.</p> <p>(2) Hydrologic Survey</p> <p><u>Target:</u> Provide hydrologic technical assistance to the public, water rights and permit staff, and industry.</p> <p><u>Measure:</u> Number of customers serviced.</p> <p>(3) Dam Safety</p> <p><u>Target:</u> Ensure that 100% of jurisdictional dams are safely operated and constructed.</p> <p><u>Measure:</u> Number of dams inspected, applications received and cycle time to completion, and number of emergency action plans received, reviewed or exercised.</p>

Major Activities to Advance Strategies

- Process 350 new water right applications with a median cycle time of 60 days.
- Issue 150 temporary water use authorizations with a median cycle time of 3 weeks.
- Issue 10 new instream flow reservations.
- Administer an est. 21,000 water rights and 235 temp water use authorizations with no significant environmental compliance actions.
- Participate in 600 permit and legal decisions.
- Service 200 hydrologic investigation and data collection customers.
- Provide technical assistance or data retrieval to 750 customers and 450 who ask for review of data.
- Enter 4,350 well logs or other hydrologic events into the appropriate databases.
- Complete all of an estimated 10 period dam safety inspections required.
- Issue all of the estimated 13 certificates to construct, repair, modify, remove, or abandon a dam with median cycle time of two months.
- Review or exercise between 2 and 4 emergency actions plans.
- No dam failures.

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$1,510,400

Personnel:

Full time	16
Part time	0
Total	16

Performance Measure Detail

(1) Result: Provide water for citizens and industry in an efficient manner that protects the environment; provide hydrologic technical assistance to Alaskans; and protect public safety.

Target: Process 100% of new water right and permit applications received, and process 100 backlogged water right applications.

Measure: Number of water right applications and temporary water use authorizations processed compared with the number received.

Target: Provide appropriate hydrologic assistance to industry and citizens.

Measure: Number of customers served.

Target: Ensure that 100% of jurisdictional dams are operated and constructed safely.

Measure: Percentage of jurisdictional dams in compliance with inspections and emergency action plans; no dam failures.

(1) Strategy: Water Rights and Permits.

Target: Process 100% of new water rights and temporary water use authorizations applied for, decrease the water right backlog by 100 water rights; administer existing permits and water rights; and 10 new instream flow reservations.

Measure: Number of water rights, certificates of appropriation, or temporary water use authorizations; median cycle time; number of significant compliance actions; and number of instream flow reservations.

(2) Strategy: Hydrologic Survey

Target: Provide hydrologic technical assistance to the public, water rights and permit staff, and industry.

Measure: Number of customers serviced.

(3) Strategy: Dam Safety

Target: Ensure that 100% of jurisdictional dams are safely operated and constructed.

Measure: Number of dams inspected, applications received and cycle time to completion, and number of emergency action plans received, reviewed or exercised.

Key Component Challenges

There are two important challenges for the Water Development Component in FY05:

- **Performance Measures for Service.** In legislative discussion in 2001, the Division committed to ensuring that a typical new water right be adjudicated within 60 days and a typical new temporary water use authorization within 20 days. Continuing to meet these performance measures is an important challenge for the Division.
- **Funding.** The 2001 legislature passed HB 185 which established a fee methodology to pay for the water management program. The bill's fiscal note anticipated that the program would raise fees, and that the new revenue would support the program. This year, the program expects to promulgate regulations that will raise the fees to provide the necessary revenue to fund the water rights and temporary water use program.

Significant Changes in Results to be Delivered in FY2005

With the new water right adjudication positions now hired and trained the Water Management Unit will continue to adjudicate all new significant water right applications and temporary water use applications within the time frames promised to the legislature. For most water users, the cycle time would decrease from a few years to just 60 days.

The water right backlog elimination project will continue to make progress. In addition, the unit will adjudicate between 5 and 8 instream flow reservations for the protection of fish and fish habitat.

Major Component Accomplishments in 2003

- **Processing Temporary Water Use Authorizations.** In FY 03, staff processed 292 temporary water use permits without litigation. The lack of litigation is a significant change and increased the reliability of the permits for the applicants. In FY 01, there was significant challenge to almost all temporary water use authorizations on the North Slope. DNR was taken to court in a number of different cases, which absorbed much staff time and energy. In FY 02, the same situation appeared to be developing; we received many objections and challenges as the staff prepared to process permits. To ensure that the authorizations appropriate protected the environment and could be relied upon by the applicant, staff went to unusual lengths to ensure that the permit record showed that staff had gone above and beyond procedures requirements for issuing the permit and reflected documentation that showed the environment would be protected. For the first time in a few years, there was no litigation over the authorizations. This is in part due to the new statute enacted by HB 185, and in part due to the concentration of effort by staff on these permits.
- **Processing Water Rights.** Staff processed 365 water rights and received 179 new ones.
- The **Hydrologic Survey Unit** provided Division staff with hydrologic information, data, and evaluations for 420 water permits, mining issues and legal issues; provided hydrologic investigations and assistance to 150 customers; provided hydrologic data to 700 customers; and assisted 500 customers with data evaluation and interpretation.

Entered 4,050 new hydrologic data points to its existing databases.

- The ***Dam Safety and Construction Unit*** reviewed or performed 5 periodic dam safety inspections; issued 16 Certificates to Construct, Modify or Operate a Jurisdictional Dam; and reviewed and tested 5 Emergency Action Plans for high hazard dams. The unit also provided engineering assistance to the Mining Section and Surface Coal Mining unit for projects at Usibelli Coal Mine, Illinois Creek Gold Mine, and Pogo exploration sites.

Statutory and Regulatory Authority

The Water Development Component operates under the following statutory and regulatory authority:

Statutory	Regulatory
AS 46.15.020-.970	11AAC 05.010 and 11 AAC 93.040-.970
AS 35.05.965	
As 46.17.010-.900	
AS 41.08	

Contact Information

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Water Development Component Financial Summary

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,064.9	1,179.1	1,236.2
72000 Travel	10.0	41.7	43.7
73000 Contractual	58.1	188.7	194.7
74000 Supplies	28.4	26.8	28.8
75000 Equipment	0.0	7.0	7.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,161.4	1,443.3	1,510.4
Funding Sources:			
1002 Federal Receipts	16.7	39.9	40.2
1004 General Fund Receipts	917.8	859.1	784.1
1005 General Fund/Program Receipts	1.8	2.0	77.0
1007 Inter-Agency Receipts	46.3	160.7	165.4
1108 Statutory Designated Program Receipts	8.4	45.2	95.6
1156 Receipt Supported Services	170.4	336.4	348.1
Funding Totals	1,161.4	1,443.3	1,510.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
Receipt Supported Services	51073	0.9	2.0	5.0
Unrestricted Total		0.9	2.0	5.0
Restricted Revenues				
Federal Receipts	51010	16.7	39.9	40.2
Interagency Receipts	51015	46.3	160.7	165.4
General Fund Program Receipts	51060	1.8	2.0	77.0
Statutory Designated Program Receipts	51063	8.4	45.2	95.6
Receipt Supported Services	51073	170.4	336.4	348.1
Restricted Total		243.6	584.2	726.3
Total Estimated Revenues		244.5	586.2	731.3

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	861.1	39.9	542.3	1,443.3
Adjustments which will continue current level of service:				
-Changes to Retirement and Other Personal Services Rates	0.0	0.3	16.8	17.1
Proposed budget increases:				
-Statutory Designated Program Receipts for Special Water Development Projects	0.0	0.0	50.0	50.0
FY2005 Governor	861.1	40.2	609.1	1,510.4

**Water Development
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2004</u> <u>Authorized</u>	<u>FY2005</u> <u>Governor</u>		
Full-time	16	16	Annual Salaries	903,007
Part-time	0	0	Premium Pay	0
Nonpermanent	1	0	Annual Benefits	363,002
			<i>Less 2.35% Vacancy Factor</i>	(29,809)
			Lump Sum Premium Pay	0
Totals	17	16	Total Personal Services	1,236,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Hydrologist II	3	1	0	0	4
Hydrologist III	1	0	0	0	1
Natural Resource Mgr I	0	0	1	0	1
Natural Resource Mgr II	1	0	0	0	1
Natural Resource Mgr III	1	0	0	0	1
Natural Resource Spec I	2	0	1	0	3
Natural Resource Spec II	3	1	0	0	4
Tech Eng II / Architect II	1	0	0	0	1
Totals	12	2	2	0	16