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Overview:

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**DEC Performance Measures
Acting Deputy Commissioner Kurt Fredriksson
Delivered Jan. 31, 2000
Senate Finance Committee**

Chairman Parnell, Chairman Torgerson and members of the committee, for the record I am Kurt Fredriksson, acting deputy commissioner for the Department of Environmental Conservation. With me is Barbara Frank, Director of the department's Division of Administrative Services. Commissioner Michele Brown is flying into Juneau this morning and should be joining us shortly to complete our overview of the Department's mission, accomplishment's, and performance measures.

Let me begin this overview by saying that we are proud of what DEC has accomplished with the resources you have given us and think the results we have achieved are worth talking about. I'll address the mission, a few examples of the department's accomplishments this last year, and then some specific performance measures and statistical results.

The mission of the Department of Environmental Conservation as approved by the legislature last year in SB 169 is:

Develop, coordinate, and administer polices, programs and planning related to public health and the environment of the state.

In more recent meetings with our subcommittees we have agreed on a more succinct and less bureaucratic mission statement for the department which is:

To protect public health and the environment

With the funds appropriated by the legislature, all of the people in our department, in some capacity, work for clean air, clean water, clean land, safe food, safe handling of oil and chemicals, safe public facilities and businesses, and pollution prevention. Our staff are dedicated to a partnership with the people and industries of Alaska and the tools we use to promote the mission of public health and a healthy environment have

changed in recent years. In the not too distant past, feedback from the public was not good. There was too much emphasis on investigation, legislation, regulation and litigation. Today, we don't rule out those tools, but we try first to anticipate, collaborate, negotiate, educate and communicate.

Enforcement of clean air and water rules will always be necessary, because some people refuse to follow those rules. But at DEC, we begin with the assumption that the people and industries that operate in our state have both the corporate conscience and the technical ability to work with us on constructive solutions to basic environmental management issues.

In general, DEC's work fits into two basic categories: Doing it Right and Healthy Safe Communities.

For doing it right, we strive to deliver services that strengthen the overall economy and create and maintain good jobs for Alaskans by prudent and

sustainable management of our air and water quality. There are several examples of the return on the investment in Doing it Right at DEC. The following examples are just a few representative cases.

The **first** is to get contaminated property cleaned up and available for economic re-use.

An excellent example of a good return on the state's investment in DEC is our actions on the site of the former Sitka Pulp Mill. In April of last year we took the "closed" sign out of the window and gave the City and Borough of Sitka the opportunity to put a new industry in its place.

EPA wanted to list this site on the superfund list. City officials feared that stigma would daunt any future development. We stepped in and assumed leadership over the cleanup. We finished it in half the time and at substantially less cost than it would have taken if EPA had supervised it.

We also worked with Sitka and the Alaska Pulp Corporation to create an innovative agreement that enabled the community to take possession of the property without fear of liability, and clearly spelled out in advance monitoring and maintenance protections for the site so that new users would be able to plan well for the site's re-use.

A **second** investment example is issuing state air permits that make sense for Alaska, despite federal opposition.

DEC issues permits to control air pollution from diesel generators, which supply basically all of rural utility and industrial energy in Alaska.

Mineral reserves at the Red Dog Mine outside Kotzebue have increased in recent years and it needed a power supply increase to support a higher rate of ore processing. DEC granted Cominco a permit to install a new diesel generator to fill that need and required a pollution control

technology that would substantially reduce emissions, but still be affordable.

For EPA, that wasn't enough. EPA preferred another, far more expensive control technology, even though it would result in no measurable difference in air pollution at the Cominco property line.

Over EPA's objections, and in fact, contrary to an EPA order directing us not to issue the permit, **DEC issued the permit.**

A similar battle was fought over Nome's utility where EPA tried to impose this same pet technology that would have increased Nome's utility rates 25%.

The **third** example is to tailor or seek a waiver of federal requirements that don't make sense in Alaska.

It is a good investment to help Alaska's communities succeed where federal laws and regulations set some Alaska villages and cities up for failure. It is simply impossible – financially and sometimes literally – for Alaska's numerous small remote landfills to meet federal landfill standards. It was extremely expensive for municipal landfills to satisfy federal requirements.

DEC fought for and then completed a waiver on federal requirements for small landfills and put in place reasonable requirements for municipal landfills that save municipalities millions of dollars previously spent in unnecessary one size fits all federal requirements. DEC's alternative plan to provide protections through more flexible means was finally approved by EPA.

The **fourth** example is to make the permit process less labor intensive.

The quicker people get permits, the more productive they'll be. DEC developed a permit questionnaire on our web site which allows many

business owners to go through a series of questions and find out what, if any, permits are necessary for a job or a new operation.

By answering questions on the possible effects on the environment and public health, like air emissions, wastewater needs, and food processing, the business can get a list of any permits, approvals, and licenses it may need from DEC, and who to contact to get them.

My last doing it right example is DEC's effort to systematically assess possible cruise ship pollution in southeast Alaska.

Cruise ships plying our waters don't fall right now within the state or federal permit system. Yet, they are discharging wastewater at a rate that exceeds many of our small towns. DEC convened over thirty cruise ship operators who operate in Alaska waters, as well as the EPA, the Coast Guard and the Southeast Conference to get to the bottom line on cruise ship waste dumping and air emissions in Southeast Alaska. Our goal is to develop a plan to assure Alaskans that the cruise ship industry

will keep Alaska clean. We made it clear to industry that we expect them to respect Alaska's values for doing it right.

Already, the industry has committed that it will not dump in doughnut holes, and it will get prepared to respond to an oil spill.

Work groups are being set up to assess the discharges, to monitor the industry, and to see that Alaska's resources are protected.

The next general area of accomplishments I'd like to address is the state's investment in DEC for human and community health issues such as safe drinking water, better sanitation and spill response. Elsewhere in the country, many of these services are provided by local government, but in Alaska, the state retains most of the duties for assuring the basics we take for granted in modern life. We believe that part of our mission is to keep Alaska a model for community health and an inviting vacation destination for visitors. Two examples are:

First, providing clean water and sanitation facilities for all Alaskans.

As of the end of the 1999 construction season, two thirds of rural Alaska households have access to a basic, but safe, level of drinking water and sewage service. That means from either a haul or piped water and sewer system. When all the projects started today are completed, the number of rural households with access to basic drinking water and sewer systems will be 84 percent.

The state's investment in community infrastructures is protected and maintained through the Village Safe Water Remote Maintenance Worker program which provides training and on-site technical assistance to 71 communities. Since 1989 when the Remote Maintenance program was put in place, there have been no catastrophic system failures.

Sanitation projects will pump almost 90 million dollars into the Alaska economy this fiscal year. It generated approximately 900 rural jobs this past construction season.

Urban Alaska's economy also benefits greatly from these projects. On average, 70 cents on the rural sanitation dollar stays in Anchorage, Fairbanks and Juneau for materials and services. In other words, of the \$62 million appropriated through Village Safe Water this year, approximately \$43 million flows into our urban economies.

The second example is in minimizing the impacts of spills. DEC has signed over 20 spill response agreements with local governments and municipalities to establish oil and hazardous substance spill response partnerships at the local level. Under the terms of the agreements, DEC trains local responders, can activate local emergency response resources as needed to supplement the department's own response capability, and can reimburse costs incurred by the local government in actual response to spills.

The combined response resources of local governments substantially enhance the state's overall spill response capability without increasing the size of state government.

As I mentioned earlier, the department has been meeting with our finance subcommittee's to develop performance measures for the future. As a starting point we have turned to our current performance measures and results for the first ten months of calendar year 1999.

For safe water, we can report on two measures.

First, the measure was a decrease in the number of Boil Water Notices issued, the population affected and the duration. Tracking that measure indicated a result of a decrease from 1998: 29 notices affecting 3,439 people were issued in 1999 and 39 notices affecting 9,908 people were issued in 1998.

The second measure is the percentage increase of Class A & B public water systems in compliance with health-based standards. The result showed 94% are in compliance, exceeding our goal of 91%.

For safe food, we can report on three measures.

The first was the percent decrease in violations that affect food safety and wholesomeness. The result indicated a decrease in violations at inspected food service facilities from 49% in 1997, to 46% in 1998, to 32% in 1999.

Second, the measure is the number of pounds of food products detained or destroyed before reaching the consumer because of contamination or incorrect processing. The result showed, in 1999, 60,034 pounds were detained and 28,814 pounds were destroyed. In 1998, 680,006 pounds were detained and 234,442 were destroyed.

Third, the measure is the number of approved harvesting areas closed because of PSP levels. The result showed none were closed in 1999 and one was restricted in 1998.

For safe public facilities, we report on three measures.

First, the percent decrease of critical violations in inspected public facilities that affect the health or safety of the public. The result was a steady decrease from 77% in 1997 to 59% in 1998 to 24% in 1999.

Second, the increase in percentage of landfills with permit or an alternative to a permit. The result was an increase of 6% from 1998.

Third, the percent increase of landfills with an inspection score of 80 or higher. The result was 55% had a score of 80 or higher, a 1% increase from 1998.

In the FY 2001 budget, we have also proposed several measures for discussion with our subcommittees. Those measures address public health through measuring progress in sanitation, controlling air emissions and food safety. The measures we propose are:

Measure: Provide basic water and sewerage service to an average of 500 households in rural communities each year.

Current Status: The average number of households provided with new water and sewerage service for the last two years is 240.

Measure: Reduce carbon monoxide pollution in Anchorage to meet health standards by end of 2003.

Current Status: Anchorage - 1997 and 1998 met health standard; 1999 one day above standard as of Oct 31.

Measure: Percentage decrease in critical violations at inspected food establishments.

Current Status: Food service facilities (inspected through October, 1999) had 14% fewer critical violations than in 1998.

As we continue down the path of developing performance measures, tracking results and reporting to the legislature and public, we will have to face the inherent difficulty in measuring the effectiveness of prevention.

A significant portion of the Department of Environmental Conservation budget is dedicated to prevention efforts --- those that prevent public health outbreaks and minimize contamination of our land, air and water. To date, the value of prevention has frequently been tied to surrogate output measures such as number of technical assists, compliance efforts, inspections, educational programs or other counts.

The value of prevention may best be measured by the costs avoided as a result of successful prevention. A human life which is not lost due to food or water borne disease, an *Exxon Valdez* spill which does not

happen, a superfund cleanup of a contaminated site which is not needed, or avoiding the cost of repair or replacement of a water or wastewater system after catastrophic failure could be measures of successful prevention. It is difficult to put a price tag on the level of confidence and comfort experienced by Alaskan citizens that the food we eat, the air we breathe, the water we drink and the land where we build our homes and raise our children, are safe. Quantifying that is a shared challenge we face.

To help us along, DEC convened stakeholder work groups to address how and whether the state should invest in a state wastewater discharge permitting program and in a food safety program. The water group had permittees from the hard rock and placer mining, seafood processor, oil and gas, and timber industries; representatives from municipal governments and coastal districts; the US Army Corps of Engineers; the Environmental Protection Agency; legislators who chair the DEC budget finance subcommittees; and representatives from environmental and public interest groups.

The group's advisory report will be out soon and it includes ideas for efficiencies like expanding the use of general permits and permits by rule; the need to increase field presence and enforcement activities; improving access to data and other information related to permitting activities; and whether to pursue primacy of the NPDES program. The group is also looking at the level of resources necessary to deliver services; what tasks should be handled by full-time state employees; what tasks should be done by contractors; how general funds should be allocated; and how to pay for the rest: this includes the issue of fixed fees versus hourly or time and materials.

The food safety work group had members from the Alaska Seafood Marketing Institute, the Alaska Visitors Association, the hotel industry, United Fisherman of Alaska, the seafood processing industry, Alaska Municipal League, Alaska Hospitality Alliance, Alaskan and Proud, Health and Social Services, Food and Drug Administration, University of Alaska, Municipalities, Department of Law, and staff for DEC's budget finance subcommittees.

Like the water group, the food group is looking at program efficiencies, such as replacing state-sponsored food safety training courses with putting a self-inspection form on the internet, and increasing the financial contribution from FDA for seafood processing inspections.

We are hopeful that both of these groups will offer us good suggestions on missions and measures and funding.

Thank you for the opportunity to provide this overview of the department's mission, accomplishments and performance measures. I'd be happy to answer any questions.

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Department Mission

Develop, conserve, and enhance natural resources for present and future Alaskans.

Department Goals and Strategies for FY2001

1. Encourage resource development that creates Alaska jobs and ensures economic growth in all regions of the state
 - Convey oil and gas rights by offering 14.9 million acres for lease through competitive oil and gas lease sales and issuing oil and gas exploration licenses and shallow gas leases.
 - Increase revenues generated from Alaska Mental Health Trust Lands from \$3.5 million to \$4.1 million in a manner consistent with trust management principles.
 - Sustain Alaska's mineral industry investments by completing geophysical/geological mineral inventory survey of 1,000 square miles of Alaska lands and publish the associated maps.
 - Identify new areas capable of hosting major oil and gas discoveries.
 - Complete the Central Southeast Area plan of ~ 1,000,000 acres for timber and other resources development.
 - Generate revenues by offering up to 60 million board feet of timber with emphasis on value added products.
 - Facilitate and administer the issuance of 10,000 new mining claim permits.
 - Process, adjudicate and enter into Land Administration System 10,000 new mining claims, 10 new mining leases and 5,000 new mining prospecting sites.
 - Increase Alaska's market share of world exploration dollars and increase mining employment to more than 4,000 well-paying Alaskan jobs, by continued encouragement and facilitation of the mining industry.
 - Complete 20 trail plans associated with federally funded TRAAK.
 - Convey up to 12,000 acres of land to 10 municipalities.
 - Provide an expanded agriculture base by preparing 24 land disposal parcels and 17 lease opportunities on grassland areas.
 - Process 500 permit applications, which include land use permits for commercial guides, access to mining claims and logging areas, cross-country travel, trapping cabin permits, and tideland permits
 - Process 500 applications for material sales, shore fishery, upland and tideland leases, lease renewals, rights-of-way, and interagency land management assignments.
 - Respond to all native allotment and ANCSA conveyance decisions by the federal government to reserve access to state land.

2. "Doing it Right": Ensure resource development planning, management and new project approvals are based on 1) sound science, 2) prudent management, and 3) responsive, meaningful public involvement
 - Oversee the construction of 3 new, and operation of 10 existing common carrier petroleum pipelines on the North Slope, and report on the oversight.
 - Supervise the safety inspection of approximately 20 dams and test emergency action plans for 5 high-risk dams.
 - Evaluate areas subject to major hazards like floods, earthquakes, volcanic eruptions, and landslides to help predict likelihood and severity of future major events.
 - Conduct 3000 inspections and field inspections for seed certification and disease control, and issue certificates for export products.
 - Maintain inventory of historic and archaeological sites for use by developers, land managers and planners.
 - Implement recommendations from the Spruce Bark Beetle Strategy Task Force with other landowners on the Kenai.
 - Coordinate, through the Natural Resource Conservation and Development Board, programs to obtain federal funding for agriculture related conservation and erosion control in Alaska.

3. Ensure resource sustainability and multiple use, including recreational enjoyment of the resource base
 - Operate 120 state park units and maintain park access for 3.6 million visits.
 - Revise park user fee program to cover increasing maintenance and operation costs and recent facility upgrades. Federal approval of fee collection at park units improved with federal Transportation Enhancement dollars.
 - Manage 500-600 wildfires of varying sizes
 - Reforest 1,000 acres of forestland, survey 500 acres for regeneration, and conduct 125 of inspections of private land for compliance with Forest Resources and Practices Act reforestation requirements.
 - Register 250 water use filings.
 - Review and issue 580 permits for commercial activities on parklands.
 - Provide management oversight to 2.6 million acres of legislatively designated public use, recreation areas, trails, and 15 special use areas; and provide co-management oversight of 5.4 million acres of legislatively designated game refuges, critical habitat areas, sanctuaries, and wildlife ranges.
 - Secure maximum federal funding to implement a recreational boating safety program through the Office of Boating Safety.
4. Streamline natural resource leasing, sales, and permitting processes
 - Complete automation of graphic land records of remaining townships so land ownership and resource information can be combined for analysis and have the State Status Plats and Land Records be available on-line to the public.
 - Streamline and enhance the Recorder's Office operations to better meet the workload and user demand by incorporating current technology, such as imaging documents.
 - Integrate appropriate modern location and communication technology, such as GPS and Internet communications, into the mining location staking, maintenance, and permit process.
 - Maintain the state's land database through the notation of 10,000 state resource transactions affecting 12,000 townships; reduce notation cycle time by 30%. Make the information available to the public.
 - Continue efforts to utilize on-line application, notice and receipt of comment for permit applications.
 - Offer business transaction service over the Internet (payments, cabin rentals, etc.).

Key Department Issues for FY2000 – 2001

- Implementation of the negotiated agreement reached in the BP-Amoco-Arco Merger.
- Merger of the Divisions of Mining, Land, and Water.
- Y2K millennium transition.
- Administration and recordation of RS2477 rights-of-way.
- Parks deferred maintenance and operation.
- Renewal of the rights-of-way for TAPS and a number of North Slope common carrier pipelines.
- Conversion of water rights and shore-fish lease programs to registration.
- School Trust Lands valuation and litigation.
- Relocation of Anchorage Offices from the Frontier Building to the Atwood State Office Complex.
- Occupancy of the new consolidated Palmer Fire Suppression Facility.
- Union Contract negotiations, recruiting and retention of qualified staff.
- Erosion of the Agricultural Revolving Loan Fund.
- Passage and implementation of Uniform Commercial Code Revised Article 9.
- Management, review, and termination of Sec. 17(b) of ANCSA easements to Alaska Native corporations.

Major Department Accomplishments for FY1999

- Collected and accounted for \$516.5 million in O&G royalty, settlement, rental, federal share and bonus revenues.
- Provided technical and policy support to the BP/Arco merger discussions.
- Space planning and partial occupancy of Anchorage Atwood Office Building.
- Y2K compliance of all DNR Mission Critical Systems.
- Issued right-of-way leases of Nuiqsut, Alpine, and Northstar pipelines.
- Sold 54 parcels of land for a total of 1,963 acres.

- Disposed of 2,467 acres of ARLF parcels.
- Built and implemented the Recorder's new Office Indexing System.
- Converted State Status Plat to digital format on-line and reduced cycle time for pending actions.
- Generated \$334.2 from sale of forest products, offered ~41.2 million board feet of timber, offered 25 value-added timber sales and reforested 2,575 acres.
- Managed and responded to a total of 328 wildland fire occurrences on 134 million acres.
- Increased revenues generated from Alaska Mental Health Trust Lands from \$3.0 million to \$3.5million.
- Completed a detailed airborne geophysical survey of 1,036 square miles in the Fortymile mining area, and 229 square miles in the Livengood mining area.
- Completed review of Anchorage Jet Fuel Pipeline project.
- Successful state operation and maintenance at the Illinois Creek Gold Mine following operating company bankruptcy.
- Utilized the Tazlina Type 1 Crew for hazard tree removal, firebreak improvement and other hazard fuel work reducing the potential of a serious wildland fire on the Hillside area in the Municipality of Anchorage.

Key Performance Measures

Measure: New and assigned oil & gas rights, plans, and units resulting from the BP Amoco-Arco merger
(Not yet addressed by Legislature.)

Measure: Acres of state land offered for oil and gas leasing
(Revised from Legislature's FY2000 version.)

Current Status:

FY2000 lease sales were put on hold because of the BP Amoco-Arco merger

Measure: Volume of timber offered annually, including volume of timber offered for in-state value-added processing.
(Developed jointly with Legislature in FY2000.)

Background and Strategies:

Development of sustainable, renewable forest resources currently supports jobs in rural forested areas of the state. Timber sales make wood fiber available and value-added timber sales provide additional jobs through manufacturing. A steady, dependable wood supply provides a basis for long term capital investment. Strategies include offering a maximum of three value-added sales in Southeast Alaska and two value-added sales in Interior Alaska.

Measure: Level of compliance with best management practices, as measured by implementation of a monitoring program of the Forest Practices Act
(Developed jointly with Legislature in FY2000.)

Background and Strategies:

Administration and ensuring compliance with the Forest Resources and Practices Act, predominantly on private lands, meets the federal Clean Water Act requirements. Monitoring effects of forest practices produces scientific results that provide a basis for improving the standards and requirements for the Act - resulting in water and fisheries protection. Strategies to implement this measure consist of continued monitoring, compliance with and enforcement of forest practices, and working within a public process for development of standards.

Measure: Percent of fire incidents in the full and critical categories held at less than 10 acres
(Developed jointly with Legislature in FY2000.)

Benchmark:

Implementation of FIREWISE prevention program in communities.

Participation in completion of PROJECT IMPACT in urban/interface areas in Anchorage and Kenai Peninsula - and in Mat-Su Borough for FY01.

Background and Strategies:

Increased expansion into forested areas has raised the risk of fire to life and property, has increased the probability of more human caused fires, and emphasized the need for public education and defensible space.

Strategies to mitigate these situations include increased fire prevention activities, public outreach, burn permits, media involvement and cooperators preparedness for fire response.

Measure: Parcels and acres of State Land sold
(Revised from Legislature's FY2000 version.)

Current Status:

In October 1999 we sold 109 parcels for roughly ~\$1.5 million.

Benchmark:

There is no specific benchmark, as a land disposal cost will vary by location, size, and market factors.

Background and Strategies:

Due to budget constraints the land disposal program has been funded only through special appropriations. Over the years the Municipal Entitlements have taken most of the desirable land around communities.

Measure: Acres transferred to Municipalities and number of Municipalities served
(Revised from Legislature's FY2000 version.)

Measure: Mineral acres of ground under private-sector exploration
(Not yet addressed by Legislature.)

Benchmark:

Based upon the trend of claim data from 1993 to date, it is expected that by the end of calendar year 2000 there will be about 3.8 million acres of ground subject to active private-sector exploration in Alaska. This corresponds to about 1% of the state's land area.

Background and Strategies:

The growth of the mining industry in Alaska has resulted from the complementary actions of the Administration, State Legislature, and the private sector. Annual funding of airborne geophysical/geological mineral inventories of prospective mineral tracts, in combination with Alaska's mine development tax incentive and outreach from the Governor's office, have been significant catalyzing factors. There are many remaining high mineral potential tracts throughout rural Alaska that offer the opportunity for successful mineral exploration and mine development if the fundamental geological and geophysical data needed to guide exploration are generated and made available. DGGs plans to concentrate its mineral appraisal resources on these highly prospective areas to generate that data.

Measure: Square miles of geophysical and geological mineral surveys completed
(Developed jointly with Legislature in FY2000.)

Benchmark:

The 1000 square mile benchmark is a challenging target given the staff size and funding available to DGGS.

Background and Strategies:

DGGS intends to maintain this performance measure unchanged for FY2001. We are pursuing complementary federal funding and cooperative agreements with federal agencies in an attempt to acquire resources needed to increase the square miles of geologic mapping that can be completed in a fiscal year. The magnitude of the square miles of airborne geophysical surveys that can be completed in one year is a function of CIP appropriations. A tract of 1000 square miles is in good balance with historic funding, public expectations, and a level of commitment that is effective in catalyzing investment in Alaska's mineral industry.

Measure: Visitor use of state park units
(Revised from Legislature's FY2000 version.)

Benchmark:

3.5 million visitors for 120 state park units

Status of FY2000 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> • Offer 7 million acres of state land for oil and gas leasing in 2 area-wide leases. • Complete geophysical/geological mineral inventory surveys of 1,000 square miles of Alaska lands. • Administer and facilitate the issuance of 15,000 mining claim permits. • Maintain and operate 121 state park units. • Maintain the state's land database through the notation of 10,000 state resource transactions affecting 12,000 townships and make the information available to the public. • Generate \$1.4 million from sale of forest products and offer approximately 60 million board feet of timber. 		X		X	
		X			X
		X			
				X	