

State of Alaska FY2006 Governor's Operating Budget

Department of Environmental Conservation Water Results Delivery Unit Budget Summary

Water Results Delivery Unit

Contribution to Department's Mission

Protect water quality and assist communities in improving sanitation conditions.

Core Services

- Improve water quality conditions where they are below public health or environmental standards.
- Water quality permits to facilities and operations that release potentially harmful pollutants.
- Ensure facility compliance with permit conditions.
- Community assistance with the protection of water quality.
- User-friendly public access to water quality data.
- Grants, loans and engineering assistance for water, sewerage, and solid waste facilities.
- Training programs for and certification of water and sewerage system operators.
- Over-the-shoulder and emergency assistance to system operators in remote communities.

End Results	Strategies to Achieve Results
<p>A: Water quality is protected.</p> <p><u>Target #1:</u> No polluted waters. <u>Measure #1:</u> Number of polluted waters.</p>	<p>A1: Establish protective standards for water quality.</p> <p><u>Target #1:</u> Protective standards are established for Water Quality are complete by June 30, 2007. <u>Measure #1:</u> % of revisions to targeted standards for Water Quality are complete by June 30, 2007.</p> <p>A2: Improve information management system.</p> <p><u>Target #1:</u> ACWA database is completed by June 30, 2005. <u>Measure #1:</u> % complete by June 30, 2005.</p> <p>A3: Restore polluted waterbodies to their designated uses.</p> <p><u>Target #1:</u> Two waterbody recovery plans per year. <u>Measure #1:</u> Number of polluted waterbody recovery plans completed during the year.</p> <p><u>Target #2:</u> Ten active restoration projects per year. <u>Measure #2:</u> Number of active restoration projects during the year.</p> <p>A4: Issue discharge permits/authorizations.</p> <p><u>Target #1:</u> 100% of known dischargers have current permits/authorizations. <u>Measure #1:</u> % of known dischargers have current permits/authorizations.</p> <p>A5: Enforce compliance with permit/authorization conditions.</p>

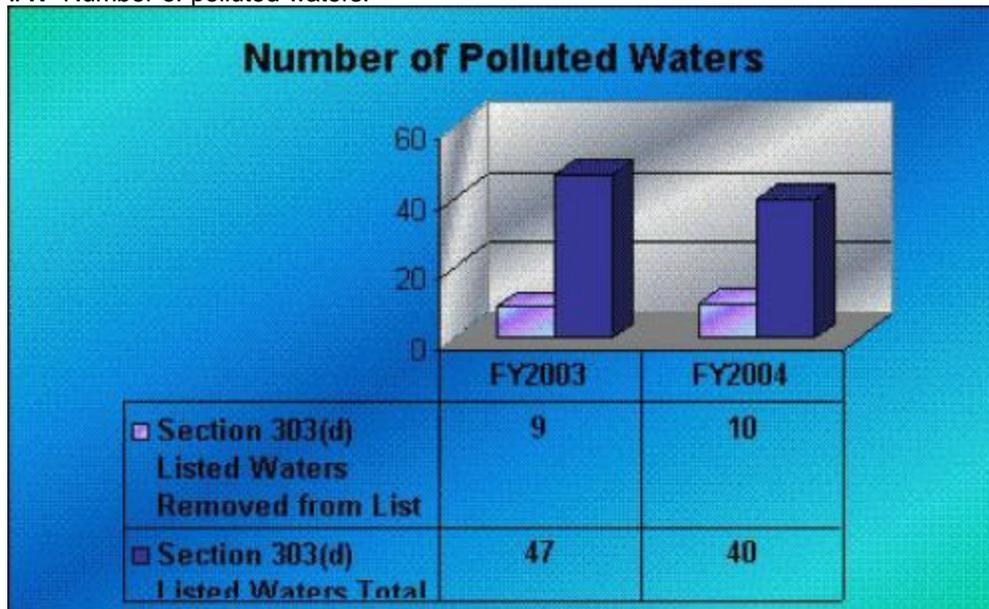
	<p>Target #1: Permit holders are compliant with permit/authorization terms and conditions. Measure #1: % of permit holders requiring enforcement actions.</p>
End Results	Strategies to Achieve Results
<p>B: Citizens are protected from unsafe sanitation facilities.</p> <p>Target #1: 100% of communities develop and maintain safe sanitary facilities. Measure #1: % of communities that develop and maintain safe sanitation facilities.</p>	<p>B1: Establish protective standards for facility construction.</p> <p>Target #1: Protective standards are established by the end of FY2007. Measure #1: % complete by the end of FY2007.</p>

FY2006 Resources Allocated to Achieve Results							
<p>FY2006 Results Delivery Unit Budget: \$15,344,100</p>	<p>Personnel:</p> <table border="0"> <tr> <td>Full time</td> <td style="text-align: right;">102</td> </tr> <tr> <td>Part time</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-top: 1px solid black;">102</td> </tr> </table>	Full time	102	Part time	0	Total	102
Full time	102						
Part time	0						
Total	102						

Performance Measure Detail

A: Result - Water quality is protected.

Target #1: No polluted waters.
Measure #1: Number of polluted waters.



Number of Polluted Waters

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2003	0	0	0	0	47
2004	0	0	0	0	40

Analysis of results and challenges: Water Quality Standards, found in 18 AAC, designate specific uses for which water quality must be protected (e.g., drinking water) and specifies the pollutant limits, or criteria necessary to protect designated uses. There are seven designated uses for freshwater and seven for marine waters. By default, waterbodies in Alaska are protected for all designated uses. The few waterbodies that have had some uses removed are listed in the water quality standards.

The Department of Environmental Conservation (DEC) uses Water Quality Standards as the criteria to determine if a waterbody is polluted. For example, if waterbody monitoring data consistently shows high concentrations of a substance that is not suitable for aquatic life then that waterbody is considered polluted (or impaired) for that designated use. Alaska formally reports the status and trends of its waters every two year in the Integrated Water Quality Monitoring and Assessment Report. The report is issued every two years and includes information on the general health of Alaska's waters, DEC water protection programs and a list of impaired waterbodies, and how the impairment is being addressed or proposed to be addressed. Waterbodies are placed in one of five categories based upon known information. The report meets Alaska's responsibilities under Section 303(d) of the Clean Water Act to identify polluted waters.

As of the end of FY2004, there are 41 waterbodies listed in Category 5 - Impaired and Requiring a Total Maximum Daily Load, which is essentially a waterbody corrective action plan. The waterbodies are scheduled for action over a seven year period. Further information may be found at http://www.state.ak.us/dec/water/wqsar/waterbody/waterbody_index.htm.

A1: Strategy - Establish protective standards for water quality.

Target #1: Protective standards for Water Quality are complete by June 30, 2007.

Measure #1: % of revisions to targeted standards for Water Quality are complete by June 30, 2007.



Percent of Revisions to Targeted Standards for Water Quality are Completed by June 30, 2007

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	2.2%	4.0%	6.2%	10.8%	
2005	18.8%	0	0	0	

Analysis of results and challenges: Every three years, the Department of Environmental Conservation (DEC) conducts a comprehensive review of the Water Quality Standards in 18 AAC 70. Water Quality Standards are used to determine wastewater permit discharge requirements and whether a marine or freshwater waterbody is suitable for designated uses. This Triennial Review is a federal Clean Water Act requirement that helps set pollution limits for Alaska's waters by integrating the most current science and technology. DEC focuses its efforts on updating or developing standards so that they are relevant to Alaska's conditions and needs. DEC will be taking action on the following standards during Triennial Review (percent of completion in parenthesis): Mixing Zone Regulations (85%), Residue Criteria and Zones of Deposit Regulations (70%), Petroleum Hydrocarbons Criteria (25%), Bacteria Criteria (65%), Natural Conditions Site Specific Criteria Guidance (90%), Groundwater Standards, Antidegradation Policy Implementation (2%), Dissolved Inorganic Substances Criteria and Arsenic Drinking Water Criteria.

The project is currently behind what was expected because the comment period has been extended. Timing will be re-evaluated at the end of the next quarter. Further information on the Triennial Review may be found at:

<http://www.state.ak.us/dec/water/wqsar/trireview/trireview.htm>.

A2: Strategy - Improve information management system.

Target #1: ACWA database is completed by June 30, 2005.

Measure #1: % complete by June 30, 2005.

**Percent ACWA Database is Complete by June 30, 2005**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	2.5%	5.0%	25.0%	40.0%	
2005	55.0%	0	0	0	

Analysis of results and challenges: The Department of Environmental Conservation along with the Departments of Fish and Game and Natural resources are responsible for implementing the Alaska Clean Waters Action (ACWA) policy. ACWA provides the framework to focus state and federal resources on the waters of greatest need, addressing issues of water quality, water quantity, and aquatic habitat. Background information on ACWA may be found online at

http://www.state.ak.us/dec/water/acwa/acwa_index.htm.

The ACWA agencies have developed a waterbody nomination and ranking process that prioritizes assessment, stewardship, and corrective action needs for waters at risk of pollution and polluted waters, according to established criteria. The ACWA Database is being developed to serve as a water information management system to track waterbody status, needs, and actions and facilitate the ranking process. Waterbody information will be available to help support environmental and natural resource decisions in Alaska.

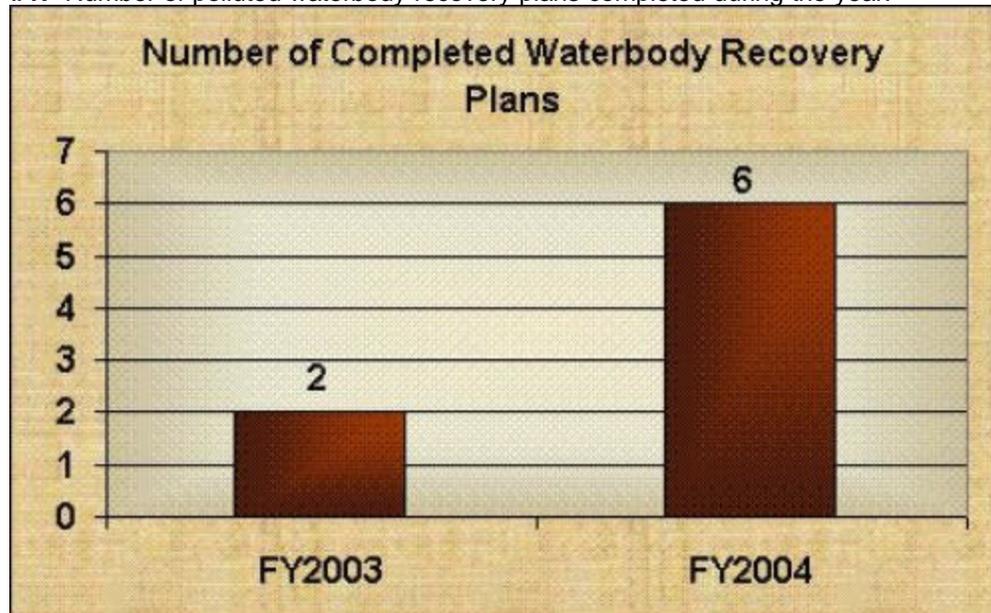
The ACWA database is being developed in four phases. Completion data represents work completed for database development and progress in gathering and evaluating data for the waterbodies. This includes percent of the water quality data collected, reviewed, and evaluated for 250 waterbodies.

The primary challenge has been locating, collecting, and evaluating historical waterbody data located in the various resource agency offices. The project is considered on track for completion by the end of FY2005.

A3: Strategy - Restore polluted waterbodies to their designated uses.

Target #1: Two waterbody recovery plans per year.

Measure #1: Number of polluted waterbody recovery plans completed during the year.



Number of Completed Waterbody Recovery Plans Completed During the Year

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2003	0	0	0	0	2
2004	0	0	0	0	6

Analysis of results and challenges: When waterbodies are determined to be impaired (when they exceed Water Quality Standards for a particular pollutant), they are added to the "303d" list of impaired waterbodies submitted to the Environmental Protection Agency (EPA) every two years. It is incumbent upon the State and EPA to work to restore waterbodies to an unpolluted state. Restoration is accomplished through the development and implementation of either a Total Maximum Daily Load (TMDL) document or a Waterbody Recovery Plan. While following different formats, both identify the source of the pollutant and the amount of pollutants that can be introduced to the waterbody while still allowing overall recovery to proceed. With this knowledge, parties who introduce pollutants are given an "allowance," or "total maximum daily load" for that pollutant, and/or prescriptive actions called Best Management Practices (BMPs) that they must follow, to stay within that allowance.

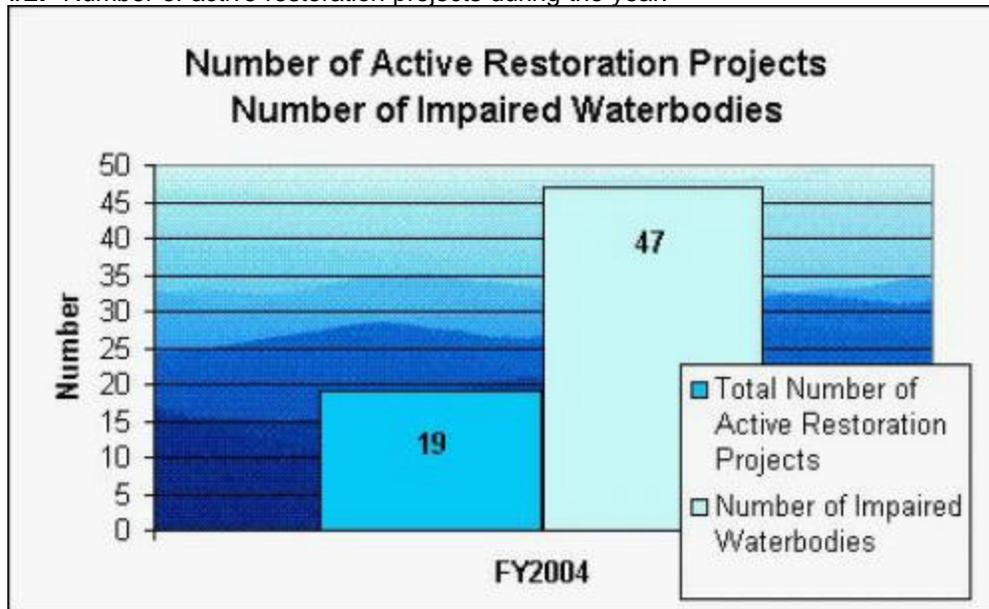
The first step toward the recovery of an impaired waterbody is the development of the TMDL or Waterbody

Recovery Plan. The EPA is required, by court order, to complete at least two of these documents in Alaska, each year. TMDLs and Waterbody Recovery Plans developed by DEC, either directly through staff work or indirectly through contract or grant efforts, are approved by EPA and can be applied to this legal requirement. EPA may also initiate work on TMDLs or Waterbody Recovery Plans directly, with their staff or contracted efforts.

DEC strongly supports the development and implementation of these plans and has committed to completing a minimum of two per year. In FY2003, two were completed; in FY2004, six were completed. Implementation is proceeding on all.

Target #2: Ten active restoration projects per year.

Measure #2: Number of active restoration projects during the year.



Number of Active Restoration Projects During the Year

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	0	0	0	0	19

Analysis of results and challenges: Polluted, or "impaired" waterbodies are identified in the biennial "Integrated Report" submitted by DEC to the Environmental Protection Agency EPA. The target for restoration of these waterbodies is at least 10 active restoration projects per year.

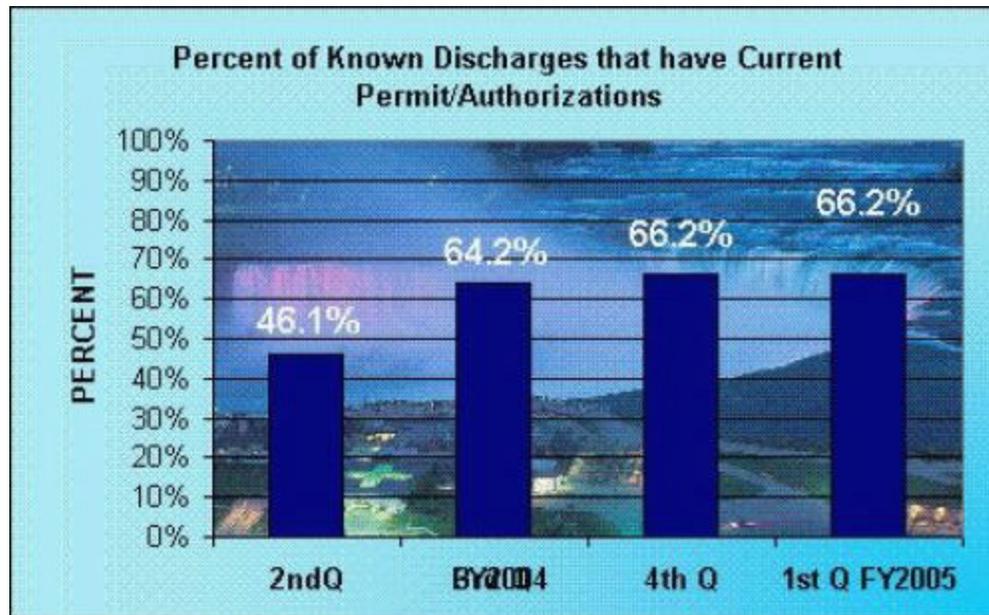
Restoration projects may be conducted by grantees who have received funds through the Alaska's Clean Water Actions (ACWA) grant program, by contractors, by other State agencies with funds received from ADEC through Reimbursable Services Agreements, or by DEC personnel.

This is a new measure. Reporting began during the 3rd quarter of FY2004. Data will be reported annually at the end of each fiscal year.

A4: Strategy - Issue discharge permits/authorizations.

Target #1: 100% of known dischargers have current permits/authorizations.

Measure #1: % of known dischargers have current permits/authorizations.



Percent of Known Discharges have Current Permits/Authorizations

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	46.0%	46.1%	64.2%	66.2%	
2005	66.2%	0	0	0	

Analysis of results and challenges: Two elements of the Non-Point Source Program, log transfer facilities and stormwater, and wastewater discharge facilities contribute data for this strategy.

Log Transfer Facilities

Log Transfer Facilities (LTFs) are issued either a State "authorization" for activity covered under a federal (EPA) General Permit, or a State Individual Permit (for which the applicant must also seek EPA permit coverage). At the end of the 1st quarter FY2005, there were 92 known dischargers (active LTFs, or LTFs desiring to remain actively permitted). Of that 92, 89 had been issued authorizations for the EPA General Permit or had been issued a State Individual Permit. Three applications were in the review process, and four applications were incomplete (awaiting submittal of requested information).

Stormwater

The Department is engaged in three types of stormwater permit activities: 1) authorizations of the EPA's Construction General Permit (CGP) covering erosion and sediment control during construction activities; 2) engineering plan reviews for new buildings to ensure that stormwater is adequately addressed in permanent facility plans; and 3) authorizations of the EPA's Multi-Sector General Permit (MSGP) addressing various industrial sectors and activities common to their business processes and practices to prevent polluted runoff.

Reporting on stormwater-related activities is a challenge in that we do not have perfect knowledge of the activities taking place within the state. Professional contractors are conscientious - submitting engineering plans, preparing stormwater pollution prevention plans, and complying with EPA permitting requirements. However, we do not know how many construction activities or businesses may be operating outside of the EPA's permitting scheme. At this time, compliance with EPA stormwater permitting remains an EPA responsibility. Assumption of primacy for stormwater permitting would allow greater application of State resources, resulting in more complete knowledge of activities that should be reviewed and permitted.

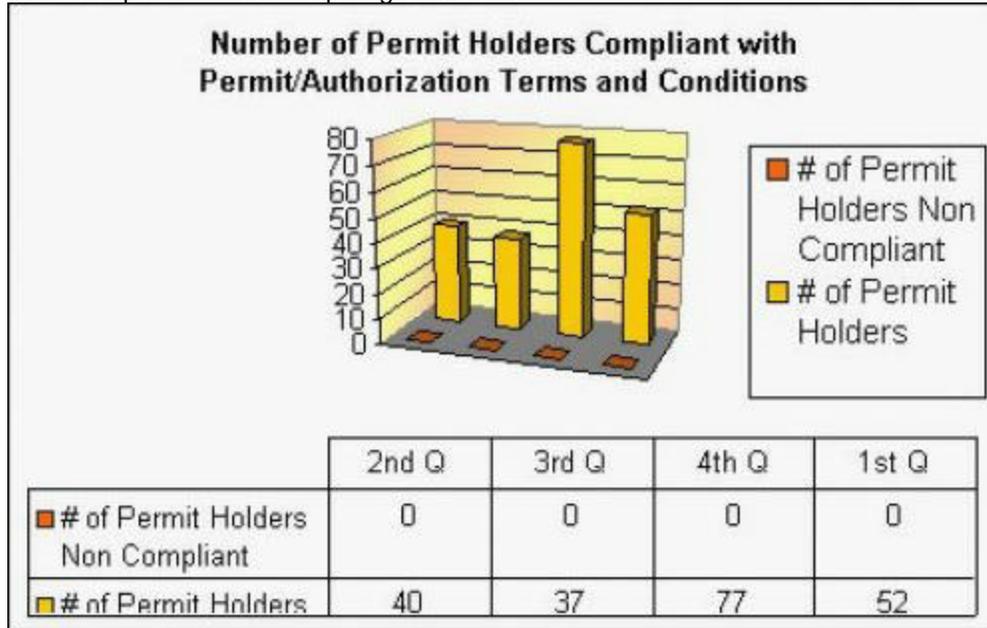
Wastewater Discharge Facilities

Wastewater dischargers required to have a permit fall into two general categories: domestic (municipal and private waste treatment plants) and industrial (including mining, oil & gas, seafood processing/hatcheries, utilities and transportation). EPA focuses its efforts primarily on "major" dischargers in Alaska (i.e., industrial or domestic facilities with greater than one million gals per day discharge), whereas minor dischargers receive less

attention. Beginning in 2001, the Department expanded state wastewater permitting (about 150 permits/year, on average) and worked with EPA to address the backlog of facilities that do not have current permits. At this time, about 62% of known wastewater dischargers have current permits, including the major dischargers. The remaining 38% are minor dischargers and many have permit applications in progress.

A5: Strategy - Enforce compliance with permit/authorization conditions.

Target #1: Permit holders are compliant with permit/authorization terms and conditions.
Measure #1: % of permit holders requiring enforcement actions.



Percent of Permit Holders Requiring Enforcement Actions

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

Analysis of results and challenges: Log Transfer Facilities:

The owners/operators of Log Transfer Facilities may be covered under an EPA General Permit or a State Individual Permit. EPA is the enforcing authority of the conditions of a General Permit. DEC is the enforcing authority for State Individual Permits. For Individual Permits, strict parameters addressing the amount of bark that may be deposited into the waters and onto the bottom of waterbodies is identified as well as methodologies for determining those amounts. Periodic reports on the actions owners/operators take to implement requirements must be submitted. If the reports are found to be lacking, enforcement action is taken.

B: Result - Citizens are protected from unsafe sanitation facilities.

Target #1: 100% of communities develop and maintain safe sanitary facilities.
Measure #1: % of communities that develop and maintain safe sanitation facilities.

Percent of Communities that Develop and Maintain Safe Sanitation Facilities

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
------	-----------	-----------	-----------	-----------	-----

Analysis of results and challenges: The Facilities Component of the Division of Water (including the VSW Program, the RMW Program, and the Operations Assistance Programs) is working collaboratively with the State Rural Utility Business Advisor (RUBU) Program and the Alaska Native Tribal Health Consortium (ANTHC) to develop a common set of definitions for this measure. ANTHC is a partner agency in the administration of

sanitation facility development and maintenance for rural Alaskan communities.

The following terms need to be consistently defined by both organizations in order for this measure to be applied throughout Alaska:

- "Communities" – The list of communities in Alaska to be included in this analysis.
- "Safe Sanitation Facilities" – This definition will include criteria relating to facility-related regulatory compliance, operability, and levels of service within different communities.
- "Maintained" – This definition will include criteria such as operations-related regulatory compliance, operator certification, and essential capacity indicators.

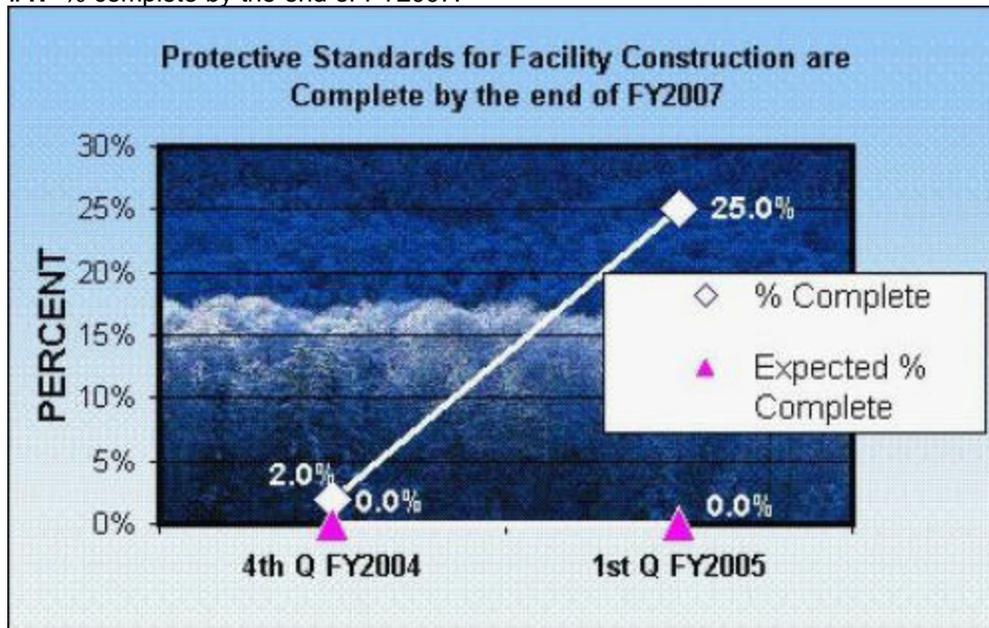
ANTHC has also adopted this measure as one of its primary performance indicators for the Division of Environmental Health and Engineering.

This is a new measure. Common, consistent definitions are to be developed during the final quarter of FY2004. Preliminary results should be available for analysis by the end of the second quarter of FY2005.

B1: Strategy - Establish protective standards for facility construction.

Target #1: Protective standards are established by the end of FY2007.

Measure #1: % complete by the end of FY2007.



Percent of Protective Standards Complete by the End of FY2007.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	0	0	0	2.0%	
2005	25.0%	0	0	0	

Analysis of results and challenges: The Facilities Component of the Division of Water has begun work on new standards, re-defining the Village Safe Water Act (Title 46, Chapter 7). In addition, progress milestones are being established in order to facilitate measurement for future reporting.

This is a new measure. The project was planned to start during the first quarter of FY2006 and is currently ahead of schedule.

Key RDU Challenges

Revision of the Village Safe Water program to reflect the administration's rural policies will be a priority.

Most sources of water pollution are effectively regulated and controlled through permits. The largest remaining source of water pollution is from non-point sources that are not controlled through permits. This offers the challenge of affecting positive human behavior changes through education, land use controls, and best management practices so that water quality is maintained.

The department is continuing the 'Raindrops to Ocean' review of its water quality programs for the purpose of establishing rational and seamless protective measures for all of Alaska's surface and groundwater. The review critically assesses the structure of DEC water programs and the use of permitting, field inspections, and best management practices to assure that pollution risks are appropriately and efficiently mitigated from the time a raindrop falls upon the ground, moves from surface runoff into a stream, and until that raindrop is finally transported to the coast and the ocean.

Early results of this review include consideration of state assumption of a federal wastewater discharges permitting program, National Pollutant Discharge Elimination System (NPDES).

The department is updating its regulations to provide integrated permitting of large projects, such as hard rock mining, that require multiple reviews and approvals from DEC. The project will build a coherent set of regulations establishing the procedures and requirements for large projects to create a rational regulatory scheme.

Scientific review and adoption of new or revised water quality standards will continue through FY2006 to ensure they remain protective of the many uses of Alaska Waters.

Significant Changes in Results to be Delivered in FY2006

None.

Major RDU Accomplishments in 2004

WASTE WATER PROGRAM

- Issued 174 individual or general wastewater discharge permits and general permit authorizations and inspected 84 facilities with compliance sampling conducted at 37 (44%) facilities.
- Developed two new general permits as streamlined, up-to-date permitting tools for the numerous small domestic wastewater discharges to marine and freshwater across Alaska.
- Improved field and compliance/technical assistance to permittees, trained staff on permitting and enforcement skills and specialized environmental sciences.
- Registered 49 commercial passenger vessels for operation in Alaska's waters and inspected 24 vessels in 2004.
- Maintained an internet-based clearinghouse for annual cruise ship registration materials and forms, program guidance, reports, law and regulations.
- Through monitoring and enforcement of cruise ship air opacity, reduced the number of industry violations from eleven in 2001 to only two potential violations pending for the 2004 cruise season.

NON POINT SOURCE PROGRAM

- Issued 122 approvals for stormwater pollution prevention plans ensuring protection of surface water bodies during facility construction and operation; reviewed 68 facility engineering plans for compliance with stormwater requirements; Issued 111 water quality certifications of U.S. Army Corps of Engineers permits for dredge and fill projects.
- Issued 1 individual log transfer facility wastewater discharge permit and 15 Log Transfer Facility general permit authorizations.
- Completed TMDLs (Total Maximum Daily Load plans; aka waterbody recovery plan) for Ship, Little Rabbit, Little Survival, Little Campbell, Furrow, and Fish Creeks in Anchorage.
- Implemented two approved TMDLs near Sitka, funded through a state issued grant.

WATER QUALITY ASSESMENT AND MONITORING PROGRAM

- Developed online payment system to interface with web-based permitting.
- Prepared the 2004 biennial statewide assessment of water quality conditions.

VILLAGE SAFE WATER PROGRAM

- Secured 60.7 million in federal Environmental Protection Agency and US Department of Agriculture-Rural Development grant funding for the program.

Awarded 87.0 million in grants for 72 water, wastewater and solid waste projects.

Contact Information
<p>Contact: Dan Easton, Director Phone: (907) 465-5135 Fax: (907) 465-5177 E-mail: Dan_Easton@dec.state.sk.us</p>

**Water
RDU Financial Summary by Component**

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
<u>Formula Expenditures</u>												
None.												
<u>Non-Formula Expenditures</u>												
Water Quality	0.0	0.0	0.0	0.0	3,700.1	4,598.0	968.9	9,267.0	3,779.7	4,676.5	979.4	9,435.6
Facility Construction	928.3	1,383.6	2,840.3	5,152.2	927.4	1,635.8	3,312.0	5,875.2	934.7	1,638.2	3,335.6	5,908.5
Totals	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

Water
Summary of RDU Budget Changes by Component
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>
FY2005 Management Plan	4,627.5	6,233.8	4,280.9	15,142.2
Adjustments which will continue current level of service:				
-Water Quality	95.8	78.5	10.5	184.8
-Facility Construction	7.3	2.4	23.6	33.3
Proposed budget decreases:				
-Water Quality	-16.2	0.0	0.0	-16.2
FY2006 Governor	4,714.4	6,314.7	4,315.0	15,344.1