

State of Alaska FY2015 Governor's Operating Budget

Department of Environmental Conservation Water Results Delivery Unit Budget Summary

Water Results Delivery Unit

Contribution to Department's Mission

Protect water quality and assist communities in improving sanitation conditions.

Results

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

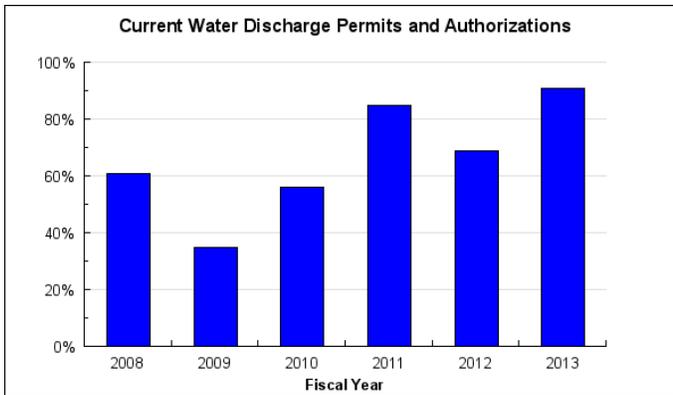
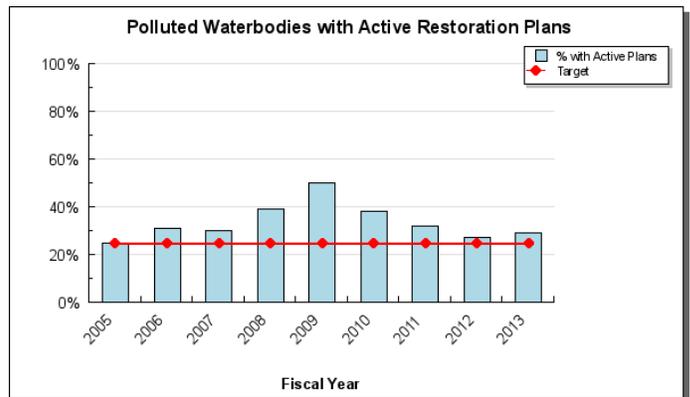
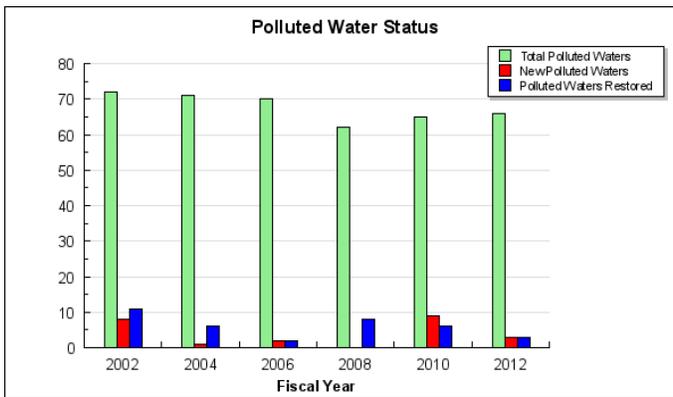
Core Services

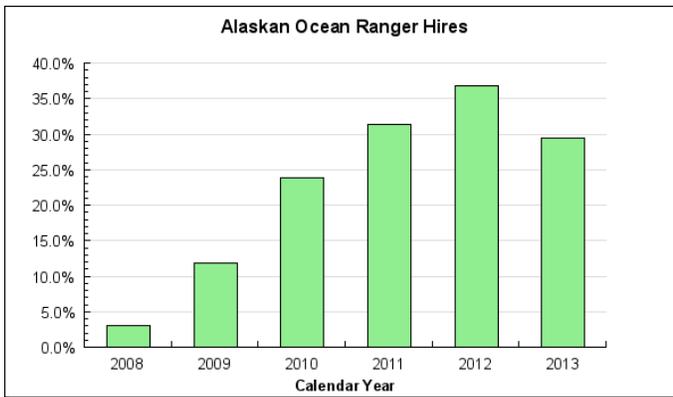
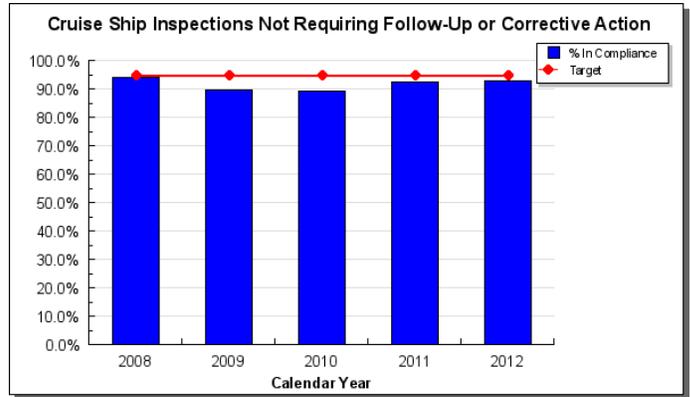
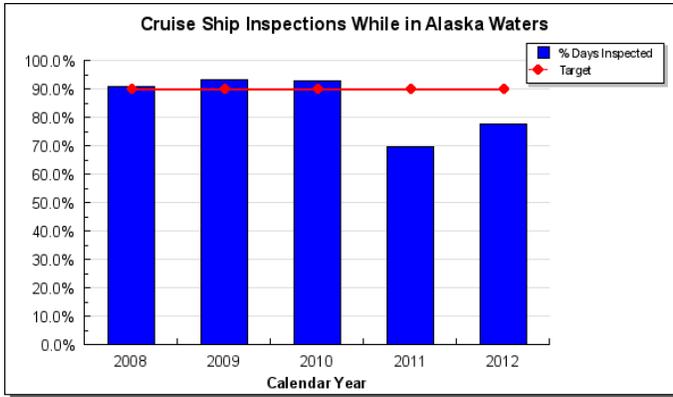
- Identify, abate, and control water pollution in a cost effective, accountable manner to protect public health and preserve the many uses of Alaska's waters.
- Assist communities in providing sustainable water, sewer, and solid waste services in full regulatory compliance.

Measures by Core Service

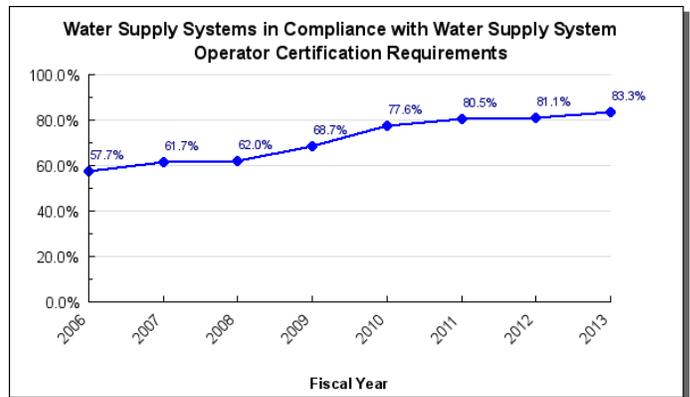
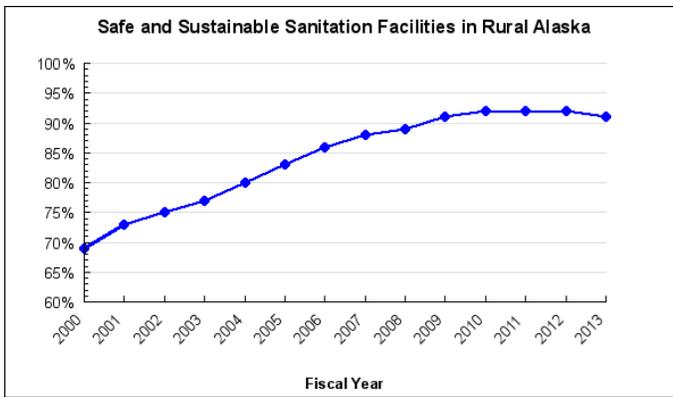
(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

1. Identify, abate, and control water pollution in a cost effective, accountable manner to protect public health and preserve the many uses of Alaska's waters.





2. Assist communities in providing sustainable water, sewer, and solid waste services in full regulatory compliance.



Major RDU Accomplishments in 2013

The division successfully assumed the final phase of the Alaska Pollutant Discharge Elimination System (APDES) wastewater discharge permitting program on October 31, 2012. This fourth and final phase included oil and gas permitting and compliance and was the culmination of a multi-year effort to assume primacy from the Environmental Protection Agency, using Alaska-based staff that understand Alaskan conditions. In FY2013, the division issued three important general permits associated with placer mining, domestic wastewater, and oil and gas exploration. Clean Water Act section 401 certifications were completed for four EPA permits: individual permits for ENI Spy Island Drill Site and Alyeska Valdez terminal, and general permits for Beaufort Sea Exploration and Small / Large Vessels. Staff from the permitting, compliance, and water quality standards programs also successfully provided cross-program outreach and training to permittees on turbidity monitoring to increase compliance with their permit conditions.

A workgroup assembled to advise the Division of Water on implementation methods for the state's antidegradation policy concluded its work in FY2013. The division has been working with these recommendations as it develops draft antidegradation implementation regulations to protect existing uses and high quality waters. Fourteen Alaska Clean Water Action grants were issued totaling nearly \$400,000 to protect and/or restore the water quality of state waters.

The work of the Cruise Ship Science Advisory Panel concluded in FY2013, resulting in a report to the Commissioner that in turn informed the Commissioner's report to the Legislature in January 2013 on the status of pollution prevention, treatment, and control for cruise ships.

In FY2013 the Municipal Grants and Loans program provided several urban communities with water and sewer infrastructure financing, including over \$7 million in grants and nearly \$10.5 million in loans disbursements for the City of Anchorage. As a significant step toward tackling the backlog and exponentially increasing sanitation needs of rural Alaska, the Village Safe Water program issued a world-wide solicitation for private industry teams to develop innovative cold climate water and sewer systems that are cheaper to build and operate.

DEC's Remote Maintenance Worker program provided on-site assistance to many rural communities facing emergency freeze-up and/or water and sewer system breakdown. As an example, staff spent over two and a half weeks in Unalakleet helping local operators thaw and repair their aging water system thereby restoring critical drinking water service to residents.

Key RDU Challenges

Chapter 12 SLA 2013 (SB27) provides for the analysis and assumption of the Clean Water Act Section 404 dredge and fill regulatory program from the U.S. Army Corps of Engineers (the Corps). Significant work has already occurred as a result of the bill: positions and contracts have been established, draft regulations and a statutory and regulatory gap analysis are underway, research of other state's 404 efforts has been conducted, and an agreement to work with the Corps and EPA during the analysis process has been developed. The division has also begun working with the Corps on Corp-issued Programmatic General Permits, which the State can potentially administer without, or in addition to, assuming the 404 program. A great deal of work remains to be done in this multi-year effort, including the detailed analysis of which waters can be assumed in a State-run 404 program, evaluating the potential benefits, costs, and consequences of assuming such a program, determining what resources will be required to run a 404 program, and developing a detailed and comprehensive application that the state will submit to the EPA in order to assume the program.

The Legislature also passed Chapter 1 SLA2013 (HB80), which allows the department to permit cruise ship wastewater discharges similar to other discharges. The development, public notice, and issuance of a cruise ship general permit with mixing zones will be a significant task for the division in FY2014. Finalizing antidegradation implementation regulations will be another priority for the division in FY2014. The division will work with the public including the regulated public as these methods are public noticed and advanced through the rule-making process.

State and federal support for rural sanitation projects has fallen from \$97.3 million in FY2004 to \$35.5 million in FY2013. While financial support is plummeting, rural sanitation needs are still extreme, and the costs associated with related infrastructure development are skyrocketing. The difference between combined federal and state funding for Village Safe Water projects in FY2013 and the estimated cost of addressing unmet rural Alaska health-related sanitation needs is over \$667 million. In addition, a significant portion of rural Alaskan water and sewer systems are over 30-40 years old and have exceeded their normal design life.

Significant Changes in Results to be Delivered in FY2015

The division will update the Legislature with the results of the Division's analysis of 404 regulatory program assumption in early 2015. At that time, the Division will also update the Legislature on the success of the programmatic general permits work.

Increments from the 2012 and 2013 legislative sessions provided additional positions and contractual funding to address the oil and gas permitting backlog and to prepare for unconventional oil and gas activities as they arise. The division is expecting to be caught up with the backlog and stay caught up by FY2017. The division will continue to permit activities under general permits when that permit type is appropriate; however, with these additional resources

the division is also poised to issue individual permits in a timely fashion when needed to allow rapid development of new oil and gas sources.

Early work preparing for the in-state natural gas pipeline provided for by Chapter 11 SLA 2013 (HB 4) has begun in FY2014 in order to prepare for the permitting requirements of future gas pipeline construction. This groundwork will develop oil and gas permitting staff to assist on backlog issues in the near term and prepare the division for work that will occur once decisions are made about the timing and nature of the gas pipeline.

Contact Information
<p>Contact: Michelle Hale, Director Phone: (907) 269-6281 Fax: (907) 334-2415 E-mail: Michelle.Hale@alaska.gov</p>

Water
RDU Financial Summary by Component

All dollars shown in thousands

	FY2013 Actuals				FY2014 Management Plan				FY2015 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Water Quality	10,498.6	694.6	3,592.1	14,785.3	12,795.0	890.6	4,797.3	18,482.9	12,796.2	876.2	4,795.0	18,467.4
Facility Construction	1,275.4	2,589.1	3,610.9	7,475.4	1,217.9	3,757.6	3,616.7	8,592.2	1,220.0	4,554.5	2,819.7	8,594.2
Totals	11,774.0	3,283.7	7,203.0	22,260.7	14,012.9	4,648.2	8,414.0	27,075.1	14,016.2	5,430.7	7,614.7	27,061.6

Water
Summary of RDU Budget Changes by Component
From FY2014 Management Plan to FY2015 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2014 Management Plan	8,650.6	5,362.3	4,648.2	8,414.0	27,075.1
Adjustments which will continue current level of service:					
-Water Quality	2.8	-1.6	-14.4	-2.3	-15.5
-Facility Construction	2.1	0.0	796.9	-797.0	2.0
FY2015 Governor	8,655.5	5,360.7	5,430.7	7,614.7	27,061.6