

Cooperative Water Resource Program**FY2013 Request: \$2,500,000****Reference No: 37762****AP/AL:** Appropriation**Project Type:** Water / Sewer / Solid Waste**Category:** Natural Resources**Location:** Statewide**House District:** Statewide (HD 1-40)**Impact House District:** Statewide (HD 1-40)**Contact:** Jean Davis**Estimated Project Dates:** 07/01/2012 - 06/30/2017**Contact Phone:** (907)465-2422**Brief Summary and Statement of Need:**

This project request allows the Department of Natural Resources (DNR) to accept funds from the private sector, and local governments and to pass funds through to US Geological Survey (USGS) and US Natural Resources Conservation Service (NRCS) as part of funding agreements for cooperative water resource programs. Industry and local government often request and pay for USGS and NRCS to install and operate equipment to obtain hydrologic data. These data are needed for resource development and permitting projects such as mining, hydroelectric, or public water supply. If gaging funding is passed through a state agency, funds can be matched up to 100% by the federal government.

Funding:	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>Total</u>
Stat Desig	\$2,500,000						\$2,500,000
Total:	\$2,500,000	\$0	\$0	\$0	\$0	\$0	\$2,500,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
<u>One-Time Startup:</u>	0	
Totals:	0	0

Additional Information / Prior Funding History:

This project involves only authorization to receive and pass through funding.

SLA2011/CH5 \$855,000 Ongoing

SLA2010/CH43 \$805,000 Ongoing

SLA2009/CH15 \$300,000 Ongoing

SLA2008CH29 \$300,000 Ongoing

SLA2007/CH30 \$545,000 Complete

SLA2006/CH82 \$501,000 Complete

Project Description/Justification:

Funding of this program will come from state and local government, native associations, and the private sector. No allocations of state funding are included, only the authorization to receive and pass through funding from non-state sources. The request in the amount of \$2,500,000 reflects the amount of authorization necessary to cover the total cost of the existing requests on record.

In many cases stream gaging is required under federal law for a development project; this program allows the funds used for gaging to be matched by the federal government, reducing the cost to the

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state, local government and the private sector. Because the gaging is done by a federal agency the program and funding must interface with the federal fiscal year. The administration of the pass through money will require a small portion of an existing administrative position whose time will be covered by a 5% administrative fee surcharge added to project billing. No new positions will be required. The USGS and NRCS will require a state partner for this program to continue in Alaska. The funds passed through to USGS and NRCS must be received and spent in the same federal fiscal year. This program requires no general funds now or in the future.

The Department of Natural Resources, Division of Mining, Land and Water (DNR-DMLW) have a longstanding and beneficial relationship with the USGS and NRCS. The continuation of this program would benefit the state, local governments, native associations and the private sector by allowing them to participate with the state, USGS and NRCS with matching funds provided by the coop program. If the program is not approved the cost of gaging for existing or new projects where USGS and NRCS gaging is required, the cost to developers will be much higher since the federal coop matching funds would not be available. Projects included in this program have included high visibility large scale industries, including: Teck-Cominco Red Dog Mine; Usibelli Coal Mine, Inc.; and Teck Pogo, Inc.; Dorothy Creek Hydro, SE Alaska; Greens Creek Mining, SE Alaska; Falls Creek Hydro, Gustavus; Pebble Limited Partnership, Soule River, Hider: and the Southeast Power Agency. Each of these projects accommodates multiple gaging stations. In addition, there are an anticipated 20 proposed hydroelectric project sites for which gaging will be required within the next five years. This program has the potential of saving developers and the state hundreds of thousands of dollars, at minimal to no cost to the State of Alaska.

Why is this Project Needed Now?:

This project is needed in order to participate in the USGS and NRCS cooperative water resource programs and to provide data necessary for DMLW to continue monitoring studies which enable state and federal agencies understand and manage effects of mining and/or other development activities on aquatic communities and to permit and report on these activities.

Specific Spending Detail:

LINE ITEM	DOLLAR AMOUNT	DESCRIPTION (text)
Services	\$ 2,500,000	Pass through funds to USGS for hydrologic data collection

State Match Required:

- NO
 YES

Project Support:

State agencies; USGS; NRCS; Environmental Protection Agency; Teck-Cominco, Inc.; Pebble Limited Partnership; Usibelli Coal Mine, Inc.; Teck Pogo, Inc.; Kennecott Greens Creek Mining Co.;

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Lake Dorothy Hydro, Inc.; Haida Corporation, Reynolds Creek Hydro; Alaska Electric Light & Power Co.; Kodiak Electric Association, Terror River Hydro, Copper Valley Electric, Solomon Gulch Hydro, Southeast Power Agency, Swan Lake Hydro; Chugach Electric, Inc. ; other resource developers and environmental groups.

Project Opposition:

None