

**State of Alaska  
FY2004 Governor's Operating Budget**

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

## **Component: Contaminated Sites Program**

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### **Component Mission**

Protect public safety, public health and the environment by identifying overseeing and conducting the cleanup and management of contaminated sites in Alaska and by preventing releases from underground storage tank systems and unregulated aboveground storage tank systems.

### **Component Services Provided**

- Identify, assess, rank, prioritize, track, and monitor the cleanup and management of over 2,600 contaminated sites in the state, including military, privately owned, and state-owned sites, rural bulk fuel storage facilities, leaking underground storage tank sites, and “orphan” sites (where the responsible party is unknown or unable to perform adequate remediation).
- Conduct cleanups of highest-priority state-owned, privately owned, and orphan sites.
- Provide financial and technical assistance to responsible parties of contaminated sites.
- Regulate and provide technical assistance and training to underground and aboveground storage tank owners for proper tank operation and maintenance and basic spill prevention, including registering, tagging and tracking regulated underground storage tanks and management of third-party tank inspection and worker certification programs.
- Regulate and review alternative cleanup plans, based on risk assessment, to protect public health and the environment and promote the economic re-use of contaminated properties.

### **Component Goals and Strategies**

#### 1) PREVENT OIL AND HAZARDOUS SUBSTANCE SPILLS.

- Implement an underground storage tank prevention plan which includes risk reduction measures, outreach, mandatory inspections and tags, and as needed legal action.
- Educate underground storage tank owners and operators in proper spill prevention and response methods, leak detection operations and proper equipment use.
- Provide technical assistance to tank owners and operators to comply with federal regulations.

#### 2) BE PREPARED TO RESPOND TO OIL AND HAZARDOUS SUBSTANCE SPILLS.

- Train rural aboveground storage tank operators in basic spill response.
- Educate fuel delivery personnel to assure that they are prepared to respond to spills.

#### 3) CLEAN UP OIL AND HAZARDOUS SUBSTANCE SPILLS.

- Identify and track historic contaminated sites and their responsible parties.
- Ensure proper site characterization regarding risk to human health and environment in order to prioritize severity of impacts, allocate staff resources, and assess the economics of remedial alternatives.
- Monitor cleanup and management of contaminated sites by responsible parties.
- Ensure consistent and measurable cleanup standards are applied on a site-specific basis.
- Manage contracted environmental specialists to characterize and remediate state-owned and “orphan sites”.
- Monitor cleanup of Formerly Used Defense and other Department of Defense sites.
- Reduce obstacles to restoration and reuse of properties damaged by low risk hazardous substance releases, through use of the Voluntary Cleanup Program and economic redevelopment initiatives.
- Encourage alternative approaches to property redevelopment and prospective purchasers’ agreements.
- Use a risk-based approach to restore natural resources are restored to a safe, healthy, and economically usable condition.

## Key Component Issues for FY2003 – 2004

Manage, assess and clean up the highest-priority state-owned sites, state-lead sites or privately owned sites where the responsible party is unknown or has refused to take appropriate action with Capital Improvement Project funds.

Develop and implement a cleanup strategy to characterize the nature and extent of hazardous substance contamination at new or historic sites.

Effectively direct site cleanup resources for the rapidly increasing number of reported contaminated sites, including interim ranking of sites to enable more rapid and accurate evaluation of current environmental risk.

Develop and implement a program for the cleanup of historic Unexploded Ordnance and Weapons contamination at military sites.

Work with responsible parties, prospective purchasers, and local officials to identify incentives that will promote early redevelopment of contaminated sites for productive use, to avoid "brownfield" stagnation.

Integrate cleanup regulations for underground storage tanks and contaminated sites.

Integrate the cleanup strategy for persistent bioaccumulative toxics (PBTs).

## Major Component Accomplishments in 2002

- Managed priority cleanups in FY 2002 at Sterling Zipmart, River Terrace RV Park, Cordova Electric-Eyak Lake, Eskimo Creek, Chevron Refinery (Kenai), Tesoro Refinery (Kenai), Red Devil Mercury Mine, St Paul/St. George Pribilof National Oceanic and Atmospheric Administration sites, Six Mile Groundwater Area (Fairbanks), and Gaffney Road Groundwater Area (Fairbanks).
- Conducted 25 risk assessments covering over 100 private and military sites, which included investigation of persistent contaminants such as polychlorinated biphenyls (PCBs), dioxine, chlorinated solvents, pesticides, petroleum, and heavy metals in subsistence resources.
- Initiated area-wide risk assessments in Fairbanks (Fairbanks Area-wide Industrial Redevelopment (FAIR)), Anchorage International Airport, Galena Remote Radar Site, and Sparrevohn.
- Initiated development of Geographic Information System (GIS) for rapid access to previously unavailable information, translating into a cost savings to both responsible parties and the Program.
- Continued project management and oversight for 47 state-owned sites, 13 of which were underground storage tank sites, including DOTPF facilities in Anchorage, Fairbanks and Cordova; the new Anchorage jail site; and school sites at Pedro Bay and Kaltag.
- Completed 111 contaminated site cleanups, including 16 Voluntary Cleanup sites, and issued 226 "no further action" letters for cleanups at underground storage tank sites with historical contamination. The sites included AT&T sites throughout the state; FAA sites at Shuyak and Woody Islands; USCG sites on Kodiak Island; Alyeska Pipeline sites; the Alaska Railroad at Dunbar Siding and Gold Creek; numerous logging facilities; and individual private sites.
- Secured approximately \$1.8 million of federal funding under Defense State Memorandum of Agreement (DSMOA) to provide regulatory oversight of \$120 million spent on investigation and cleanup at current and former military sites.
- Executed the Record of Decision (ROD) addressing management of unexploded ordnance (UXO) at Adak Naval Air Station, the first ROD signed by a regulatory agency for UXO.
- Developed a munitions and UXO investigation and cleanup process through participation on a national Munitions Response Committee Team of military and civilian federal agencies.
- Signed decision documents with U.S. Army Corps of Engineers closing 25 Formerly Used Defense Sites (FUDS) under a joint agreement on the management and closure of FUDS in Alaska. Previously, the USACE cleanup approach in Alaska did not include obtaining State approval on site closures.

- Implemented the first phase of polychlorinated biphenyl (PCB) contaminated soil cleanup at the former White Alice Communication System site, now a Middle School, and negotiated a settlement with the federal government to fund the remaining cleanup actions.
- Coordinated tribal input into contaminated site cleanup projects that may affect tribal land or resources.
- Optimized cleanups through the Air Force's "Remedial Process Optimization" (RPO) and the Army's "Cleanup Operations and Site Exit Strategies" (CLOSES), similar efforts that focus on achieving site closure.
- Implemented an agreement with the U.S. Forest Service on a master list of sites and mutual cleanup priorities.
- Secured approximately \$50,000 to oversee site investigation and cleanup work conducted by NOAA on the Pribilof Islands and facilitated coordination between NOAA, CS, and the Solid Waste Program to help resolve environmental issues so the land can be transferred back to the Native Corporations and cities.
- Monitored the progress of the North Slope oil companies in fulfilling the terms of the Charter Agreement for the North Slope, which requires an industry investment of at least 10 million dollars for cleanup of contaminated sites. Completed site assessments at all 14 identified abandoned sites and removal of liquids and hazardous substances from 8 of the 14 sites; cleanup of 2,946 abandoned drums from 11 sites by seismic exploration contractors and identification of another 300 drums for future cleanup; investigation of the status of all 41 contaminated sites identified in the Charter; and identification of 171 inactive exploration and production reserve pits and cleanup and closure of 50 pits with a total of 540,000 cubic yards of drilling wastes excavated and injected beneath the permafrost.
- Completed closure of 28 former Fairbanks Municipal Utilities System (now Golden Heart Utilities) sites through close coordination with GHU representatives and identification of reduced-scope assessment to enable adequate assessment and closure.
- Completed assessments to remediate bulk fuel storage facilities at 28 villages in rural Alaska with the Alaska Energy Authority and Denali Commission and trained facility operators from 60 villages.
- Surveyed and identified 1,125 rural bulk fuel storage facilities and their ownership and contact information and developed a searchable database to provide relevant information regarding bulk fuel storage facilities.
- Monitored third-party inspections of over 400 underground storage tanks (35% of all underground storage tanks in Alaska) and issued operating tags for all "passing" tanks, which allows them to receive fuel legally
- Discovered and corrected over 650 leak prevention violations at inspected underground storage tank facilities, but found no actively leaking tanks.
- Brought 99% of state-owned underground storage tanks into compliance with spill prevention requirements.
- Certified that 95% of underground fuel storage tank facilities have adequate proof of financial responsibility.
- Issued 194 licenses for tank workers, including 20 inspectors, 64 installers, 81 decommissioners, 24 corrosion testers, and 5 tightness testers.
- Updated contaminated site and storage tank regulations at Chapters 75 and 78 of the Alaska Administrative Code and the associated Procedures Manual.
- Developed a website to provide public access to training information, assessment calendar, industry standards, regulation information, and agency information.

### **Statutory and Regulatory Authority**

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

**Contaminated Sites Program**  
**Component Financial Summary**

*All dollars in thousands*

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	4,111.1	4,286.7	4,340.8
72000 Travel	267.8	524.1	524.1
73000 Contractual	1,600.7	2,255.2	2,255.2
74000 Supplies	79.1	111.6	111.6
75000 Equipment	115.9	110.0	110.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>6,174.6</b>	<b>7,287.6</b>	<b>7,341.7</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	2,255.6	3,166.2	3,191.0
1007 Inter-Agency Receipts	268.7	193.8	195.2
1052 Oil/Hazardous Response Fund	2,939.9	3,093.2	3,112.7
1079 Underground Storage Tank Revolving Loan Fund	710.4	834.4	842.8
<b>Funding Totals</b>	<b>6,174.6</b>	<b>7,287.6</b>	<b>7,341.7</b>

**Contaminated Sites Program**

**Proposed Changes in Levels of Service for FY2004**

No significant changes in services are anticipated.

**Summary of Component Budget Changes**

**From FY2003 Authorized to FY2004 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	<b>0.0</b>	<b>3,166.2</b>	<b>4,121.4</b>	<b>7,287.6</b>
<b>Adjustments which will continue current level of service:</b>				
-Annualize FY2003 COLA Increase for General Government, Confidential and Supervisory Bargaining Units	0.0	24.8	29.3	54.1
<b>FY2004 Governor</b>	<b>0.0</b>	<b>3,191.0</b>	<b>4,150.7</b>	<b>7,341.7</b>

**Contaminated Sites Program**

**Personal Services Information**

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	67	67	Annual Salaries	3,507,268
Part-time	1	1	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	1,143,678
			<i>Less 6.67% Vacancy Factor</i>	(310,163)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>68</b>	<b>68</b>	<b>Total Personal Services</b>	<b>4,340,783</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	1	0	0	0	1
Administrative Clerk II	2	0	1	1	4
Administrative Clerk III	0	2	1	1	4
Analyst/Programmer IV	1	0	0	0	1
Env Eng Associate	1	1	0	0	2
Environ Conserv Mgr I	2	1	1	0	4
Environ Conserv Mgr II	0	0	1	0	1
Environ Conserv Mgr III	0	1	0	0	1
Environ Engineer I	0	0	0	1	1
Environmental Spec II	4	0	0	0	4
Environmental Spec III	14	7	5	3	29
Environmental Spec IV	6	2	3	0	11
Grants Administrator II	1	0	0	0	1
Prog Coordinator	0	0	2	0	2
Project Coord	0	0	1	0	1
Publications Spec II	0	0	1	0	1
<b>Totals</b>	<b>32</b>	<b>14</b>	<b>16</b>	<b>6</b>	<b>68</b>