



Department of Natural Resources Division of Mining, Land & Water

DNR Senate Finance Subcommittee

February 20, 2020

By Marty Parsons, Director



DIVISION OF MINING, LAND & WATER

- MISSION STATEMENT -

Provide for the appropriate use and management of Alaska's state-owned land and water, aiming toward maximum use consistent with the public interest



WHAT WE MANAGE

- STATE OF ALASKA LAND BASE & OWNERSHIP -

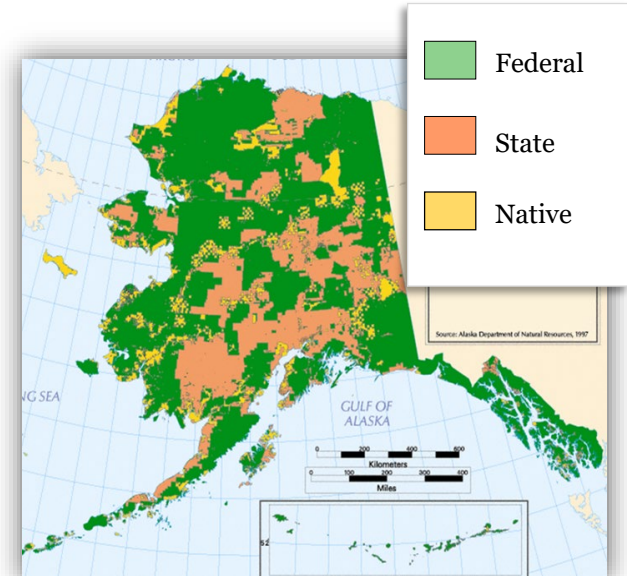


Land Base

- We also manage Alaska's 65 million acres of tidelands, shorelands, and submerged lands, including some 34,000 miles of coastline
- Finally, we have jurisdiction over all of the State's water resources, equaling about 40% of the entire nation's stock of fresh water. 586,412 sq. miles—more than twice the size of Texas

Land Ownership

- The Division of Mining, Land and Water (DMLW) manages all DNR managed state land except for trust and parks property
- DMLW manages over 100 million acres of uplands, including non-petroleum minerals in these lands and 65 million acres of tidelands, shorelands, and submerged lands, including some 34,000 miles of coastline
- Finally, we have jurisdiction over all of the State's water resources, equaling about 40% of the entire nation's stock of fresh water



HOW WE MANAGE TYPES OF AUTHORIZATIONS

- Permits
- Leases
- Easements
- Material Sales
- Water Right Certificate
- Temporary Water Use
- Mining (APMAs, Millsite leases)
- Conveyances to Municipalities and Individuals

DMLW AUTHORIZES MINING, LAND AND WATER USES

- Mining claims, coal and mineral leases, access, and plans of operation for mineral development
- Ice roads, support facilities, and exploration camps for oil and gas development
- Gravel sales for road construction and private development
- Log-transfer sites, access, and support camps for timber development
- Lease set-net sites for commercial fishing and mariculture sites for the aquatic and shellfish farming industry
- Lodge sites and access for the tourism industry
- Access for public and private entities across state lands and waters, including power and telephone lines
- Water rights and water use

PUBLIC NOTICE REQUIREMENTS

.945 AND NON .945 AUTHORIZATIONS

- .945 authorizations are required to follow the statutory **public notice** process because considered a “disposal of interest”
 - AS 38.05.945 requirements
 - Best Interest Finding – Preliminary Decision (PD)
 - 30-day Public Notice Comment Period on PD
 - Response to Comments from PD Public Notice
 - Prepare and Issue Final Finding and Decision (FFD)
 - Appeal Period on FFD
 - Issuance of Authorization
- Non-.945 authorization do not require following the statutory public notice process because not considered a “disposal of interest”
 - Permits are revocable at will and not considered a disposal of interest, therefore, permits are not required to follow the requirements listed above for the .945 public notice process

EXAMPLES OF AUTHORIZATIONS

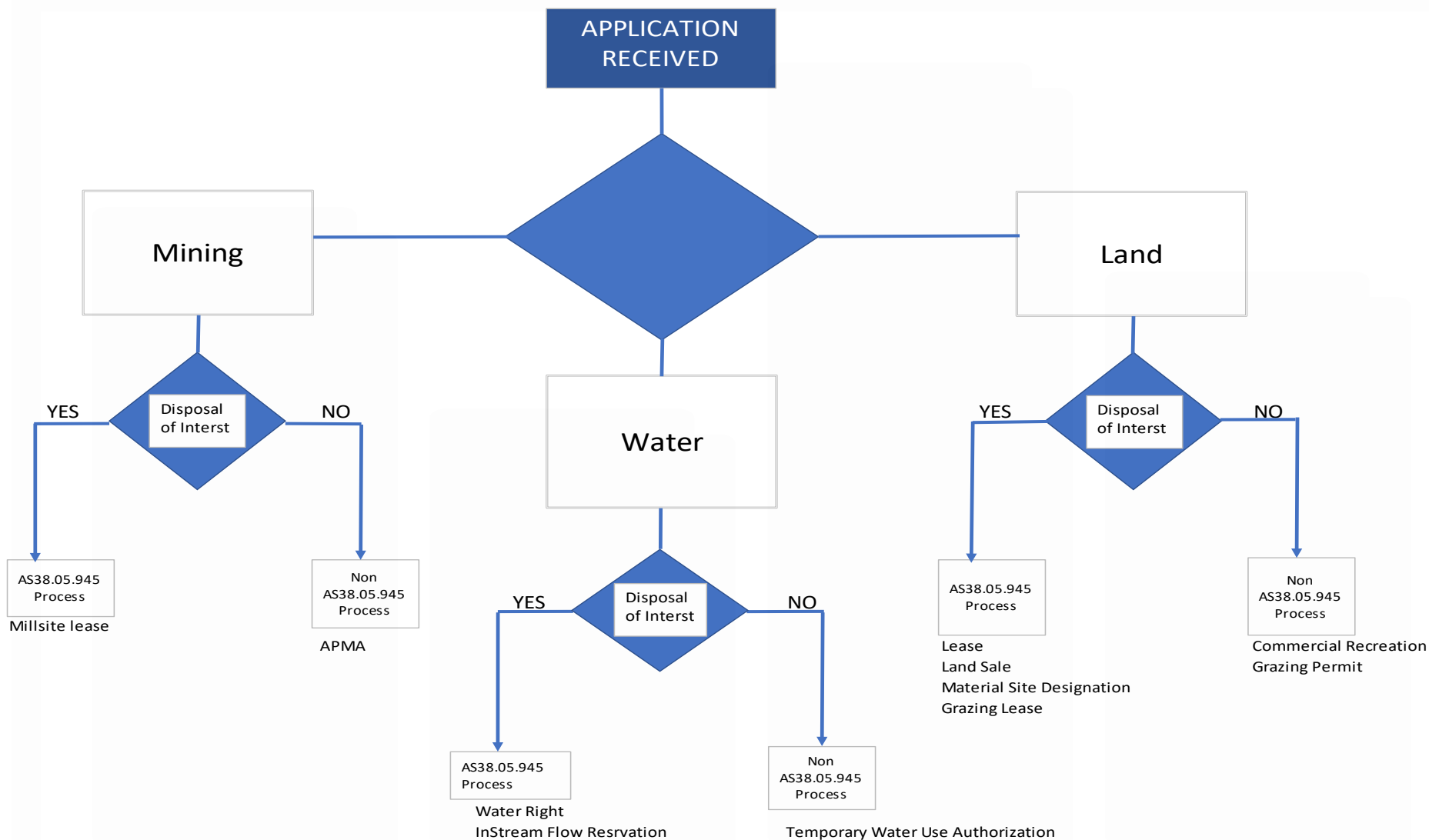
.945 - Required under AS 38.05.035

- Disposal of Interest
 - Leases
 - Aquatic Farm
 - Grazing
 - Tideland and Upland
 - Material Site Designation
 - Millsite Lease
 - Land Sales
 - Municipal Entitlements

Non .945 – Permits under AS 38.05.850

- Not a Disposal of Interest, Revocable at Will
 - Permits
 - Land Use
 - Commercial Recreation
 - Shore Fish Leases (specifically exempted from .945 Notice)
 - Temporary Water Use Authorization

DMLW AUTHORIZATION FLOW CHART



TIMEFRAME FOR .945 NOTICE

- Statutory Adjudication Process
 - ❖ Application Received (assuming complete application received - complete application goes in que and clock starts for adjudication)
 - ❖ 20-day agency notice and review period (20 days)
 - ❖ Preliminary Decision (PD) is written (~30 days)
 - ❖ PD 30-day public notice and review period (30 days + 15 days)
 - ❖ Final Finding and Decision (FFD) written and issued (~30 days)
 - ❖ 20-day appeal period (20 days)
 - ❖ Final administrative order and decision goes into effect 31 days after the FFD is issued (11 days)
 - ❖ Decision and proposed authorization sent to applicant for signature and request for deliverables – (~30 to 60 days)
 - ❖ Once deliverables (annual fee, bonding, and insurance requirements) are received the authorization is issued
- Through continuous process improvement DMLW is consistently working to reduce the time necessary to issue these authorizations

APPLICATIONS AND ISSUANCES

Applications Received - Permits		Authorizations Issued - Permits	
Year	Count	Year	Count
2011	373	2011	433
2012	394	2012	400
2013	495	2013	541
average	421	average	458
2015	510	2015	434
2016	448	2016	464
2017	410	2017	405
2018	514	2018	478
average	471	average	445
Trend	12%	Trend	-3%
Between years 2011-2013 and 2015-2018, there was a 12% increase in Permits applications received.		Between years 2011-2013 and 2015-2018, there was a 3% decrease in Permits authorizations issued.	

Applications Received - Leases		Authorizations Issued - Leases	
Year	Count	Year	Count
2011	94	2011	126
2012	70	2012	102
2013	92	2013	96
average	85	average	108
2015	132	2015	109
2016	281	2016	242
2017	276	2017	254
2018	205	2018	167
average	224	average	193
Trend	162%	Trend	79%
Between years 2011-2013 and 2015-2018, there was a 162% increase in Leases applications received.		Between years 2011-2013 and 2015-2018, there was a 79% increase in Leases authorizations issued.	

Applications Received - Easements		Authorizations Issued - Easements	
Year	Count	Year	Count
2011	65	2011	100
2012	69	2012	96
2013	69	2013	101
average	68	average	99
2015	125	2015	126
2016	81	2016	109
2017	94	2017	111
2018	71	2018	82
average	93	average	107
Trend	37%	Trend	8%
Between years 2011-2013 and 2015-2018, there was a 37% increase in Easements applications received.		Between years 2011-2013 and 2015-2018, there was an 8% increase in Easements authorizations issued.	

Applications Received - Material Sales		Authorizations Issued - Material Sales	
Year	Count	Year	Count
2011	62	2011	42
2012	64	2012	57
2013	72	2013	54
average	66	average	51
2015	35	2015	52
2016	70	2016	50
2017	64	2017	55
2018	69	2018	52
average	60	average	52
Trend	-10%	Trend	2%
Between years 2011-2013 and 2015-2018, there was a 10% decrease in Material Sales applications received.		Between years 2011-2013 and 2015-2018, there was a 2% increase in Material Sales authorizations issued.	

Since 2015 DMLW has been trying to catch up with increasing application volumes, with highest % increase in lease applications (162%). Over the same time period number of authorizations issued also increased, with highest increase in lease authorizations (79%).

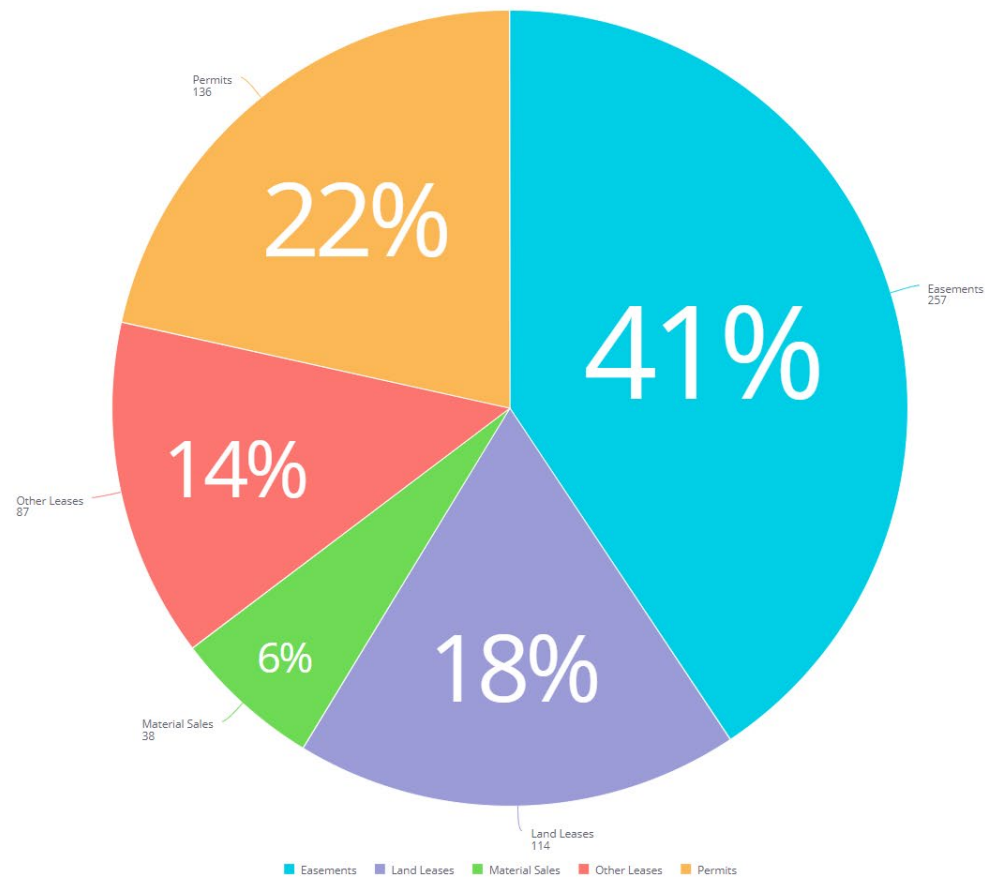
Material Sales follow construction industry cycles and have seen 10% decline in application volume.

CURRENT LAND APPLICATIONS

How Many Applications Are Waiting for Processing?

632

How Many Applications Are Waiting for Processing?



HISTORIC NON .945 PROCESS

- Application
- Adjudicate
- Agency and Public Notice 14 days
- Received and Incorporated
- Prepare and Issue Memorandum of Decision
- 20-day Appeal Period
- Send Permit for Signature
- Issue
- Timeframe – 60 to 90 days from application complete

PROCESS IMPROVEMENT EFFORTS

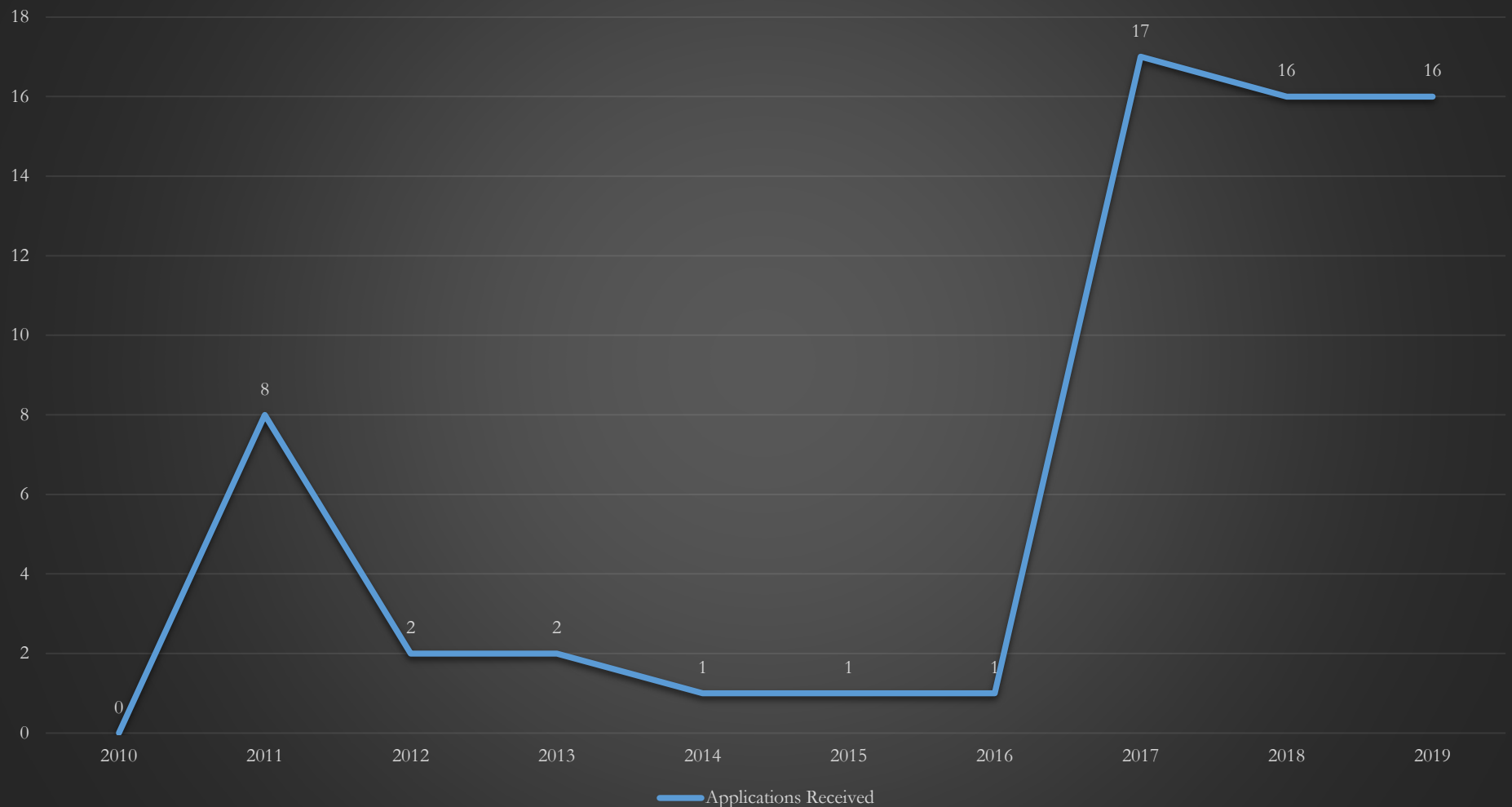
- Permits issued within 30 days of receipt of complete application, with Notice to the Public
- Using technology for developing on-line applications and standardize information necessary to accept applications
- Remove responsibilities from adjudicators that detract from processing authorizations that put Alaska to work
 - Post authorization contract management move to separate Section within DMLW to handle administration statewide
 - Concentrating conveyance of land into one Section that works statewide
- Reorganization of DMLW to better concentrate like workloads in specific sections within the Division

AQUATIC FARM LEASES

- One of the fastest growing area of interest requiring DMLW authorization involves aquatic farming
- Aquatic farming has seen explosive growth since the inception of the Mariculture Task Force
- Dependent upon the crop aquatic farms may extend over hundreds of acres
- Aquatic farming lease applications, as well as renewals, require .945 adjudication
- Aquatic farms require both a DMLW and ADF&G authorization

AQUATIC FARMING LEASES

Aquatic Farmsite Lease Applications Received
2010-2019



STATUS OF CURRENT AQUATIC FARM LEASE APPLICATIONS

- All 2017 applications have been adjudicated and are issued or waiting on deliverables
- 34 new and renewal applications from 2018, 2019, and 2020 in various stages in the adjudication process
 - Applications Received Status: 9
 - Application Complete Status: 4
 - Active Adjudication Status: 15
 - Waiting on Deliverable Status: 2
- 2019 decision issuance total: 7
 - Amendments: 1
 - Renewals: 4
 - New Lease Authorizations: 2
 - In 2019 issued decision for the largest aquatic farm to date near Sitka (182 acres) and we are waiting on deliverables from the applicant to issue the lease.
- 2020 application period is open from January 1 – April 30
 - New applications for 2020: 2
 - Renewal applications for 2020: 2

HOW ARE WE IMPROVING THE PROCESS

- DMLW has reassigned 1 staff member from the leasing unit to assist in the adjudication of lease applications
- Excess capacity was discovered in one of the other Divisions within DNR and 2 PCNs are being repurposed to DMLW to double the number of adjudicators processing lease applications
- HB116 revises the reauthorization process that will significantly reduce the process necessary to reauthorize lessees that are in good standing and potentially reduce the number of applications requiring adjudication.

CONCLUSION

Thank you, any questions?

