

**State of Alaska
FY2009 Governor's Operating Budget**

**Department of Environmental Conservation
Contaminated Sites Program
Component Budget Summary**

Component: Contaminated Sites Program

Contribution to Department's Mission

Protect public health and the environment by identifying, overseeing and conducting the cleanup, redevelopment, and management of contaminated sites in Alaska.

Core Services

- Identify, assess, rank, prioritize, and track all contaminated sites in Alaska.
- Oversee the cleanup and long term monitoring of contaminated sites in Alaska.
- Conduct cleanups of highest-priority state-owned, privately owned, and orphan sites using a risk based approach.
- Manage cleanup and provide regulatory oversight for military, federal agency, private party and State owned contaminated sites.
- Provide regulatory oversight, technical assistance, and policy development to Department of Defense and Federal Civilian Agencies on environmental cleanup activities.
- Negotiate with responsible parties, private or federal, for funding agreements to provide effective cleanup of contaminated sites.
- Manage conditionally closed contaminated sites to ensure risk is appropriately controlled over time.
- Provide technical assistance to responsible parties of contaminated sites.

End Result	Strategies to Achieve End Result
<p>A: Risk from contamination at historical contaminated sites is reduced.</p> <p><u>Target #1:</u> 10% increase from the previous year in the number of historical contaminated sites remediated.</p> <p><u>Measure #1:</u> % increase from the previous year in the number of historical contaminated sites remediated.</p>	<p>A1: Reduce historical contamination.</p> <p><u>Target #1:</u> Remediation of historical contamination.</p> <p><u>Measure #1:</u> % of existing contaminated sites closed or conditionally closed.</p>

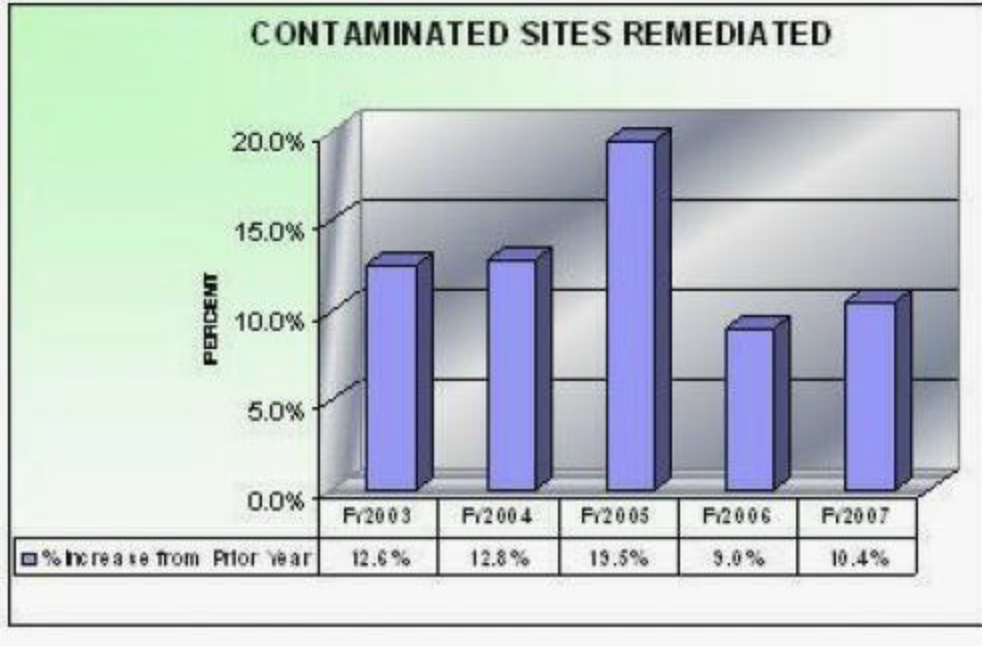
Major Activities to Advance Strategies
<ul style="list-style-type: none"> • Provide regulatory oversight and management of contaminated sites to facilitate closures. • Conduct cleanups of state owned and orphan sites. • Manage long term monitoring of conditionally closed sites to limit risk to public health and the environment.

FY2009 Resources Allocated to Achieve Results	
<p>FY2009 Component Budget: \$7,051,100</p>	<p>Personnel:</p>
	<p>Full time 65</p>
	<p>Part time 0</p>
	<p>Total 65</p>

Performance Measure Detail

A: Result - Risk from contamination at historical contaminated sites is reduced.

Target #1: 10% increase from the previous year in the number of historical contaminated sites remediated.
Measure #1: % increase from the previous year in the number of historical contaminated sites remediated.



Analysis of results and challenges: Alaska has many sites that have been contaminated with oil or hazardous substances. Most of the contamination is historic, much of it occurring before the risks to the environment and human health were known, and additional historic contaminated sites are discovered almost daily. Severely contaminated sites may also have adverse economic and social impacts in terms of cleanup costs, or limitations on land use, land sales, or transfers.

Our 2007 performance data shows that our 10% increase goal was met while for 2006 the performance data was 1% shy of our goal. The 2005 closure percentage was particularly high due to 170 cleanups at the former Adak Naval Air Station and was an anomaly.

The Contaminated Sites program is in the process of changing our site prioritization to better focus our resources at sites with a higher level risk to human health and the environment. Facilitating this change, Contaminated Sites is implementing a new measurement approach to allow tracking of risk reduction, in addition to closures. Transition to this new tool, the Exposure Tracking Model, will begin in our FY2010 performance measure narrative.

A1: Strategy - Reduce historical contamination.

Target #1: Remediation of historical contamination.

Measure #1: % of existing contaminated sites closed or conditionally closed.



Analysis of results and challenges: Alaska has many sites that have been contaminated with oil or hazardous substances. The total number of known contaminated sites at the end of FY2007 was 6,388. This represents an increase of 101 new sites since July 1, 2006. Most of the contamination is historic, much of it occurring before the risks to the environment and human health were known. Severely contaminated sites may also have adverse economic and social impacts in terms of cleanup costs, or limitations on land use or land sales or transfers.

The quarterly percentages reflected in this chart are based on the cumulative number of contaminated sites closed out with no further action required in relation to the cumulative number of known contaminated sites. Moreover, it is important that historic contaminated sites are found and reported, so that appropriate steps can be taken to protect the public. However, as the data shows, for every site that is cleaned or cleaned to a point that allows a closure or conditional closure, nearly as many contaminated sites are discovered each year, making it a challenge to show progress toward reducing the number of contaminated sites in the state.

Our goal is to continue remediating sites at a rate that exceeds the relative percentage of total sites remediated the previous year. However, results will continue to fluctuate depending on the number of new historic sites discovered as well as the amount of work necessary to reduce the risks at new and already existing sites.

Key Component Challenges

The Exposure Tracking Model (ETM) is a new ranking tool for site assessment and risk management. It is based on an analysis of how people can be exposed to contaminants in the environment. We are currently in the process of evaluating and ranking all open contaminated sites (approximately 2,624) for a FY2009 transition into a more accurate and effective assessment system of Alaska's contaminated sites. Once the ETM baseline is established, we will prioritize based on the results of the rankings of this new tool and workloads will be reallocated as necessary.

In addition to remediated sites, Contaminated Sites plans to incorporate risk reduction using data from the ETM as a performance measure. In order to accomplish this, all sites must be ranked and updated, allowing us to calculate the number of sites where risk is reduced during cleanup processes. Measuring risk reduction with the ETM will more accurately reflect the work we do in improving Alaska's natural resources and the environment.

Develop a strategy for cleaning up state-owned contaminated sites. Previously, the cleanup of state owned contamination has generally been funded from the response fund through capital improvement project budgets. The response fund is no longer sufficient for cleanup of state owned contamination and alternative funding strategies must be developed to pursue closure of the remaining state owned contaminated sites.

Significant Changes in Results to be Delivered in FY2009

None.

Major Component Accomplishments in 2007

- Performed regulatory oversight, assessment, clean up, monitoring or closure activities at 2,452 contaminated sites throughout the state.
- Reduced risk to human health and the environment by cleaning up contaminated sites and closing or issuing conditional closure letters for 356 historical sites.
- Performed initial site review and risk evaluation for 138 newly discovered contaminated historical sites.
- Received a resolution signed by Kenai Peninsula Borough commending our actions that assisted their communities as well as letter of appreciation from the Mayor of the Fairbanks North Star Borough. Additionally, the Contaminated Sites Brownfield Coordinator received a Governor's Denali Peak Award honorable mention for customer service.
- Completed several year effort to negotiate settlement for Wrangell Institute contaminated site. Settlement agreement included \$2.34 million dollar payment to the State. Petroleum cleanup work will be completed in FY2008.
- Cleanup of the Eagle River Flats was nearly completed in FY07. Historically used by the Army as its primary munitions impact area for Fort Richardson until high waterfowl mortalities led to a Record of Decision (2003) triggering remediation.
- Facilitated the reuse and redevelopment of ten contaminated Brownfield sites through state-lead assessments. High profile sites included: the Delta Junction tank farm site; the former Weeks Field Development project; multiple rural abandoned canneries; the Bentley Trust Properties in Fairbanks; the Alaska Highway Gateway Arch Project in Delta Junction.
- Coordinated with Prevention and Emergency Response Program and the U.S. Coast Guard to address several sheening incidents into Cook Inlet. Contaminated groundwater was infiltrating a storm water ditch adjacent to the Tesoro Bulk Fuel Facility and then migrating into the inlet.
- Facilitated insurance settlements by providing technical research and support to recover costs expended in investigation and cleanup of contaminated sites through negotiations by the Attorney General's office, including insurance settlements (or proposed agreements) with Sterling ZipMart, Cooks Tesoro and M&M Recycle.
- Utilized the prospective purchaser process encouraging property transfers, reuse of contaminated sites and executed agreements for: the Fairview Manor property in Fairbanks; the McGahan Utilities property in Nikiski; the Miller Property in Anchorage; the M&M / Wyoming Drive Property in Anchorage.
- Assisted with preparation of a draft of a Risk Assessment for the Anchorage Terminal Reserve area - Ship Creek as required by an EPA Consent Order.
- Completed draft (including resolution of public comments) and published final national guidance in conjunction with the Environmental Protection Agency, Department of Defense and State of Illinois for use at military munitions sites undergoing site investigation and cleanup actions that establishes a consistent national framework to evaluate the hazards posed by unexploded ordinance and abandoned military munitions, including over 200 sites in Alaska.
- Resolved a two year informal dispute with the Navy over cleanup requirements for military munitions contamination within Operable Unit B-1 on Adak Island. Also, a removal action was completed in a former rifle grenade range (RG0-1), which is a high priority site due to the sensitive nature of the munitions that are present. Additional characterization at RG0-1 is planned during 2008 to determine the adequacy of the removal action and need for any further cleanup at the site.
- Finalized and implemented agreements with the National Park Service for planning and coordinated cleanup activities, and reimbursement of state regulatory oversight as a federal grant.
- Improved cleanup rate at Federal Aviation Administration (FAA) contaminated sites for 44 large, complex regional and local facilities throughout Alaska and many small remote facilities.
- Completed a partial inventory of federal sites where eroding solid waste landfills threaten Alaskan waters.
- Continued working with the Air Force, Army Corps of Engineers, Federal Aviation Administration and the Bureau of

Land Management through the Statement of Cooperation, to investigate and respond to eroding landfills. Removal of several eroding landfills (Oliktok RRS, Bullen Point, Cape Yakataga, Port Heiden) is currently underway; wastes are being screened, segregated, and recycled, treated or disposed of at approved facilities. Additional characterization and planning are underway for several other landfills (Point Lonely, Camp Lonely, Nuvagapak, Saint Lawrence Island, Barter Island) that are eroding or are threatened by erosion.

- Continued to monitor and treat with Hydrogen Release Compound chlorinated compounds present at the River Terrace RV Park site as described in the 2000 Record of Decision for the River Terrace contaminated site.
- Continued to monitor and evaluate risks at 6 Mile Richardson Highway, Gaffney Road and Peger Road, in the Fairbanks area.
- Continued to monitor and treat the Sterling ZipMart groundwater plume and adjacent Sterling Baptist Church for contaminant vapors. Drinking water wells continue to be monitored as part of the area-wide monitoring program.
- Analyzed and ranked over 700 sites with our Exposure Tracking Model (ETM) in 2007. The ETM computer application produces a conceptual site model and assigns a numeric ranking (and prioritization) to contaminated sites based on their risk to human health and the environment.
- Continued revision process of existing regulations to incorporate technical advances and integrate cleanup regulations for leaking underground storage tanks.
- Launched and maintained the Institutional Control (IC) database providing detailed information on 1,371 sites (307 leaking underground storage tank sites and 1,064 contaminated sites) where contamination remains above the most restrictive regulatory levels i.e., sites which have institutional controls and/or conditional closures on them. The tracking database has a GIS mapping component and is available to the public via the Contaminated Sites Program Web-site as of March 2007.
- Implemented new LUST Quality Assurance/Quality Controls in which conceptual site models and laboratory QC checklists are now mandatory for all sites. The first QA audit of site files has been conducted and the Quality Assurance officer is working closely with staff to ensure that CSP work product is consistently of high quality.

Statutory and Regulatory Authority

AS 46.03, AS 46.04, AS 46.08, AS 46.09, 18 AAC 75, 18 AAC 78.

Contact Information

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**Contaminated Sites Program
Component Financial Summary**

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	5,059.1	5,456.9	5,717.3
72000 Travel	187.6	278.1	278.1
73000 Services	896.9	1,000.9	1,000.9
74000 Commodities	99.4	48.8	48.8
75000 Capital Outlay	0.0	6.0	6.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	6,243.0	6,790.7	7,051.1
Funding Sources:			
1002 Federal Receipts	2,853.4	3,504.3	3,622.7
1007 Inter-Agency Receipts	20.7	80.6	82.0
1052 Oil/Hazardous Response Fund	3,368.9	3,205.8	3,346.4
Funding Totals	6,243.0	6,790.7	7,051.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	2,853.4	3,504.3	3,622.7
Interagency Receipts	51015	20.7	80.6	82.0
Restricted Total		2,874.1	3,584.9	3,704.7
Total Estimated Revenues		2,874.1	3,584.9	3,704.7

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	0.0	3,504.3	3,286.4	6,790.7
Adjustments which will continue current level of service:				
-FY 09 Bargaining Unit Contract Terms: General Government Unit	0.0	118.4	142.0	260.4
FY2009 Governor	0.0	3,622.7	3,428.4	7,051.1

Contaminated Sites Program Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2008 Management Plan	FY2009 Governor		
Full-time	65	65	Annual Salaries	3,616,586
Part-time	0	0	COLA	240,655
Nonpermanent	0	0	Premium Pay	13,544
			Annual Benefits	1,994,237
			<i>Less 2.52% Vacancy Factor</i>	<i>(147,722)</i>
			Lump Sum Premium Pay	0
Totals	65	65	Total Personal Services	5,717,300

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	1	0	0	0	1
Accounting Tech I	1	0	0	0	1
Accounting Tech II	0	0	1	0	1
Administrative Clerk II	2	0	1	0	3
Administrative Clerk III	1	2	1	1	5
Analyst/Programmer II	0	0	1	0	1
Analyst/Programmer IV	1	0	1	0	2
Env Eng Associate I	1	1	0	0	2
Environ Engineer I	0	0	0	1	1
Environ Program Manager I	3	1	1	0	5
Environ Program Manager II	1	1	1	0	3
Environ Program Manager III	0	1	0	0	1
Environ Program Spec I	1	1	0	0	2
Environ Program Spec II	0	0	1	0	1
Environ Program Spec III	12	6	4	2	24
Environ Program Spec IV	6	2	0	0	8
Environ Program Technician	0	1	0	0	1
Internet Specialist I	0	0	1	0	1
Prog Coordinator	0	0	1	0	1
Project Coord	0	0	1	0	1
Totals	30	16	15	4	65