

Front Section: Petroleum Remediation at Rural Alaskan Bulk Fuel Facilities

FY2001 Request: \$18,501,299
Reference No: AMD 33489

AP/AL: Appropriation

Project Type: Construction

Category: Health/Human Services

Location: Statewide

Contact: D. Randy Simmons

House District: Statewide (HD 1-40)

Contact Phone: (907)269-3000

Estimated Project Dates: 07/01/2000 - 06/30/2005

Brief Summary and Statement of Need:

Remediating spills and leaks of petroleum products from bulk fuel storage facilities in rural Alaskan communities. Through a combination of grants to bulk fuel facility owners, professional service contracts and AEA staff services, AEA plans to: perform 15-20 cleanups per year of sites in rural Alaska currently contaminated with petroleum products, prioritize the remaining rural bulk fuel storage sites that require cleanup, and develop capacity at the community and regional level in rural Alaska by providing onsite training to communities and using local hire to the maximum extent possible.

Funding:	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>Total</u>
TAPL Fund	\$18,501,299						\$18,501,299
Total:	\$18,501,299	\$0	\$0	\$0	\$0	\$0	\$18,501,299

<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 checked="" 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:

Project Description/Justification:
Source and Purpose of the Appropriation

The Alaska Energy Authority (AEA) requests an appropriation of \$18.5 million and the investment earnings on this appropriation from the State's rebate share of the Trans-Alaska Pipeline Liability Fund. The rebate is currently held by the State Treasury and federal law (Public Law 101-380, sec. 8102(a)(B)(i)) requires that this rebate be used for "the remediation of above ground storage tanks".

AEA will utilize this appropriation for the costs of remediating spills and leaks of petroleum products from bulk fuel storage facilities in rural Alaskan communities. Through a combination of grants to bulk fuel facility owners, professional service contracts and AEA staff services, AEA plans to:

- Complete 15-20 cleanups per year of rural sites currently contaminated with petroleum products,
- Prioritize the remaining rural bulk fuel storage sites that require cleanup, and
- Develop capacity at the community and regional level in rural Alaska by providing onsite training to communities and using local hire to the maximum extent possible.

Background

Rural aboveground storage tank facilities can pose an eminent threat to public health and the environment. Communities can, and do, experience polluted drinking water, surface water contamination, fire and explosion hazards, and losses of very important fuel reserves during peak winter months. A 1992 study conducted by the Alaska Energy Authority suggests that at least 25% of the storage tank sites visited had leaked or experienced spills.

AEA is currently upgrading and consolidating rural bulk fuel storage tanks in need of repair. The Department of Environmental Conservation (DEC) is conducting basic spill prevention and emergency response training for fuel tank operators in rural communities.

There are no professional contractors or organized labor forces in rural Alaska available to assess and cleanup contamination from fuel tank farms or other contamination sources like formerly utilized defense sites.

Pilot Remediation Projects

Several remediation pilot projects will be conducted in FY 01 to establish best management practices for managing remote contaminated sites. The sites chosen for the initial pilot project work will be among those tank facilities recently consolidated under the AEA/Denali Bulk Fuel Upgrade Plan. The tank consolidation projects have cleared the way for cleanup at the old tank facilities. The villages of Teller, Grayling, Anvik, Kwigillingok, Atmatuluak, Akiak, Elim, Huslia, Chignik Lake, Allakaket, Manokotak, Marshall, Kaltag, Noorvik, Kiana, Tuntatuliak, Napaskiak, Emmonak, Chefornak, and Quinhagak are near completion or have completed their tank consolidation work. Information obtained during the tank consolidation work and FY00 site assessments will be used to develop work plans for site cleanup. The cleanup work will be contracted to firms qualified to do remediation work under DEC cleanup rules.

The cleanup projects will be managed by project managers working on behalf of the grantees. The project managers will be responsible for the administration and implementation of remediation activities. The project managers will work with a local authority in each community who will have the flexibility to hire "outside" technical experts (to manage, supervise, prepare reports, and perform technical tasks at the site), and hire local construction labor under "force account" procedures where possible.

Local Capacity

It is an objective of AEA to use a portion of this appropriation to provide training to develop capacity at the community or regional level to identify and remediate areas contaminated by fuel and other hazardous materials and to respond to spills. A training program will be developed to promote maximum use of local labor in remediation work and future spill response and site clean up. The training program will include, but not be limited to 40-hour hazardous materials response and recertification courses and spill prevention and response training.

The training program will, at a minimum, develop a regional labor pool for remediation and spill response in rural Alaska. Moreover, it is expected that communities will be more knowledgeable and future leaks and spills will be eliminated or minimized.

Survey/Ranking of Facilities

A statewide survey and ranking of sites will also be done in FY01. Surveys will be mailed to over 400 community-owned facilities in approximately 165 rural villages.

The survey results will be used to identify and prioritize facilities with spills and leaks. The facilities will be ranked based on: facility ownership, the ability to consolidate work on a regional basis, nature and accessibility of the contamination, and the severity of threats to public health and the environment.

Once "ranking" has been completed, a site reconnaissance will be conducted for each year of the CIP at the top 15-20 facilities and local contacts will be established in preparation of remediation workplans for the subsequent field season.

Coordination

AEA will work with the Denali Commission and the Department of Environmental Conservation to coordinate cleanup work with ongoing tank upgrades, repairs, and closures, as well as with spill prevention and response training already

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under way in rural Alaska.