

Department of Natural Resources

Component: Gas Pipeline Project Office (2947)
RDU: Administration and Support (600)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2012 Supplemental To *****												
Extend Lapse Date for Gas Pipeline Permitting Ch. 1 FSSLA2011												
Suppl		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<p>The Department of Natural Resources (DNR) requests approval to extend the lapse date to June 30,2013 for the remaining general funds balance (estimated to be \$1,177.3) for Gas Pipeline Permit (AR 37998).</p> <p>Appropriation History: Original appropriation: SLA2004 ch.159 Sec 24 page 82 line 6 Lapse: June 30, 2009 Reappropriated for the same purpose: SLA2009 ch. 14 Sec 12 page 18 lines 6-12 Lapse date: SLA2009 ch. 14 Sec 22 page 30 line 10 Lapse: June 20, 2011 Lapse extensions: FSSLA2010 ch. 1 Sec11 page 36 line 2 Lapse: June 30, 2012</p> <p>The intent of the appropriation is to fund the permitting and application processes related to gasline right-of-way work needed to bring North Slope natural gas to market. Industry will pay for much of the permitting and application processing. However, there is demand for work which will not be reimbursed by private industry.</p> <p>Costs which are not covered through reimbursement by non-state agencies include:</p> <ul style="list-style-type: none"> • Legal counsel on a variety of items such as contaminated sites, authorities and responsibilities, opinions on actions taken by the state and general analysis of federal law as it relates to the DNR leasing process. • Analysis of material site demands for infrastructure development at all stages of construction. • Identification of infrastructure sites for construction and operations. • Training staff on issues relating to project adjudication which include, but are not limited to engineering, environmental issues, and construction and operation of a pipeline. • Contracting of independent engineering services to advise DNR to protect state interests. • Field studies which expand the scope of work on an existing study and serve to maximize the benefit for the participating agency. • General administrative costs. • In-state and out-of-state travel to gather information relating to pipeline construction. • Technical analysis of specific engineering issues in the early project stages. <p>This work will require the use of the remaining balance of the appropriation. It is expected that these funds will be expended or obligated by June 30, 2013. To date, \$2,005.8 has been encumbered to support the continuing light detection and range data collection project along potential gas pipeline right of ways. This data will serve multiple purposes, but are primarily being collected to (1) evaluate active faulting, slope instability, thaw settlement, erosion, and other engineering constraints along the proposed pipeline routes and (2) provide a base layer for the state-federal GIS database that will be used to evaluate permit applications and-construction plans.</p>												
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Department of Natural Resources

Component: Office of Project Management & Permitting (2733)
RDU: Administration and Support (600)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Wishbone Hill Coal Project Rapid Health Impact Assessment												
	Suppl	39.2	0.0	0.0	39.2	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		39.2										
<p>The Wishbone Hill Coal Project is a proposed small surface coal mine on state land near Sutton in the Matanuska Valley. The project proponent, Usibelli Coal Mine Inc. (UCM), is exploring options to develop the project to produce about a half million tons of coal for export to Japan. A permit to mine for the project was issued to Idemitsu Kosan in 1991, but the project was not developed at that time, in part due to the lawsuit regarding the Mental Health Land Trust. Since then, the permit to mine has been renewed three times, and ownership of the project has been transferred to Cook Inlet Region, Incorporated (CIRI) and then to UCM.</p> <p>There has been an increase in the number of residences near the site and an increase in recreational use of the area since the issuance of the 1991 permit to mine. UCM has requested renewal of the permit to mine and residents and environmental groups have raised concerns about: allowing the development of a mine so close to population centers; coal dust from the operation and truck traffic; potential affects to Moose Creek; ground water pollution; blasting; and effects on traditional tribal uses. The Chickaloon Village Traditional Council has made multiple requests that a health impact assessment (HIA) be conducted on the project and the state agencies agreed that a Rapid Health Impact Assessment should be conducted in conjunction with the permit renewal process.</p> <p>This request would provide the necessary funding for contractual services under the supervision of the HIA program within the Department of Health and Social Services, to complete the Rapid Health Impact Assessment for the Wishbone Hill Coal Project.</p> <p>This is a one-time item.</p>												
Totals		39.2	0.0	0.0	39.2	0.0	0.0	0.0	0.0	0	0	0

Department of Natural Resources

Component: Mining, Land & Water (3002)
RDU: Land and Water Resources (602)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Dam Safety Review - Red Dog Mine												
	Suppl	66.5	0.0	0.0	66.5	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig		66.5										

The Dam Safety and Construction Unit (Dam Safety) is expecting to receive a large statutory designated program receipt (SDPR) in an application fee required under 11 AAC 93.171 for the construction and modification of dams for the expansion of the tailings storage facility at the Red Dog Mine in northwest Alaska. Based on estimated design and construction costs, the total fee from Teck Alaska Inc. is calculated according to 11 AAC 05.010(a)(8)(J) as \$171,651. The fee will be utilized to provide regulatory oversight of the design and construction over a period of three to five years.

AS 46.17.020 allows the Department to retain engineering consultants to assist in the performance of its duties under the respective statutes and regulations. In order to conduct timely and competent reviews of complex application submittals for such a large project, Dam Safety must utilize this provision of the statute to retain qualified consultants under existing term contracts with the department.

A supplemental budget authorization in the amount of \$66.5 is required in FY2012 to fund contractual support for this large project. This will allow Dam Safety to secure a contractor to conduct initial review of project and application submittals. Failure to review applications in a timely manner could lead to delays in issuing requisite permits that could result in violations of regulations by the applicant or shut down of the mine. Failure to conduct a competent review could contribute or lead to failure of critical systems that could threaten life or property downstream of the dams.

Dam Safety anticipates additional authority in the amount of \$80.0 SDPR will be required through a CIP in the FY2013 budget for a contractor to complete review of application submittals for this large project.

The impact of this request is being considered for a FY2013 budget amendment.

Offshore Lease Sales at Nome												
	Suppl	18.6	0.0	0.0	18.6	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm		18.6										

This request provides funding for securing a monitoring contractor to be trained and in place when the ice goes out at Nome (early to mid-June 2012).

With the increasing price of gold in recent years, interest in suction dredging for gold in the Nome offshore has gone up commensurately. Prior to 2011 there were seven active mining leases in the Nome offshore area. In addition, there was the East Nome Beach Public Mining Area which was open to the public for small-scale suction dredging. During the 2010 mining season there were three incidents for which the Nome Police were called. In 2011 the Division of Mining Land and Water (DMLW) opened a second public mining area and held an offshore mineral lease sale in September. Eighty-four lease tracts were sold at the auction. These leases will be active in the 2012 mining season.

Due to the 2010 incidents involving police, the DMLW decided that in 2011 a permit would be required to dredge in the public mining areas. This new requirement was intended to give the Division better control over activity in the public mining areas. In 2011 the DMLW issued 61 permits for suction dredging in the Nome offshore. A majority of these permits were for dredging in the public mining areas, while others operated on existing leases. As many as 35 dredges were observed operating offshore at the same time. In 2011 there was at least one incident for which the Nome police were called. The City of Nome has registered complaints that the state is not adequately monitoring mining activities associated with the public mining area and leases.

In 2012 the offshore dredging activity is expected to become even more frenzied. The DMLW has no personnel in Nome, but there is a great need for someone to oversee dredging activity and report back to staff in Anchorage and Fairbanks. The monitoring contractor would watch for incidents of aggressive or unsafe

Department of Natural Resources

Component: Mining, Land & Water (3002)
RDU: Land and Water Resources (602)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
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<p>behavior, advise miners of best mining practices and the requirements of their permits, and help resolve disputes regarding the location of operators relative to lease boundaries. The ice at Nome generally goes out about the middle of June. At that time dredgers begin to get into the water, and by the first of July the mining season is in full swing. If the DMLW only begins to hire and prepare a monitoring person for Nome in early July, the best that could be accomplished would be to have that person on site sometime in mid to late August, halfway through the mining season. The 2012 supplemental funding would enable the DMLW to hire a contractor ahead of the beginning of dredging and provide approximately two weeks of training before the individual began work in Nome. The contractor would begin work in Nome in mid-June. Funding would pay for travel, contractor's salary, and boat expenses. If the contractor does not live in Nome, lodging and per diem expenses would also be incurred.</p> <p>Most of the work will be offshore, so a boat rental will be essential for the monitoring.</p> <p>The contractor will be in regular, near daily contact with DMLW staff in Anchorage. DMLW staff will manage problems that are beyond the contractor's ability or authority. Both the contractor and DMLW staff will request aid from the Nome Police or State Troopers if necessary.</p> <p>An increment is included in the FY2013 Governor's budget.</p>												
		Totals	85.1	0.0	0.0	85.1	0.0	0.0	0.0	0	0	0

Department of Natural Resources

Component: Fire Suppression Activity (2706)
RDU: Statewide Fire Suppression Program (140)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
FY2012 Fire Suppression Activity												
	Suppl	4,892.5	0.0	0.0	4,892.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		4,892.5										

This request provides the preliminary estimate of supplemental needs for spring firefighting and costs of initial attack of wildland fires through June 30, 2012.

Wildland Fire Suppression AS 41.15.010 - 41.15.170
 FY2012 Supplemental Funding Request: \$4,892.5

The initial FY2012 general fund appropriation for the Fire Suppression component was \$6,663.3. (SLA 2011, Ch 3, Sec 1, Pg. 31, Ln 25). Remaining funding in the component is insufficient to meet the state's statutory obligation to provide wildland fire protection on state, municipal, and private lands. As of January 9, 2012 more than \$1,600.0 of the \$1,800.0 balance of the component is owed to the BLM for their services and protection of lands which the state is responsible to pay. Now, with the normally warmest months of the year ahead, the component needs supplemental funding for its anticipated spring and early summer firefighting needs.

This request is being processed as a supplemental to meet the fire suppression needs of basic initial attack firefighting. The request does not include costs for large project fires. Neither does the request include extended attack fires, which are fires that escape initial attack and require staffing with crews and aircraft for a short duration beyond an initial one to two day period. If large project fires occur, on state or private land for which the state will be responsible to pay, then Governor-signed Declarations of Disaster Emergencies will be prepared at that time.

2011 Fire Season Situation

Three large fires having impact on local communities were the Moose Mountain and Hastings Fires (Fairbanks) and East Volkmar Fire (Delta) started in FY2011, but work continued into the latter part of the season in FY2012 with mop-up, monitoring, fireline rehabilitation, and administrative close-out. Staff continued to work the interior of the fire perimeter of the Hastings Fire, mopping flare-ups that occurred after perimeter containment and after team demobilization from the fire. Through the remainder of the summer, fire dozer line was "rehabilitated" by covering trenches created from ice exposure and ice melt where the dozers had constructed firelines, patrols and aerial surveillance were conducted to monitor the fire, the warehouse backhauled and refurbished supplies and equipment, and final fire mapping and reporting occurred.

As we progressed later in the season (into July/August/September) much of the fire activity was in the urban interface areas, with the driest condition occurring from mid-August through mid-September -- a period not normally noted for significant wildland fire activity. This required continued initial attack support from both firefighters and aviation resources.

The 2011 Alaska fire season finished with 515 fires for 293,018 acres. Although total acres burned was less than the ten year average, the number of fires was in line with the average season reflecting successful initial attack by firefighters.

The unusually warm and dry early season contributed to multiple human- and lightning-caused fires, and Critical and Full protection of several became challenges. The mobilization of Lower 48 and Canadian resources to supplement Alaska resources also contributed to suppression efforts. The Division's Fire Program continues to face the challenges of providing suppression response for longer and more challenging fire seasons, an expanding wildland urban interface, increasing service and supply costs, and additional State owned acres through Federal land conveyances.

Supplemental Need

Final closeout of CY2011/FY2012 preliminary bills is under way as the State exchanges costs with federal cooperators (USFS & BLM) and then applies

Department of Natural Resources

Component: Fire Suppression Activity (2706)
RDU: Statewide Fire Suppression Program (140)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
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ownership percentage responsibilities. In August 2011, at the time of FY2011 closeout for Alaska, cooperators (BLM, USFS, Northwest Compact states and Canadian provinces) provided estimates of their support to Alaska. Since that time, the cooperators have completed their fiscal years and Alaska has \$2 million more than originally estimated payable to the cooperators. Final fire reports, fire perimeter mapping and acreage calculations will define the actual cross-billing exchange amounts. At this juncture, estimated closeout costs of the CY2011 season are noted below, followed by the estimates of CY2012 initial attack firefighting costs through June 30, 2012.												
1. CY2011 Closeout Costs												
Actual expended or obligated to date, December 28, 2011 - \$4,702.8												
Obligation adjustment to federal cooperators - \$1,848.0												
Warehouse stores replenishment - \$80.0												
Shortfall, Div. of Finance overtime conversion comp leave pool - \$50.0												
Pending adjustment, receivable from federal cooperators – (\$800.0)												
2.CY2012/FY2012 Spring and FY-End Estimates												
Early fire season returns - \$620.0												
Preposition for fire danger, including retardant aircraft, fixed and rotor wing aircraft, smokejumpers & overhead - \$500.0												
Initial attack firefighting:												
March, 2011 - \$30.0												
April 1 – 15, 2011 @ \$5.0/day - \$75.0												
April 16 – 30, 2011 @ \$15.0/day - \$225.0												
May 1- 15, 2011 @ \$25.0/day - \$375.0												
May 16 – 31, 2011 @ \$50.0/day - \$800.0												
June 1- 30, 2011 @ \$85.0/day - \$2,550.0												
Cost of fires on state land, BLM protection - \$500.0												
Subtotal, estimated costs FY2012 - \$11,555.8												
3. Less FY2012 authorization – (\$6,663.3)												
Totals		4,892.5	0.0	0.0	4,892.5	0.0	0.0	0.0	0.0	0	0	0