



Division of Water

House Finance

Sub-Committee Overview

Michelle Bonnet Hale, Director

February 14, 2013



Water's Mission

Protect water quality and assist communities in improving sanitation conditions.



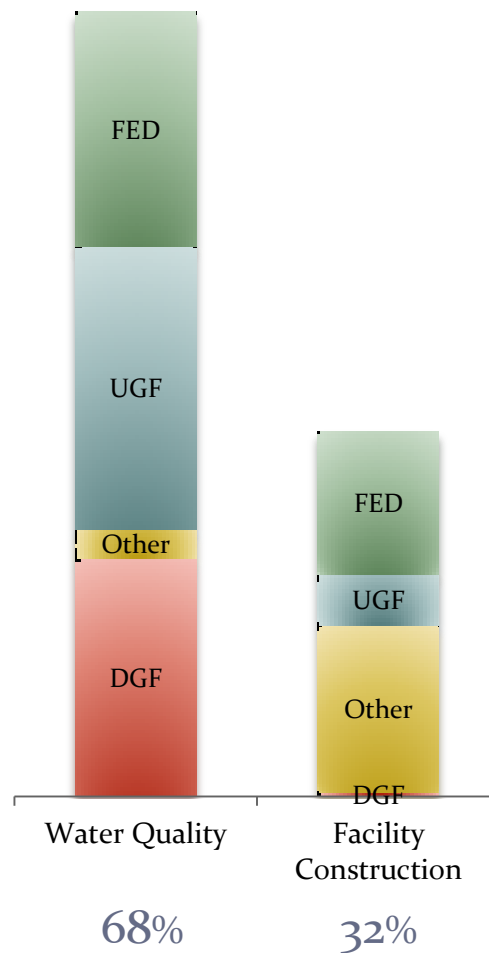
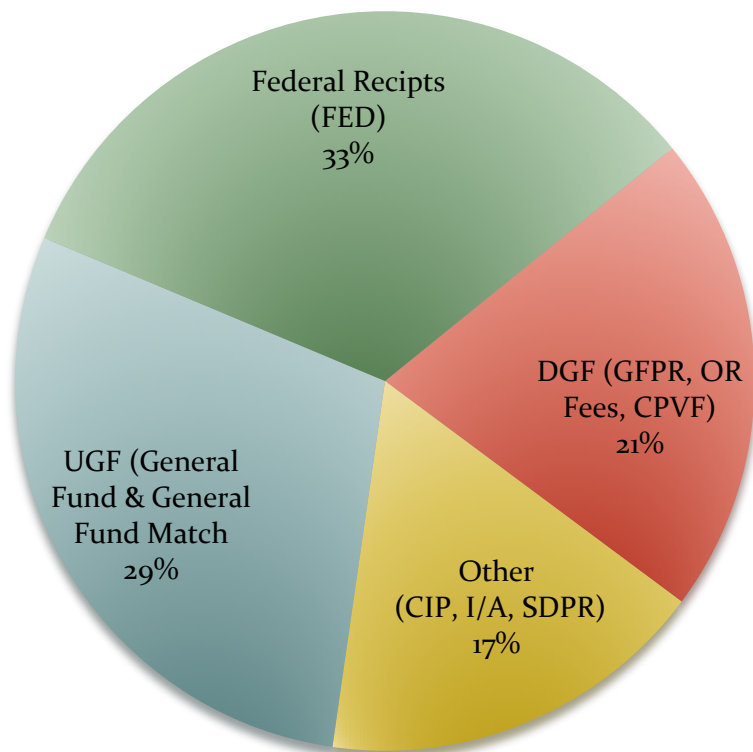


Responsibilities & Functions

- Oversees all water quality issues in the state, except:
 - Regulation of public drinking water systems (DEC Division of Environmental Health)
 - Water quantity, including water rights and in-stream flow reservations (DNR Division of Mining, Land and Water)
- Municipal Matching Grants & Loans
- Village Safe Water
- Operations Assistance



FY2014 Operating Budget By Fund Source

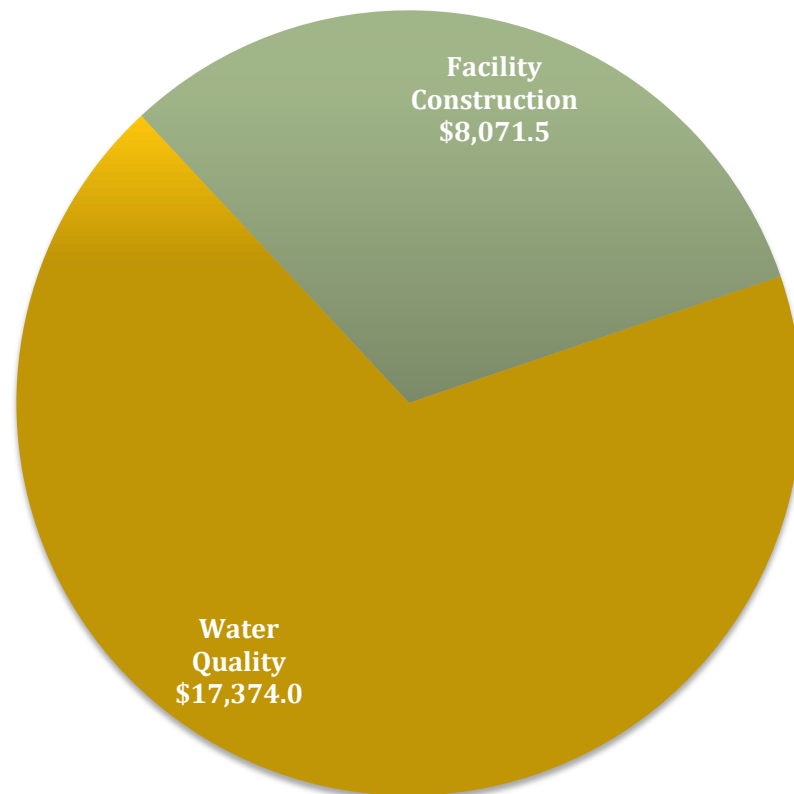




FY2014 Operating Budget Request

Operating Request: \$25,445.5

- Unrestricted GF \$7,392.2
- Designated GF \$5,346.2
- Other State Funds \$4,349.8
- Federal Receipts \$8,357.3



FY2014 Governor's Operating Budget Request
(All Funds)



Water Quality

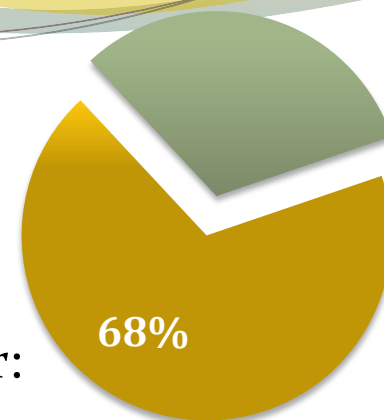
Responsibilities:

- Water Quality Standards, Assessment, & Restoration
- Wastewater Discharge Permitting
- Cruise Ship Program
- Compliance

Core Services:

- Set protective standards
- Improve water quality conditions
- Issue wastewater discharge permits
- Ensure compliance
- Community assistance with water quality protection

Program Manager:
Sharon Morgan



Challenges:

- Continuing to build Alaska Pollutant Discharge Elimination System program

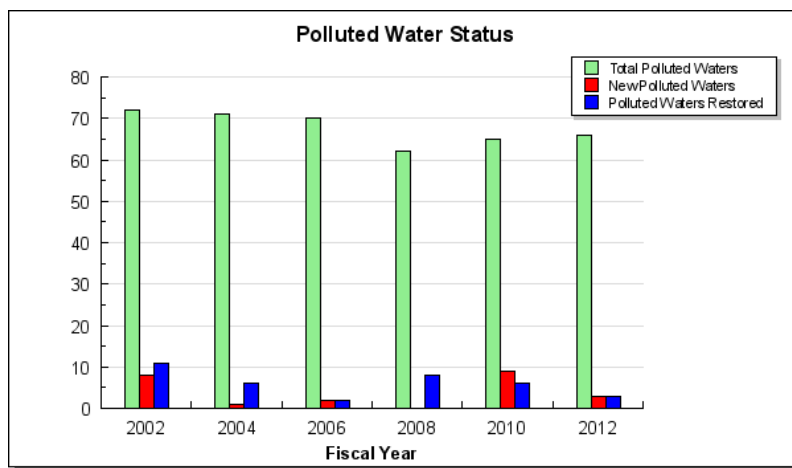


Water Quality Accomplishments

- Assumed primacy over the Alaska Pollutant Discharge Elimination System (APDES) from the Environmental Protection Agency.
- Issued wastewater discharge permits.
- Ocean Rangers present on over 70% of voyages while a ship was in Alaska waters.
- Conducted 149 compliance inspections at permitted facilities.

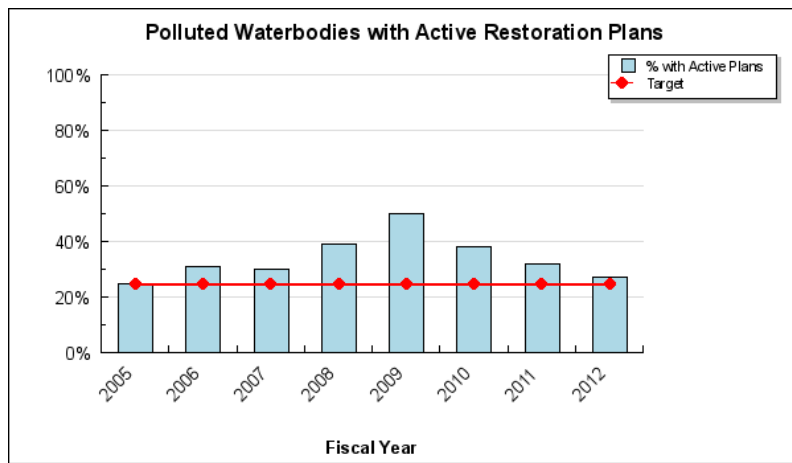


Water Quality Performance Measures



More waters have been restored than have become polluted since FY2002.

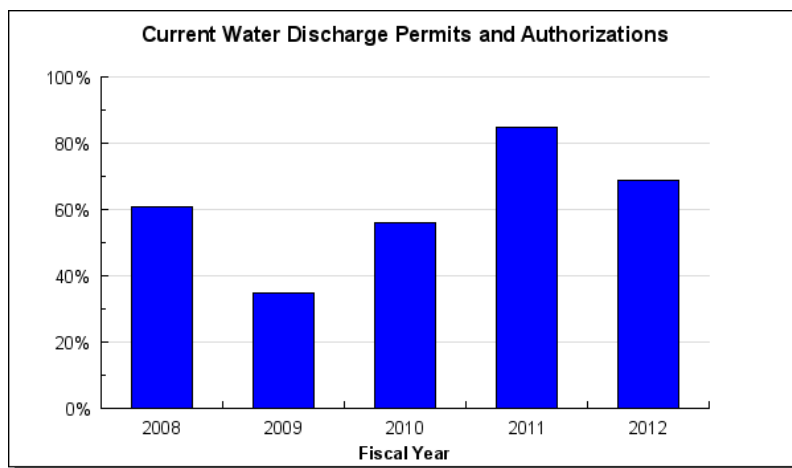
Controlling pollutants to prevent polluted waters is key.



The number of ongoing restoration projects has started to decline due to a decrease in federal funding.

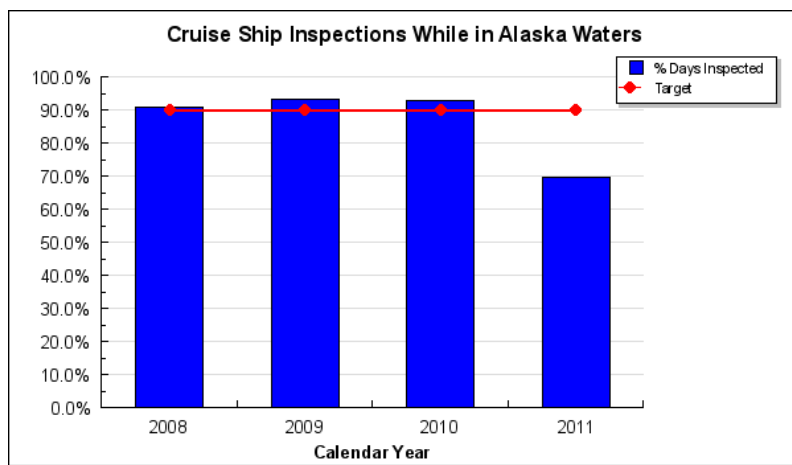


Water Quality Performance Measures



The Department inherited a backlog of permits when it assumed APDES primacy from the EPA.

The goal is 100% current permits. When that goal is not reached, administrative extension provides coverage.



In 2011, Ocean Rangers were on board 70% of large cruise ship voyages.

Note calendar year vs. fiscal year.

Ocean ranger funding is provided by the Ocean Ranger fee, set at \$4 per passenger.



Water Quality Budget

2013 Legislature - Operating Budget
Allocation Totals - Governor Structure

(Subcommittee Book p. 44-45)

Numbers and Language

Agency: Department of Environmental Conservation

Appropriation: Water
Allocation: Water Quality

	[1] 12Actual	[2] 13 CC	[3] 13 Auth	[4] 13MgtPln	[5] Adj Base	[6] Gov	[6] - [1] 12Actual to Gov	[6] - [4] 13MgtPln to Gov	[6] - [5] Adj Base to Gov
Total	14,428.5	16,816.3	16,816.3	16,816.3	16,817.0	17,374.0	2,945.5 20.4 %	557.7 3.3 %	557.0 3.3 %
<u>Objects of Expenditure</u>									
Personal Services	9,056.1	9,050.2	9,050.2	9,275.2	9,275.9	9,400.9	344.8 3.8 %	125.7 1.4 %	125.0 1.3 %
Travel	324.7	366.5	366.5	391.5	391.5	411.5	86.8 26.7 %	20.0 5.1 %	20.0 5.1 %
Services	4,474.8	6,367.7	6,367.7	6,117.7	6,117.7	6,522.2	2,047.4 45.8 %	404.5 6.6 %	404.5 6.6 %
Commodities	148.5	373.7	373.7	373.7	373.7	381.2	232.7 156.7 %	7.5 2.0 %	7.5 2.0 %
Capital Outlay	43.4	16.8	16.8	16.8	16.8	16.8	-26.6 -61.3 %	0.0	0.0
Grants, Benefits	381.0	641.4	641.4	641.4	641.4	641.4	260.4 68.3 %	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Funding Sources</u>									
1002 Fed Rpts (Fed)	3,891.4	5,204.5	5,204.5	5,204.5	5,204.5	5,204.5	1,313.1 33.7 %	0.0	0.0
1003 G/F Match (UGF)	474.3	491.7	491.7	491.7	491.7	491.7	17.4 3.7 %	0.0	0.0
1004 Gen Fund (UGF)	4,699.5	5,225.8	5,225.8	5,225.8	5,226.5	5,769.5	1,070.0 22.8 %	543.7 10.4 %	543.0 10.4 %
1006 GF/Prgrn (DGF)	1,012.2	1,110.4	1,110.4	1,110.4	1,110.4	1,124.4	112.2 11.1 %	14.0 1.3 %	14.0 1.3 %
1007 I/A Rpts (Other)	507.0	616.0	616.0	616.0	616.0	616.0	109.0 21.5 %	0.0	0.0
1081 CIP Rpts (Other)	180.1	0.0	0.0	0.0	0.0	0.0	-180.1 -100.0 %	0.0	0.0
1108 Stat Desig (Other)	0.0	30.0	30.0	30.0	30.0	30.0	30.0 >999 %	0.0	0.0
1186 Vessel Com (DGF)	633.3	730.1	730.1	730.1	730.1	730.1	96.8 15.3 %	0.0	0.0
1206 Ocn Ranger (DGF)	3,030.7	3,407.8	3,407.8	3,407.8	3,407.8	3,407.8	377.1 12.4 %	0.0	0.0
<u>Positions</u>									
Perm Full Time	85	85	85	88	88	89	4 4.7 %	1 1.1 %	1 1.1 %
Perm Part Time	0	0	0	0	0	0	0	0	0
Temporary	1	1	1	2	2	2	1 100.0 %	0	0



Water Quality Budget

(Subcommittee Book p. 44-45)

Budget Changes:

- **Permitting for Oil and Gas Development** **\$557.0 UGF**
 - Assumed primacy for final phase of Alaska Pollutant Discharge Elimination System (APDES) primacy on October 31, 2012.
 - Oil and gas
 - Cooling water intake structures
 - Munitions
 - Other previously unregulated discharges (e.g. pesticides)
 - Oil and gas exploration continues to grow rapidly = new permits.
 - Legal challenges to resource permits are routine.
 - Inherited backlog of permits from the EPA.



Facility Construction

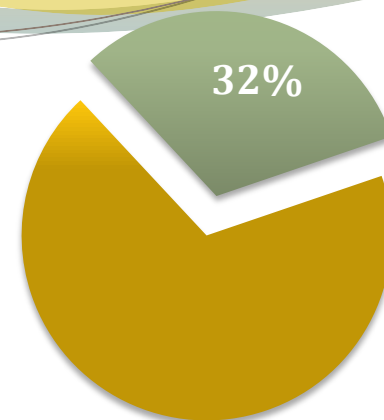
Responsibilities:

- Municipal Grants & Loans
- Village Safe Water
- Operations Assistance

Core Services:

- Grants, loans, and engineering assistance
- Operator training and certification
- “Over the shoulder” and emergency assistance

Program Manager:
Bill Griffith



Challenges:

- Declining Federal funding for Village Safe Water projects
- Aging infrastructure in need of upgrades and replacement
- Increasing costs to communities of operating existing facilities

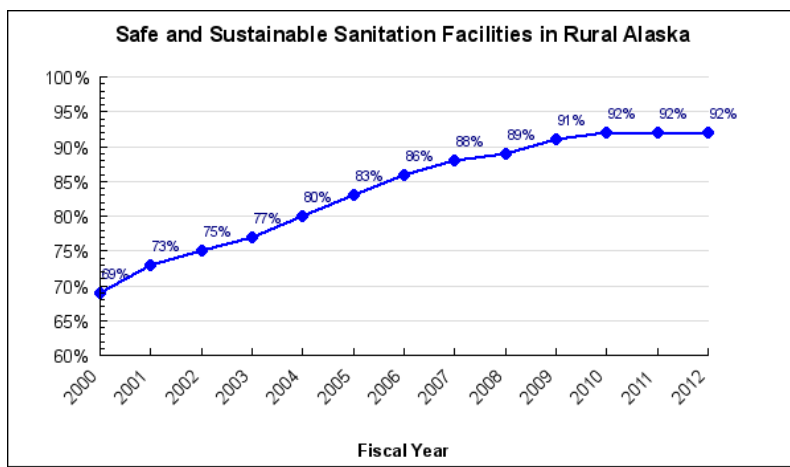


Facility Construction Accomplishments

- Provided financial and engineering assistance through the Municipal Grants & Loan and Village Safe Water programs.
- 81% of drinking water systems have operators certified at the appropriate level.
- Assisted 188 communities with over-the-shoulder assistance and on-site on-the-job training.



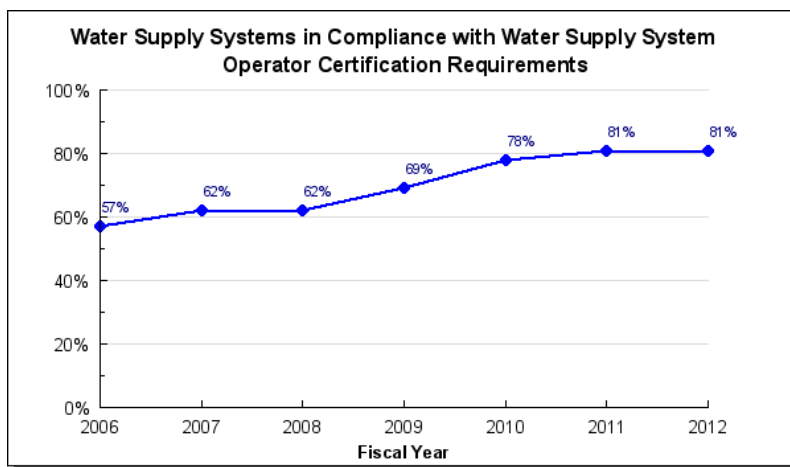
Facility Construction Performance Measures



While 92% of rural Alaska homes are served by safe, sustainable sanitation facilities, only 75% of non-hub communities are served.

Hurdles to providing service to remaining homes include:

- More challenging communities
- Declining funding
- Increasing capital and operating costs



The Operator Certification program offers free contracted training and expense reimbursement for water supply system operators.



Facility Construction Budget

(Subcommittee Book p. 46-47)

2013 Legislature - Operating Budget
Allocation Totals - Governor Structure

Numbers and Language

Agency: Department of Environmental Conservation

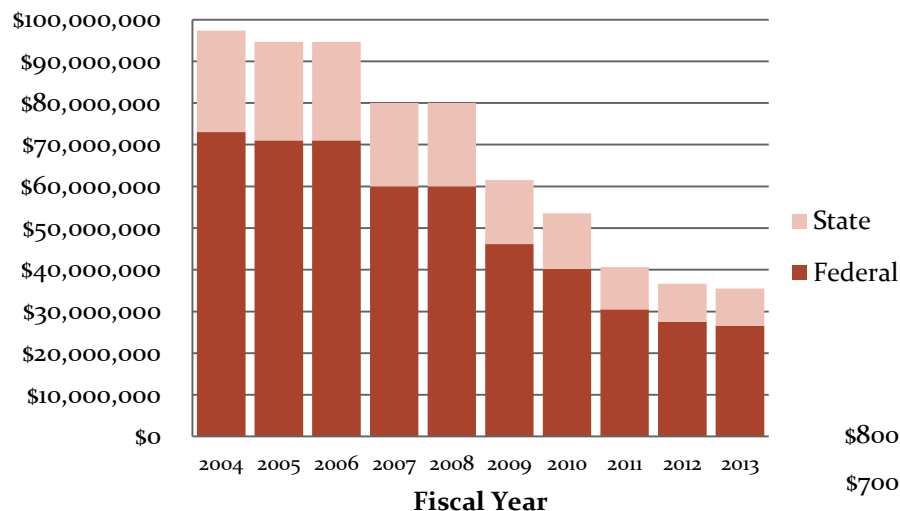
Appropriation: Water
Allocation: Facility Construction

	[1] 12Actual	[2] 13 CC	[3] 13 Auth	[4] 13MgtPln	[5] Adj Base	[6] Gov	[6] - [1] 12Actual to Gov	[6] - [4] 13MgtPln to Gov	[6] - [5] Adj Base to Gov
Total	7,065.9	8,063.2	8,063.2	8,063.2	8,071.5	8,071.5	1,005.6 14.2 %	8.3 0.1 %	0.0
<u>Objects of Expenditure</u>									
Personal Services	4,317.3	4,550.8	4,550.8	4,550.8	4,559.1	4,559.1	241.8 5.6 %	8.3 0.2 %	0.0
Travel	178.3	206.6	206.6	206.6	206.6	206.6	28.3 15.9 %	0.0	0.0
Services	530.7	1,236.7	1,236.7	1,236.7	1,236.7	1,236.7	706.0 133.0 %	0.0	0.0
Commodities	54.3	96.1	96.1	96.1	96.1	96.1	41.8 77.0 %	0.0	0.0
Capital Outlay	35.3	30.0	30.0	30.0	30.0	30.0	-5.3 -15.0 %	0.0	0.0
Grants, Benefits	1,950.0	1,943.0	1,943.0	1,943.0	1,943.0	1,943.0	-7.0 -0.4 %	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Funding Sources</u>									
1002 Fed Rcpts (Fed)	2,843.4	3,149.4	3,149.4	3,149.4	3,152.8	3,152.8	309.4 10.9 %	3.4 0.1 %	0.0
1003 G/F Match (UGF)	775.2	777.2	777.2	777.2	778.3	778.3	3.1 0.4 %	1.1 0.1 %	0.0
1004 Gen Fund (UGF)	323.3	351.3	351.3	351.3	352.7	352.7	29.4 9.1 %	1.4 0.4 %	0.0
1005 GF/Prgm (DGF)	75.1	83.9	83.9	83.9	83.9	83.9	8.8 11.7 %	0.0	0.0
1007 I/A Rcpts (Other)	35.4	0.0	0.0	0.0	0.0	0.0	-35.4 -100.0 %	0.0	0.0
1061 CIP Rcpts (Other)	3,013.5	3,701.4	3,701.4	3,701.4	3,703.8	3,703.8	690.3 22.9 %	2.4 0.1 %	0.0
<u>Positions</u>									
Perm Full Time	41	41	41	41	41	41	0	0	0
Perm Part Time	0	0	0	0	0	0	0	0	0
Temporary	3	3	3	3	3	3	0	0	0



Rural Alaska Water & Sewer

State & Federal Rural Sanitation Funding Levels

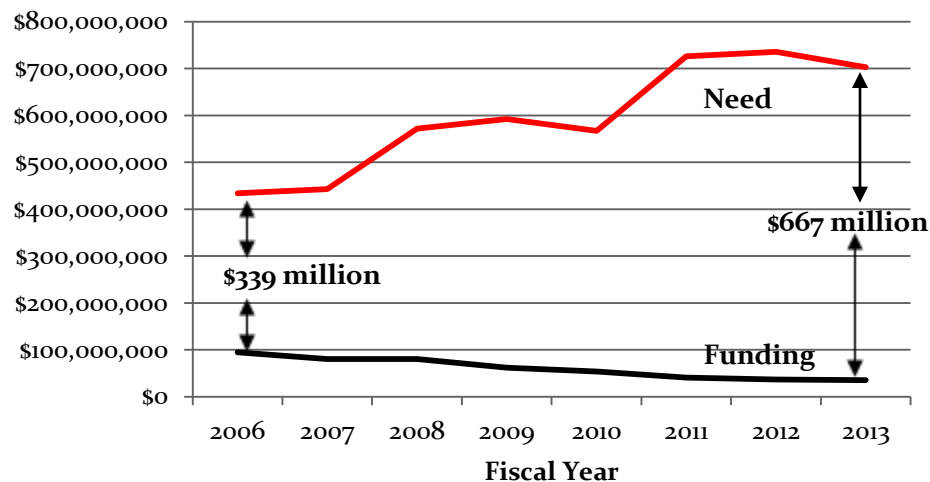


Funding for Village Safe Water projects has declined by over \$61 Million, or 64% between 2004 and 2013.

The graph on the right includes two types of needs:

1. First time service for homes without piped or covered haul.
2. Upgrades or replacement to address significant health threats.

Rural Sanitation Total Funding vs. Need





Village Safe Water: Challenges

- \$667 Million = Current Cost of unfunded first-time service and significant health related water and sewer needs in rural Alaska.
- State/Federal funding insufficient to construct new systems or ensure continued functioning of aging systems.
- Many systems were built 20-30 years ago and have reached or are nearing the end of their design life.



Village Safe Water: New Approaches

- New Technologies
 - Innovations which cut capital and operating costs.
 - Strong private sector involvement.
 - Multi-Phased Approach, including:
 - Selection of joint ventures;
 - Proposal development;
 - Prototype development;
 - Product testing and refinement.
- Infrastructure Protection (Band-Aid) Projects
 - Repairs and enhancements to prolong useable life of select systems.
 - Small, relatively inexpensive projects.



Division 10-Year Plan Highlights

- Operating Budget
 - Oil and gas permitting under the Alaska Pollutant Discharge Elimination System.
 - Permit and inspect facilities associated with AGIA starting in FY2015.
- Capital Budget
 - Maintain the Village Safe Water program by replacing declining federal funding with general funds beginning in FY2015.
 - Infrastructure protection projects and new technology approaches for rural Alaskan communities.



Questions?

