

**State of Alaska
FY2003 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 overseeing and conducting cleanups at contaminated sites in Alaska and by preventing releases from underground storage tanks and unregulated aboveground storage tanks.

Component Services Provided

- Identify, rank, prioritize, track, and monitor the cleanup of contaminated sites in the state, including military sites.
- Provide technical assistance to responsible parties of contaminated sites.
- Clean up high priority “orphan” sites where the responsible party is unknown.
- Provide technical assistance and training to underground and aboveground storage tank owners for proper tank operation and maintenance, and basic spill prevention.
- Provide technical and financial assistance to assess and remediate rural bulk fuel storage facilities.
- Register and provide tags for underground storage tanks, and monitor the tank inspection and worker certification program.
- Implement risk-based approach and institutional controls to privatize site cleanups.
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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 fuel 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 ensure compliance with federal regulations.
 - Inspect and monitor above ground storage fuel farms in rural Alaska for compliance with industry and regulatory standards.
- 2) **BE PREPARED TO RESPOND TO OIL AND HAZARDOUS SUBSTANCE SPILLS.**
 - Incorporate basic spill response into aboveground storage tank training activities.
 - Evaluate the potential for developing an incident reporting system for underground storage tank facilities.
 - Evaluate ways to work with fuel delivery personnel to assure that they are prepared and knowledgeable concerning spill response.
- 3) **CLEAN UP OIL AND HAZARDOUS SUBSTANCE SPILLS.**
 - Reduce the number and size of spills from underground storage tanks and rural bulk fuel facilities.
 - Ensure cleanup of contaminated sites by responsible parties.
 - Apply consistent and measurable cleanup standards.
 - Contract private specialists to assess and cleanup state-owned and “orphan sites”.
 - Ensure cleanup of Formerly Used Defense and other Department of Defense sites.
 - Enable 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.
 - Ensure natural resources are restored to a safe, healthy, and economically usable state.
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Key Component Issues for FY2002 – 2003

Complete the privatized inspection/tagging program for Underground Storage Tanks begun in FY 2001, an important step in maintaining the spill prevention equipment and operations at the regulated UST facilities.

Clean up rural bulk fuel storage facilities in rural Alaska and establish a “circuit rider” position and program to inspect and monitor aboveground storage tank fuel farms to ensure compliance with industry and regulatory standards for operation and maintenance and provide opportunities for training tank operators.

Identify sites which may benefit from economic redevelopment through alternative approaches by working with responsible parties, prospective purchasers, and local officials to identify incentives that will promote redevelopment of contaminated sites for productive use.

Develop and implement a program to research comprehensive insurance policies held by large companies with historic contamination where substantial cost recovery is anticipated.

Continue the implementation of “areawide assessment” projects where possible.

Resolve the issue of unexploded ordnance and weapons in the cleanup of historic military contamination.

Identify and evaluate contaminated sites in Alaska with persistent organic pollutants and develop strategies for their management and removal.

Major Component Accomplishments in 2001

- The top ten cleanups in FY 2001 were the Six Mile Groundwater Area, River Terrace RV Park, Department of Transportation and Public Facilities Trailside, Umiat Formerly Used Defense Site, St. Lawrence Island Formerly Used Defense Site, Adak Naval Air Facility, Aniak Middle School, Cordova Electric-Eyak Lake, St Paul/St. George Pribilof National Oceanic and Atmospheric Administration sites, and Gaffney Road, Fairbanks.
- Initiated an area groundwater assessment in Fairbanks to determine the source of contamination and ensure safe drinking water as a model for other populated areas.
- Completed cleanup actions at 15 sites under the Voluntary Cleanup Program.
- Completed 74 contaminated site cleanups (includes 15 FY 2001 Voluntary Cleanup sites) and issued 137 "no further action" letters for cleanups at underground storage tank sites with historical contamination.
- Conducted 12 risk assessments covering 53 private and military sites. Nine of the risk assessments investigated the potential effects of persistent contaminants, including polychlorinated biphenyls (PCBs) and heavy metals, in subsistence resources with 3 of those involving state or federal health agencies.
- Continued assessment and cleanup at 19 state-owned sites, eight of which were underground storage tank sites.
- 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.
- Oversaw the third party inspection of 425 underground storage tanks (40% 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 600 leak prevention violations at inspected underground storage tank facilities, but found no actively leaking tanks.
- Provided 20 bulk fuel storage tank training events representing 60 villages in rural Alaska.
- Worked at 33 villages to assess and remediate bulk fuel storage facilities in rural Alaska as a followup to fuel storage facility infrastructure improvements sponsored by Alaska Energy Authority and Denali Commission.

Statutory and Regulatory Authority

AS 46.03, AS 46.04, AS 46.08, AS 46.09, AS 46.03.360-450, 18 AAC 75, 18 AAC 79

Contaminated Sites Program
Component Financial Summary

All dollars in thousands

Non-Formula Program:	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Component Expenditures:			
71000 Personal Services	3,973.1	4,186.5	4,286.7
72000 Travel	296.9	524.1	524.1
73000 Contractual	2,067.4	2,542.7	2,272.7
74000 Supplies	91.5	111.6	111.6
75000 Equipment	333.6	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
Expenditure Totals	6,762.5	7,474.9	7,305.1
Funding Sources:			
1002 Federal Receipts	2,562.9	3,122.2	3,166.2
1007 Inter-Agency Receipts	739.5	189.4	193.8
1052 Oil/Hazardous Response Fund	2,593.8	3,341.1	3,945.1
1061 Capital Improvement Project Receipts	82.0	0.0	0.0
1079 Storage Tank Assistance Fund	784.3	822.2	0.0
Funding Totals	6,762.5	7,474.9	7,305.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	69.0	42.0	42.0	42.0	42.0
Unrestricted Total		69.0	42.0	42.0	42.0	42.0
Restricted Revenues						
Federal Receipts	51010	2,562.9	3,122.2	3,122.2	3,166.2	3,166.2
Interagency Receipts	51015	739.5	189.4	189.4	193.8	193.8
Capital Improvement Project Receipts	51200	82.0	0.0	0.0	0.0	0.0
Restricted Total		3,384.4	3,311.6	3,311.6	3,360.0	3,360.0
Total Estimated Revenues		3,453.4	3,353.6	3,353.6	3,402.0	3,402.0

Contaminated Sites Program

Proposed Changes in Levels of Service for FY2003

No significant changes in services are anticipated.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	3,122.2	4,352.7	7,474.9
Adjustments which will continue current level of service:				
-Reduction of one time funding for Day Tank Upgrade and Replacement	0.0	0.0	-270.0	-270.0
-Year 3 Labor Costs - Net Change from FY2002	0.0	44.0	56.2	100.2
FY2003 Governor	0.0	3,166.2	4,138.9	7,305.1

Contaminated Sites Program

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	67	67	Annual Salaries	3,381,823
Part-time	1	1	COLA	81,393
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	1,138,278
			<i>Less 6.84% Vacancy Factor</i>	<i>(314,794)</i>
			Lump Sum Premium Pay	0
Totals	68	68	Total Personal Services	4,286,700

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	1	0	0	0	1
Accounting Tech I	1	0	0	0	1
Administrative Clerk II	2	0	2	1	5
Administrative Clerk III	0	2	0	1	3
Analyst/Programmer IV	1	0	0	0	1
Env Eng Associate	1	1	0	1	3
Environ Conserv Mgr I	3	0	1	0	4
Environ Conserv Mgr III	0	1	0	0	1
Environ Engineer I	0	0	0	1	1
Environmental Spec II	3	0	1	0	4
Environmental Spec III	15	7	7	2	31
Environmental Spec IV	5	2	3	0	10
Prog Coordinator	0	0	2	0	2
Project Coord	1	0	0	0	1
Totals	33	13	16	6	68