State of Alaska
FY2006 Governor's Operating Budget

Department of Environmental Conservation
Drinking Water
Component Budget Summary

Component: Drinking Water

Contribution to Department's Mission

Verify safe drinking water.

Core Services

- Enforce compliance with monitoring requirements for federally-established contaminant levels and develop acceptable alternative contaminant monitoring requirements for public water systems.
- Review construction, installation, and operation plans for public water systems (PWS).
- Assist public water system owners and operators to identify the sources of their drinking water and help them develop strategies to effectively protect those sources from contamination.
- Technical assistance and education to the general public and to owners and operators of public water systems.
- Obtain and maintain state primacy for federally regulated public water systems.

End Results	Strategies to Achieve Results
A: Drinking water is safe. Target #1: Increase the % of drinking water engineering plans that can be approved within 30 days from initial receipt. Measure #1: The % of plans that can be approved within 30 days from initial receipt. Target #2: 100% of the population served by public water systems (PWS) in compliance with health- based standards. Measure #2: % of the population served by public water systems (PWS) in compliance with health-based standards.	**A1: Timely review of all complete drinking water engineering plans submitted.** Target #1: Review all complete submissions of drinking water engineering plans within a 30 day time frame. Measure #1: % of all complete plans reviewed within 30 days of receipt. **A2: Implement sanitary survey requirements for all federally regulated public water systems.** Target #1: 100% of public water systems file required sanitary surveys according to schedule. Measure #1: % of public water systems in compliance with their sanitary survey schedule. **A3: Train and certify third party sanitary survey inspectors.** Target #1: 100% of the sanitary survey inspectors are trained and certified. Measure #1: % of the sanitary survey inspectors trained and certified.

Major Activities to Advance Strategies

- Conduct engineering reviews.
- Review Consumer Confidence Reports for compliance.
- Process Significant Non-Complier Exemptions for safe drinking water rules.
- Respond to formal compliance and enforcement actions and make referrals to EPA.
- Conduct sanitary surveys.
- Complete and submit primacy applications to EPA for all federal rules adopted.
- Develop and distribute a "Protection Kit' and wellhead protection plan templates to communities for their use in developing wellhead protection plans.
- Review Class A and B public water systems for compliance for all regulated drinking water

Major Activities to Advance Strategies

contaminants sampling and reporting requirements.

FY2006 Resources Allocated to Achieve Results

FY2006 Component Budget: $3,715,300

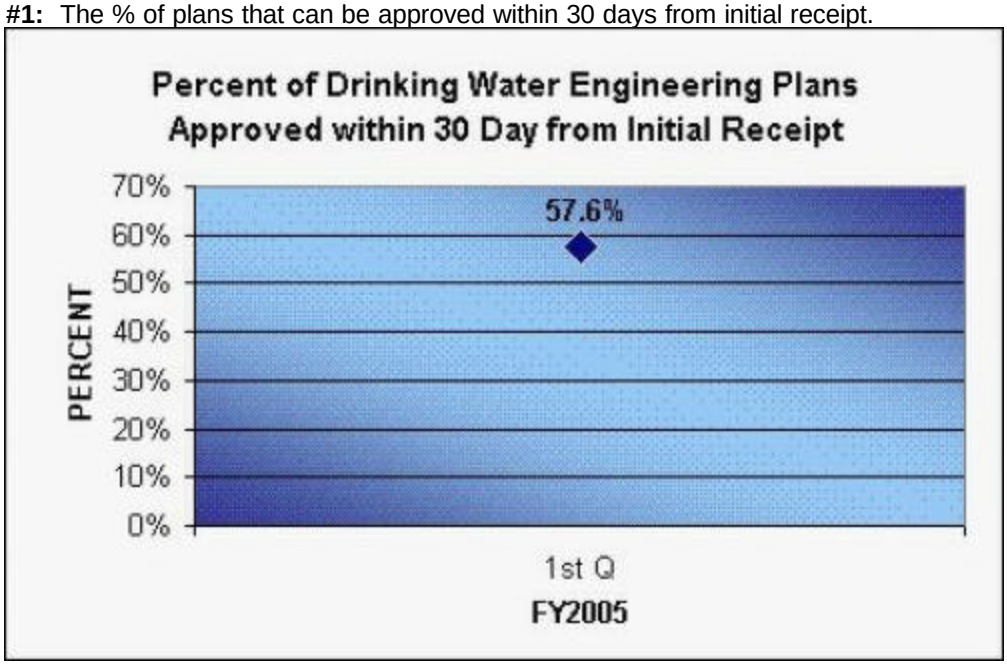
Personnel:	
Full time	45
Part time	0
Total	45

Performance Measure Detail

A: Result - Drinking water is safe.

Target #1: Increase the % of drinking water engineering plans that can be approved within 30 days from initial receipt.

Measure #1: The % of plans that can be approved within 30 days from initial receipt.



Percent of plans that Can be Approved within 30 days from Initial Receipt.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2005	57.6%	0	0	0	

Analysis of results and challenges: This is a new measure. Waterborne disease continues to be a threat to public health in many areas. To provide for the protection of public health, Drinking Water Regulations (18 AAC 80) require that any time a public water system (PWS) is constructed or modified, engineering plans be submitted to the Drinking Water Program for review by department engineering staff. During the engineering review process, the engineer will determine if specifications and materials used in the construction or modification of a PWS meet the criteria of the Drinking Water Regulations. These criteria address many items that, taken together, best protect public heath and provide safe drinking water. In order to make sure that public water systems are being constructed and operated in a safe manner and are protective of public health,

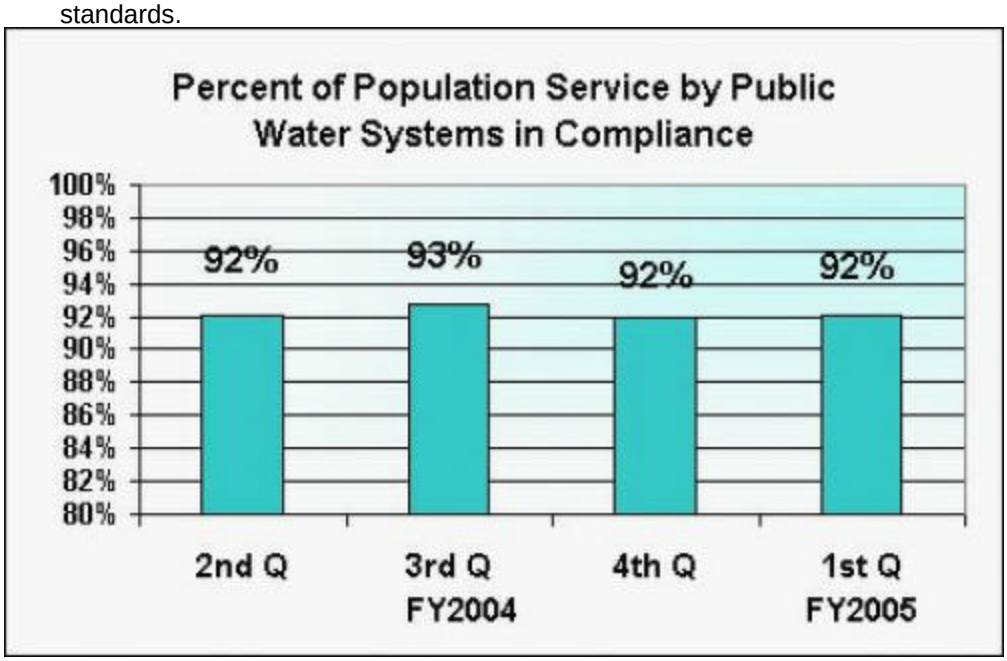
department engineers are required to review complete engineering plan submittals within 30 days of receipt.

Most public water systems by design are complex, with many individual components, including the treatment plant and distribution system that must be reviewed and approved by DEC. Due to the complexity of the systems and the importance of protecting people from waterborne disease, the engineering plan review process is also complex. Many engineering plan submittals do not contain required information needed by department engineers in order to begin the review process. The Drinking Water Program has developed standard checklists designed to help engineers submit the required information. The program's 30 day review time does not begin until DEC receives a complete engineering plan submittal.

Changes to the data collection process and the database that supports the program are still in progress.

Target #2: 100% of the population served by public water systems (PWS) in compliance with health- based standards.

Measure #2: % of the population served by public water systems (PWS) in compliance with health-based standards.



% of the population served by public water systems (PWS) in compliance with health-based standards.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2002	0	0	0	0	96%
2003	0	0	0	0	94%
2004	96%	92%	93%	92%	92%
2005	92%	0	0	0	92%

Analysis of results and challenges: Waterborne disease continues to be a threat to public health in many areas. To address the threat of waterborne disease and provide for the protection of public health, the State of Alaska has adopted the Safe Drinking Water Act (SDWA) requirements and the Drinking Water Program is responsible for the implementation of the SDWA within the State. All federally regulated public water systems are required to be in compliance with the SDWA. Various health-based standards contained within the SDWA are designed to protect people from consuming unsafe drinking water. Health-based standards are EPA established limits for many chemical and radiological contaminants, called Maximum Contaminant Levels (MCL's), as well as, microbiological contaminants. The MCL is an enforceable standard that all public water systems must meet in order to serve drinking water to the public. There are also various Treatment Technique criteria that public water systems must meet. Treatment Techniques have to do with the way water is treated to make it potable and safe for human consumption. All of these criteria make up the health-based standards.

In the first quarter of FY2005, 92% of the population of Alaska was served by public water systems that meet all

health based standards.

While a 92% compliance rate with health based standards is excellent, it does fall below our goal of having 100% of the population being served by public water systems in compliance with all of the health-based standards. The Drinking Water Program continues to meet this challenge in several different ways. We continue to offer compliance and technical assistance to all public water system operators and owners to help them to remain in compliance with all of the health-based standards that apply to their systems. The drinking water program also has various enforcement strategies in place to require that public water systems remain in compliance with the health-based standards. This two-pronged approach to compliance assistance and enforcement allows us to ensure that as many people as possible are being served with safe drinking water.

A1: Strategy - Timely review of all complete drinking water engineering plans submitted.

Target #1: Review all complete submissions of drinking water engineering plans within a 30 day time frame.
Measure #1: % of all complete plans reviewed within 30 days of receipt.

Percent of all Complete Plans Reviewed within 30 Days of Receipt

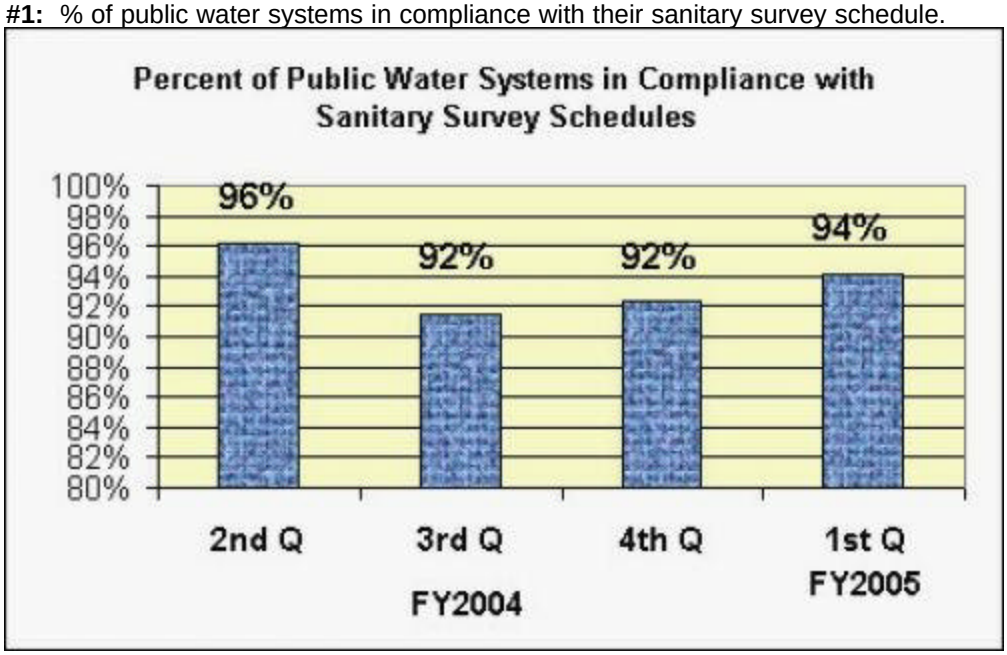
Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD

Analysis of results and challenges: Waterborne disease continues to be a threat to public health in many areas. To provide for the protection of public health, Drinking Water Regulations (18 AAC 80) require that any time a public water system (PWS) is constructed or modified that engineering plans be submitted to the Drinking Water Program for review by department engineering staff. During the engineering review process, the department engineer will determine if specifications and materials used in the construction or modification of a PWS meet criteria of the Drinking Water Regulations. These criteria address many items that, taken together, ensure that the public is being served safe drinking water. In order to make sure that public water systems are being constructed and operated in a safe manner and are protective of public health, department engineers are required to review complete engineering plan submittals within 30 days of receipt.

Data is currently not available for this measure. Changes to the data collection process and the database that supports the program will be made and data will be available to report beginning with the 3rd quarter of FY2005.

A2: Strategy - Implement sanitary survey requirements for all federally regulated public water systems.

Target #1: 100% of public water systems file required sanitary surveys according to schedule.
Measure #1: % of public water systems in compliance with their sanitary survey schedule.



Percent of Public Water Systems in Compliance with their Sanitary Survey Schedule

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2002	0	0	0	0	95%
2003	0	0	0	0	95%
2004	96%	96%	92%	92%	94%
2005	94%	0	0	0	94%

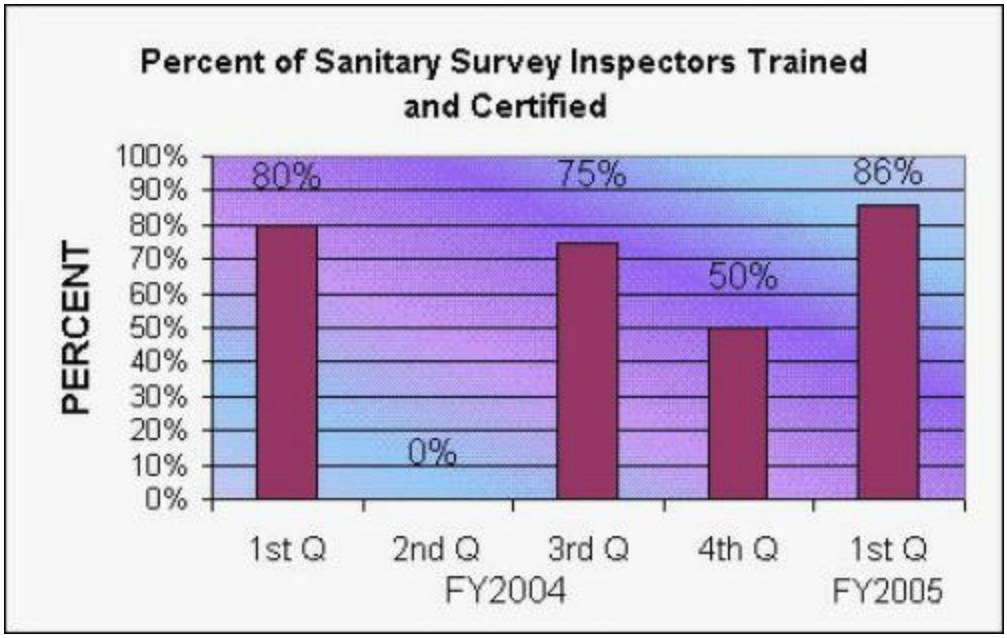
Analysis of results and challenges: As part of the 1986 Amendments to the Safe Drinking Water Act, the EPA promulgated the Total Coliform Rule (TCR) which was adopted by the State in 1993. The TCR is the primary health-based regulation used to require all public water systems to routinely monitor for bacteriological contamination in the drinking water they serve to the public. Since most waterborne disease outbreaks are caused by bacteria or other microorganisms, routinely testing for bacteriological contaminants is one of the best ways we have of making sure that drinking water is safe to drink. Another very important part of the TCR is the requirement that all federally regulated public water systems have a periodic sanitary survey completed for their entire water system. A sanitary survey is an onsite review of the water source, treatment facilities and equipment, and the operations and maintenance procedures of a public water system. The sanitary survey process is used to evaluate the adequacy of a system and helps to determine if they are producing and distributing safe drinking water. Systems using groundwater as a source are required to have a sanitary survey every five years. Systems using surface water as a source are required to have a sanitary survey every three years.

In the first quarter of FY2005 a total of 1,634 public water systems had a sanitary survey scheduled requirement. Of that total, 1,538 public water systems had their scheduled sanitary survey completed. This number reflects a 94% compliance rate with the sanitary survey requirement.

While a 94% compliance rate with the sanitary survey scheduled requirement is good, it does fall below the target rate of 100% of the population being served by a public water system in compliance with health-based standards. Since the sanitary survey scheduled requirement is one of the most important health-based standards, conducting timely sanitary surveys is one of the priority goals of the Drinking Water Program. Some of the challenges we face in meeting this goal are; remote location and difficulty getting to some of the public water systems, cost to the system of conducting the sanitary survey, and the lack of sufficient enforcement actions to establish/confirm the high priority of sanitary surveys. The Drinking Water Program continues to address these challenges by having the Program's Environmental Specialists and Environmental Engineers trained and certified, as well as ADEC-approved third party sanitary survey inspectors to conduct sanitary surveys and by scheduling and conducting sanitary survey inspections for public water systems.

A3: Strategy - Train and certify third party sanitary survey inspectors.

Target #1: 100% of the sanitary survey inspectors are trained and certified.
Measure #1: % of the sanitary survey inspectors trained and certified.



Percent of the Sanitary Survey Inspectors Trained and Certified

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2003	0	0	0	0	95%
2004	80%	0%	75%	50%	68%
2005	86%	0	0	0	86%

Analysis of results and challenges: All federally regulated public water systems are required to have a periodic sanitary survey completed for their entire water system. A sanitary survey is an onsite review of the water source, treatment facilities and equipment, and operation and maintenance procedures of a public water system. The sanitary survey is used to evaluate the adequacy of the system and helps to determine if they can produce and distribute safe drinking water. Sanitary surveys are required every five years for public water systems using a groundwater source and every three years for public water systems using a surface water source. Most public water systems are very complex, with many individual components that must be inspected during the sanitary survey. The complexity of inspecting the public water system and the protection of public health requires that a person conducting a sanitary survey be knowledgeable in all aspects of drinking water treatment and distribution. This requires extensive and specialized training. There are approximately 1,634 federally regulated public water systems in Alaska that must meet the sanitary survey requirement. Not all sanitary surveys can be conducted by department staff, so the Drinking Water Program has contracted with the University of Alaska Southeast, the Alaska Training/Technical Assistance Center (ATTAC) to provide training sessions for both department staff and other third party individuals who have prior experience with public water system treatment and distribution process. ATTAC currently offers at least three training sessions per year, that includes two Basic Sanitary Survey classes and one Advanced Sanitary Survey class.

Key Component Challenges

Meeting the requirements of the Safe Drinking Water Act Amendments of 1996 continues to be a challenge for the Drinking Water (DW) program in FY2005, and will also be a challenge in FY2006. The program and public water system owners and operators continue to struggle to meet an overwhelming number of federal deadlines for existing and new rules being adopted and implemented. Meeting these federal deadlines is a requirement for state primacy, receiving the Public Water System Supervision grant, Bioterrorism and Homeland Security grant, and the Drinking Water State Revolving Loan Fund set-asides for PWS Wellhead Protection and Capacity Development. New federal rules continue to create a significant workload for the program. Because of their complexity, these new rules impact all types of drinking water sources including even the smallest of the federally-regulated water systems. The DW program's primacy requirements and workloads will continue to grow, increasing challenges for the DW program.

Ensuring that ground water, used as a source of a drinking water by public water systems, is protected from contamination is a significant challenge in areas of increased residential populations and increased industrial and

agricultural development. Competing needs, sustained economic development, and public health protection will require clarity in the development and implementation of environmental and resource management plans. Industrial and economic enhancement activities such as coal-bed methane, forestry, subdivision development, and sand and gravel pit mining, will require effective long term planning and clearly defined regulations to ensure long term protection of drinking resources.

Significant Changes in Results to be Delivered in FY2006

In FY2005 the legislature directed the Drinking Water Program to eliminate regulatory oversight of all Class C Public Water Systems (PWS). Class C PWS are those systems that serve less than 25 residential consumers or are open for less than 60 days per year. There are approximately 1,520 Class C PWS in Alaska. Class C PWS are not recognized as public water systems by the federal government. The Drinking Water Program does not receive federal money for the regulatory oversight of these systems. The State of Alaska has designated any public water system that is not classified as a Class A or Class B PWS, as a Class C PWS. These systems typically serve small establishments such as, apartment buildings, gas stations, and small restaurants. Currently, the Drinking Water Program requires that Class C PWS register with the State. In most cases, there are no microbiological or chemical contaminants monitoring requirements for Class C PWS. The impact of elimination of the Drinking Water Program oversight of these systems is expected to be minimal to the public and will allow the Drinking Water Program staff to more efficiently address public health protection by allowing staff to focus on the federally regulated PWS (Class A and B) which serve the majority of the population.

Major Component Accomplishments in 2004

Lead and Copper Rule Minor Revisions (LCRMR) and the Lead and Copper Rule were adopted by reference into the Drinking Water Regulations, 18 AAC 80, Sections 500 – 505, with an effective date of January 11, 2004. A second part of the LCRMR was adopted and became effective August 26, 2004. The primacy application for this Rule was submitted to U.S. EPA Region 10 on January 9, 2004, and approval by U.S. EPA is pending.

Public Notification Rule was adopted by reference into the Drinking Water Regulations, 18 AAC 80, Sections 1000 - 1040, with an effective date of May 2, 2004. The primacy application for this Rule was submitted to U.S. EPA on April 30, 2004 and approval is pending.

Completed a two year extension request with U.S. EPA Region 10 on December 22, 2003, for the adoption of the Long Term 1 Enhanced Surface Water Treatment Rule. This will allow the State of Alaska until January 14, 2006, to adopt the rule and submit its final complete primacy application.

950 public water system source water assessments were completed in FY2004 (284 completed by Drinking Water Program staff and 666 completed by third party contractors). All of Alaska's PWS source water assessments were completed on time, by June 30, 2004, and within budget.

In a joint project with the Alaska Rural Water Association, the program developed and produced an interactive compact disk (CD) on Security and Emergency Management System (SEMS) for Alaska PWS. This interactive CD allowed small sized- systems (those serving fewer than 3,300 persons) to complete Vulnerability Assessments and Emergency Response planning for their systems. The CD was used in 11 training workshops attended by over 167 participants across the state. Workshops were completed from January 2004 – May 2004 in Barrow, Anchorage, Kenai, Juneau, Bethel, Ketchikan, Nome, Fairbanks, Dillingham, Glenallen, and Wasilla. The SEMS CD will be used by owners and operators of public water systems, or local community organizations in future training workshops.

A Wellhead Protection Management Plan (WPMP) inter-active CD-ROM was completed in August 2003. Additionally, a Wellhead Protection brochure and application form were also designed and produced. The WPMP CD-ROM is a template that PWS owners, operators, or communities can use to develop customized WPMP that priorities protection efforts and identifies protection strategies and time schedules. It also contains templates for implementing the WPMP and a variety of wellhead protection resources.

Statutory and Regulatory Authority

AS 44.46.020, AS 44.46.025, AS 46.03.020, AS 46.03.024, AS 46.03.050, AS 46.03.070, AS 46.03.080, AS 46.03.090, AS 46.03.100, AS 46.03.710, AS 46.03.720, AS 46.03.761, AS 46.03.900, 18 AAC 15, 18 AAC 72, 18 AAC 80

Contact Information

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Drinking Water
Component Financial Summary

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,828.9	2,691.4	2,966.0
72000 Travel	85.9	121.2	121.2
73000 Services	717.3	729.0	511.2
74000 Commodities	56.9	52.6	52.6
75000 Capital Outlay	86.3	64.3	64.3
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	**3,775.3**	**3,658.5**	**3,715.3**
Funding Sources:			
1002 Federal Receipts	2,286.3	2,834.0	2,913.4
1003 General Fund Match	535.8	581.0	601.7
1004 General Fund Receipts	502.5	45.6	0.3
1005 General Fund/Program Receipts	407.8	197.9	199.9
1007 Inter-Agency Receipts	42.9	0.0	0.0
Funding Totals	**3,775.3**	**3,658.5**	**3,715.3**

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		**0.0**	**0.0**	**0.0**
Restricted Revenues				
Federal Receipts	51010	2,286.3	2,834.0	2,988.7
Interagency Receipts	51015	42.9	0.0	0.0
General Fund Program Receipts	51060	407.8	197.9	202.7
Restricted Total		**2,737.0**	**3,031.9**	**3,191.4**
Total Estimated Revenues		**2,737.0**	**3,031.9**	**3,191.4**

Summary of Component Budget Changes
From FY2005 Management Plan to FY2006 Governor

All dollars shown in thousands

	General Funds	Federal Funds	Other Funds	Total Funds
FY2005 Management Plan	**824.5**	**2,834.0**	**0.0**	**3,658.5**
Adjustments which will continue current level of service:				
-FY 05 Bargaining Unit Contract Terms: GGU	5.2	17.0	0.0	22.2
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	17.8	56.7	0.0	74.5
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	5.7	0.0	5.7
Proposed budget decreases:				
-Eliminate services to Class C Public Water Systems	-45.6	0.0	0.0	-45.6
FY2006 Governor	**801.9**	**2,913.4**	**0.0**	**3,715.3**

Drinking Water
Personal Services Information

Authorized Positions	FY2005 Management Plan	FY2006 Governor	Personal Services Costs	
			Annual Salaries	2,173,937
Full-time	43	45	COLA	31,043
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	1,065,972
			Less 6.30% Vacancy Factor	(206,052)
			Lump Sum Premium Pay	0
Totals	**43**	**45**	**Total Personal Services**	**3,064,900**

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	2	0	0	0	2
Administrative Clerk III	1	1	1	0	3
Analyst/Programmer III	1	0	0	0	1
Analyst/Programmer IV	1	0	0	0	1
Environ Conserv Mgr I	1	0	0	0	1
Environ Conserv Mgr III	1	0	0	0	1
Environ Eng Asst I	1	0	0	0	1
Environ Eng Asst II	1	1	0	0	2
Environ Engineer I	1	1	1	2	5
Environmental Spec I	1	0	0	0	1
Environmental Spec II	4	1	0	1	6
Environmental Spec III	2	1	1	1	5
Environmental Spec IV	3	1	0	2	6
Environmental Tech I	0	0	1	1	2
Environmental Tech II	2	1	0	1	4
Hydrologist I	1	0	0	0	1
Project Coord	1	0	0	0	1
Regulations Spec II	1	0	0	0	1
Tech Eng I / Architect I	1	0	0	0	1
Totals	**26**	**7**	**4**	**8**	**45**