ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE
January 23, 2013
1:04 p.m.

MEMBERS PRESENT

Representative Eric Feige, Co-Chair
Representative Dan Saddler, Co-Chair
Representative Peggy Wilson, Vice Chair
Representative Mike Hawker
Representative Craig Johnson
Representative Paul Seaton
Representative Geran Tarr
Representative Chris Tuck

MEMBERS ABSENT

Representative Kurt Olson

COMMITTEE CALENDAR

OVERVIEW: DEPARTMENT OF ENVIRONMENTAL CONSERVATION

- HEARD

OVERVIEW: DEPARTMENT OF NATURAL RESOURCES

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

LARRY HARTIG, Commissioner
Department of Environmental Conservation (DEC)
Juneau, Alaska
POSITION STATEMENT: Presented an overview of the Department of Environmental Conservation (DEC).

ALICE EDWARDS, Director
Division of Air Quality
Department of Environmental Conservation (DEC)
Juneau, Alaska

POSITION STATEMENT: Presented a PowerPoint titled Division of Air Quality Overview during the presentation by Department of Environmental Conservation.

ELAINE BUSSE FLOYD, Acting Director
Division of Environmental Health
Department of Environmental Conservation (DEC)
Anchorage, Alaska
POSITION STATEMENT: Presented a PowerPoint during the Department of Environmental Conservation overview.

LARRY DIETRICK, Director
Division of Spill Prevention & Response
Department of Environmental Conservation (DEC)
Juneau, Alaska
POSITION STATEMENT: Provided a PowerPoint during the Department of Environmental Conservation overview.

MICHELLE BONNET HALE, Director
Division of Water
Department of Environmental Conservation (DEC)
Anchorage, Alaska
POSITION STATEMENT: Presented a PowerPoint during the overview by Department of Environmental Conservation.

ACTION NARRATIVE

1:04:37 PM

CO-CHAIR DAN SADDLER called the House Resources Standing Committee meeting to order at 1:04 p.m. Representatives Saddler, Feige, Johnson, Hawker, Tuck, P. Wilson, and Seaton were present at the call to order. Representative Tarr arrived as the meeting was in progress.

OVERVIEW: Department of Environmental Conservation

1:05:10 PM

CO-CHAIR SADDLER announced that the only order of business would be an overview by the Department of Environmental Conservation.

1:05:42 PM

LARRY HARTIG, Commissioner, Department of Environmental Conservation (DEC), introduced other management team members of

the Department of Environmental Conservation (DEC). He stated that the DEC mission, "to protect human health in the environment," was driven by good science, good engineering, and a good public process. He explained that his measurement of departmental success was for healthy air, clean drinking water, good sanitation, and good management for timely, proper clean ups. He commented that these were all systems in the living environment that people expected to be protected. He declared that DEC worked closely with local communities. He clarified that a lot of the DEC programs originated from federal government programs, such as the Clean Air Act, the Clean Water Act (CWA), and the Safe Drinking Water Act, and that the authority to run the programs had been delegated to the state. He reported that Alaska was now authorized to manage the National Pollutant Discharge Elimination System (NPDES), the wastewater discharge permitting program, although the Environmental Protection Agency (EPA) maintained oversight for the program.

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COMMISSIONER HARTIG reported that the Division of Air Quality also issued permits, through the Clean Air Act and the EPA, and had done so for several decades. He then directed attention to proposed HB 78, which would seek to obtain primacy for Alaska from the EPA for the Section 404 program of the Clean Water Act; the program which regulated the discharge of dredged and fill material currently administered by the U.S. Army Corps of Engineers. He reviewed other programs in which Alaska shared authority with the federal government: spill prevention and response, discharge to land, and oil and gas infrastructure.

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COMMISSIONER HARTIG affirmed that, as there were budget challenges due to the decline of oil revenue and federal dollars, it was necessary for DEC to be more efficient when reviewing priorities. He referenced an early initiative by the governor for permit reform, which necessitated efficiency and a focus on the priorities for basic needs: clean air, clean water, and good sanitation. He offered as an example of permit reform: less regulation on foods that don't pose any risk to the public. He reported that, as the federal budget for the village safe water program was down 60 percent over the last eight years, it was necessary to review other systems and structures to deliver good water and sanitation to rural

communities. He pointed out that the current capital budget listed a pilot program for a new water and sewer system.

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COMMISSIONER HARTIG acknowledged that the opening of the Arctic was both a challenge and an opportunity. He defined the Arctic area to include the Chukchi Sea, the Beaufort Sea, and the Aleutians. He pointed to the interest for exploration from Shell and Conoco Phillips Alaska, Inc. on the Outer Continental Shelf (OCS). He reported that there was more marine traffic, as ships were moving along the Great Circle route, bringing goods to the western ports before they were shipped to Asia. He pointed out that it was not unusual for ships to lose power or steerage and ground out on the rocks. He confirmed that Alaska was discussing partnerships with other jurisdictions and industries for mutual aid agreements.

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REPRESENTATIVE P. WILSON asked which foods were determined to be safe without any regulation.

COMMISSIONER HARTIG established that many discussions with the public, consumers, and legislators interested in food safety had resulted in a list of food items considered less risky. This informed, science-based decision was determined by the amount of opportunities for food contamination. He gave an example of bake sales, which allowed for easy tracking, should any problem arise, to prevent any wide spread crisis.

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REPRESENTATIVE SEATON asked to clarify that primacy on issues ensured that state standards would not be lower than federal standards, and if so, what was the benefit of primacy.

COMMISSIONER HARTIG explained that primacy would only occur if the federal agency determined that the state program, including the public process, equal access to challenge, and the public right to appeal, was comparable. He said that, under the Clean Water Act, all states were responsible for setting standards which had to be approved by the EPA. He pointed out that this was a very rigorous process, and subject to court review before EPA approval. He shared that this complex process could take four years or more, and that it was the same for all states.

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REPRESENTATIVE SEATON asked if the state standards had to be as restrictive as the federal standards.

COMMISSIONER HARTIG replied that the standards had been set by the Clean Water Act, but that the EPA did protect the settings of standards with requirements for designated uses. He shared that the proposal of any standard which did not comply with the provisions of the Clean Water Act would not be approved for use in any of the permits. He said that, although EPA would set guidance standards, it would not dictate a standard to each state.

1:22:17 PM

REPRESENTATIVE P. WILSON asked if Alaska, with primacy, could move more quickly than the federal government.

COMMISSIONER HARTIG explained that the governor wanted Department of Natural Resources and Department of Environmental Conservation to explore and possibly pursue primacy for Section 404, the dredge and fill program, of the Clean Water Act. He shared that, with primacy, Alaska would attempt to provide a more efficient and better service to the public. He stated that local permit writers were more accountable and more accessible to the local public, which encouraged more attention to productivity and customer service.

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CO-CHAIR FEIGE offered his belief that permittees would agree that state primacy was an operational benefit to the state and its industries which used the permitting system. He asked if this would result in a cost savings to the federal government for program administration.

COMMISSIONER HARTIG replied that this was hard to quantify, as the federal programs would have to maintain oversight. He reported that the state and federal programs would work together on training and permits during the transition to primacy. He opined that, in the long term, it would save money for the federal programs.

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CO-CHAIR SADDLER asked for an approximate time line for Alaska to assume this primacy.

COMMISSIONER HARTIG explained that this was a longer term proposition, and would require initial consultations with the U.S. Army Corps of Engineers regarding resources for the program. He pointed out that the regulations, the guidance documents, and the hiring and training for the people in the program, all needed to be in order before the program would be transferred to Alaska. He offered his belief that it was necessary to develop a schedule, with milestones that identified the specific issues, and that it would be at least five years for "a total handoff of the program."

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ALICE EDWARDS, Director, Division of Air Quality, Department of Environmental Conservation (DEC), introduced a PowerPoint presentation, and directed attention to slide 2, "Mission," which read: "To conserve, improve, and protect Alaska's natural resources and environment and control air pollution, in order to enhance the health, safety, and welfare of the people of the state and their overall economic and social well being." She said that her division worked with outdoor air pollution, but not indoor air pollution.

MS. EDWARDS offered slide 3, "Core Services," and stated that her division issued air quality permits, and provided compliance assistance and enforcement with regard to those permits; provided assistance to communities to protect air quality; and conducted air monitoring and reviews of federal air quality rulemaking with Alaska's perspectives. She added that her division also developed air quality plans and helped implement them for areas that were out of compliance with federal standards.

1:30:00 PM

MS. EDWARDS explained the organizational chart on slide 4, "Air Quality Division Structure," noting that more than half the staff was involved with air permits.

MS. EDWARDS moved on to slide 5, "Air Permits Program," and pointed out that this program ensured that emissions from industrial operations did not create unhealthy air. She reported that Construction Permits authorized construction for new and modified facilities, while Title V Operating Permits

gathered all the permits into one operating permit. She said that this group also conducted the compliance assurance inspections and follow ups. She stated that there was an on-going process for improvement to consistency and timeliness for permitting.

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MS. EDWARDS directed attention to slide 6, "Air Non-Point & Mobile Source Program," explaining that this program worked with non-industrial facilities and communities to maintain and achieve the ambient air quality standards. She described that the work included education and outreach on air quality issues to raise awareness and encourage behaviors to improve air quality. This division also developed the air quality control plans for communities and ensured that these plans were incorporated into the state air quality control plan.

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MS. EDWARDS introduced slide 7, "Air Monitoring and Quality Assurance Program," and explained that this program operated the air monitoring network, which assessed compliance with the EPA national ambient air quality standards for pollutants, typically particulate matter and carbon monoxide in Alaska. She listed the required air monitoring sites, which included Anchorage, Fairbanks, Juneau, and the Mat-Su Valley, for compliance with the standards. She said that special studies in Seward, Galena, and Soldotna required monitoring, as well. This program issued air quality advisories for hazardous air conditions to the public.

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MS. EDWARDS discussed slide 8, "Division of Air Quality Initiatives and Challenges," and pointed to the link between air quality and energy, as the efficiency of burning fuel determined the air pollution emissions. She moved on to slide 9, "Energy Choices and Air Quality," and shared that the high price of fuel oil had pushed residents toward wood heat, which produced smoke, and often unacceptable levels of particulate matter. She offered Fairbanks as a key example for not meeting ambient air quality standards, primarily as a result of burning wood. She summarized by saying that cleaner burning, more efficient devices were "very helpful in improving air quality." She stated that cleaner burning and affordable fuel options were important for maintaining healthy air quality, noting that

supplying economical natural gas for interior Alaska would be very beneficial.

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MS. EDWARDS moved to slide 10 "Fairbanks Fine Particulate Matter," and said that the division was working extensively with the community to develop an air quality plan. She shared that, although it was challenging to find acceptable solutions and control options, the proposed plan had been submitted to EPA. Although there were multiple sources of poor air quality, home heating from wood and coal were major contributors. She pointed out that, as the more stringent annual standards replaced daily standards, this could create more issues for Fairbanks.

MS. EDWARDS referred to slide 11, "On-going Permit Streamlining and Process Improvement." She announced a goal for improving consistency and timeliness of permitting through a quality management system, with greater standardization, predictability and flexibility. She reported that the division worked with the stakeholders in identifying issues and solutions. She noted that pre-application assistance for construction permits had allowed for quicker, more efficient processing. She shared that the division was already assessing air quality data on the North Slope in preparation for more efficient permitting.

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MS. EDWARDS noted that there were also air quality concerns in rural Alaska, slide 12, "Rural Alaska Air Quality Concerns." She said that dust, wood smoke, and open burning in landfills could all be problematic for air quality, and that the division was working to respond to the needs of the communities.

MS. EDWARDS directed attention to slide 13, "New and Revised Federal Standards and Rules." She reported that the Clean Air Act determined the ambient air quality standards, and the rules for implementing these standards. She said that it could be difficult to keep up with the reviews of the EPA proposals. She shared that the division focused on the technical concerns for Alaska specific issues, and would adjust its programs as necessary. She listed engine standards, lead in aviation gasoline, and nitrogen dioxide ambient air quality standards as Alaska specific issues on which DEC was working with EPA.

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REPRESENTATIVE P. WILSON asked how dangerous it was to live in Fairbanks with the current air quality.

MS. EDWARDS, in response, said that the air quality in Fairbanks failed to meet the 24 hour fine particulate matter standard, and that some groups of people, those with existing respiratory and cardiac conditions, were more sensitive to its effects. She reported that health studies had shown there were health risks to exposure to fine particulate matter, including respiratory issues and pre-mature death.

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CO-CHAIR FEIGE asked for clarification whether Bush Alaska had been granted an extension for conversion to "ultra-low sulfur diesel."

MS. EDWARDS, in response to Co-Chair Feige, said that the federal rules had been phased in over time; in Alaska, this was first implemented in the motor vehicle sector, then non-road heavy equipment, and then locomotive and marine. She offered her belief that Rural Alaska had transitioned all engines to this fuel in 2010, which was several years later than the rest of the country, as it was recognized that Rural Alaska had unique distribution and storage systems. She opined that the industrial facilities were transitioning into the use of new engines.

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CO-CHAIR FEIGE echoed a concern of his constituents that there was not enough lubricity in the fuel for older engines. He asked if there had been equipment failures due to the transition of fuel.

MS. EDWARDS replied that she was not aware of significant issues with older equipment, especially as fuel distributors often added a lubricant to the fuel. She stated that DEC did not track this, however. In response to Co-Chair Feige, she explained that nitrogen dioxide standards had been updated, as the Clean Air Act required this every five years. The prior standard had been an annual standard, but was now based on a one hour standard. She stated that nitro dioxide was an air pollutant and had health effects, most likely for respiratory issues.

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MS. EDWARDS, in response to Representative Tuck, said that DEC had issued the air quality permit for the Healy Power Plant. She clarified that the plant had been permitted to operate for many years; however, there was a concern that its startup would trigger an EPA re-start policy. She said that EPA and the company had reached an agreement to allow the plant to be re-opened.

REPRESENTATIVE TUCK asked if the closure of the power plant was because it had not met the previous air permitting process.

MS. EDWARDS replied that there were other issues preventing the restart, which was not due to air permitting issues.

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REPRESENTATIVE TARR asked how many staff in the Division of Air Quality was working on compliance, and if this was adequate staffing given the number of permit requests. She asked if DEC coordinated with Department of Health and Social Services on the lead in aviation fuel programs.

MS. EDWARDS said that about half of the staff in her division worked on compliance, with regular inspection schedules, and that this staffing allowed for compliance evaluations and reviews of the permits. She said that the Division of Air Quality often coordinated with Department of Health and Social Services on the health related aspects of rulings and with the Department of Transportation & Public Facilities on this issue of aviation.

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REPRESENTATIVE SEATON asked if Alaska had primacy, or whether the state enforced federal standards, as it did not have Alaska specific standards.

MS. EDWARDS, in response, stated that Alaska did have primacy for air quality, and that many of the Alaska standards and programs were aligned with the federal program. She clarified that, although Alaska could have its own more restrictive standard, the state had adopted the federal standards.

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REPRESENTATIVE SEATON asked to clarify that Alaska standards needed to be at least as restrictive as the federal standards. He asked if the time frame to issue permits had changed with primacy.

MS. EDWARDS expressed her agreement with Representative Seaton that the Alaska standards needed to be as restrictive as the federal standards. She offered her belief that it would be difficult to assess the time frame for permitting, as the state had primacy for more than 20 years, and the permit program structure had changed significantly since the Clean Air Act in 1990.

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REPRESENTATIVE HAWKER asked which specific industries or businesses in Alaska would be compromised by the recently adopted one hour standard for nitrogen dioxide versus the former annual standard.

MS. EDWARDS replied that the majority of permitting activity was for the industrial facilities in the oil and gas sector and the electrical utilities. She stated that there would be challenges to demonstrate that the industry operations would comply with the standards.

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CO-CHAIR SADDLER asked if there was an air permit backlog analogous to that backlog in the Division of Mining, Land and Water in the Department of Natural Resources.

MS. EDWARDS determined that there was a slight backlog in the EPA Title V operating permits, which were reviewed on a five year cycle. She clarified that this renewal did not stop operations, and that there was not a backlog for other permits.

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CO-CHAIR SADDLER asked how much of the work in Division of Air Quality was enforcement in compliance and how much was in assistance for the standards.

MS. EDWARDS replied that there was a greater effort toward inspections and compliance assistance than for formal enforcement.

2:01:50 PM

ELAINE BUSSE FLOYD, Acting Director, Division of Environmental Health, Department of Environmental Conservation (DEC), presented a PowerPoint entitled, "Environmental Health." She directed attention to slide 1, "Division Mission," and read: "Our goal is to provide businesses with clear standards so they can protect our environment and provide safe food and drinking water to Alaskans."

MS. FLOYD moved on to slide 2, "Organization Chart," and clarified that the State Veterinarian, although a standalone program, was housed for budgetary reasons with the other four Environmental Health components. She pointed out that the division also managed the Recreational Shellfish Beach Monitoring Pilot program, and coordinated the tsunami debris cleanup efforts for the state.

2:03:15 PM

MS. FLOYD reviewed slide 4, "Drinking Water and DEC," and explained that it maintained state primacy for regulating public drinking water systems, as well as reviewing the construction, installation, and operation plans for public water systems to protect public health and meet Safe Water Drinking Act requirements.

MS. FLOYD identified slide 5, "Federally- Designated," and reported that, although Alaska had primacy for Safe Drinking Water since 1978, it was an increasing challenge "to stay on top of the rule requirements," as there were 19 federal rules, with 2 pending adoption, and 5 other proposed rules. She reported there were 1,515 federally designated water systems, which served 25 or more people.

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MS. FLOYD explained slide 6, "State-Regulated," and stated that there were 5,000 systems serving 25 people or less, although larger than a private well. These systems required registration, quarterly and annual testing, and construction approval.

MS. FLOYD shared slide 7, "Successes and Challenges." She stated that the division had 61 employees in 5 offices throughout the state. She declared that the increasing complexity for federal rules was a challenge, so the division

used a technical assistance providers group, which included people from the drinking water, village safe water, and operator certification and assistance programs.

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MS. FLOYD explained that the pesticide program was a standalone program with five employees in one office, slide 10, "Pesticide Control and DEC." She shared that this program had primacy, that the program conducted inspections to ensure that pesticide applications complied with regulations and worker protection standards, and that it registered and monitored the distribution and sale of more than 5,000 registered pesticides and products in Alaska.

MS. FLOYD explained slide 11, "Successes and Challenges," and said that implementing the integrated pest management of invasive species, standardizing the permitting process for state agencies, and improving the on-line product registration were some of the successes.

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MS. FLOYD summarized slides 13 and 14, "Solid Waste Management and DEC," stating that the division reviewed all solid waste permit applications, issued permits for disposal, inspected landfills to verify compliance, and monitored closed landfill sites. She reported that there were 15 employees in 3 offices around the state. She announced that all 23 of the landfills that accepted 5 tons or more per day, all 35 of the industrial landfills, all 11 of the industrial treatment facilities, and 33.5 percent of the 188 rural landfills that accepted less than 5 tons per day, were permitted.

MS. FLOYD declared that the division was implementing regulations to simplify the permitting application process for village landfills, slide 15, "Rural Landfill Challenges and Successes." She said that an expansion to the outreach and technical assistance had resulted in an increased permit percentage.

2:11:49 PM

MS. FLOYD identified slides 17 -20, "Food Safety and Sanitation," and confirmed that the division established standards, permitted, inspected and enforced standards for food processing and food service facilities. They also provided

education and training on the safe handling of food. She shared that there were 40 employees in 10 offices around Alaska, and they were responsible for more than 4,600 restaurants, markets, and food processors, nearly 800 seafood processors and shellfish harvesters, and almost 3,800 public facilities.

MS. FLOYD analyzed slide 21, "By the numbers," and detailed the inspections in FY 2012, which included 47 percent of the high risk retail food establishments and 85 percent of the high risk seafood establishments. She said that 73 percent of the facilities had trained staff, and the manager training program was the result of a collaborative program with the University of Alaska Fairbanks Co-op Extension. She relayed that the low risk foods which did not support the growth of dangerous bacteria included bake goods, political fundraisers, and pickled vegetables, and were exempt from permits and inspections.

2:16:12 PM

MS. FLOYD referenced the picture labeled "Germ City" on slide 22 and described this interactive science based program which illustrated the importance of hand washing and food borne illness.

MS. FLOYD moved on to slides 24-25, "State Veterinarian," and said they had 5 employees in 2 offices, which were responsible for permitting, inspection, and technical assistance to dairy and livestock producers. They also permitted and monitored the movement of animals and animal biological products, including vaccines. They responded to animal health emergencies, and collected fish samples to evaluate for contaminants.

2:19:24 PM

MS. FLOYD commented on slides 26-27, "Successes and Challenges," and said that the State Veterinarian had maintained disease-free status for Alaska, allowed easy international and interstate animal transport, and helped commercial and private animal owners keep animals healthy. She pointed out that the new dairy processing facility in the Matanuska Valley had been permitted.

MS. FLOYD furnished slide 29, "Environmental Health Laboratory," and reported that the laboratory had 23 employees at its one location. She detailed that it certified 88 private laboratories to perform compliance and regulatory testing for drinking water, contaminated sites, and dairy. The laboratory also provided more than 60,000 testing processes on a variety of

things, including air filter contaminant monitoring and animal health. She reported that, although there were only three federal agencies to be directly responsible to, there were seven separate federal programs for certification.

MS. FLOYD indicated slide 30, "Successes and Challenges," and confirmed that in-state testing avoided time delays and the cost of shipping, and offered services that were not provided by the private sector. She explained the five year grant that would bring the laboratory to the international standards for food testing.

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MS. FLOYD concluded her PowerPoint with slides 31-33, "Tsunami Marine Debris," and reported that the governor had designated DEC as the lead agency for coordinating "the multi-agency effort related to tsunami generated marine debris. We are seeing large quantities of debris that we haven't seen before in this state." She expressed concern for the potential toxicity of the components, the smothering of sensitive habitats, and the effects of styrofoam on marine and terrestrial life. She announced that a recent aerial survey had produced more than 8,000 pictures on 2,000 miles of Alaska coastline, and that each picture had been graded for debris density and type of debris. She declared that this confirmed there was more debris than originally forecast, and it demonstrated a significant need for funding. She reported that the $5 million allocation from the government of Japan would be distributed, after a small initial allotment to five states and two territories, by the National Oceanic & Atmospheric Administration (NOAA) on a needs basis, which would be better for Alaska.

2:24:17 PM

CO-CHAIR SADDLER asked about if there were any air quality issues with burning styrofoam on the beach.

MS. FLOYD replied that burning styrofoam was not allowed, as it was bad for the air.

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REPRESENTATIVE P. WILSON asked where was the most prevalent tsunami debris, and if any radioactivity had been detected.

MS. FLOYD replied that no radioactivity had been detected in any of the debris. She reported the greatest prevalence to be in the Gulf of Alaska and Southeast Alaska.

2:25:41 PM

MS. FLOYD, in response to Representative P. Wilson, confirmed that the remaining inspections would be completed first, and, as the division worked with the U.S. Food and Drug Administration (FDA), all the inspections would be covered.

REPRESENTATIVE P. WILSON asked about the waiting period for tuberculosis and blood tests for reindeer.

MS. FLOYD said that she would report back with the answer.

2:27:08 PM

REPRESENTATIVE TUCK asked if fish had been tested for radioactivity from the tsunami debris.

MS. FLOYD replied that there was not any evidence of radioactivity in fish in Alaska.

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CO-CHAIR FEIGE asked if pesticides and herbicides were regulated together.

MS. FLOYD confirmed this.

CO-CHAIR FEIGE asked about a list of herbicides approved for use in Alaska, and inquired about the process to add herbicides to the approved list.

MS. FLOYD replied that she would find this information.

CO-CHAIR FEIGE suggested, as the same testing was used in other states, to adopt the approved list from these other states.

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REPRESENTATIVE TARR shared that the chemical manufacturers had to apply to be added to the approved list, and, as Alaska had a low sales volume, the manufacturers had chosen not to apply. She asked if any of the landfills were being monitored for off gassing. She then asked how many additional staff would be

required to do an annual food inspection on each of the facilities.

MS. FLOYD replied that she would report back about the off gas in the land fill. She shared that the division would need a significant number of inspectors; however, they were working to better streamline, and make do with the current inspectors.

2:31:18 PM

LARRY DIETRICK, Director, Division of Spill Prevention & Response, Department of Environmental Conservation (DEC), shared that the "Mission," slide 2, of the Spill Prevention and Response (SPAR) program was to "protect public health and the environment through prevention, preparedness, and response to oil and hazardous substance releases.

MR. DIETRICK moved on to slide 3, which he described as a continuum of the overall responsibilities, including prevention, preparedness, response, and contaminated sites cleanup.

2:32:45 PM

MR. DIETRICK explained slide 4, "Organization," and stated that there were four programs in the division, structured to meet each of the aforementioned responsibilities.

MR. DIETRICK observed that the program senior leadership, the director and the four program managers, had 159 collective years of experience, slide 5, Qualifications."

MR. DIETRICK indicated slide 6, "Prevention and Emergency Response Program Mission," and said that this program actually responded to releases of oil and hazardous substances, as well as dealing with the cleanup, the mitigation of impact, and the restoration of damaged resources.

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MR. DIETRICK shared slide 7, "Total Number of Spills by Fiscal Year," observing that there had been a downward trend over the last three years.

MR. DIETRICK disclosed that diesel was the biggest spill product, followed by aviation fuel, gasoline, and hydraulic oil, slide 8, "Volume Released by Product." He clarified that crude oil was in the "Other" category, and its spill volume was low.

MR. DIETRICK explained that the program did emergency response, managed the statewide Hazmat response, conducted drills and exercises, prepared the government oil spill response plans, maintained local spill response agreements for first response capability, and coordinated the disaster response by DEC, slide 9, "Responsibilities."

2:35:07 PM

MR. DIETRICK indicated slide 10, "Emergency Response Team Areas," and noted that there were three response teams: Northern Alaska, Central Alaska, and Southeast Alaska.

MR. DIETRICK reported on slide 11, "Statewide Hazmat Response Teams," that this team had been started in 1997 and was capable of dealing with worst case releases. It was now comprised of more than 26 organizations in Alaska, including military, civilian, and fire service, and the team had standardized protocols.

MR. DIETRICK pointed to slide 12, "Oil Spill Response Plans," which reflected the structure to unify the federal and state response plans with the industry contingency plans.

MR. DIETRICK commented on slide 13, "Local Spill Response Agreements and Equipment," which mapped the remote locations for pre-positioned equipment and response agreements, in order to facilitate local knowledge and resource for an immediate response.

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MR. DIETRICK commented on slide 14, "Activities," and shared that the program had 821 responses out of 1,888 reported spills, with 23 significant oil and hazardous substance spills. He noted that were also vessel risk assessments for Cook Inlet and the Aleutians, as well as preparedness for Arctic offshore drilling and Arctic shipping. Slide 15, "Alaska's Ocean Area," depicted a map identifying the ocean response program area compared to the ocean area for the continental United States.

MR. DIETRICK analyzed slide 16, "Shipping Regions," and pointed out that maritime incidents were a big risk in Alaska, as much of the maritime traffic did not comply with U.S. requirements and therefore, did not have the capability to respond.

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MR. DIETRICK said that the operational conditions, logistics, risks, and expectations were detailed on slide 17, "Response Challenges."

MR. DIETRICK declared that the SPAR program was working on a conceptual vessel rescue system because of the maritime risks, as the components were shown on slide 19, "Alaska Vessel Rescue System." He explained that the loss of power often lead to drift groundings and spills, so the state now had emergency towing systems, and was designating places of refuge with mooring buoys.

2:42:16 PM

MR. DIETRICK moved on to the "Industry Preparedness Program," slide 22, and explained that this program ensured that producers, transporters, and distributors of oil prevented spills, and were prepared materially and financially to clean them up. He explained that slide 23, "Oil Production, Storage and Transportation Infrastructure," was a schematic of the regulated oil community.

MR. DIETRICK remarked that, as pipelines were about 80 percent of the oil and gas infrastructure, the state now reviewed and regulated the flow lines as they were the highest risk of the pipeline, slide 24, "Pipelines of Interest."

MR. DIETRICK commented on slide 26, "Spills at Regulated versus Unregulated Facilities," stating that unregulated facilities caused 73 percent of the spills, which he declared to be an indicator of the industry performance in Alaska. He declared that the responsibilities of the "Industry Preparedness," slide 27, included oil spill contingency plans, inspections, spill drills, review of the best technology, and approval for financial responsibility.

2:44:28 PM

MR. DIETRICK explained that there were six oil spill cooperatives, slide 29.

MR. DIETRICK, directing attention to slide 30 "Offshore Drilling," opined that there would be new federal regulations to apply for offshore drilling.

MR. DIETRICK shared that the Industry Preparedness program had 633 contingency plan actions in the last year, and he mentioned the Pipeline Leak Detection Technology conference, slide 31, "Activities."

MR. DIETRICK said that frozen pipelines and old technology were some of the problems with an "Aging Infrastructure," slide 32.

MR. DIETRICK moved on to slide 33, "Contaminated Sites Program," and declared that its mission included "assessment, clean up, monitoring and redevelopment of contaminated sites." He analyzed the graph on slide 34, "Open versus Closed Sites," noting that many were legacy sites.

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MR. DIETRICK explained slide 35, "Spills to Land and Water," which graphed the relative numbers of each, and he said that many spills which become subsurface then became project management in the later clean ups. He cited that 97 percent of contamination, including mining, logging, fuel storage, and leaky underground storage tanks was from activity at legacy sites, slide 37, "Legacy of Contamination."

MR. DIETRICK said that 50 percent of the contaminated sites were owned by the federal government, either civilian or military, 33 percent were private, and the remainder was owned by state and local governments, slide 38, "Contaminate Type and Ownership." He clarified that the federal civilian agencies, as well as the Department of Defense, managed cleanup programs in Alaska, as shown on slide 39, "Federal Facilities."

MR. DIETRICK moved on to slide 40, "Responsibilities," and declared that the programs had established standards, used risk based cleanups, and were responsible for site management, with clean up to the site and, if necessary, the area. He mentioned the focus on reuse and redevelopment of the sites, noting that some of the "big box" stores in Fairbanks were built over previously contaminated sites.

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MR. DIETRICK explained slide 41, "Risk Continuum," and said that the subsurface contaminated sites often did not pose as acute a public health problem, instead posing a chronic ecological risk, or a risk to natural resources. He described that it was necessary to first find the contamination, then find its pathway

to the environment or the public health, before you could sever that pathway and provide protection, if it was technically or economically not possible to clean up the site, slide 42, "Exposure Pathways."

MR. DIETRICK offered slide 44, "Contaminated Sites Activities," and noted that the program had taken action at more than 1200 sites, and risk reduction measures had been implemented at 154 sites.

MR. DIETRICK described that the response fund was managed on a sustainable basis as intended by statute, which included cost recovery and contract management, slides 47-48, "Response Fund Administration."

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MR. DIETRICK spoke about slide 50, "Activities," and shared that there were $4.2 million in state contracts to private companies for cleanup. He expanded that there were 11 term contracts in place and 100 notices to proceed during the past year with private contractors.

MR. DIETRICK concluded his PowerPoint presentation with slide 51, "SPAR Initiatives," and reported on some of the highlights of the previous year for the division, which included participation in the Arctic Council that resulted in a mutual response agreement for the Arctic among eight Arctic nations. He added that the division had participated in the incident review for the Gulf of Mexico spill, and was conducting risk assessments in four Arctic areas.

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MICHELLE BONNET HALE, Director, Division of Water, Department of Environmental Conservation (DEC), directed attention to slide 1, "Mission," and stated that the mission of the division was to: "protect water quality and assist communities in improving sanitation conditions." She pointed out that her division did everything with water, except regulate drinking water or deal with water quantity and water rights. She moved on to slide 3, "Division Structure," and explained that the division had two main parts, the Facilities and the Water Quality.

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MS. BONNET HALE pointed to slide 9, "Village Safe Water (VSW)," and stated that the VSW program also built facilities and provided grants to communities for planning, design, and construction.

MS. BONNET HALE reported that funding sources included EPA and the state, with federal funding shares of 75 percent and the state funding of 25 percent, slide 10, "VSW-Funding Sources." She noted that currently there were grants totaling $40 million each year. She pointed to a growing gap in the availability of funding and the actual cost of the projects.

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MS. BONNET HALE, in response to Co-Chair Saddler, said that she was unsure if the grant total was for total federal dollars or the total dollars, and she offered to research this.

MS. BONNET HALE spoke about slide 11, "VSW Projects," saying that an important aspect to the grants were for the job training and hiring on the projects. She pointed out the graph on slide 12, "VSW- Key Issues," which illustrated the widening gap between funding and need, currently about $667 million.

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MS. BONNET HALE indicated slide 13, "Operations Assistance," explaining that this program ensured that the operators of the drinking water and sewer waste treatment systems were trained and certified. She mentioned slides 14-16, "Remote Maintenance Worker Program," explaining that this program brought workers to the communities to support and train local workers. She briefly mentioned the remote monitoring pilot, which allowed internet connection to monitor treatment plants in remote communities. She presented a list of communities throughout Alaska where the division had supplied emergency response during 2012.

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MS. BONNET HALE explained that there were four major water quality programs, including cruise ship, wastewater discharge, water quality standards, and compliance, "Division of Water Programs," slide 17.

MS. BONNET HALE presented slide 18, "Core Services," and listed the core services to include: establish water quality standards, and then use those standards to assess the quality of

water and to issue permits and set limits. She explained that there was also a compliance assistance program.

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MS. BONNET HALE listed the four major components of the cruise ship program to be: ocean rangers, air emissions, wastewater permits, and the science advisory panel, slide 19, "Cruise Ships." She furnished slide 20, "Ocean Rangers," and observed that ocean rangers were on 88 percent of the voyages in 2012, submitting more than 1,500 total reports. She announced that there was an emphasis on hiring Alaskan ocean rangers, and in 2012, 7 of the 21 ocean rangers were Alaskans.

MS. BONNET HALE moved on to slide 21, "Science Advisory Panel," and shared that the eleven member panel was established in 2009, and that it reviewed the effectiveness of current and new treatment technologies.

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MS. BONNET HALE explained slides 22-25, "Wastewater Discharge Permitting," and stated that any discharge of wastewater in the state required a permit. She noted that the primary permittees were industry and domestic wastewater treatment plants. She expressed pride in the Alaska Pollutant Discharge Elimination System program for which full primacy had been assumed from the EPA, although the EPA retained its oversight for the program. She said that almost 1,300 general permit authorizations were issued in 2012. She reported that an online application system had been in place for six years, which added to the permitting efficiency. She noted that the construction general permit could also be applied for online.

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MS. BONNET HALE commented on slide 26, "Water Quality Standards," and shared that the standards were developed by DEC and approved by EPA. She stated that the water quality standards were used to assess and evaluate the health of the water and to establish discharge limits in permits. She pointed out that these were routinely reviewed and updated.

MS. BONNET HALE declared that baseline water quality monitoring for marine and freshwater, and targeted assessment were part of the "Water Quality Assessment," slide 27.

MS. BONNET HALE presented slide 28, "Water Quality Restoration," and praised the Alaska Clean Water Actions grant program for monitoring, for local ordinances, and for restoration and education projects.

MS. BONNET HALE assessed slide 29, "Compliance," noting that the facilities self-reported, and then the division reviewed the data. The division would inspect the facilities for permit compliance, as well as site construction and storm water sites. She explained that the enforcement policy would escalate, becoming more stringent as warranted. She pointed out that there were 154 DEC inspections, with 24 notices of violation in 2012, slide 30, "DEC Inspections."

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ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:06 p.m.