



THE STATE  
of **ALASKA**  
GOVERNOR SEAN PARNELL

Department of Environmental  
Conservation

DIVISION OF ADMINISTRATIVE SERVICES

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February 6, 2013

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 Department of Environmental Conservation's FY2014 budget request on February 5<sup>th</sup>. 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 does "new technology" for VSW mean exactly? Might it including composting technologies? (Representative Seaton)***

"New technologies" refers to innovative decentralized household-based systems, as opposed to centralized community-based systems. The target is to ensure that residents are using an adequate amount of water to meet health standards and have a hygienic means of sewage disposal – all at an affordable cost. If a joint venture proposes a composting toilet as a component of a complete household based system, then it may be considered. All proposed systems will need to meet specific performance criteria, including the ability to be shut down during periods in the winter.

***How many new positions have been added for assuming APDES primacy? (Representative Tarr)***

Since the program's inception in FY2002, 17 positions have been created to support the APDES primacy program. One additional position has been requested in the FY2014 Governor's Budget request, for a total of 18 positions.

***How many will be required for 404 permitting if primacy is assumed? (Representative Tarr)***

House Bill 78 directs the Departments of Environmental Conservation and Natural Resources to evaluate costs of assuming primacy for 404 permitting. The total number of positions will not be known until that analysis is completed.

***Of the \$34 million requested for Municipal Matching Grants, how much of that will increase the discharge standards of municipalities? (Representative Tarr)***

The following projects in the Governor's Capital Budget request will result in improvements to the quality of wastewater discharge:

Unalaska - Wastewater Treatment Plant Upgrade for \$3,000,000

Valdez - Wastewater Treatment Plant Outfall Line for \$1,839,000

Dillingham - Wastewater Treatment Plant Upgrades for \$3,000,000.

The total of these projects is \$7,839,000.

***Do the Ocean Ranger fees charged to cruise companies cover the costs of the program? Are there excess receipts? (Representative Pruitt)***

The Department is gathering this information and will provide it to the committee.

***How many Ocean Rangers are there? (Representative Pruitt)***

There were 21 Ocean Rangers in 2012. Of those, seven were Alaskans. Ocean Rangers have not yet been hired for the 2013 season, but the Department anticipates approximately the same number.

***Did the sunset of the Alaska Coastal Management Program have a budget impact on the Department? (Representative Kawasaki)***

The Department had one position partially funded by a \$29.7 reimbursable services agreement with the Department of Natural Resources. The Department of Environmental Conservation offset the loss with other funding sources.

***How many State of Alaska retirees have been rehired in the Department? (Representative Seaton)***

The Department is gathering this information and will provide it to the committee.

***How many reclassifications in the Department in the past year? What's the budget impact of those reclassifications? (Representative Seaton)***

The Department is gathering this information and will provide it to the committee.

***Please provide a breakdown of all 80 positions added to the Department since FY2006. (Representatives Muñoz & Higgins)***

The Department is gathering this information and will provide it to the committee.

***What are the 11 new positions the Department has added between the FY2013 Authorized Budget and the FY2014 Governor's request? (Representative Pruitt)***

- FY2013 Management Plan
  - +2 for Human Resources reintegration
  - +2 for Air Quality (replaced 2 long-term non-permanent)
  - +3 for Laboratory Services (replaced 3 long-term non-permanent)
  - +2 for APDES: Oil and Gas Permitting
  - +1 for APDES: Stormwater Permitting
- FY2014 Governor's Request
  - +1 for APDES: Oil and Gas Permitting

***Are there an increasing number of illnesses reported as a result of the air quality problems in Fairbanks? (Representative Wilson)***

Yes. A study released by the Department of Health & Social Services Division of Public Health in August 2010 documented that the risk of hospitalization increased with each 10 microgram per cubic meter of atmosphere increase in ambient PM2.5 levels for the following conditions:

- 7 percent increased risk for a stroke-related visit in people under the age of 65 years

- 6 percent increased risk for a stroke-related visit in people 65 years of age and older
- 6 percent increased risk for a respiratory tract infection-coded visit in people under the age of 65 years

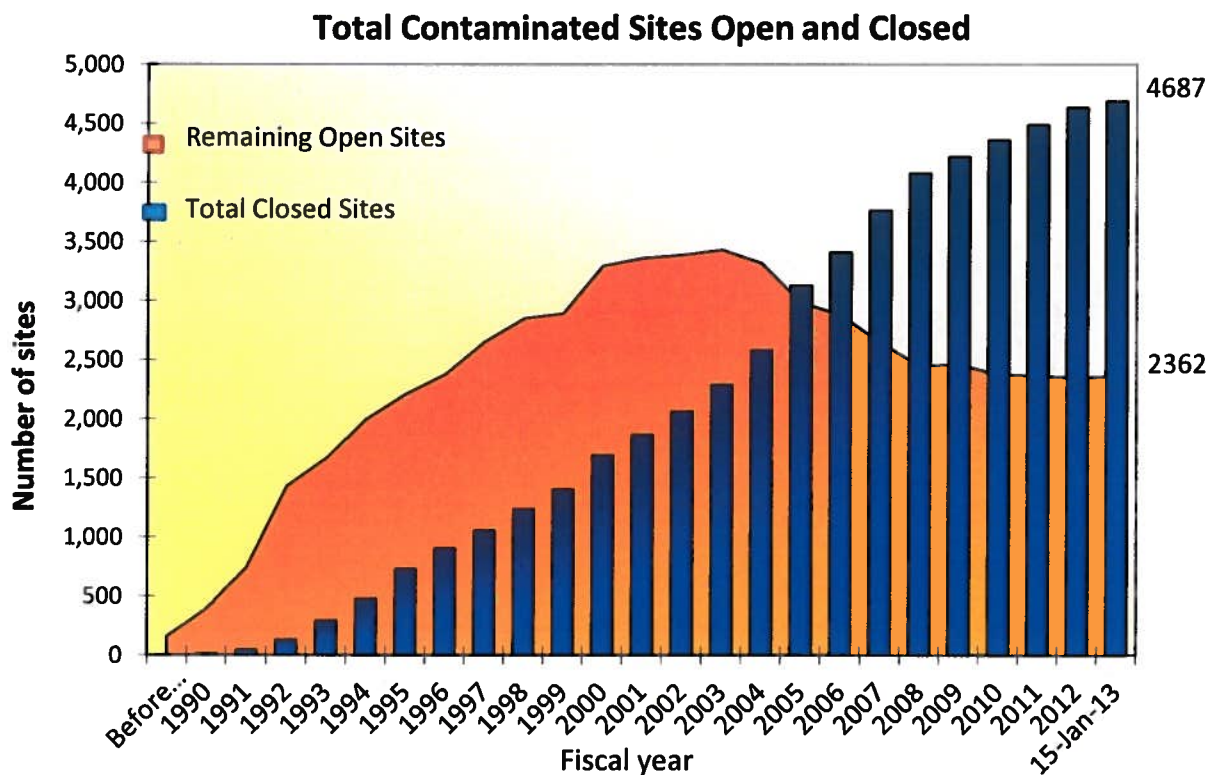
The study focused on hospital visits related to heart and lung conditions, stroke, and asthma. DHSS evaluated a total of 5,718 hospital visits consisting of 1,596 emergency room visits and 4,122 hospitalizations at Fairbanks Memorial Hospital. The Epidemiological Bulletin on the study can be found at: [http://www.epi.hss.state.ak.us/bulletins/docs/b2010\\_26.pdf](http://www.epi.hss.state.ak.us/bulletins/docs/b2010_26.pdf).

***Why has the Department not proposed a method of sustaining the balance of the Prevention Account of the Response Fund? (Reps Kawasaki & Seaton)***

The Office of Management and Budget responded to the 2013 Legislative Intent in a letter dated December 3<sup>rd</sup>, 2012. That letter states: “the options to address the declining balance of the Fund are clear: increase production, and utilize general funds to address the shortfall in the interim.” That letter is enclosed.

***Where is the Department regarding open/closed contaminated sites? (Representative Tarr)***

The following chart represents the Department’s success in closing contaminated sites since 1990.



***Please provide a detailed explanation of food inspection rates and describe any inspection backlog. (Representative Tarr)***

**FY2012 DEC Retail Food Inspection Rates**

- In FY2012, there were 4,642 permitted permanent retail food establishments.
- During FY2012, staff inspected 39% of all permitted retail food establishments.
  - 47% of 1,451 high risk\* retail food facilities, a 2% increase from the previous year; and
  - 38% of 1,330 medium risk\*\* retail food facilities.

- Low risk\*\*\* facilities (1,861 facilities) are only inspected when complaints are received, before opening to the public, for training purposes, or if the opportunity arises when already in a community.
- Overall, while the retail food inspections that DEC conducted in FY2012 represent an increase over the number conducted the previous year, the number was still far below the 8,874 recommended by FDA.

#### FDA Retail Food Recommended Inspection Frequency

- The Food and Drug Administration (FDA) recommends that retail food establishments (food services and markets) be inspected as follows:
  - High risk - three times per year (resulting in roughly 4,353 inspections in Alaska annually);
  - Medium risk - twice each year (roughly 2,660 annual inspections);
  - Low risk - at least once each year (roughly 1,861 annual inspections).

#### Factors Influencing Inspection Rates

- In addition to the retail food inspections, staff perform outreach and technical assistance activities, plan reviews, training, and other work to support the almost 9,500 total facilities we regulate.
- In FY2012, DEC inspected
  - 330 seafood processors/shellfish dealers, shippers, packers (42% of permitted firms)
  - 40 body art facilities (80% of shops);
  - 30 pools/spas (25% of facilities).
- The program filled six vacant inspector PCNs during FY2012. PCN vacancy time impacts the program's inspection rates. Additionally, newly hired inspection staff spend approximately one year in training before they are fully proficient and able to conduct inspections independently.
- Costs involved with travel to perform inspections continue to rise.
- Environmental Health Technicians and Environmental Health Officer I positions may only perform inspections of low and medium risk facilities.

\*High risk facilities include full-service restaurants, labor camps, and food service at hospitals and nursing homes.

\*\*Medium risk facilities include quick-service operations, schools that reheat already-prepared food, and retail food store operations.

\*\*\*Low risk facilities include warehouses, hot dog carts, and convenience store operations.

Sincerely,



Tom Cherian  
Director, Division of Administrative Services

Enclosure: Letter to Amanda Ryder from Karen Rehfeld dated December 12<sup>th</sup>, 2013 re: "FY2013 Legislative Intent"

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