



THE STATE
of ALASKA
GOVERNOR SEAN PARNELL

Department of Environmental
Conservation

DIVISION OF ADMINISTRATIVE SERVICES

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The Honorable Cathy Muñoz
Chair, House Finance Subcommittee
State Capitol Room 421
Juneau AK, 99801

Dear Representative Muñoz:

Thank you for the opportunity to provide you with a brief overview of the Divisions of Water and Air Quality's FY2014 budget requests on February 14th. During our meeting some questions arose that required additional information. I have responded to those questions below. If you would like additional information, or have additional questions, I am happy to assist.

What is the \$342.8 change from FY2012 Actuals to the FY2014 Governor's request in the Personal Services line in the Air Quality allocation? (Representative Seaton)

The \$342.8 change from the FY2012 Actual to the FY2014 Governor's request is the sum of \$123.8 lapsed FY2012 spending authority (the difference between Actual spending of \$5,979.6 and the Authorized budget of \$6,103.4) and \$219.0 in salary/health increases in FY2013.

Regarding the lapsed FY2012 spending authority: the Division of Air Quality budgets positions and personal service costs based on anticipated permits, federal grants, and estimated vacancies. When these scenarios differ from projections, the Division may not collect and expend its entire budget authority. This lapse was not Undesignated General Funds, but rather represents uncollected General Fund Program Receipts (DGF) and Clean Air Protection Fund receipts (Other Funds).

What is the \$0.7 increase in personal services from the FY2013 Management Plan to the FY2014 Governor's request in the Air Quality Director allocation? (Representative Seaton)

This increase in personal services contained in the FY14 Governor's budget is for the health insurance rate increase (\$708 per year) for the non-covered position within the component, as is done annually with positions covered by bargaining agreements.

How many air permits are issued each year? How many are construction permits? How many operating permits? (Representative Higgins)

The actual number of permits issued each year by the Division of Air Quality varies based on project development and needs within the industrial community. Each year, the Division typically issues:

- 30 to 50 construction permits (4 major permits and the rest minor permits)
- 15 to 30 general permits (about 10 drilling permits, remainder are asphalt plants & rock crushers)
- 30 to 60 operating permits, renewals, and revisions
- 25 permit avoidance limits

- 25 open burning authorizations

What is the Department doing regarding Fairbanks air quality? (Representative Kawasaki)

Please see the attached Overview of Fairbanks Fine Particulate Matter Non-Attainment Area prepared by Alice Edwards.

What happens to air quality permits after 130 days? (Representative Muñoz)

The 130 day deadline used in the Division's performance measures is a target, which is meant to help encourage efficient and timely construction permit issuance. Missing the 130 day deadline does not trigger any specific action. Air Permit Program managers assign work to process permits as quickly as possible. Permit applications that exceed 130 days continue to be processed as quickly as possible. Staff communicates with permit applicants on the status and timing of air permit projects. In general terms, it is quite difficult for the Division to meet the 130 day target for processing major construction permits. These complex major permits generally take 9 to 12 months to process. The Division is more successful in achieving this target when issuing minor permits.

The Division tracks and reports the number of permits meeting or exceeding the 130 day goal as part of our performance measures. Currently the Division has a total of twelve complete construction permit applications in process. Four of these permit projects are beyond the 130 day goal (one major permit and three minor permits) and eight are still within the 130 day goal (one major permit and seven minor permits). The three minor permits that have exceeded 130 days to process were delayed due to efforts to resolve issues regarding interpretations of EPA permit policy. These issues have been addressed and the permits are moving forward.

What is included in the "unknown status" category in the Division of Air Quality's Permit Compliance Performance Measure? (Representative Kawasaki)

"Unknown Status" includes all major sources which have not been evaluated for compliance in the past two years and all minor sources that have not been evaluated in the past five years. Most of the sources with "unknown" compliance continue to be minor sources, which were not included in regular inspection schedules until after FY2008. Until an initial inspection is completed, a source has an "unknown" compliance status. The program increased the number of compliance evaluations and decreased the number of "unknown" compliance statuses during FY2012. The Division of Air Quality expects to complete the initial round of compliance inspections for the minor sources by 2016. As expected, the number of sources found "out of compliance" initially increased, but in FY2012 began to decrease as cases are resolved and sources better understand their compliance obligations.

Can the Department provide the models that were used for the cruise ship general permit? Does the Department have modeling that shows whether multiple vessels discharging will result in water quality criteria being exceeded? (Representative Seaton & Kawasaki)

The Division of Water will respond separately to the subcommittee on these inquiries.

What is the distinction between primary, secondary, and tertiary wastewater treatment? (Rep Muñoz)

The level of treatment (i.e., primary, secondary or tertiary) attained by a wastewater treatment plant is based on its performance and not the plant's physical components or process; however, the information below describes typical treatment processes used to achieve increasing levels of treatment.

Primary Treatment

This is the lowest level of treatment allowed by regulation, and only municipalities that have a 301(h) variance (also commonly known as a "waiver") or other exemption from treating to secondary standards are permitted to treat to this level prior to discharge. Communities in Alaska that have an approved 301(h) variance are: Anchorage, Sitka, Ketchikan, Haines, Pelican, Petersburg, Skagway and Wrangell. Primary treatment is defined as achievement of at least 30% removal of biological oxygen demanding (BOD) and total suspended solids (TSS). Wastewater treatment processes typically used to achieve primary treatment are settling, skimming, and screening to remove solids, floating materials, and pathogens.

Secondary Treatment

Federal regulations (40 CFR 133) adopted in state APDES regulations (18 AAC 83) define secondary treatment as achievement of at least 85% removal of BOD and TSS and a pH in the range of 6.0 - 9.0. Wastewater treatment processes typically used to achieve secondary treatment are those primary processes discussed above followed a biological process to reduce matter in the effluent.

Tertiary Treatment

Tertiary treatment is typically a final treatment process used to "polish" the effluent, considered "tertiary" because it is a treatment process added following the secondary treatment process. Tertiary treatment processes are not widely used by municipalities in Alaska with the exception of employing some form of disinfection (i.e., chlorination or ultraviolet radiation used to kill pathogens such as fecal coliform bacteria). Tertiary treatment is widely used in the lower 48 to reduce nutrient loading to receiving waters that are at risk of impairment due to already high nutrient loads from agricultural and urban runoff.

Sincerely,



Tom Cherian
Director, Division of Administrative Services

Enclosure: Overview of Fairbanks Fine Particulate Matter Non-Attainment Area by Alice Edwards

Cc: Representatives Austerman and Stoltze, Co-Chairs, House Finance Committee
David Teal & Danith Watts, Legislative Finance Division
Christopher Clark, Staff to Representative Muñoz