

# **State of Alaska FY2006 Governor's Operating Budget**

**Department of Environmental Conservation**

**Department of Environmental Conservation**

**Mission**

Protect human health and the environment.

**Core Services**

- Develop and enforce standards for protection of the environment that allow for sustainable economic growth.
- Provide controls and enforcement for the prevention and abatement of pollution to the environment.
- Provide controls and enforcement to protect citizens from unsafe sanitary practices.

End Results	Strategies to Achieve Results
<p><b>A: The Environment is Protected.</b></p> <p><u>Target #1:</u> Impacts of new and historical pollution to land and water are reduced.  <u>Measure #1:</u> % increase from the prior year of polluted environments remediated or restored for use.</p> <p><u>Target #2:</u> Clean Air  <u>Measure #2:</u> % of population living in areas with air quality at or above health based standards (natural events excluded).</p>	<p><b>A1: Establish Protective Standards</b></p> <p><u>Target #1:</u> Priority programs for environmental protection are up to date by 2008.  <u>Measure #1:</u> Revisions to priority programs for environmental protection are % complete (4 yr Strategic Plan).</p> <p><b>A2: Contain and Cleanup Pollution in the Environment</b></p> <p><u>Target #1:</u> 98% of newly reported spills of oil and hazardous substances and contaminated sites cleaned up annually.  <u>Measure #1:</u> % of newly reported spills of oil and hazardous substances and contaminated sites cleaned up annually.</p> <p><b>A3: Control Pollution to the Environment</b></p> <p><u>Target #1:</u> Pollution control inspection and certification programs are implemented by FY2007.  <u>Measure #1:</u> % of inspection and certification programs implemented by FY2007.</p> <p><u>Target #2:</u> Known regulated industry and community facilities operate with authorizations/permits or certifications.  <u>Measure #2:</u> % of known regulated industry or community facilities operating with appropriate authorizations/permits or certifications.</p> <p><b>A4: Enforce Pollution Controls</b></p> <p><u>Target #1:</u> Reduce the percentage of administrative remedies which require civil or criminal enforcement.  <u>Measure #1:</u> Change in the percentage of administrative remedies which require civil or criminal enforcement.</p>

End Results	Strategies to Achieve Results
<p><b>B: Citizens are Protected from Unsafe Sanitary Practices</b></p> <p><u>Target #1:</u> No public illness outbreaks in regulated facilities.</p> <p><u>Measure #1:</u> Number of regulated facilities with reported public illness outbreaks.</p>	<p><b>B1: Establish Protective Standards</b></p> <p><u>Target #1:</u> Priority programs for safe sanitary practices are up to date by 2008.</p> <p><u>Measure #1:</u> Revisions to priority programs for safe sanitary practices are % complete (4 yr Strategic Plan).</p> <p><b>B2: Control Sanitary Practices</b></p> <p><u>Target #1:</u> Safe sanitary practice inspection and certification programs are implemented by FY2007.</p> <p><u>Measure #1:</u> % of programs for inspection and certification for safe sanitary practices implemented by FY2007.</p> <p><b>B3: Enforce Controls for Safe Sanitary Practices</b></p> <p><u>Target #1:</u> Reduce the percentage of administrative remedies which require civil or criminal enforcement.</p> <p><u>Measure #1:</u> Change in the percentage of administrative remedies which require civil or criminal enforcement.</p>

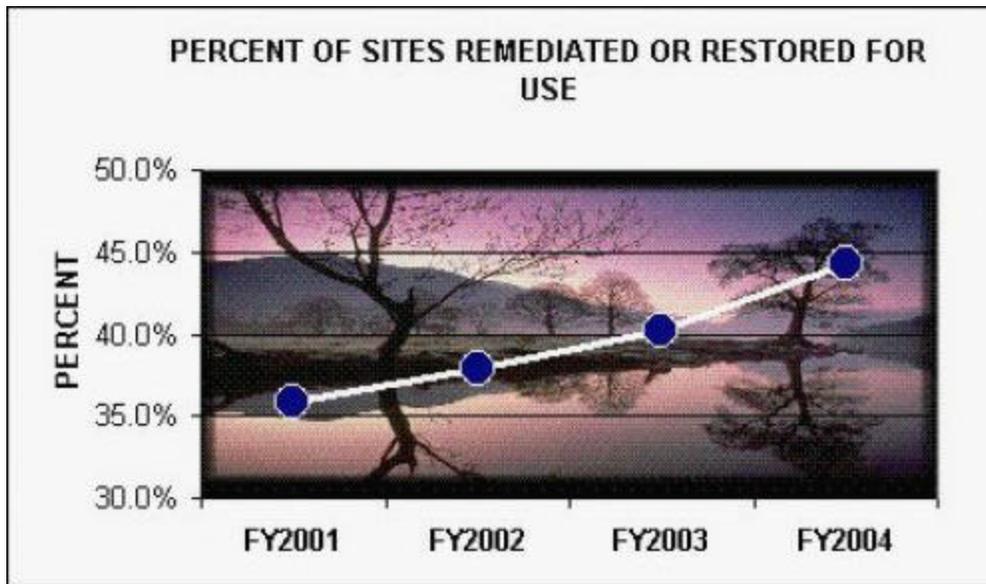
Major Activities to Advance Strategies
<ul style="list-style-type: none"> <li>• Develop and implement protective standards.</li> <li>• Provide statewide support systems and information management.</li> <li>• Provide assurances of safe sanitary conditions.</li> <li>• Respond to, contain, and cleanup incidents of pollution to the environment.</li> <li>• Provide effective and efficient permit and inspection programs.</li> <li>• Enforcement compliance fairly and consistently statewide.</li> </ul>

FY2006 Resources Allocated to Achieve Results							
<p>FY2006 Department Budget: \$55,911,100</p>	<p><b>Personnel:</b></p> <table> <tr> <td>Full time</td> <td style="text-align: right;">484</td> </tr> <tr> <td>Part time</td> <td style="text-align: right;">3</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right; border-top: 1px solid black;"><b>487</b></td> </tr> </table>	Full time	484	Part time	3	<b>Total</b>	<b>487</b>
Full time	484						
Part time	3						
<b>Total</b>	<b>487</b>						

**Performance Measure Detail**

**A: Result - The Environment is Protected.**

**Target #1:** Impacts of new and historical pollution to land and water are reduced.  
**Measure #1:** % increase from the prior year of polluted environments remediated or restored for use.



Percent Increase from Prior Year of Polluted Environments Remediated or Restored for Use

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2002	0	0	0	0	2.0%
2003	0	0	0	0	2.4%
2004	0	0	0	0	4.0%

**Analysis of results and challenges:** This measure combines Spill Prevention and Response data for recovery of sites contaminated with oil or hazardous substances with that of the Water Division on recovered waterbodies.

**Spill Prevention and Response - Contaminated Sites Program**

Alaska has many sites that have been contaminated with oil or hazardous substances. Additional sites are discovered almost daily. Most of the contamination is historic, much of it occurring before the risks to the environment and human health were known. Severely contaminated sites may also have adverse economic and social impacts in terms of cleanup costs, or limitations on land use or land sales or transfers.

It is important that historic contaminated sites are found and reported, so that appropriate steps can be taken to protect the public. However, as the data shows, for every site that is cleaned or cleaned to a point that no further action is required, nearly as many contaminated sites are discovered each year, making it a challenge to show progress toward reducing the number of contaminated sites in the state.

The program's goal is be able to continue remediating sites at a rate that maintains the relative percentage of total sites remediated the previous year. Data shows that they are on target to meet or exceed that goal. Additionally, although results will fluctuate depending on the number of new historic sites discovered, there has been a slight decrease in the total number of contaminated sites through the end of FY2004.

**Division of Water**

Polluted, or "impaired" waterbodies are identified in the biennial "Integrated Report" submitted by the Department to the Environmental Protection Agency. Data for this measure is available every two years when the report is prepared. The Division of Water establishes a target of at least 10 active restoration projects per year. Restoration projects may be conducted by grantees who have received funds through the Alaska's Clean Water Actions (ACWA) grant program, by contractors, by other State agencies with funds received from ADEC through Reimbursable Services Agreements, or by Department personnel. During the fourth quarter of FY2004, 15 restoration projects were active on 19 impaired waterbodies (out of a total of 41 impaired waters).

**Target #2: Clean Air**

**Measure #2:** % of population living in areas with air quality at or above health based standards (natural events excluded).



**Percent of Population with Air Quality At or Above Health Based Standards**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	100%	100%	100%	100%	
2005	100%	0	0	0	0

**Analysis of results and challenges:** Air monitoring is performed to ensure compliance with the National Ambient Air Quality Standards (NAAQS) for the protection of public health. A violation does not occur until the standards are exceeded twice. Traditionally within the states monitoring network, monitoring takes place in the larger communities or where complaints have been received.

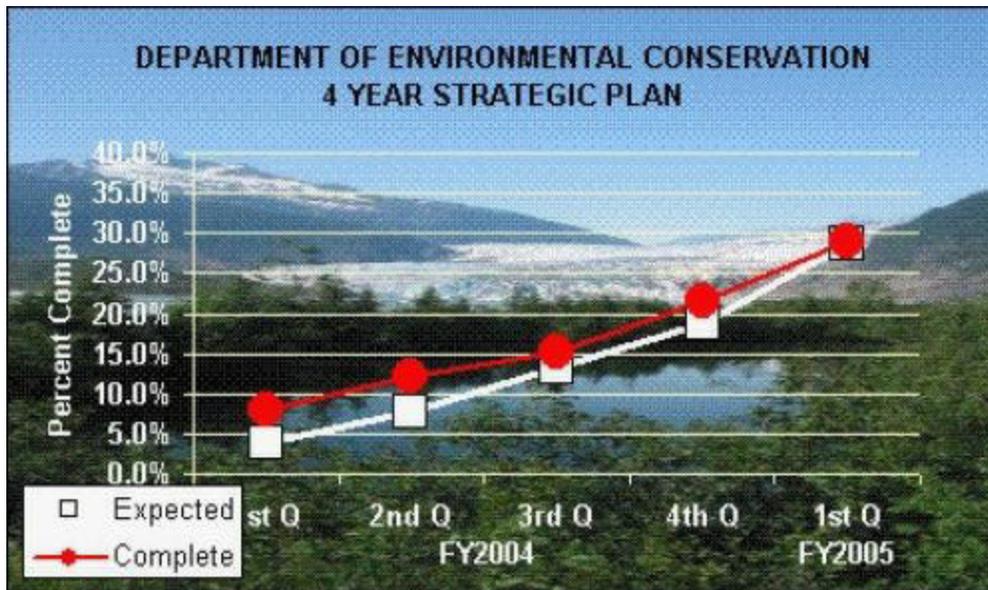
The graph listed above demonstrates that there were no violations of the carbon monoxide (CO) standard during the winter 2003-2004 or fine particulate standard (PM 2.5) from human caused activity, within the State's customary monitoring network.

In addition to the customary network, the Air Quality division is engaged in an air monitoring project to measure before and after conditions for PM 10 airborne particle pollution (dust) as part of a Department of Transportation (DOT) researching project associated with paving a major roadway in central Kotzebue. Airborne dust levels violate the health based standard in Kotzebue and other rural communities due to dust from unpaved roads and high use off-road vehicles in adjoining areas. The results from Kotzebue and Noorvik indicate that unhealthy conditions exist in both communities. The Department will be working with the affected communities and DOT to develop an effective control strategy for dust in the Region.

**A1: Strategy - Establish Protective Standards**

**Target #1:** Priority programs for environmental protection are up to date by 2008.

**Measure #1:** Revisions to priority programs for environmental protection are % complete (4 yr Strategic Plan).



Department of Environmental Conservation 4 Year Strategic Plan

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	8.9%	13.6%	16.8%	27.0%	
2005	29.0%	0	0	0	

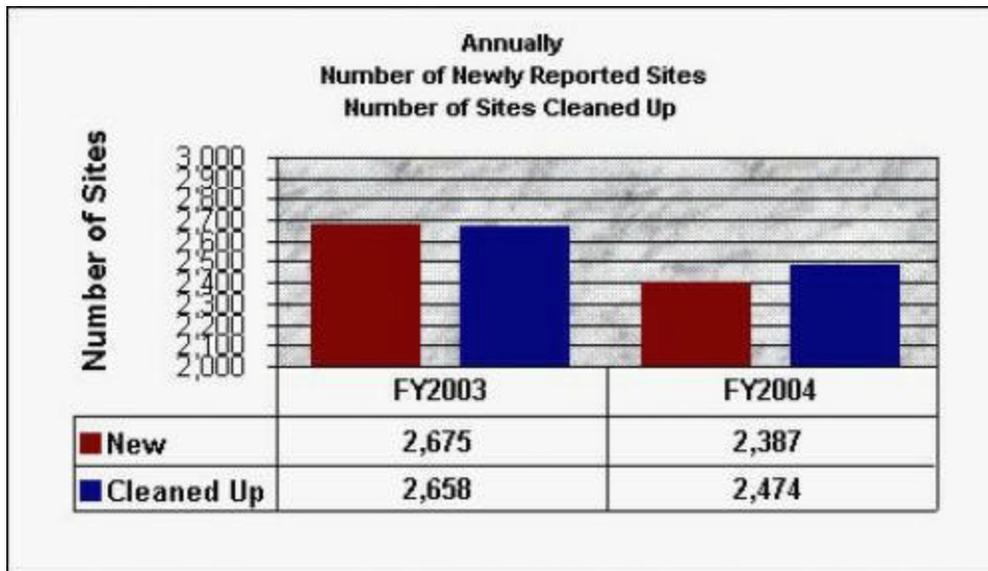
**Analysis of results and challenges:** DEC's strategic framework is based on the premise that, if we fulfill our duties (statutorily mandated) and accomplish our mission, the ultimate result will be that public health and the environment will be protected. We do this by influencing external entities to prevent, abate or control pollution through a comprehensive protection program. We don't prevent pollution – we influence others to take preventative action and establish standards by which to measure success.

This measure determines departmental progress against the 4 Year Strategic Plan. Progress is measured against expected results for individual projects, and averaged over the department. Overall, at 29.0% completion, performance is on track.

**A2: Strategy - Contain and Cleanup Pollution in the Environment**

**Target #1:** 98% of newly reported spills of oil and hazardous substances and contaminated sites cleaned up annually.

**Measure #1:** % of newly reported spills of oil and hazardous substances and contaminated sites cleaned up annually.



**Percent of Newly Reported Spills of Oil and Hazardous Substances and Contaminated Sites Cleaned Up Annually**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2003	0	0	0	0	99.4%
2004	0	0	0	0	103.6%

**Analysis of results and challenges:** There are two types of contaminated sites reported to divisions within the Department of Environmental Conservation each year; new spills of oil and hazardous substances and discovery of sites with historical (old) contamination.

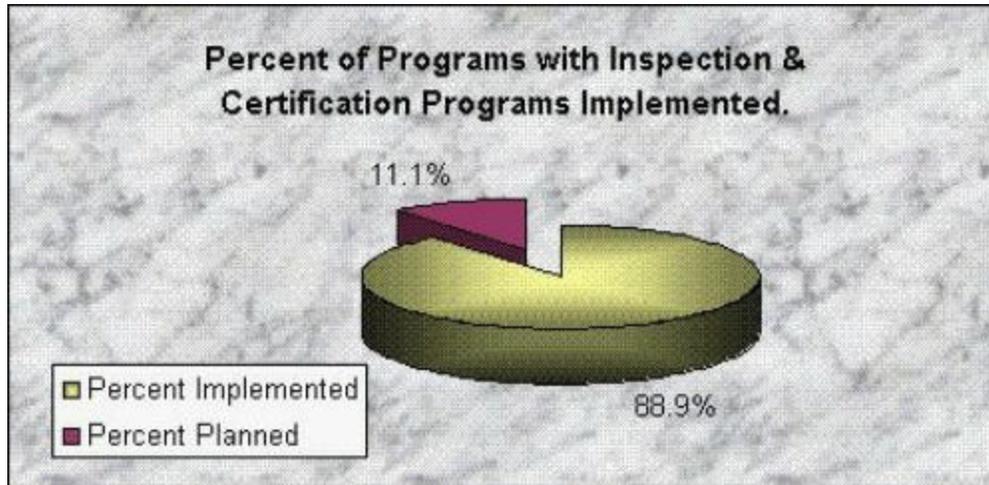
As sites are reported they are either cleaned and closed through the initial response phase or are referred to the Contaminated Sites program for long-term remediation. Historically, more sites are reported each year than can be cleaned up, creating a steady increase in the number of sites. Depending on the number of sites reported in a year, the type or extent of contamination and the stage of completion at the end of a reporting period, the annual percent of sites cleaned up will fluctuate and, as happened in FY2004, can go above 100%.

The program's goal is to annually clean a number of sites that is at least 98% of the number of newly reported sites each year.

**A3: Strategy - Control Pollution to the Environment**

**Target #1:** Pollution control inspection and certification programs are implemented by FY2007.

**Measure #1:** % of inspection and certification programs implemented by FY2007.



**Percent of Programs with Inspections and Certification Programs Implemented**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	0	0	0	0	88.9%

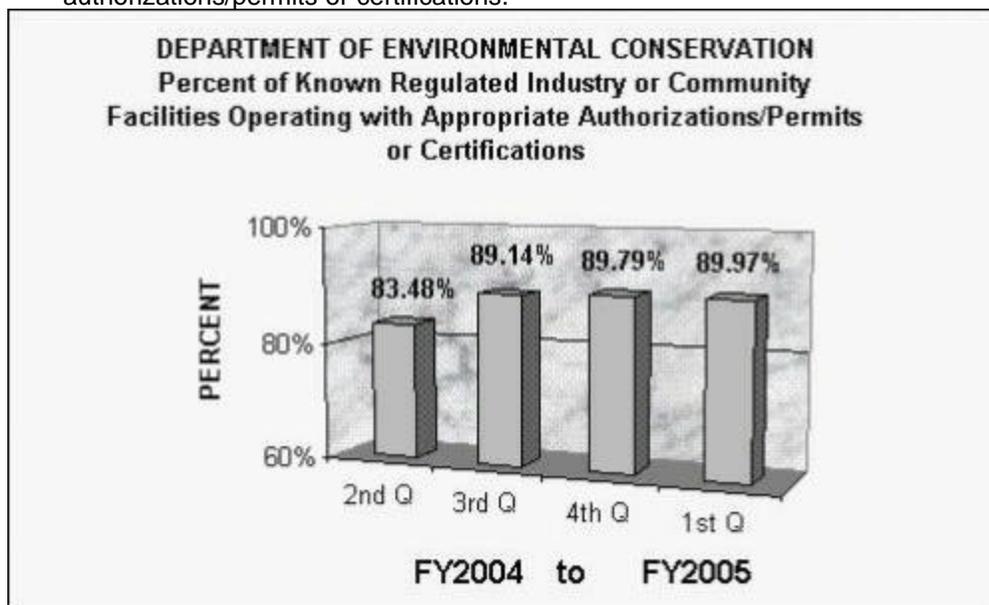
**Analysis of results and challenges:** DEC's strategic framework is based on the premise that, if we fulfill our duties (statutorily mandated) and accomplish our mission, the ultimate result will be that public health and the environment will be protected. We do this by influencing external entities to prevent abate or control pollution through a comprehensive protection program. We don't prevent pollution – we influence others to take preventative action.

In order to be sure that protective standards are met and pollution controls followed, inspection and certification programs are established to document compliance.

The measure summarizes department progress against a plan for implementing new inspection and certification programs.

**Target #2:** Known regulated industry and community facilities operate with authorizations/permits or certifications.

**Measure #2:** % of known regulated industry or community facilities operating with appropriate authorizations/permits or certifications.



**Percent of Known Regulated Industry or Community Facilities Operating with Appropriate Authorizations/Permits or Certifications**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	84.40%	83.48%	89.14%	89.79%	0
2005	89.97%	0	0	0	0

**Analysis of results and challenges:** In order to ensure protective standards are met and pollution controls followed, DEC authorizes or certifies the operation of industry or community facilities. Please also note Strategy #3a.

Division of Air Quality

Our goal is for 100% of regulated sources to operate under the appropriate permit or approval.

DEC controls air pollution to the environment through the following permits: pre-approved limits, owner requested limits, permits by rule, general permits, source-specific permits. State law allows an applicant to operate a source under an application shield until the Department issues a permit. Major source permits are required for air pollution sources covered under Title I and Title V of the federal Clean Air Act. Similar to many other states, Alaska's permit program also requires issuance of minor source permits for sources having the potential to cause unhealthy air quality conditions.

The Department's Air Permits Program is mature with respect to meeting all federal requirements. Although the Department has not kept records on this specific goal before FY 2004, close to 100% of all regulated air permit sources operate under an air permit or application shield. The Air Permits program began a major reform effort in 2003 to attain a predictable, reliable and rational permitting goal. The reform will be completed in FY2006.

The program continues to achieve its 100% goal through the first quarter of fiscal year 2005. As the five-year air permits expire, the Program will reissue general permits and source-specific permit renewals. For air permits, we anticipate little change in the current success rate.

October 1, 2004 was the effective date for regulations establishing the program's minor source permit program and reforming the existing major source permit program. These regulations change stationary source categories that require an air permit and change the types of permits the program will issue. The program expects minimal challenges to achieve its stated goals under the new program with resources currently allocated.

Division of Spill Prevention and Response

Regulated facilities and vessel operators including: oil exploration and oil production facilities, refineries, railroads, crude oil pipelines, terminals, tank farms and tankers, non-crude oil tank vessels and barges, and non-tank vessels are required to have approved oil spill contingency plans and certificates of financial responsibility in place before they are allowed to operate in Alaska. Contingency plans outline the various steps and procedures that would be followed to allow quick and effective cleanup in the event of an unanticipated oil spill. Certificates of financial responsibility ensure that the party responsible for a spill will be able to pay for cleanup costs, including reimbursement for any State funds spent as a result of the spill. These facilities and vessel operators cannot legally operate without approved contingency plans and certificates of financial responsibility in place, and compliance is maintained at 100%.

Underground petroleum storage tanks are also regulated. These are primarily gas stations, RV parks and other facilities that maintain underground petroleum storage. Federal law requires these facilities to be inspected and tagged every three years or they are unable to accept deliveries. The data for this measure will fluctuate as new underground petroleum storage tanks are opened and existing tanks are closed.

Division of Environmental Health

Municipal landfills that receive over five tons of waste per day (Class I and Class II Landfills) require an authorization from DEC. All facilities required to have permits either have them or are in the process of applying or renewing them.

In the current permitting system, small communities producing less than 5 tons of municipal solid waste per day are required to have a Class III permit. Only 25% of the Class III communities have permitted landfills. The department is changing the structure of the solid waste program to improve the number of authorized Class III landfills.

Location specific data is being developed for the Class III landfills that will allow a community to evaluate if they qualify for the prior authorization landfill permit program. A location calculator, linked to landfill design criteria and operational parameters that are specific to landfill location, will be used to make the evaluation and qualify for prior authorization of the landfill. A similar approach is also under development for some types of industrial activities (construction debris).

100% of known pesticide applicators have certifications.

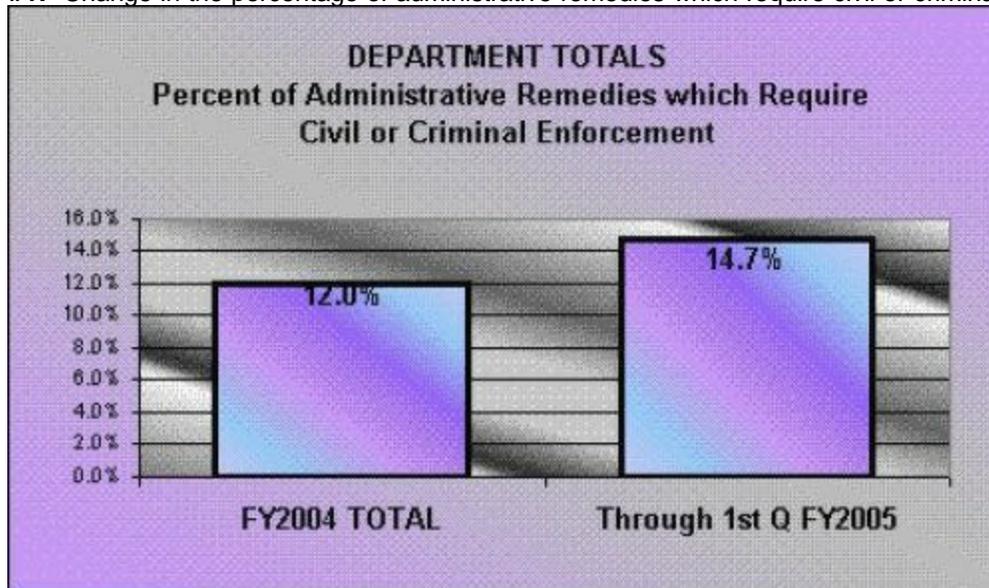
**Division of Water**

Water permits (of various types) are generally issued to Log Transfer Facilities, for Stormwater activities or to Wastewater Discharge Facilities. Through the fourth quarter of FY2005, 100% of known Storm Water Facilities and 96.7% of Log Transfer Facilities had current permits/authorizations. The department is expanding wastewater permitting and has worked with EPA to address a backlog of facilities without current permits. Within the list of Wastewater Discharge Facilities, 62% are now current (including major dischargers) and many of the remaining 38% (minor dischargers) have applications in process. The total number of wastewater discharges varies from quarter to quarter because the authorizations under a general permit for various one-time activities (e.g., excavation dewatering and contained water discharge) change.

**A4: Strategy - Enforce Pollution Controls**

**Target #1:** Reduce the percentage of administrative remedies which require civil or criminal enforcement.

**Measure #1:** Change in the percentage of administrative remedies which require civil or criminal enforcement.



**Percent of Enforcement Actions that Result in Prosecution**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	12.0%	14.0%	7.6%	15.2%	12.0%
2005	14.7%	0	0	0	4.5%

**Analysis of results and challenges:** The Alaska Department of Environmental Conservation has primary responsibility for the enforcement of laws governing the protection of water, land and air quality. Normally these laws are enforced by the regulatory staff through administrative remedies.

However, when polluting or environmentally harmful conduct becomes intentional, knowing, or reckless, criminal enforcement must be considered. In addition to threatening the quality of Alaska's environment, nearly all environmental crimes involve a risk to public health, now or in the future. Environmental crimes include: the illegal discharge of pollutants into Alaska's water sources; the improper disposal of solid or hazardous waste; and the illegal discharge of pollutants into the atmosphere.

Protecting the environment requires that we establish protective standards and enforce those standards. The effectiveness of our enforcement programs can be measured by comparing the number of administrative remedies used to maintain compliance, versus the requirement for civil or criminal enforcement.

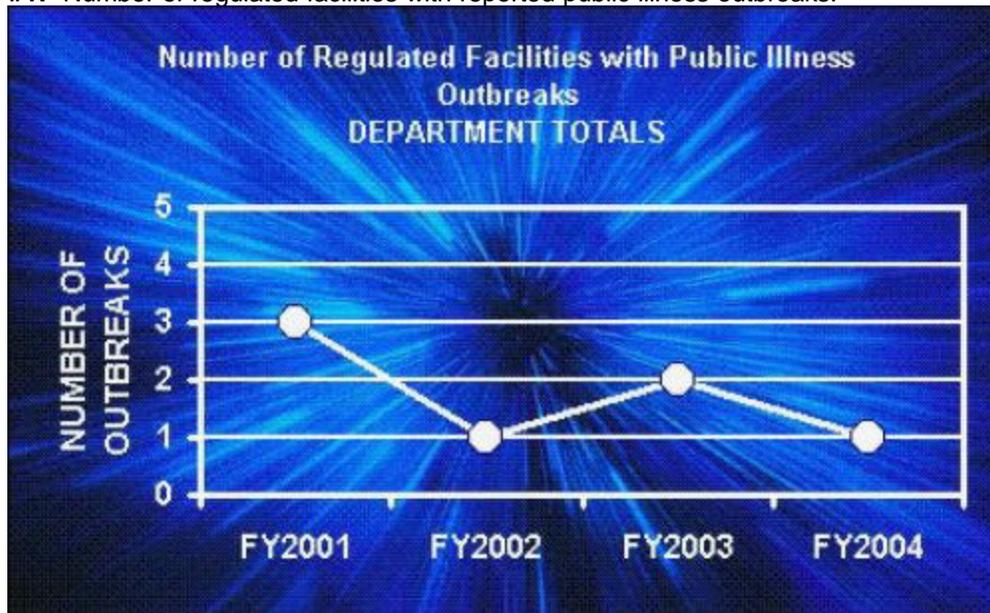
All allegations are investigated prior to taking legal action. These actions are tracked in the department's enforcement tracking database.

(For further information on administrative penalties or to view the FY2003 enforcement report – visit [http://www.state.ak.us/dec/das/info\\_services/pdfs/enfreport.pdf](http://www.state.ak.us/dec/das/info_services/pdfs/enfreport.pdf))

**B: Result - Citizens are Protected from Unsafe Sanitary Practices**

**Target #1:** No public illness outbreaks in regulated facilities.

**Measure #1:** Number of regulated facilities with reported public illness outbreaks.



**Number of Regulated Facilities with Public Illness Outbreaks**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2001	0	0	0	0	3
2002	0	0	0	0	1
2003	0	0	0	0	2
2004	0	0	0	0	1

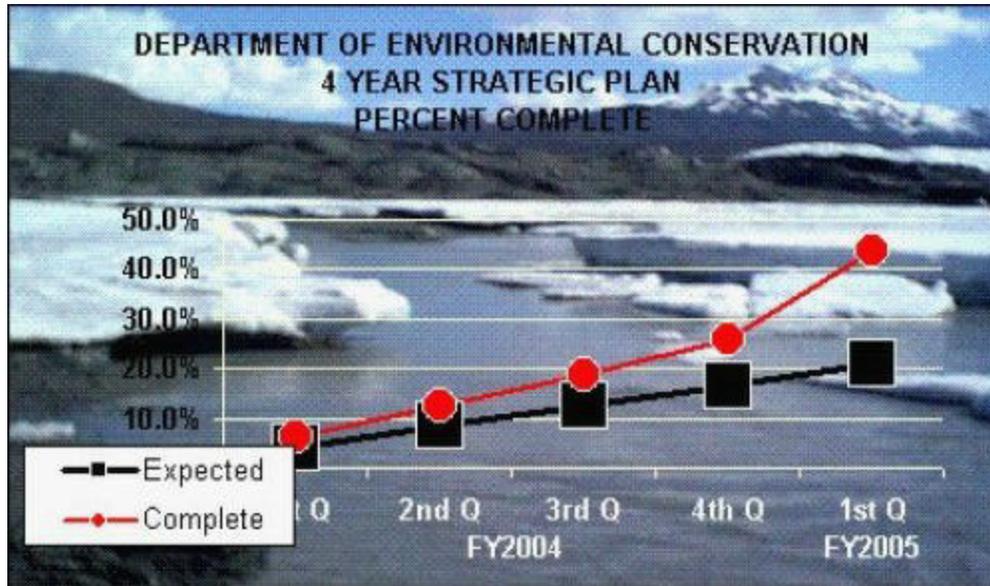
**Analysis of results and challenges:** The Epidemiology section of Health and Social Services (HSS) conducts investigations of outbreaks of human illness and death and, with the help of DEC investigators, determines the source of the outbreak. Data displayed here reflects the number of food facilities and drinking water systems, regulated by DEC, that were determined to be the source of an outbreak during the reporting period.

While we can track those outbreaks reported to HSS, many incidents of illness related to food or drinking water may never actually get reported. In milder cases, symptoms may be mistaken for ordinary flu or an upset stomach and be overlooked by doctors or individuals.

**B1: Strategy - Establish Protective Standards**

**Target #1:** Priority programs for safe sanitary practices are up to date by 2008.

**Measure #1:** Revisions to priority programs for safe sanitary practices are % complete (4 yr Strategic Plan).



**Department of Environmental Conservation 4 Year Strategic Plan**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	6.3%	12.5%	18.8%	25.0%	
2005	43.8%	0	0	0	

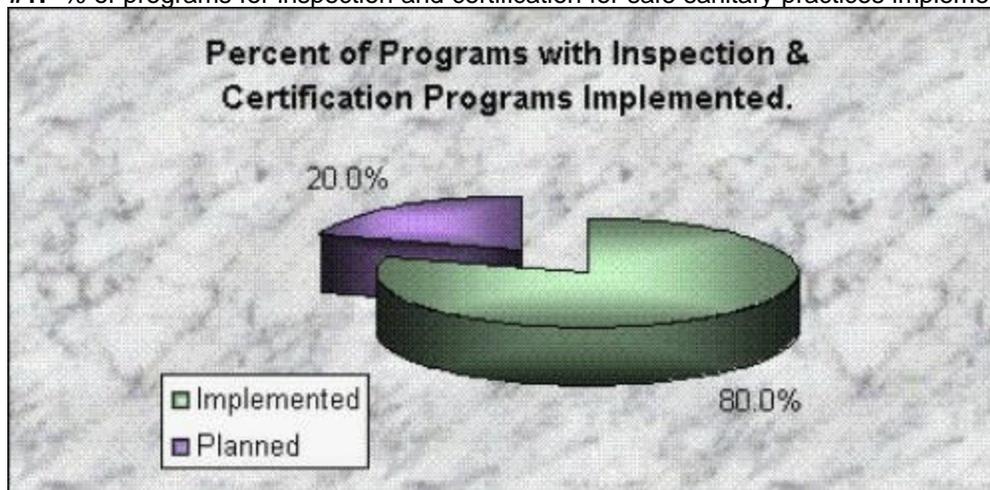
**Analysis of results and challenges:** DEC's strategic framework is based on the premise that, if we fulfill our duties (statutorily mandated) and accomplish our mission, the ultimate result will be that public health will be protected. We do this by influencing external entities to utilize safe sanitary practices through a comprehensive protection program. We don't prevent unsafe sanitary practices – we influence others to take preventative action and establish standards by which to measure success.

This measure determines departmental progress against the 4 Year Strategic Plan. Progress is measured against expected results for individual projects, and averaged over the department. Within the 4 year plan there are only two projects effecting sanitary practices. One project (Village Safe Water Revisions), not due to start until the beginning of FY2006, is ahead of schedule. Legislation is being proposed in FY2005. Overall, at 43.8% completion, performance exceeds expected.

**B2: Strategy - Control Sanitary Practices**

**Target #1:** Safe sanitary practice inspection and certification programs are implemented by FY2007.

**Measure #1:** % of programs for inspection and certification for safe sanitary practices implemented by FY2007.



**Percent of Programs with Inspection and Certification Programs Implemented**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	0	0	0	0	80.0%

**Analysis of results and challenges:** DEC's strategic framework is based on the premise that, if we fulfill our duties (statutorily mandated) and accomplish our mission, the ultimate result will be that public health will be protected. We do this by influencing external entities to utilize safe sanitary practices through a comprehensive protection program. We don't prevent unsafe sanitary practices – we influence others to take preventative action and establish inspection and certification programs by which to measure success.

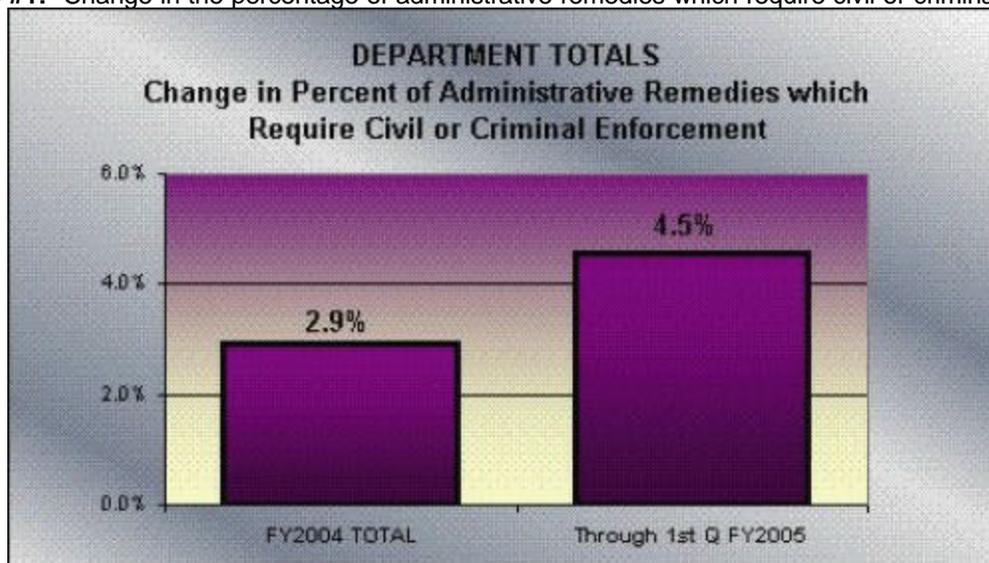
These programs are established to allow us to document compliance.

The measure summarizes department progress with development and implementation of planned programs. It is expected that all programs will be complete by the end of FY2007.

**B3: Strategy - Enforce Controls for Safe Sanitary Practices**

**Target #1:** Reduce the percentage of administrative remedies which require civil or criminal enforcement.

**Measure #1:** Change in the percentage of administrative remedies which require civil or criminal enforcement.



**Percent of Enforcement Actions that Result in Prosecution**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	0.0%	15.8%	0.0%	0.0%	2.9%
2005	4.5%	0	0	0	4.5%

**Analysis of results and challenges:** The Alaska Department of Environmental Conservation has primary responsibility for protecting citizens from unsafe sanitary conditions. Normally these laws are enforced by the regulatory staff through administrative or civil remedies.

Protecting public health requires that we establish protective standards and enforce those standards. The effectiveness of our enforcement programs can be measured by looking at voluntary compliance of the regulated community - compliance before legal action becomes necessary.

However, when harmful conduct becomes intentional, knowing, or reckless, criminal enforcement must be considered. All allegations are investigated prior to taking legal action.

(For further information on administrative penalties or to view the FY2003 enforcement report – visit [http://www.state.ak.us/dec/das/info\\_services/pdfs/enfreport.pdf](http://www.state.ak.us/dec/das/info_services/pdfs/enfreport.pdf))

## Key Department Challenges

During FY2006 the department faces significant challenges in each of its divisions as follows:

### Administration

- Clearly communicating to the public and affected stakeholders what services can realistically be expected from the department's human and fiscal resources consistent with its statutory requirements.
- Making the department's large volume of data easily accessible for stakeholders within and outside of state government.

### Environmental Health

- Bringing the new Environmental Health Laboratory on-line and fully operational to improve services provided to Alaska's growing Alaskan seafood industries and for animal disease surveillance.
- Implementing the new Active Managerial Control (AMC), food safety program to provide equal protection to all Alaskans statewide.
- Testing and informing consumers about the safety of Alaska's wild fish resources.
- Improving Alaska's capacity to identify foreign animal diseases or other bioterrorism agents and controlling them before public health is jeopardized.
- Developing an effective method for safe Solid Waste disposal in all Alaskan communities so that the environment and public health are protected.

### Air Quality

- Converting rural Alaskan communities to clean burning diesel fuel to protect air quality and human health.
- Developing visibility protection plans for Denali Park and other Class I protection areas that distinguish locally caused, and potentially controllable, haze pollution from natural sources and haze from abroad.
- Providing a hassle free, paperless motor vehicle emission inspection and registration program in Anchorage and Fairbanks.

### Water

- Assuming greater responsibility for control of Alaska's water quality.
- Controlling non-point sources of water pollution in collaboration with local governments.
- Establishing protective water quality standards that reflect natural conditions and do not rely on unnecessary prohibitions.
- Making the long-term sustainability of facilities and service a condition for providing grants and loans to communities for water and sewer projects.

### Spill Prevention and Response

- Sustaining the state's core spill prevention, preparedness and response capability in the face of declining revenues.
- Reduce the occurrence of oil and hazardous substance spills releases from unregulated sources.
- Implementing a risk based approach for cleanup of contaminated sites to protect public health and the environment, increase the number of cleanups and promote the economic re-use of contaminated properties.

## Significant Changes in Results to be Delivered in FY2006

The department is proposing various changes to the component budgets. Many of these changes are a result of continued efforts to obtain efficiencies or realign resources and do not impact overall results delivered. Those areas where there are significant changes in results to be noted are as follows:

### ENVIRONMENTAL HEALTH

Environmental Health protects public health by ensuring safe drinking water, food, and sanitary practices. The division focuses on clear standards for regulated entities, applying the standards consistently statewide, providing compliance support and enforcing the standards when necessary.

The legislature, through budget reductions, directed a change in service delivery for the Drinking Water and Solid Waste programs. Beginning in FY2006, regulatory oversight of all Class C Public Water Systems will be eliminated. During FY2006, communities of less than 200 people under new Solid Waste regulations will be guided by Best Management Practices and will receive no direct regulatory oversight.

The emergence of new environmental threats to seafood and animals require the addition of staff resources to meet increased monitoring and surveillance activity. The emergence of marine bacteria that now negatively impacts the food safety of shellfish coupled with an increase in the number of shellfish growing areas requires additional seafood and laboratory staff. An Assistant Veterinarian has been proposed to the Office of the State Veterinarian to address the increased foreign animal disease monitoring and surveillance.

## **Major Department Accomplishments in 2004**

The department was successful in working with interested stakeholder work groups and the public on the following major state policy issues:

### Better Permitting

The department continued its commitment to strengthen water and air permitting. Permits are essential to environmentally responsible development. They provide important information about impacts on the environment. A permit provides all stakeholders the opportunity to learn about a proposed project, comment, and receive a substantive response from us before final decisions are made.

One of our most critical needs was for improvement in air permitting. Our program was simply inadequate. We had a budget sized for a state of 600,000 people, but write as many permits as the State of Colorado with 4 ½ million people. Colorado has a power grid to drive its resource based economy. We depend on diesel generators. Both Colorado and Alaska issue roughly 180 major source permits to protect air quality. Our expanded team began improvements to get this job done.

In FY2003, the Commissioner approved a complete overhaul of the regulations that we use to protect Alaska's water. We began with raindrops and followed water to the ocean to identify gaps in our present regulations. This work was long overdue and allowed us to establish a four year strategic plan for reviewing standards, updating regulations and program re-design. Water programs across the department were evaluated and reorganized. Staff began:

- Seeking authority to assume full responsibility for regulating discharges to Alaska's waters, such as those from municipal treatment works, factories, and mines. This work is presently done by EPA in Seattle. We believe permitting, compliance and enforcement should be done by Alaskans who are knowledgeable about Alaskan conditions.
- Revising the department's mining rules to improve the regulations for mine tailings disposal and financial responsibility for mine closures.
- Revising our low-interest municipal loan program to allow communities to borrow for projects that address nonpoint pollution such as storm water run-off, landfill leachate and harbor wastes. Seven communities have applied under the new guidelines, primarily to protect groundwater.
- Updating the village safe water act to reflect current system designs and expectations for sustainability.
- Streamlining the wetland permit process for homeowners and other small developments in non-sensitive areas.
- Seeking primacy for regulation of non-oil field underground injection from the Environmental Protection Agency.
- Collecting important data of Alaska's coastline through the Environmental Monitoring and Assessment Program to assess the health of our waterways.

### Improved Oil Spill Safety

The Governor introduced successful legislation that improves protection against the devastating consequences of an oil spill. We require those who transport and store oil to maintain contingency plans for spill response. DEC can now allocate more effort to on-the-water spill drills and equipment testing. Regular and rigorous field practice builds reliable response skills. We have already conducted an unannounced drill in Valdez for tankers calling at the pipeline terminal. We've expanded Alaska's oil spill safety net to include all vessels that exceed 400 gross tons. Each vessel must be prepared to mount an immediate clean up and have guaranteed access to the necessary manpower and equipment. We are also working to establish user fees for noncrude oil industry groups to level the financial playing field with crude oil operators that currently pay a surcharge to the Oil and Hazardous Substance Spill Response Fund.

### Effective Food Safety Statewide

In FY2003, the Commissioner initiated a complete redesign of our food safety program. Our previous approach depended heavily on regular site inspections and was virtually impossible to deliver consistently across our large and roadless state. Our new approach follows NASA's successful program to assure that Montezuma's revenge did not accompany the astronauts into space. It relies on operator certification, restaurant specific risk management and rigorous enforcement by DEC. With passage of the necessary legislation, this new program provides equal protection

from Nome to Barrow, Tok, Fairbanks and Ketchikan. It holds owners and operators responsible for knowing how food becomes contaminated and assure that standard operating procedures protect their customers. We are moving from the spot inspection of the past to mandatory every-day management systems. We plan to implement food safety regulations beginning in FY2006

Better Understanding of Public Health Threats

As a result of human health studies, EPA was requiring ultra low sulfur fuel for diesel trucks and buses by 2007. While there are few trucks and buses in rural Alaska, every community depends on diesel generators for electricity. National initiatives will not help us decide the safest course for Alaskans. During FY2004, we developed and submitted a plan to the EPA for the gradual implementation of ultra low sulfur diesel fuel for use in trucks and buses in rural Alaska. The recommendation provides flexibility for rural communities to bring in the fuel as they need it, within a 2010 deadline for use of ultra low sulfur diesel in all diesel vehicles. The plan provides adequate time for DEC to assess rural health risks from diesel fuel use as necessary to support an infrastructure and fuel choice decision before 2010.

Funds were also allocated to continue fish tissue sampling to measure mercury in Alaskan species. Both the EPA and the FDA have issued repeated warnings about exposure to mercury in fish. We are conducting this study to provide Alaska specific information about the quality of our subsistence, sport caught and commercially harvested stocks. The average consumption of subsistence caught fish in Alaska ranges from 10 to 20 times more than the consumption levels used by EPA. The commercial catch is important too. Alaska's 5 billion pound harvest represents over 50% of the total US commercial catch.

**Prioritization of Agency Programs**

*(Statutory Reference AS 37.07.050(a)(13))*

Each division director was instructed to prioritize his or her program and submit the results to the Commissioner's Office. The Commissioner formed a group of senior management staff to review the divisions' priorities and convert them into departmental priorities. Program priorities were listed using the department's performance results for protecting the environment and protecting Alaskans from unsafe sanitary practices as the primary ranking criteria.

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|--|--|
| 1. Commissioner's Office   | 12. Office of the State Veterinarian   |
| 2. Finance/Budget/Procurement                                    | 13. Emergency Response                 |
| 3. Air Permitting Program  | 14. General Laboratory Services        |
| 4. Network Services  | 15. Contaminated Sites                 |
| 5. Air Non-Point Mobile Sources and Monitoring Program           | 16. Pesticides                         |
| 6. Drinking Water Safety Program                                 | 17. Solid Waste                        |
| 7. Wastewater Permitting & Compliance Program                    | 18. Operator Certification Program     |
| 8. Food Safety and Sanitation                                    | 19. Environmental Crimes               |
| 9. Water Quality Standards and Monitoring Program                | 20. Remote Maintenance Worker Program  |
| 10. Non-Point Source Pollution Permitting and Protection Program | 21. Municipal Grants and Loans Program |
| 11. Industry Preparedness  | 22. Village Safe Water Program         |

Contact Information	
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**Department Budget Summary by RDU**

*All dollars shown in thousands*

	FY2004 Actuals				FY2005 Management Plan				FY2006 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b>	None.											
<b>Non-Formula Expenditures</b>												
Administration	1,094.4	1,317.9	5,175.7	7,588.0	2,040.6	1,407.4	2,199.0	5,647.0	2,062.7	1,490.7	2,288.7	5,842.1
DEC Bldgs Maint & Operations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	304.7	0.0	0.0	304.7
Environmental Health	5,076.9	3,179.3	1,764.8	10,021.0	4,816.2	4,107.4	1,890.8	10,814.4	4,983.9	4,644.1	1,907.4	11,535.4
Air Quality	3,775.8	2,976.5	4,063.0	10,815.3	1,438.5	1,567.6	3,914.1	6,920.2	1,467.4	1,599.3	4,026.3	7,093.0
Spill Prevention and Response	24.7	2,784.1	11,716.9	14,525.7	12.0	3,347.4	13,100.3	16,459.7	12.0	3,421.5	12,358.3	15,791.8
Water	928.3	1,383.6	2,840.3	5,152.2	4,627.5	6,233.8	4,280.9	15,142.2	4,714.4	6,314.7	4,315.0	15,344.1
Non-Pt Source Pollution Contrl	0.0	1,331.9	0.0	1,331.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Local Emergency Planning Comm	0.0	0.0	326.1	326.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Totals</b>	<b>10,900.1</b>	<b>12,973.3</b>	<b>25,886.8</b>	<b>49,760.2</b>	<b>12,934.8</b>	<b>16,663.6</b>	<b>25,385.1</b>	<b>54,983.5</b>	<b>13,545.1</b>	<b>17,470.3</b>	<b>24,895.7</b>	<b>55,911.1</b>

### Funding Source Summary

*All dollars in thousands*

Funding Sources	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
1002 Federal Receipts	12,973.3	16,663.6	17,470.3
1003 General Fund Match	2,613.6	2,679.2	2,740.1
1004 General Fund Receipts	7,129.8	8,820.2	9,316.6
1005 General Fund/Program Receipts	1,156.7	1,435.4	1,488.4
1007 Inter-Agency Receipts	6,055.6	1,157.0	1,165.2
1036 Commercial Fishing Loan Fund	177.2		
1052 Oil/Hazardous Response Fund	11,568.2	13,481.3	13,509.7
1061 Capital Improvement Project Receipts	2,109.7	2,601.6	3,037.6
1075 Alaska Clean Water Loan Fund	403.4	489.7	318.6
1079 Underground Storage Tank Revolving Loan Fund	881.6	964.5	
1093 Clean Air Protection Fund	2,727.0	3,893.5	2,810.8
1100 Alaska Drinking Water Fund	478.4	557.8	388.0
1108 Statutory Designated Program Receipts		77.4	77.4
1156 Receipt Supported Services	1,099.4	1,448.3	2,824.1
1166 Commercial Passenger Vessel Environmental Compliance Fund	386.3	714.0	764.3
<b>Totals</b>	<b>49,760.2</b>	<b>54,983.5</b>	<b>55,911.1</b>

### Position Summary

Funding Sources	FY2005 Management Plan	FY2006 Governor
Permanent Full Time	473	484
Permanent Part Time	2	3
Non Permanent	4	4
<b>Totals</b>	<b>479</b>	<b>491</b>

### FY2006 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Village Safe Water Project Administration	565,500	1,696,300	0	2,261,800
Municipal Water, Sewer and Solid Waste Matching Grant Projects	0	4,413,900	6,621,600	11,035,500
Village Safe Water Feasibility Studies	189,100	565,900	0	755,000
Village Safe Water Projects	17,404,200	59,140,500	2,378,000	78,922,700
Regional Haze Trans-boundary Monitoring Project	0	750,000	0	750,000
Data Integration and Network Readiness	0	910,000	0	910,000
Animal Disease Surveillance and Monitoring	0	250,000	0	250,000
<b>Department Total</b>	<b>18,158,800</b>	<b>67,726,600</b>	<b>8,999,600</b>	<b>94,885,000</b>

*This is an appropriation level summary only. For allocations and the full project details see the capital budget.*

### Summary of Department Budget Changes by RDU

From FY2005 Management Plan to FY2006 Governor

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>12,934.8</b>	<b>16,663.6</b>	<b>25,385.1</b>	<b>54,983.5</b>
<b>Adjustments which will continue current level of service:</b>				
-Administration	22.1	34.6	32.2	88.9
-Environmental Health	135.2	106.7	57.2	299.1
-Air Quality	28.9	31.7	112.2	172.8
-Spill Prevention and Response	0.0	82.6	343.7	426.3
-Water	103.1	80.9	34.1	218.1
<b>Proposed budget decreases:</b>				
-Administration	0.0	0.0	-65.0	-65.0
-Environmental Health	-71.9	0.0	-281.8	-353.7
-Spill Prevention and Response	0.0	-8.5	-1,304.3	-1,312.8
-Water	-16.2	0.0	0.0	-16.2
<b>Proposed budget increases:</b>				
-Administration	0.0	48.7	122.5	171.2
-DEC Bldgs Maint & Operations	304.7	0.0	0.0	304.7
-Environmental Health	104.4	430.0	241.2	775.6
-Spill Prevention and Response	0.0	0.0	218.6	218.6
<b>FY2006 Governor</b>	<b>13,545.1</b>	<b>17,470.3</b>	<b>24,895.7</b>	<b>55,911.1</b>