

State of Alaska FY2009 Governor's Operating Budget

Department of Natural Resources Director's Office/Mining, Land, & Water Component Budget Summary

Component: Director's Office/Mining, Land, & Water**Contribution to Department's Mission**

Encourage the settlement of state land and the development of state resources by making them available for maximum use consistent with the public interest. (Constitution; Article VIII, Sec 1).

Core Services

The primary service provided by this component is the effective management of Alaska's minerals, land and resource assets to produce revenues, create jobs, to promote economic vitality, and to protect these assets for future generations. The Director's Office component provides the management and administrative oversight for the five other components within the Division of Mining, Land and Water (DMLW). These are:

- Claims, Permits and Leases
- Land Sales and Municipal Entitlements
- Water Development
- Title Acquisition and Defense
- RS2477/ Navigability Assertions and Litigation Support

The Division of Mining, Land and Water promotes the wise use of state minerals, land and resources. The Division has and will continue to streamline processes and maximize economic opportunity working with the public and private sectors to stimulate and promote sound development and conservation.

The Division has structured its budget to reflect the expectation that developing the state's land and resources should, in general, pay for itself. Functions that develop Alaska by authorizing or granting resources to the private sector are funded primarily on program receipts. Developing the land and resources of Alaska should also provide a return to the school fund, permanent fund and the general fund. These development functions are primarily within the Division's first two components: Claims, Permits and Leases; and Land Sales and Municipal Entitlements. The Division also undertakes some functions that are basic responsibilities of the state for which there is no revenue source. These functions are mostly concentrated within Title Acquisition and Defense and the RS2477/Navigability Assertions and Litigation Support components. These components secure Alaska's full land entitlement under the Statehood Act and defend access to and ownership of state land and water. The Water component is a partially regulatory component. It does not provide the revenue necessary to fully fund its function.

Revenue and Cost. In FY07, revenue for the division was \$21.7 million (from all sources), and costs were \$17.1 million. The revenue is almost all generated by two components: Claims, Permits, and Leases; and Land Sales and Municipal Entitlements. In FY09 the Division expects to bring in \$23.8 million in Revenue, and cost approximately \$19.9 million.

The **Claims, Permits and Leases** component provides the authorizations necessary to develop Alaska's land and resources. There are few, if any, industries that use State land that do not require an authorization provided by this component. This component serves government, businesses and private individuals. There are over twenty programs managed under this component. This component is also responsible for the proper management and stewardship of state lands, including uses that do not result in authorizations.

The **Land Sales and Municipal Entitlements** component provides land sales to individuals and transfers land to municipalities.

The **Title Acquisition and Defense** component acquires land and defends the state's interest in land. The outcomes of this component are particularly significant to Alaska as we received by far the largest federal land grant given to any state. The component includes the work necessary to acquire land (including more than 105 million acres as the state's entitlement) from the federal government, and defend public access to land.

The **Water Development** component includes administration of water rights, Alaska Hydrologic Survey and Dam

Safety. It provides the water rights and hydrologic data necessary for development.

The **RS2477/ Navigability Assertions and Litigation Support** component funds access litigation and assertions related to Revised Statute 2477s (RS2477) and three closely related navigability projects: 1) ongoing identification and assertions of navigable waters and public rights to navigable and public waters; 2) a project to catalog navigable waters; and 3) applications to the US Bureau of Land Management (BLM) for Recordable Disclaimers of Interest for navigable waters. All three projects are part of the State's effort to identify and assert State ownership of navigable waters.

FY2009 Resources Allocated to Achieve Results		
FY2009 Component Budget: \$405,800	Personnel:	
	Full time	5
	Part time	0
	Total	5

Key Component Challenges

This section summarizes the key challenges for the Division of Mining, Land and Water. For more information see the discussion within individual budget components.

DIVISIONWIDE ISSUE

Hiring and Retention. Increasingly, it is more difficult to recruit and retain qualified people to work for the Division. The pay and benefits do not compete with federal, municipal, or private agencies. We are finding it exceptionally difficult to hire some job series like surveyors and upper level managers because of the non-competitive salaries. Often positions are recruited multiple times with no success; some remain open for over a year. In addition, many seasoned employees have retired or moved on leaving an inexperienced staff in the journeyman level positions which in turn reduces efficiency due to the steep learning curve. As the division invests training into new employees, the employees quickly find other higher paying jobs or advance within the department, creating the ripple effect of more hiring and training. This problem of attracting and retaining employees has reached a critical point where some basic services are not being provided to the public, with no expected improvement within the current budget constraints. (Details of the results of this pervasive problem can be seen in each component.)

LAND ISSUES

Land Stewardship. The Division is responsible to manage state lands for long term sustainability and public use. There is an increasing demand from the public, legislators, boroughs, and municipalities for the Division to more actively manage general state lands. Trail damage, use conflicts, dumping, unauthorized commercial use, unauthorized use of resources, trespass structures, easement encroachments, and abandoned vessels and vehicles are all increasing throughout the state but mostly near population centers. The state is losing revenues, the problems are compounding when not addressed, and the Division is unable to effectively respond to the high number of issues. New statutory and regulatory changes are needed to give division employees the tools to effectively deal with compliance issues (see details in the Claims, Permits and Leases component).

New Public Use Area Management. The Knik River Public Use Area was established during FY07, and the legislature provided specific language and funding for the Division to develop management plan and to provide active land management in this area. A key component in this legislation was to give the Division the needed enforcement authority to effectively manage state land in this area. This same enforcement authority is needed for the rest of the state. During FY08 the management plan will be finalized and regulations adopted to address many of the contentious issues (see details in Claims, Permits and Leases component).

Easement and Access Management. The Division is responsible for managing and permitting, through issuance of easements and other authorizations, public and private access on and across state lands. Due to increasing public and private sector demand for access across state land, DMLW is not able to process all requests for such access. As populations expand and more land becomes private, legal access becomes more important. The Division is seeing an increase in public requests to assert easements, define exact locations for previously asserted easements, resolve use conflicts, remove encroachments and blockages, and to vacate those previously asserted. The staff time required to resolve these issues is large, ever-increasing and under-funded (see details in Claims, Permits and Leases component).

RS 2477 Assertion and Management. The Division supports the public use of RS2477s within the given bounds of law. The division often must determine the existence of the RS2477s, locate them because most are unsurveyed, and resolve blockage or other encroachment issues. This is a time consuming task because the public generally does not understand the complexities of the laws that govern RS2477s and the lack of surveys locating them on private property. The Division also is looking at other ways to provide legal public access along RS2477 routes without the necessity of taking expensive and lengthy legal action. (For more information see both the Claims, Permits and Leases; and RS2477/Navigability Assertions and Litigation Support components.)

Permit/Lease Processing. The number of permit and lease applications for use of state land is increasing. In many cases, it takes too long for the Division to process permits or leases. Many applications stay in a large backlog of work that the Division will not be able to address without additional staff. This is in part because of the complexity of the land management decisions and in part because there is not enough staff to do the work required. The Division is also increasing efficiency and improving the quality of the Division's land management by making better use of technology through such techniques as allowing on-line payment and applications, and through streamlining procedures and processes. (see details in Claims, Permits and Leases component.)

Land Sales to Alaskans. The key issue for land sales for FY09 is to identify and offer new areas for sale under the Subdivision and Remote Recreational Cabin programs, and to find methods to increase revenues from the already profitable program. Over the course of four years the Division has increased the number of parcels offered to its present levels. DNR is finding it increasingly more challenging to maintain land sales at the level of 250 remote recreation parcels to 300 subdivision lots per year due to several reasons. The first reason is that recent large acreages conveyed to municipalities and the recent grant of 250,000 acres of state land to the University have removed some of the most accessible and desirable state land from DNR's long-term land disposal portfolio. The second is that municipalities, through their platting authority, are often requiring DNR to provide access or roads, often at considerable cost, as conditions of their approval of new land sales. DOT/PF now requires road apron development for new subdivisions and the Corps of Engineers is requiring wetland delineations for the new sales. All of these new requirements are expensive and challenge the timeline for meeting the target offering amounts. (For more information, see description in Land Sales and Municipal Entitlements Component.)

Land Transfers to Municipalities Under Municipal Entitlements. The challenge is to meet the accelerated schedule and performance measures for municipal entitlements with a goal of transferring 80,000 acres in FY08 and 40,000 acres in FY09. (For more information, see description in Land Sales and Municipal Entitlements Component.)

BLM Accelerated Land Conveyance Program (BLM 2009). The US Bureau of Land Management (BLM) is increasing the rate of land transfers in Alaska with an ambitious goal of largely fulfilling land transfers to Alaska Native Claims Settlement Act (ANCSA) Corporations, Native Allottees and the state by 2009. Although it is unlikely that the BLM will succeed in transferring the remaining state entitlement by the end of the federal FY2009, the challenge is for the Division to review all BLM decisions in a manner that protects state interests but does not slow (or even accelerates) BLM's transfer process. In addition, the division needs to ensure that the state receives its highest priority selections as BLM transfers over 10 million acres to the state. It is also important to resolve whether BLM will continue to fund state participation in the conveyance acceleration project. (For more information, see description in Title, Acquisition and Defense Component.)

Review of Easements under Sec. 17(b) of ANCSA. The Division is actively involved in the identification of easements that are reserved in federal conveyances to Native corporations, and to helping resolve management issues affecting state these easements and state land. As BLM increases the rate of land transfers under the ANCSA, the challenge is to defend state's rights in BLM's decisions and during BLM's termination process, and to help resolve management issues. (For more information, see description in Title, Acquisition and Defense Component.)

University Land Conveyance. The Division continues to implement the University Land Conveyance. The Department intends to provide deeds to the University for most parcels in FY08, but will continue with updates to land records and other administrative "cleanup" well into FY09. (for more information, see description in Title Acquisition and Defense Component).

The School Trust Lands valuation and litigation is part of the Title Defense Project. Resolution requires significant staff work, in a manner acceptable to the court. (For more information, see description in Title, Acquisition and Defense Component.)

Navigability. The issue of navigability determines who owns and manages the land under waterbodies in Alaska. The Division is working with BLM to use the Recordable Disclaimer process to clearly establish the state's ownership of the land under these waters. (For more information, see description in the RS 2477/Navigability Assertions and Litigation Support Component.)

WATER ISSUES

Funding and Performance Measures for Service. The complexity, competing interests, growing demands, and

controversial developments of water appropriations are all increasing the processing time for new and backlog applications. Not adjudicating a water right application within a reasonable time, or not processing a necessary amendment to an existing water right, will result in: delays in financing and development of projects; no legal rights or certainty during disputes over water; cost and impacts of litigation; and impacts to public trust resources. Due to staff shortages and the inability to change certain regulations to create efficiencies, there continues to be a growing backlog of applications. (For more information, see Water Development Component.)

Dam Safety. With the increase in mine development projects and a greater number of dams being built in the state, the staff of one dam safety engineer is over taxed to provide needed oversight. (For more information, see Water Development Component.)

MINING ISSUES

Minerals Policy Issues. The increase in mining exploration and related discoveries has created a significant increase in public interest in mining throughout Alaska. In particular, the discovery of the Pebble copper deposit in the fisheries rich Bristol Bay area has triggered new legislative proposals and public initiatives aimed at increased regulation of or restrictions on mineral development. The Division has responsibility for assessing the impacts of these proposals on State lands and mining in general in Alaska. Some of these proposals, if implemented, would significantly reduce the amount of mining interest, including staking, exploration and development on State land, and could lead to reduced revenue from mining.

Mineral Property Management. Alaska is experiencing a resurgence of claim staking. The increase in mineral prices, recent finds, and Alaska's proven ability to permit a mine has attracted a large increase in claim staking. This is excellent news for Alaskans, but has strained the existing staff. The division processed over 7,993 claims in FY07, resulting in more acreage being staked than in any year in the past. Additional staff positions authorized through an FY2006 budget increment were completely filled and retention has been 100%, enabling the Mining Section to achieve its goals of reduced permit processing times and increased field inspections and technical assistance to miners.

Permitting and Managing Alaska's Large Mine Industry. Until the early 1990s, Alaska held only a placer mine industry. Since that time, Alaska has developed an increasing industry of large mines: Fort Knox, True North, Pogo, Greens Creek, Kensington, and soon perhaps Donlin Creek and Chuitna Coal. An important challenge for Alaska in FY09 is continuing the permitting to enable the development (or continued development of Alaska's Large Mines):

Pogo Project. Monitor operations.

Red Dog. Finalize reclamation and closure and financial assurance.

Kensington. Possible transition from construction to production contingent on results of litigation.

Green's Creek. Monitor operations.

Illinois Creek. Monitor water quality

Rock Creek. Transition construction to production.

Donlin Creek. Anticipate permit applications to initiate project development.

Chuitna Coal. Issue draft supplemental EIS and issue permits and development.

Pebble Copper. Review of baseline studies.

Niblack. Permit exploration.

Technical Review of Canadian Mine Program. For projects adjacent to Southeast Alaska.

Significant Changes in Results to be Delivered in FY2009

Land Stewardship. The eight new staff will begin to address problems such as access issues, user conflicts, illegal use, resource damage, over use, and stipulation compliance. This is not a sufficient number of staff to deal with the stewardship workload, but it will allow the division to address many problems that would otherwise be neglected and often grow into larger problems which cost more in the long run. This increment will not eliminate the backlog of trespass cases but may allow the division to deal with the more egregious cases. With the additional staff, the division expects that its ability to process more applications will improve. By FY10, the division will process up to 10% more authorizations than reported in FY07 if the division can recruit and retain the majority of its positions (see details in Claims, Permits, and Leases component).

Adjusted Land Sale Program. The Division will focus more on providing higher quality subdivisions, while possibly not meeting the target quantity of lots, in order to meet revenue expectations. (See discussion under "Major Component Challenges" and see details in the Land Sales and Municipal Entitlement component.)

Accelerated Land Conveyance from BLM (BLM 2009). In FY09, the state will be responding to significantly more federal decisions to transfer land to ANCSA Corporations, Native Allottees and the state as BLM accelerates its land transfers. This increased effort will affect all aspects of title acquisition section as well as navigability, submerged lands and upland access title defense issues. The state continues to work with BLM on procedural modifications as

the workload accelerates and additional issues arise. (For more information, see description under "Key Component Challenges" In the Title Acquisition and Defense component.)

University Land Conveyance. In FY09, the Division expects to complete most or all of the recordkeeping updates necessary to reflect the results of the University Land Conveyance. By the end of FY08, DNR will have issued signed documents, or finalized drafts we are prepared to execute upon acceptance by the University, for all parcels that are currently eligible for conveyance.

Navigability and RS 2477. DNR will implement the SB305 Navigability mapping website in FY09. Regarding the navigability program, DNR anticipates filing additional applications for Recordable Disclaimers of Interest (RDI) for up to 40 additional water bodies and to receive from BLM RDIs for 10-20 water bodies. DNR will also try a pilot assertion for a right-of way across federal lands through an administrative process, rather than quiet title action. For discussion, see the RS 2477/Navigability Assertions and Litigation Support component.

Knik River Public Use Area. The management plan and regulations will be completed in FY08. On site management presence will increase in the area. (See Claims Permits and Leases component for details.)

Mining Issues. Due to increased public concern regarding mining activities, if increments are approved the division will increase monitoring of existing exploration projects and mining properties, and will expand its dam safety and water programs related to future mining projects.

Major Component Accomplishments in 2007

This section summarizes the major component accomplishments for the remaining five components within the Division of Mining, Land and Water. For more information see the discussion within individual components.

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REVENUE TO ALASKA. In FY07, the division brought in more than \$4.6 million more than it cost to operate. Revenue from all sources was \$21.7 million, and costs were \$17.1 million. The revenue is almost all generated by two components: Claims, Permits, and Leases; and Land Sales and Municipal Entitlements. The revenue from those two components more than carried the costs for the entire Division. This year (FY09), the Division expects to bring in \$23.8 million in Revenue, and cost approximately \$19.9 million. Of the revenues, the Claims, Leases and Permits component is expected to bring in \$14.7 million. The Land Sales and Municipal Entitlement component will bring in another \$7.1 million. These figures do not include revenues that result from other state land activities, such as oil and gas royalty, forestry stumpage fees, mining license tax, etc. that are dependent on title, planning, survey and other DMLW functions.

LAND ACCOMPLISHMENTS

Permit/Lease/Claim Processing; Revenues to the State of Alaska. This component of the division processed a wide variety of permits, mining claims, and leases. In FY07, this work resulted in approximately \$13 million dollars in revenue to the state including fees, rents, and royalties, primarily from mining activities. This figure also includes federal revenue to the component. It does not include revenues such as taxes, royalties, or timber stumpage that accrue through other divisions or departments. Of this amount, approximately \$75.1 thousand was allocated to the permanent fund and \$72.0 thousand to the school fund. The cost of this component in FY06 was \$8.2 million. For FY09, the revenue is expected to be \$14.7 million.

Revenue Backlog Project. The Division continues to work through revenue-generating backlogged authorizations. Two positions in the Northern and Southcentral region completed detailed audits on over 40 leases, right-of-way, and permits. 47 were finished where customers paid a total of \$194,371 in fees, current rents, and back rents. An additional \$494,907 has been identified for collection. In addition, the authorizations also represent over \$82,000 in annual rents that will come in for many years in the future.

Examples of Other Land Management Accomplishments.

- Continued to work with local residents to clean up parcels of state land that have been used as illegal dumping sites and other illegal uses. Sites include Jim Creek near Palmer and Exit Glacier near Seward.
- Created RSAs with the Department of Public Safety to increase enforcement presence in the Knik River Public use Area (PUA).

- Worked with the public, user groups and legislature to establish and initiate increased management of the Knik River PUA.
- Managed public use pressures in and mitigated trail damage in Denali Tangle Lakes Special Use Area.
- In collaboration with the Office of Habitat Management and Permitting (OHMP), designed an expansion plan for the Gustavus material site that incorporates reclamation of depleted pits for salmon habitat enhancement.
- Resolved longstanding easement compliance issues with Enstar for the Beluga gas line.
- Completed the first ever comprehensive mapping project of the Iditarod trail with the goal of establishing legal easements for the entire trail system.
- Investigated and resolved 25 unauthorized structures on federal land scheduled for conveyance to the state. BLM will remove the trespass structures prior to the state accepting title.
- Completed the installation of signs on each mile of the designated trail system in the Denali Tangle Lakes Special Use Area in the ongoing effort to manage trail use.
- Resolved and cleaned up structures and debris on three major trespass sites in south-central Alaska.
- Completed a trails survey, laid out new trail alignments and prepared a trail prescription program for trails in the Eska area as a means of resolving trail use conflicts.
- Provided legal access to 11 state land sale areas.
- Implemented a new fee schedule for material sales in Alaska that substantially increased state revenues.
- Improved a document tracking system for the Realty Services Section that allows them to track multiple agency comments on thousands of conveyance documents received from BLM.
- Working with owners and other creative solutions, removed 21 abandoned vessels from state tidelands.
- Worked with user groups to remove a trespass bridge in the Caribou Hills.
- Entered into memorandum of understanding between USFS and State (DNR and DOTPF) on reciprocal easements.
- Successfully resolved clean-up of logs and derelict equipment on tidelands and close-out of expired log storage lease at Mud Bight in Ketchikan.
- Issued early entry permit to DOTPF for Juneau Access project.
- Completed decision for tideland lease for Niblack mine.
- Wood River/Alaska Range: Inspected 10 sites related to commercial guiding, trapping cabins and trespass in the Wood River/Gold King/Alaska Range with the Alaska State Trooper.
- Wind Energy: Issued a land use permit for the collection of meteorological and weather data related to wind energy in the Alaska Range.
- Trespass: Initiated and entered into a resolution agreement for the Hobbs trespass in the West Fork Remote near Chena Hot Springs.
- Ongoing Tundra Travel Monitoring/Data Collection: Collected vegetation disturbance data associated with Conoco Phillips Demonstration Ice Road, Pioneer's Storm and Cronus projects, and Kerr-McGee's Ataruq project.
- Material Sales: Issued a 500,000 yd sale to Pioneer for NS oil and gas development. Issued 3 contracts for DOTPF projects totaling 1.6 million yards.
- Stampede Road: Conducted numerous field inspections related to DOTPF's Stampede Road upgrade project. The Division was adjudicating 2 material sale applications and 1 right-of-way application before project funding was eliminated. Numerous public meetings and contacts were initiated and responded to related to this project.

Land Sales to Individual Alaskans. In FY07, the department sold 450 parcels or 3,856 acres for a total value of \$5,660,979.00 in over-the-counter and auction sales (gross sales price during that year only, does not reflect actual revenue received by the State, which is higher). DNR offered 177 parcels in the FY 07 auction, 134 of which were new parcels, including new subdivisions where DNR constructed internal subdivision roads to increase the value of the land and to meet borough platting requirements. Additionally, DNR offered 233 parcels for individuals to stake for remote recreational cabin sites in FY07 and prepared an additional 29 surveyed remote parcels for sale. It is expected that the over-the-counter sales will level off in future years but that the auction parcels will be more popular and therefore bring a higher price therefore continuing to fund an ongoing land sale programs.

Land Transfers to Municipalities Under Municipal Entitlements. In FY06, DNR approved for conveyance municipal entitlement selections totaling 243,800 acres, significantly completing the Northwest Arctic, Land and Peninsula and Matanuska-Susitna Borough's entitlement as well as other small conveyances. In FY07 numbers declined but substantial progress was made in refining selections for the Denali and North Slope Boroughs. DNR is working on revisions to two area plans that will enable conveyances to the Denali Borough and North Slope over the next two fiscal years.

Land Planning for Disposal and Development. In FY 08 many of the planning efforts underway in previous years are

scheduled to be completed. Revision of the Northwest Area Plan will eventually result in the conveyance of an additional 26,000 acres to the North Slope Borough. Revision of the Prince of Wales Area Plan will result in 6,500 acres being classified for settlement or timber disposal. An additional 1.2 million acres of tide and submerged lands were also classified; some of these were classified to support timber management operations, waterfront development, and general development.

Land Transferred into State and ANCSA Ownership. Land Transferred into state ownership – in FY07, the state received over 2 million acres from the federal government under its land grants. This was part of the accelerated federal land transfer program. As part of this effort, the Division has increased review of ANCSA Corporation conveyances and draft conveyances to the state.

Land Transferred out of state ownership. Land Transferred out of state ownership – in FY07, DNR issued 389 deeds to transfer approximately 62,647 acres from state to private, municipal, and other ownerships. DNR also approved numerous additional land transfers (such as for municipal entitlements) but deeds cannot be issued until the land is surveyed.

RS 2477

In FY 06 the Department of Law filed Quiet Title complaints for two RS2477 routes. DNR conducted extensive historical research on the use of the trails and supported the Department of Law with survey, land status and other items needed for discovery and exhibits. In FY 07 the Department settled the case in favor of the State and located, and surveyed the route. Researched other RS2477 routes to defend public access.

Navigability

As of September 2006, filed 37 applications with BLM for Recordable Disclaimers of Interest (RDI) for 64 water bodies. BLM has issued 10 disclaimers for 28 water bodies. DNR has requested suspensions of applications for four water bodies due to a dispute with BLM over its use of administrative finality issue. This last year after continued efforts, the State achieved reversal to the BLM's administrative finality policy. The Division continues to develop an on-line catalogue of navigable water bodies in Alaska.

MINING ACCOMPLISHMENTS.

In its role in permitting and in the technical review of large mine projects, in FY07 the division completed the following:

- Compliance inspections were completed in 2007 during construction of the Kensington Gold Mine. Mine began construction in 2006.
- Monitored the construction of the Rock Creek Mine, which began construction in August 2006.
- Continued process to issue DEC Waste Management Permit, DNR Reclamation Plan and revised financial assurances for the *Red Dog Mine Project*. Completion of these efforts scheduled for 2008.
- Completed advanced exploration permitting for the Niblack Project in July 2007.
- Completed compliance inspections for the Nixon Fork Mine.
- Issued draft permits for the Fort Knox Project and final authorizations for expansion of the mine and construction of a 160 million ton heap leach facility in July 2007.
- Illinois Creek post-closure water quality monitoring and reclamation success monitoring was conducted by DNR & DEC staff three times in calendar year 2006 and monitoring equipment was installed in 2007.
- Also made progress on important planning and permitting work on: *Chuitna Coal Project, Donlin Creek, and Pebble Copper*.

WATER ACCOMPLISHMENTS.

Processing Water Rights. The Water Management Unit processed 80% of the water rights applications received during FY07, even with additional adjudication work resulting from increased competition for water sources and enforcement actions.

Processing Temporary Water Use Authorizations. The Water Management Unit processed 100% of the Temporary Water Use Authorization applications received. None of the authorizations were litigated. The lack of litigation is a significant change and increased the reliability of the authorizations for the applicants. In FY07, the unit processed temporary water use authorizations for ConocoPhillips Alpine Satellite Oil & Gas Expansion Project, Pioneer Oooguruk Oil & Gas Development Project, FEX Northwest NPRA Oil and Gas Exploration Project, Mystery Creek Resources

Nixon Fork Mine Project, and Teck-Pogo Mine Project.

Hydrologic Survey Unit provided Division staff with hydrologic information, data, and evaluations with an estimated 1200 individual requests for hydrologic assistance, the posting of an additional 2,000 water well logs to the WELTS system bringing the total number of well logs to over 33,000 individual wells, oversight of hydrologic data needs for issuance of temporary water use permits for north slope oil field operations, participation in five major industrial mine projects, and numerous small projects.

The Dam Safety and Construction Unit issued a Certificate of Approval to Operate, Construct, Modify, Remove, or Abandon a Dam for eight dams in Alaska, including proposed construction for two new dams, and the removal and abandonment of two existing dams. Only one Emergency Action Plans was exercised, and two new plans were received. There are 18 Emergency Action Plans now on file, bringing the level of compliance to 37%, although only half of these plans are current. A Periodic Safety Inspections occurred on 15 dams, putting the level of compliance at 54%.

Statutory and Regulatory Authority

AS 27; AS 29; AS 38; AS 41; AS 46; 11AAC;

Contact Information
<p>Contact: Richard Mylius, Director Phone: (907) 269-8600 Fax: (907) 269-8904 E-mail: dick.mylius@alaska.gov</p>

**Director's Office/Mining, Land, & Water
Component Financial Summary**

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	457.1	320.5	328.6
72000 Travel	21.3	22.4	22.4
73000 Services	43.4	40.8	41.0
74000 Commodities	6.3	13.8	13.8
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	528.1	397.5	405.8
Funding Sources:			
1004 General Fund Receipts	474.9	375.1	383.1
1007 Inter-Agency Receipts	53.2	22.4	22.7
Funding Totals	528.1	397.5	405.8

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				
Interagency Receipts	51015	53.2	22.4	22.7
Restricted Total		53.2	22.4	22.7
Total Estimated Revenues		53.2	22.4	22.7

**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	375.1	0.0	22.4	397.5
Adjustments which will continue current level of service:				
-ETS Chargeback Redistribution	0.2	0.0	0.0	0.2
-FY 09 Health Insurance Increases for Exempt Employees	0.1	0.0	0.0	0.1
-FY 09 Bargaining Unit Contract Terms: General Government Unit	7.7	0.0	0.3	8.0
FY2009 Governor	383.1	0.0	22.7	405.8

**Director's Office/Mining, Land, & Water
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2008</u> <u>Management</u> <u>Plan</u>	<u>FY2009</u> <u>Governor</u>		
Full-time	5	5	Annual Salaries	210,085
Part-time	0	0	COLA	7,356
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	115,528
			<i>Less 1.31% Vacancy Factor</i>	<i>(4,369)</i>
			Lump Sum Premium Pay	0
Totals	5	5	Total Personal Services	328,600

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	1	0	0	0	1
Administrative Clerk III	1	0	0	0	1
Administrative Officer II	1	0	0	0	1
Division Director	1	0	0	0	1
Natural Resource Mgr IV	1	0	0	0	1
Totals	5	0	0	0	5