

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

**Department of Environmental Conservation
Water Quality
Component Budget Summary**

Component: Water Quality

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Component Mission

Identify, abate, and control water pollution in a cost effective, accountable manner to protect public health and preserve the many uses of Alaska's waters.

Component Services Provided

- Assess, protect, and restore the quality of Alaska waters.
- Develop or amend water quality standards and criteria for the best management of Alaska waterbodies.
- Reduce non-point sources of pollution in Alaska waterbodies through water quality protection and restoration programs.
- Provide technical/compliance assistance to help operators comply with wastewater discharge permit limits and avoid unnecessary water quality problems.
- Streamline wastewater discharge permit application and issuance.
- Provide information about permitted discharges and water quality to the public.

Component Goals and Strategies

1) DEVELOP, AMEND, AND MAINTAIN WATER QUALITY STANDARDS TO PROTECT AND MANAGE FOR THE BEST USES OF ALASKA'S WATER RESOURCES.

- Maintain water quality standards that incorporate considerations specific to Alaska.
- Undertake a triennial review of water quality standards to examine potential changes based upon new scientific knowledge and the changing needs and uses for Alaska waters by citizens, communities, businesses and industries.
- Assist the public, industry, legislature and state agencies in understanding the state's water quality standards.

2) STRENGTHEN THE WASTEWATER DISCHARGE PERMITTING PROGRAM.

- Improve the program to be a reliable and predictable agency service for in-state decisions on treatment technology options and mitigating potential impacts to receiving waters.
- Reduce review time for permit approvals, increase field inspections and compliance monitoring.
- Automate permitting and online compliance reporting by permittees.
- Improve permit production and record keeping.
- Preserve water quality and existing uses of the waters.

3) PREPARE FOR THE DELEGATION OF THE NPDES WASTEWATER PERMITTING PROGRAM FROM EPA TO THE STATE BY DRAFTING STATUTORY AND REGULATORY CHANGES, OPERATIONAL PROCEDURES AND FUNDING OPTIONS FOR CONSIDERATION BY THE ALASKA LEGISLATURE IN 2004.

4) ESTABLISH COMMON PRIORITIES AMONG THE STATE RESOURCE AGENCIES FOR STEWARDING ALASKA'S WATER RESOURCES TO BEST ACHIEVE AND MAINTAIN FISHABLE, SWIMMABLE, DRINKABLE AND WORKABLE WATERS FOR USE BY ALASKANS AND OUR COMMUNITIES, BUSINESSES AND INDUSTRIES.

- Identify, collect, and provide access to data sources and information that enhance the assessment, mapping and reporting of environmental status.
- Assess available information about the health of Alaska's waterbodies to identify where water quality, fish habitat or water uses are threatened, degraded, polluted or in need of greater stewardship to mitigate potential loss of uses.
- Reduce pollutants to waters through implementation of non-point source pollution control measures.
- Implement a risk-based approach to direct the permitting and oversight of wastewater discharges.

- Promote watershed protection at the local community level by providing assistance to planning organizations and community leaders via agency outreach and education.
- Manage contracts and grants for in-water projects directed to achieve the state's highest collective needs for monitoring, stewardship, protection and restoration of Alaska's waters.
- Implement DEC responsibilities under the Forest Practices Act.

Key Component Issues for FY2003 – 2004

A stakeholder group recommended options to rebuild a comprehensive and efficient state wastewater discharge permit program. These involve risk-based permitting mechanisms, permitting and facility record-keeping efficiencies, field and enforcement strategies, permit fees and related issues. The division began to implement these recommendations in FY2001 with enhanced field presence, and adopting water permit fees in accord with HB 361. In FY2002 the department implemented a facility-specific database, and web-based general permitting tools. In FY2003 the department will continue implementation of the stakeholders recommendations by establishing additional web-based permitting tools and fast-track permit approvals for low-risk activities. In FY2004, the department intends to accelerate the delivery of wastewater permitting services to fully meet the expected resource development needs and community public health needs.

Beginning in January 2003, under SB 326, the department will initiate an analysis of the steps necessary to assume state primacy from EPA for the National Pollutant Discharge Elimination System (NPDES) wastewater permitting system.

The State receives federal funds for water quality protection or recovery. Various federal agencies, local governments, and non-governmental organizations are also working in Alaska to preserve and enhance water quality. In conjunction with DFG and DNR, DEC is implementing the Alaska Clean Water Actions (ACWA) plan to build and foster a unified approach to prioritizing water quality projects. The plan provides a method to identify and prioritize the highest needs in the state for protecting water quality, water quantity, and aquatic habitats. It sets common principles for decision making at the state level. DEC will collaborate with federal agencies, local government and other entities to prioritize and fund water quality projects that are aligned with the ACWA policy principles.

DEC has been working with the Alaska public, other agency staff, industry sectors and local governments over the past two years to reform the water quality standards to make them easier to interpret and use. For decades the regulations required the reader to research several large and hard to acquire federal documents, rather than providing tables listing the exact numeric values of the standards. Tables of criteria will help all users and streamline the permitting process by making it easy to determine what standards apply and reduce the potential for conflict because of differing interpretations.

In 2003, DEC will begin a comprehensive review of all water quality standards. This triennial review is required by Section 303 (c) of the federal Clean Water Act for the purpose of reviewing applicable water quality standards, and as appropriate, modifying and adopting standards. The department uses the triennial review process to review substantive issues such as mixing zones, and residue/debris standards.

Major Component Accomplishments in 2002

Improved the state wastewater discharge permit program by increasing field and compliance/technical assistance to permittees, implementing a statewide facility-specific database to track permit actions, providing staff with technical training, establishing new permit fees for services, and streamlining the general permit application process by allowing permittees to apply over the Internet.

Provisions of HB 361 (2000) pertaining to wastewater discharge permits have been fully implemented.

Completed two waterbody recovery plans for Duck Creek in Juneau to address dissolved oxygen and iron problems. Restoration efforts are underway. Completed a waterbody recovery plan and Total Maximum Daily Loads (TMDL) for removal of pollution at Lake Lucille in Wasilla. Based on water quality measurements, Swan Lake in Sitka was removed from the polluted waters list. A recovery plan for Silver Bay (Sitka) is near completion. Drafting of TMDL's for Chester and Ship Creeks in Anchorage were initiated, and a draft Granite Creek (Sitka) TMDL and the recovery plans were distributed for public comment. Development of the Chena River and Chena Slough TMDL's (Fairbanks) has begun

through a state issued ACWA grant.

Issued 80 approvals for stormwater pollution prevention plans ensuring protection of surface water bodies during facility construction and operation.

Issued 165 individual wastewater discharge permits and general permit authorizations. Inspected 65 facilities with wastewater discharge permits.

Issued 83 certifications of U.S. Army Corps of Engineers permits for dredge and fill projects meeting Alaska water quality standards.

Prepared the annual statewide assessment of water quality conditions and provided electronic update to the federal assessment database.

Statutory and Regulatory Authority

AS 46.03; AS 46.04; AS 44.19; AS 46.40; AS 44.62; 8 AAC 80; 18 AAC 15; 18 AAC 70; 18 AAC 72; 6 AAC 50; 11 AAC 95; 5 AAC 93; Federal Coastal Zone Management Act Reauthorization of 1990; Federal Clean Water Act

Water Quality
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	2,900.8	2,936.1	3,394.7
72000 Travel	180.6	417.1	442.1
73000 Contractual	910.0	1,292.0	1,153.2
74000 Supplies	43.8	84.5	86.5
75000 Equipment	51.1	63.4	83.5
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	4,086.3	4,793.1	5,160.0
Funding Sources:			
1002 Federal Receipts	1,655.3	2,087.9	2,527.9
1003 General Fund Match	390.7	400.2	376.3
1004 General Fund Receipts	1,521.9	1,686.3	1,644.9
1005 General Fund/Program Receipts	293.8	293.3	293.3
1007 Inter-Agency Receipts	147.2	248.0	240.2
1108 Statutory Designated Program Receipts	77.4	77.4	77.4
Funding Totals	4,086.3	4,793.1	5,160.0

Water Quality

Proposed Changes in Levels of Service for FY2004

Additional funding is being sought in the Water Permit Program. State regulatory oversight ensures protection of water quality as Alaska develops its valuable natural resources. Since 2000, the State has modestly strengthened its wastewater permitting program focusing on field presence for technical assistance and permit compliance monitoring, timely issuance of permits, and developing the computer foundations for internet based permitting services. In 2003, the State will continue to build its permitting capacity and predictability as it provides Internet access to permit information and begins to document its business practices. To accelerate the delivery of wastewater permitting services to fully meet expected resource development needs and community public health needs, it will be necessary to intensify efforts in five key areas: 1) enhanced and expedited permit issuance, increased field inspections, additional technical and compliance assistance; 2) accelerated on-line electronic permitting; 3) improved permit production, public notice, record keeping and retrieval; 4) accelerated documentation of DEC business practices; and 5) improved wastewater regulations.

Other requested changes represent salary adjustments, reductions, or a realignment of resources to promote efficiencies or capture savings and have no impact on the level of services provided.

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>
FY2003 Authorized	2,379.8	2,087.9	325.4	4,793.1
Adjustments which will continue current level of service:				
-Annualize FY2003 COLA Increase for General Government, Confidential and Supervisory Bargaining Units	0.0	19.2	2.2	21.4
Proposed budget decreases:				
-Implementation of second year fiscal note for SB326 - Plan Development for NPDES Primacy	-12.3	-17.1	0.0	-29.4
-Implementation of 4th Year HB 361 (Fee Bill)	-2.5	0.0	0.0	-2.5
-Management Reduction	-24.9	-36.8	0.0	-61.7
-Alternative Method for Meeting Responsibilities in Wetland Development Permitting	-25.6	-14.5	-10.0	-50.1
Proposed budget increases:				
-Enhanced Wastewater Permitting Services	0.0	489.2	0.0	489.2
FY2004 Governor	2,314.5	2,527.9	317.6	5,160.0

Water Quality

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	46	48	Annual Salaries	2,709,585
Part-time	3	3	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	850,300
			<i>Less 4.64% Vacancy Factor</i>	(165,185)
			Lump Sum Premium Pay	0
Totals	49	51	Total Personal Services	3,394,700

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	0	1	0	1
Administrative Clerk II	2	1	2	0	5
Administrative Clerk III	0	0	1	0	1
Analyst/Programmer III	0	0	1	0	1
Analyst/Programmer IV	0	0	2	0	2
Env Eng Associate	1	0	0	0	1
Env Eng Associate II	1	0	0	0	1
Environ Conserv Mgr II	2	0	1	0	3
Environ Conserv Mgr III	0	0	1	0	1
Environ Eng Asst II	0	1	0	0	1
Environ Engineer II	1	0	1	0	2
Environmental Spec II	1	2	1	0	4
Environmental Spec III	5	2	7	0	14
Environmental Spec IV	3	3	4	0	10
Grants Administrator II	1	0	0	0	1
Project Coord	1	0	0	0	1
Regulations Spec II	1	0	0	0	1
Tech Eng II / Architect II	0	1	0	0	1
Totals	19	10	22	0	51