

Cooperative Water Resource Program**FY2010 Request: \$300,000****Reference No: 37762****AP/AL:** Appropriation**Project Type:** Economic Assistance**Category:** Natural Resources**Location:** Statewide**Contact:** Leta Simons**House District:** Statewide (HD 1-40)**Contact Phone:** (907)465-3379**Estimated Project Dates:** 07/01/2009 - 06/30/2015**Brief Summary and Statement of Need:**

This project allows DNR to accept funds from the private sector and local governments, and to pass funds through to U.S. Geological Survey (USGS) and U.S. 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. This project involves only authorization to receive and pass through funding.

Funding:	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>Total</u>
Stat Desig	\$300,000	\$350,000	\$375,000	\$400,000	\$425,000	\$450,000	\$2,300,000
Total:	\$300,000	\$350,000	\$375,000	\$400,000	\$425,000	\$450,000	\$2,300,000

<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
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

SLA2008/CH29	\$300,000	IMPLEMENTED/Ongoing
SLA2007/CH30	\$545,000	Ongoing
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. 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 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) has 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 gauging is required will be much higher since the federal cooperative 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; Soule River, Hyder; and the now divested Four Dam Pool hydroelectric projects. Each of these projects accommodates multiple gauging 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 fo 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. If authority to accept funds for pass through purposes to USGS and NRCS is not approved, many current and future resource development projects involved with this program would have to bear the burden of funding the gaging at full cost.

Specific Spending Detail:

LINE ITEM	DOLLAR AMOUNT	DESCRIPTION
Services	\$ 300,000	Pass through funds to USGS/NRCS for hydrologic data collection projects.

Project Support:

State agencies; USGS; NRCS; Environmental Protection Agency; Teck-Cominco, Inc.; Usibelli Coal Mine, Inc.; Teck Pogo, Inc.; Kennecott Greens Creek Mining Co.; Lake Dorothy Hydro, Inc.; Alaska Electric Light & Power Co.; 4 Dam Pool Agency; Chugach Electric, Inc.; other resource developers and environmental groups.