

Fiscal Note

State of Alaska
2023 Legislative Session

Bill Version: SB 67
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB67CS(RES)-DOT-CON-5-9-23
Title: PFAS: USE FOR FIREFIGHTING, DISPOSAL
Sponsor: KIEHL
Requester: Senate Resources

Department: Department of Transportation and Public Facilities
Appropriation: Administration and Support
Allocation: Contracting and Appeals
OMB Component Number: 2355

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2024 Appropriation Requested	Included in Governor's FY2024 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2024	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Personal Services	150.0		150.0	150.0	150.0		
Travel	30.0		30.0	15.0	15.0		
Services							
Commodities	5.0						
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	185.0	0.0	180.0	165.0	165.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	185.0		180.0	165.0	165.0		
Total	185.0	0.0	180.0	165.0	165.0	0.0	0.0

Positions

Full-time	1.0		1.0	1.0	1.0		
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2023) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2024) cost: 2,550.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? no
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Under the Senate Resources Committee substitute for SB 67, this fiscal note has been updated to reflect the reduced cost of quantifiable disposal contracts in a single mobilization given updated cap of substances with PFAS-containing AFFF from previous cap of 25 gallons a year to the new 40 gallons a year in the CS language. Supplemental information provided in previous versions of this fiscal note have been removed by request of Legislative Finance and will be published by the House Finance Committee under the documents tab on BASIS.

Prepared By: Andy Mills, Legislative Liaison
Division: Commissioner's Office
Approved By: Dom Pannone, Admin. Svcs. Director
Agency: Department of Transportation & Public Facilities

Phone: (907)465-3900
Date: 05/09/2023 01:00 PM
Date: 05/09/23

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

BILL NO. CSSB 67

Analysis

This legislation requires the state fire marshal to make a determination and promulgate regulations consistent with federally mandated firefighting substances containing perfluoroalkyl or polyfluoroalkyl substances (often referred to as PFAS or PFOA/PFOS or colloquially as "forever chemicals").

The Department of Transportation & Public Facilities (DOT&PF) state airports are mandated by the Federal Aviation Administration (FAA) to utilize PFAS-containing aqueous film forming foam (AFFF) for firefighting purposes and not subject to state fire marshal regulations given the federal requirement.

Under this language, the Department of Environmental Conservation would ensure the state accepts "a firefighting substance" containing PFAS. Clarification provided by the sponsor identified that DOT&PF was the state entity who would accept for disposal the AFFF from persons in Alaska with a cap of 40 gallons per year. There was further clarification that the communities where this collection and disposal effort would be targeted are those who participated in the Project Code Red initiative.

As context, Project Code Red was an initiative spanning two decades (earliest mentions found are from the early 2000s) that supplied a connex container full of firefighting equipment to rural Alaska villages. Research indicates original funding for Project Code Red was found to be a combination of federal funds and state grants to the Alaska Villages Initiative (AVI). In consultation with the AVI, the entity who organized, assembled and distributed Project Code Red, a list of 138 rural communities were cited as receiving Project Code Red equipment. Research further indicates training on this equipment was also provided by the Department of Public Safety and their Office of Rural Fire Protection at each village where equipment was provided. Review of a community list shows an estimated 132 communities with some quantity of PFAS-containing AFFF for disposal.

Given that context, DOT&PF anticipates, as directed by this legislation and in cooperation with above listed state and private entities, operating a contracted program to ensure specialized environmental contractors collect and dispose of any PFAS-containing AFFF substance. One state funded position would be required to coordinate the outreach, inventory verification, contracting, and logistics of this program with the following costs:

One FTE: PFAS Disposal Coordinator at Range 21, step F; in the General Government Union (GGU)

Advance step placement up to F step allows department to recruit an experienced contract coordinator.

Salary & Benefits: annually \$87.0 salary, COLA positioned in Fairbanks of \$3.5, associated benefits of \$59.5 (total of \$150.0)

Travel: \$30.0 in FY 24 and FY 25 to establish program, then taper down to \$15.0 for FY 26 and FY 27 (travel to rural villages for situations where community wants it out but doesn't know status of AFFF inventory)

Commodities: \$5.0 (computer, phone, etc)

This PFAS disposal coordinator would be responsible for reaching out to the 132 villages identified to alert them to the existence of this disposal program. Upon receipt of a request from an interested village, the coordinator will draft and post a competitive bid for contractor services to go out and collect PFAS-containing substance(s). Referencing the Project Code Red manifest, each village is anticipated to have a baseline minimum of 5 gallons of AFFF and a 30-gallon tank filled with a water/AFFF mixture in a "ready state" for firefighting purposes. Given the 40 gallon per year limit, the contractor would have to mobilize once to dispose of the estimated 35 gallons for each community. If the village has purchased, acquired, or been gifted additional AFFF, additional years would be necessary to capture the additional amounts, up to 40 gallons per year.

(cont. on next page)

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2023 LEGISLATIVE SESSION

BILL NO. CSSB 67

Analysis

To get a cost estimate, the department reached out to several environmental contractors for scenarios on general cost estimates based on scope provided, location and mode of transporting the disposal effort.

Contractor-A scenario used a methodology of provided a range of costs from ~\$6.0 for disposal via mostly road, to ~\$10.0 by mostly barge, and ~\$15.0 by mostly air to dispose of the 35 gallons (5 gallon AFFF container in an overpack container and the 30 gallons substance in the firefighting equipment to be drained into a 55-gallon drum). This did not include site survey cost estimates. The list of communities that received Project Code Red equipment appears to require more air travel than road or barge and, therefore, the estimate provided reflects a higher average between the barge and air options. Using this methodology, to dispose of estimated 35 gallons in 132 villages would cost \$12.5 for each community for a total contractor cost of \$1,650.0.

Contractor-B scenario used a methodology based on bulk activity for all work to be performed. This scope included an initial site survey at an estimated cost of \$500.0, administrative duties and fees of \$15.0, mobilization and packing of disposal AFFF at \$1,770.0, transportation at \$600.0, disposal at \$500.0 and a summary of disposal certification at \$50.0 to address all 132 remote site disposals. The total estimated for this contractor to handle all disposal activities is estimated at \$3,435.0 (a competitive bid would be required for each contract).

Averaging the two contractor cost estimates gives a total minimum estimated capital appropriation of \$2,550.0 along with the personnel costs and all assumptions detailed in this analysis. One significant caveat to this analysis is with the language of the legislation stating a "person in the state" leaves the option for unknown quantities of AFFF yet to be identified eligible for disposal. If individuals outside of the villages listed on the Project Code Red list come forward and qualify, capital funds appropriated will be used on a first-come, first-serve basis until such time as the capital appropriation is exhausted. While unknown and therefore not captured in the capital estimate of this fiscal note, the state contemplates there could be a significant amount of AFFF disposal from sources outside of Project Code Red areas given the broad eligibility and the annual nature of the disposal language proposed in this legislation (no end date for acceptance of disposal outside of department's personnel backout at the end of FY 27).

The effective date of this bill, if enacted, would be January 1, 2024. DOT&PF would look to hire the PFAS disposal coordinator once the FY 24 budget was enacted with capital funds available for contractor collection and disposal starting the first quarter of calendar year 2024.

Assumptions used in this analysis:

- In addition to disposal contract program costs, there is the real potential for liability costs associated with PFAS disposal that cannot be quantified at this time but, under reasonable consideration, could far exceed the costs of this fiscal note should a spill or mishandling of the PFAS-containing AFFF occur, even outside of the state's control.
- There are likely some villages where their AFFF is no longer retrievable, either used for firefighting or disposed of prior to outreach, and would result in fewer gallons for disposal in some contracts. An offset to this assumption are communities that have procured additional AFFF beyond the Project Code Red supply. Given the unknowns in quantities of qualifying parties, the department chose to use the presumed numbers available in the absence of better inventory data.
- The legislation only contemplates disposal of the "a firefighting substance" and not the contaminated equipment or container that is left behind.
- No alternative PFAS-free AFFF is currently authorized at the time of this analysis and no provision of this bill specifies replacement of firefighting substances.
- Toxic levels in drinking water have been established at a federal level and classification as a hazardous material is in progress at the federal level.