

**2/2/09  
OVERVIEWS:  
JOINT ARMED  
SERVICES COMM.,  
DEPT. OF  
ENVIRONMENTAL  
CONSERVATION,  
DEPT. OF NATURAL  
RESOURCES,  
DEPT. OF FISH  
AND GAME**

<target><bill></bill><subject>2-2-09 OVERVIEWS JOINT ARMED SERVICES COMMITTEE, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, DEPARTMENT OF NATURAL RESOURCES, DEPARTMENT OF FISH AND GAME</subject><comm>HFIN26</comm></target>

Alaska State Legislature  
HOUSE FINANCE COMMITTEE  
Agenda

Monday, February 2, 2009

House Finance Room 519 – 1:30 PM

SB 77-EXTEND JOINT ARMED SERVICES COMMITTEE

✓ Sen. Wieleschowski, Sponsor

✓ Rep. Dahlstrom, Chair, Joint Armed Services Committee

✓ Mc Hugh  
Pierre,  
DMVA

Budget Overviews:

Department of Environmental Conservation

- ✓ Larry Hartig, Commissioner, Department of Environmental Conservation
- Mike Maher, Director, Division of Administrative Services, Department of Revenue
- Laura Beason, Administrative Services Manager, Division of Information and Administrative Services, Department of Environmental Conservation

Department of Natural Resources

- ✓ Tom Irwin, Commissioner, Department of Natural Resources
- ✓ Leta Simons, Director, Division of Support Services, Department of Natural Resources

Available for Questions:

- ✓ Marty Rutherford, Deputy Commissioner, Department of Natural Resources

~~MAAR ALGELS~~

Department of Fish and Game

- ✓ Denby Lloyd, Commissioner, Department of Fish and Game
- Tom Lawson, Director, Administrative Services, Department of Fish and Game

~~Jennifer Markens~~

COMMITTEE ACTION ON LEGISLATION

Fax to Chief Clerk's Office 5334  
 HOUSE FINANCE SECRETARY: Nancy Jones

PAGE 1 OF 1  
 DATE: Feb. 2, 2009

<p>SHORT TITLE</p> <p>CSSB 77 (STA)</p>	<p>ACTION TAKEN ON LEGISLATION</p> <p><input checked="" type="checkbox"/> Moved Out of Committee</p> <p><input type="checkbox"/> Moved CS ( ) Out of Committee</p> <p><input type="checkbox"/> Moved HCS ( ) Out of Committee</p> <p><input type="checkbox"/> Heard and Held</p> <p><input type="checkbox"/> Heard and Held Assigned to Subcommittee</p> <p><input type="checkbox"/> Bill Postponed to _____</p> <p><input type="checkbox"/> Scheduled but not Heard</p> <p><input type="checkbox"/> Failed to Move Out of Committee</p>
<p>SHORT TITLE</p> <p>HB 81</p> <p>HB 83</p>	<p>ACTION TAKEN ON LEGISLATION</p> <p><input type="checkbox"/> Moved Out of Committee</p> <p><input type="checkbox"/> Moved CS ( ) Out of Committee</p> <p><input type="checkbox"/> Moved HCS ( ) Out of Committee</p> <p><input checked="" type="checkbox"/> Heard and Held</p> <p><input type="checkbox"/> Heard and Held Assigned to Subcommittee</p> <p><input type="checkbox"/> Bill Postponed to _____</p> <p><input type="checkbox"/> Scheduled but not Heard</p> <p><input type="checkbox"/> Failed to Move Out of Committee</p>
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Mon. Feb. 2, 2009

CS SB 77 (STA) - Joint Armed Ser. Comm. 26-LS0373/S

wielechowski

\$: #1 Leg. R.O.

HB81 - Operating Budget

HB83 - MH Budget

Overviews:

DEC

DNR

DFG



**Department of Environmental Conservation**  
**Overview of 10 Year Plan**  
January 29, 2009

**UNKNOWNNS**

- Increases for inflation
- Bargaining unit increases besides the known GGU and SU increases in FY10
- Future cost of living allowances
- Future fuel distributions

**BASELINE ASSUMPTIONS**

- Non-formula programs were not adjusted for inflation.
- All years include an anticipated 1.875% increase in personal services to accommodate step increases and longevity increases.
- State statute providing \$2,000,000 to support food safety inspections throughout the state will be approved in FY2010.
- Adoption of additional federal rules for public water systems from amendments to the Safe Drinking Water Act will occur and be funded in FY2013 (\$500.0 GF and \$500.0 Fed).
- FY09 Capital includes \$135,000 General Fund Leg add-on for Dilution of Effluent Study.
- Mining is projected to increase 25% annually due to increasing metal prices and applications for mining permits will continue to increase. This is reflected as a 25% increase each year in I/A authority through FY19.
- The Federal appropriations for rural sanitation CIP projects will decline at a rate of \$10 million per year until zeroing out in FY16. This decrease in funding is shown in the Baseline scenario under the Capital section. General Funds are included in the New Initiatives section to offset this decline in funding and maintain the Water Facilities program at its current funding level.

**BASELINE RESULTS**

Total Costs

- From FY09 to FY19 total Baseline costs decrease by 28.1%, largely due to the significant decline in Federal funding. However, when the total baseline appropriation is combined with Capital New Initiatives, total funding increases by 3.7% over 10 years. This is referenced on the attached "Environmental Conservation – All Funds" chart.

Operating Costs

Formula Programs – *DEC has none*

Non-formula Programs – *includes all RDUs and Components*

- Non-formula program costs increase by 5.8% over 10 years.

Capital Costs

- Capital Appropriations in the Baseline Budget shows a decline 52% over 10 years due to the significant decline in Federal funding to the Water program.
- Overall Capital Funding (Baseline and New Initiatives) will increase by a modest 2.4% over 10 years.

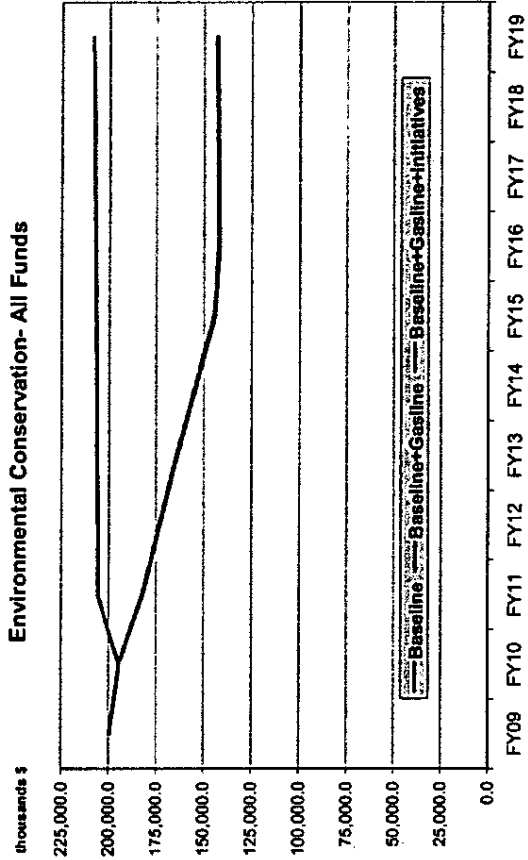
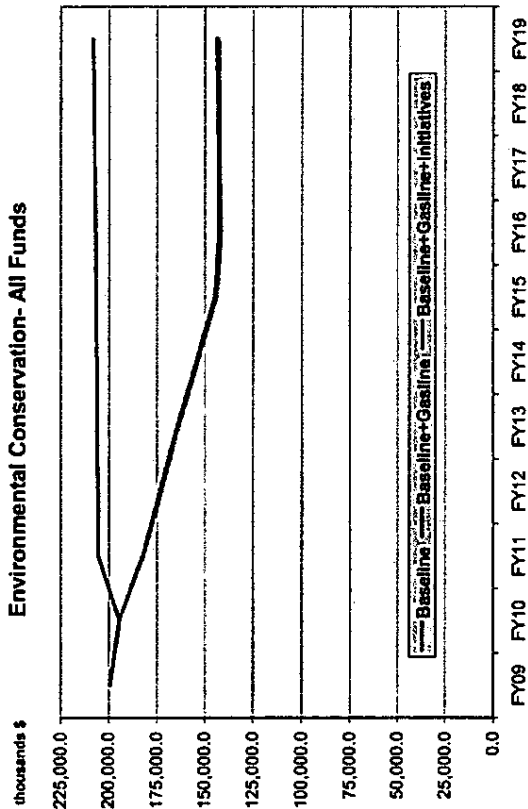
**GASLINE ASSUMPTIONS**

- Assumes AGIA startup in FY17. This includes AGIA only, and does not include affiliated projects (Bullet line or Alaska Natural Gas Development Authority).
- Assumes the following activities will be needed from DEC:
  - Air permits, monitoring and pre-construction review efforts. Food Safety & Sanitation, Drinking Water and Solid Waste permitting activity for pipeline camps during construction phase from FY15 to FY18. Construction of water and wastewater systems in temporary construction camps beginning in FY12 and increasing each year by 4% based on population growth as found on ADOL&WD's projection report during oil pipeline development in the 1970's. A 4% increase was determined by taking the average of the population growth trend during the construction period.
- All costs are for non-formula programs, which include: involvement in gas line legislation and permitting, AGIA startup and associated monitoring and permitting (see assumptions above), and Air Non-Point Mobile Source program conformity review for the FNSB in FY14 through FY16.

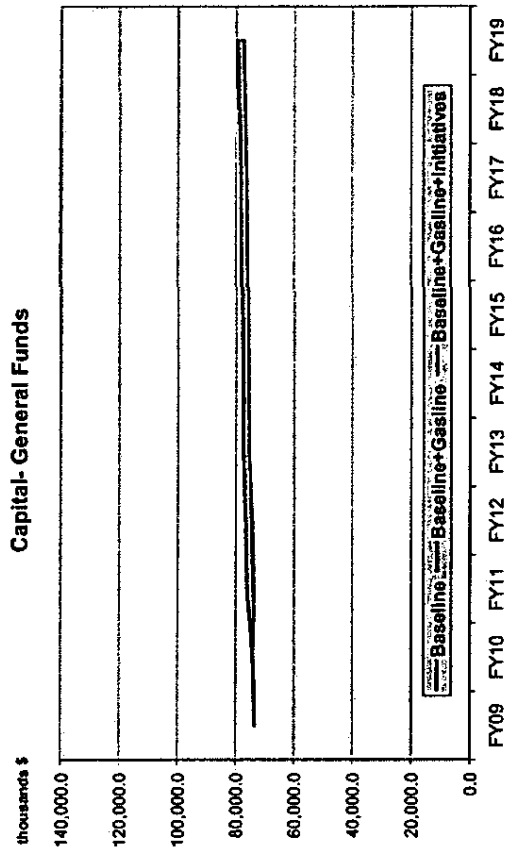
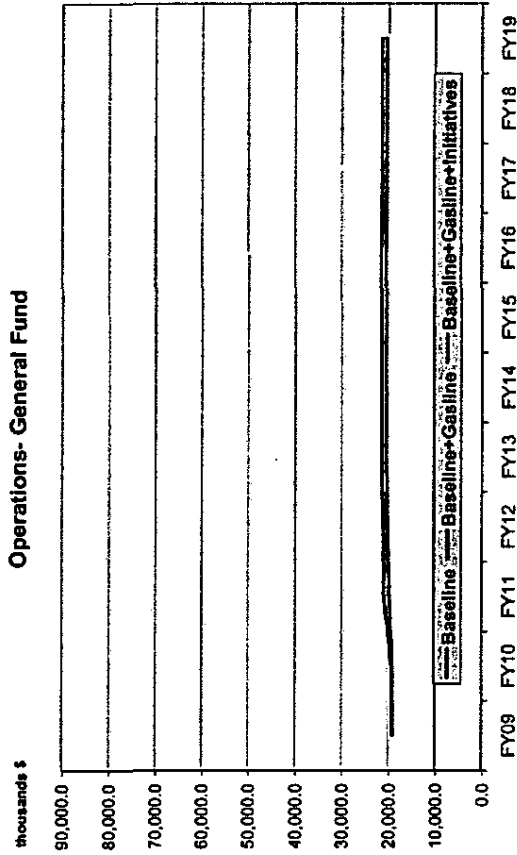
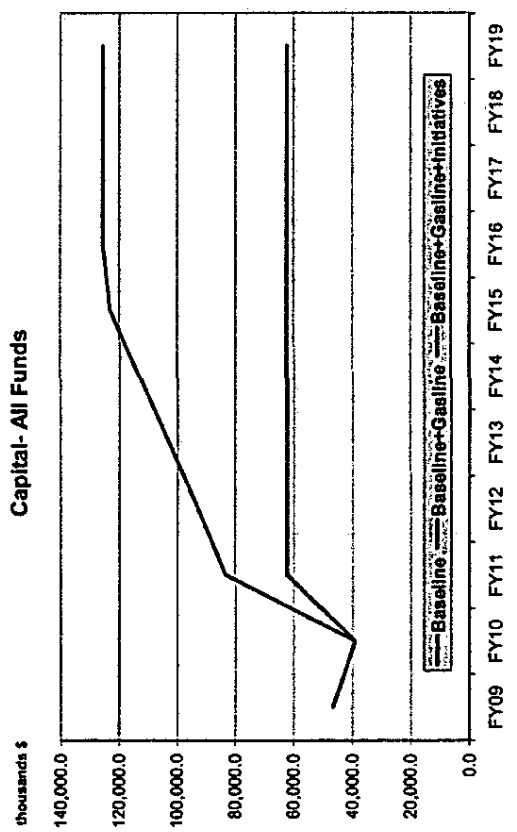
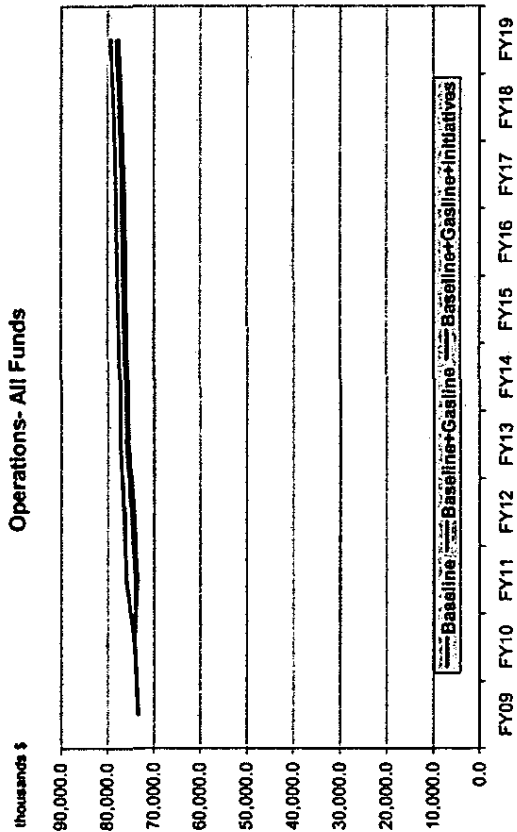
**NEW INITIATIVES ASSUMPTIONS**

- The Fugitive Dust project will be paid for using general funds absent any federal funds for three years with additional funds needed for compliance efforts after promulgation.
- Increased funding needed for increased monitoring of air quality with additional federal regulation implementation and adoption related to climate change and other environmental monitoring efforts.
- Federal appropriations for rural sanitation CIP projects will decline and will be completely expended and unavailable by FY16, as noted in the Baseline section. All but \$500,000 of the Capital General Funds in New Initiatives will be used to replace the unavailable federal appropriations and maintain the current funding level.

# Environmental Conservation



# Environmental Conservation



# Environmental Conservation

## Baseline Budget Growth 1/

(thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<b>Total Appropriations</b>	199,454.4	194,741.0	182,105.2	172,877.0	163,827.9	154,017.7	144,294.7	141,925.7	142,495.5	142,757.5	143,334.7
General Fund	38,856.2	40,125.9	64,026.0	64,351.0	64,851.0	64,851.0	64,851.0	64,851.0	64,851.0	64,851.0	64,851.0
General Fund Match	26,886.1	18,056.2	18,037.6	18,038.6	18,039.6	18,040.6	18,041.6	18,042.6	18,043.6	18,044.6	18,045.6
Federal Funds	100,125.3	73,622.6	62,502.6	52,502.6	43,002.6	33,002.6	23,002.6	20,877.6	20,877.6	20,877.6	20,877.6
Other State Funds	33,586.8	62,936.3	37,539.0	37,984.8	37,934.7	38,123.5	38,359.5	38,154.5	38,723.3	38,984.3	39,560.5
<b>Operations</b>	73,486.0	74,135.0	73,849.2	74,471.0	75,621.9	75,811.7	76,088.7	76,344.7	76,714.5	77,176.5	77,753.7
General Fund	15,025.8	15,125.9	15,786.6	16,161.6	16,661.6	16,661.6	16,701.6	16,661.6	16,661.6	16,661.6	16,661.6
General Fund Match	3,976.6	4,014.6	3,996.0	3,997.0	3,998.0	3,999.0	4,000.0	4,001.0	4,002.0	4,003.0	4,004.0
Federal Funds	21,396.8	21,497.6	20,377.6	20,377.6	20,877.6	20,877.6	20,877.6	20,877.6	20,877.6	20,877.6	20,877.6
Other State Funds	33,086.8	33,496.9	33,689.0	33,934.8	34,084.7	34,273.5	34,509.5	34,804.5	35,173.3	35,634.3	36,210.5
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	73,486.0	74,135.0	73,849.2	74,471.0	75,621.9	75,811.7	76,088.7	76,344.7	76,714.5	77,176.5	77,753.7
General Fund	15,025.8	15,125.9	15,786.6	16,161.6	16,661.6	16,661.6	16,701.6	16,661.6	16,661.6	16,661.6	16,661.6
General Fund Match	3,976.6	4,014.6	3,996.0	3,997.0	3,998.0	3,999.0	4,000.0	4,001.0	4,002.0	4,003.0	4,004.0
Federal Funds	21,396.8	21,497.6	20,377.6	20,377.6	20,877.6	20,877.6	20,877.6	20,877.6	20,877.6	20,877.6	20,877.6
Other State Funds	33,086.8	33,496.9	33,689.0	33,934.8	34,084.7	34,273.5	34,509.5	34,804.5	35,173.3	35,634.3	36,210.5
<b>Capital</b>	125,968.4	120,606.0	108,256.0	98,406.0	88,206.0	78,206.0	68,206.0	65,581.0	65,781.0	65,581.0	65,581.0
General Fund	23,830.4	25,000.0	48,239.4	48,189.4	48,189.4	48,189.4	48,189.4	48,189.4	48,189.4	48,189.4	48,189.4
General Fund Match	22,909.5	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6
Federal Funds	78,728.5	52,125.0	42,125.0	32,125.0	22,125.0	12,125.0	2,125.0	0.0	0.0	0.0	0.0
Other State Funds	500.0	29,439.4	3,850.0	4,050.0	3,850.0	3,850.0	3,850.0	3,350.0	3,550.0	3,350.0	3,350.0

1. Baseline wage and benefit increases are handled in the statewide spreadsheet.

### Notes for FY09 Baseline Appropriations and department assumptions for FY10 and beyond

FY09 Capital includes: \$135.0 GF Leg add on for Dilution of Effluent Study project #46852

(Growth to the baseline budget includes the following assumptions:

- FY2010 includes the 3% negotiated COLA increase for GGU and SU employees.
- All years include an anticipated 1.875% increase in personal services to accommodate step increases and longevity increases.
- State statute providing \$2,000.0 to support food safety inspections throughout state will be approved in FY2010.
- Adoption of additional federal rules for public water systems from amendments to the Safe Drinking Water Act will occur and be funded in FY2013 (\$500.0 GF and \$500.0 Fed).
- Federal appropriations for rural sanitation CIP projects will decline at a rate of \$10 million per year until zeroing out in FY2016.
- Assumption that State General Funds will replace federal appropriations to maintain an annual CIP total of \$125.6 million.
- FY09 Capital includes: \$135.0 GF Leg add on for Dilution of Effluent Study project #46852. Mining is projected to increase 25% annually due to increase in the metal prices. We are seeing an increase in the mining permit applications. Federal Performance Partnership Grant has been decreasing and will impact starting from FY2011.

## Environmental Conservation

### Gasline Related Budget Growth

(thousands \$)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<b>Total Appropriations</b>	0.0	0.0	155.0	397.4	361.9	391.8	512.0	522.7	403.8	415.4	482.4
General Fund	0.0	0.0	155.0	342.4	251.9	261.8	272.0	282.7	293.8	305.4	317.4
General Fund Match	0.0	0.0	0.0	0.0	0.0	6.0	6.0	6.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	14.0	14.0	14.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	55.0	110.0	110.0	220.0	220.0	110.0	110.0	165.0
<b>Operations</b>	0.0	0.0	155.0	397.4	361.9	391.8	512.0	522.7	403.8	415.4	482.4
General Fund	0.0	0.0	155.0	342.4	251.9	261.8	272.0	282.7	293.8	305.4	317.4
General Fund Match	0.0	0.0	0.0	0.0	0.0	6.0	6.0	6.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	14.0	14.0	14.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	55.0	110.0	110.0	220.0	220.0	110.0	110.0	165.0
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	0.0	0.0	155.0	397.4	361.9	391.8	512.0	522.7	403.8	415.4	482.4
General Fund	0.0	0.0	155.0	342.4	251.9	261.8	272.0	282.7	293.8	305.4	317.4
General Fund Match	0.0	0.0	0.0	0.0	0.0	6.0	6.0	6.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	14.0	14.0	14.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	55.0	110.0	110.0	220.0	220.0	110.0	110.0	165.0
<b>Capital</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

#### Describe department assumptions for gasline appropriations estimates:

Growth to the budget related to the gasline includes the following assumptions:

Growth to the budget related to the gasline includes the following assumptions:

\* Assumes AGIA startup on 2017. AGIA only--does not include affiliated projects (bullet line or Alaska Natural Gas Development Authority).

\* Assumes the following activities will be needed from DEC:

o Air permits, monitoring and pre-construction review efforts. Food safety & sanitation, drinking water and solid waste permitting activity for pipeline camps during construction phase for 2015 to 2018. Construction of water and wastewater systems in temporary construction camps beginning in FY2012 and increasing each year by 4% based on population growth as found on the Department of Labor projection report during oil pipeline development (1970's). A 4% increase was determined by taking the average of the population growth trend during the construction period.

## Environmental Conservation

### Initiatives (Except Gasline)

(thousands \$)	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<b>Total Appropriations</b>	0.0	0.0	23,303.3	32,373.3	42,093.3	51,918.3	61,918.3	64,543.3	64,543.3	64,543.3	64,543.3
General Fund	0.0	0.0	21,843.3	30,843.3	40,843.3	50,843.3	60,843.3	63,468.3	63,468.3	63,468.3	63,468.3
General Fund Match	0.0	0.0	391.5	456.0	375.0	322.5	322.5	322.5	322.5	322.5	322.5
Federal Funds	0.0	0.0	913.5	1,064.0	875.0	752.5	752.5	752.5	752.5	752.5	752.5
Other State Funds	0.0	0.0	155.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operations</b>	0.0	0.0	2,050.0	1,620.0	1,340.0	1,165.0	1,165.0	1,165.0	1,165.0	1,165.0	1,165.0
General Fund	0.0	0.0	590.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
General Fund Match	0.0	0.0	391.5	456.0	375.0	322.5	322.5	322.5	322.5	322.5	322.5
Federal Funds	0.0	0.0	913.5	1,064.0	875.0	752.5	752.5	752.5	752.5	752.5	752.5
Other State Funds	0.0	0.0	155.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	0.0	0.0	2,050.0	1,620.0	1,340.0	1,165.0	1,165.0	1,165.0	1,165.0	1,165.0	1,165.0
General Fund	0.0	0.0	590.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
General Fund Match	0.0	0.0	391.5	456.0	375.0	322.5	322.5	322.5	322.5	322.5	322.5
Federal Funds	0.0	0.0	913.5	1,064.0	875.0	752.5	752.5	752.5	752.5	752.5	752.5
Other State Funds	0.0	0.0	155.0	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Capital</b>	0.0	0.0	21,253.3	30,753.3	40,753.3	50,753.3	60,753.3	63,378.3	63,378.3	63,378.3	63,378.3
General Fund	0.0	0.0	21,253.3	30,753.3	40,753.3	50,753.3	60,753.3	63,378.3	63,378.3	63,378.3	63,378.3
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Describe department assumptions for initiatives (except gasline) appropriations estimates below:**

- Growth to the budget related to the new initiatives includes the following assumptions:
  - Increased funding needed for increased monitoring of air quality with additional federal regulation implementation and adoption related to climate change and other environmental monitoring efforts.
  - Federal appropriations for rural sanitation CIP projects will decline at a rate of \$10 million per year until zeroing out in FY2016. Assumption that State General Funds will replace federal appropriations to maintain an annual CIP total of \$125.6 million is included in "New Initiatives" section and not included in "Baseline Budget Growth" scenario.

## Environmental Conservation

### Baseline plus Gasline

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<b>Total Appropriations</b>	199,454.4	194,741.0	182,260.2	173,274.4	164,189.6	154,409.5	144,806.7	142,448.4	142,899.3	143,172.9	143,817.1
General Fund	38,856.2	40,125.9	64,181.0	64,693.4	65,102.9	65,112.8	65,163.0	65,133.7	65,144.8	65,156.4	65,168.4
General Fund Match	26,886.1	18,056.2	18,037.6	18,038.6	18,039.6	18,046.6	18,047.6	18,048.6	18,043.6	18,044.6	18,045.6
Federal Funds	100,125.3	73,622.6	62,502.6	52,502.6	43,002.6	33,016.6	23,016.6	20,891.6	20,877.6	20,877.6	20,877.6
Other State Funds	33,586.8	62,936.3	37,539.0	38,039.8	38,044.7	38,233.5	38,579.5	38,374.5	38,833.3	39,094.3	39,725.5
<b>Operations</b>	73,486.0	74,135.0	74,004.2	74,868.4	75,983.8	76,203.5	76,600.7	76,867.4	77,118.3	77,591.9	78,236.1
General Fund	15,025.8	15,125.9	15,941.6	16,504.0	16,913.5	16,923.4	16,973.6	16,944.3	16,955.4	16,967.0	16,979.0
General Fund Match	3,976.6	4,014.6	3,996.0	3,997.0	3,998.0	4,005.0	4,006.0	4,007.0	4,002.0	4,003.0	4,004.0
Federal Funds	21,396.8	21,497.6	20,377.6	20,377.6	20,877.6	20,891.6	20,891.6	20,891.6	20,877.6	20,877.6	20,877.6
Other State Funds	33,086.8	33,496.9	33,689.0	33,989.8	34,194.7	34,383.5	34,729.5	35,024.5	35,283.3	35,744.3	36,375.5
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Formula Programs</b>	73,486.0	74,135.0	74,004.2	74,868.4	75,983.8	76,203.5	76,600.7	76,867.4	77,118.3	77,591.9	78,236.1
General Fund	15,025.8	15,125.9	15,941.6	16,504.0	16,913.5	16,923.4	16,973.6	16,944.3	16,955.4	16,967.0	16,979.0
General Fund Match	3,976.6	4,014.6	3,996.0	3,997.0	3,998.0	4,005.0	4,006.0	4,007.0	4,002.0	4,003.0	4,004.0
Federal Funds	21,396.8	21,497.6	20,377.6	20,377.6	20,877.6	20,891.6	20,891.6	20,891.6	20,877.6	20,877.6	20,877.6
Other State Funds	33,086.8	33,496.9	33,689.0	33,989.8	34,194.7	34,383.5	34,729.5	35,024.5	35,283.3	35,744.3	36,375.5
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Capital</b>	125,968.4	120,606.0	108,256.0	98,406.0	88,206.0	78,208.0	68,206.0	65,581.0	65,781.0	65,581.0	65,581.0
General Fund	23,830.4	25,000.0	48,239.4	48,189.4	48,189.4	48,189.4	48,189.4	48,189.4	48,189.4	48,189.4	48,189.4
General Fund Match	22,909.5	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6
Federal Funds	78,728.5	52,125.0	42,125.0	32,125.0	22,125.0	12,125.0	2,125.0	0.0	0.0	0.0	0.0
Other State Funds	500.0	29,439.4	3,850.0	4,050.0	3,850.0	3,850.0	3,850.0	3,350.0	3,550.0	3,350.0	3,350.0

# Environmental Conservation

## Baseline plus Gasline plus Initiatives

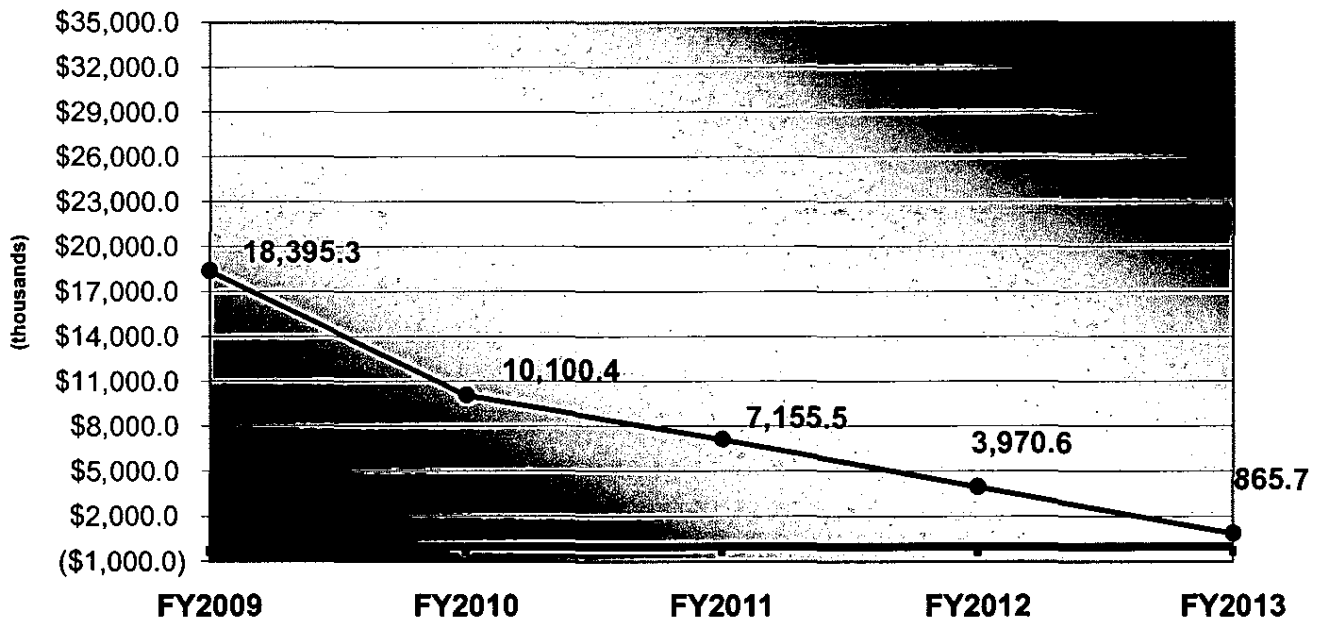
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<b>Total Appropriations</b>	199,454.4	194,741.0	205,563.5	205,647.7	206,293.1	206,327.8	206,725.0	206,991.7	207,442.6	207,716.2	208,360.4
General Fund	38,856.2	40,125.9	86,024.3	85,536.7	105,946.2	115,956.1	126,006.3	128,602.0	128,613.1	128,624.7	128,638.7
Federal Fund Match	26,886.1	18,056.2	18,429.1	18,494.8	18,414.9	18,369.1	18,370.1	18,371.1	18,366.1	18,367.1	18,368.1
Federal Funds	100,125.3	73,622.6	63,416.1	53,586.6	43,877.6	33,769.1	23,769.1	21,644.1	21,630.1	21,630.1	21,630.1
Other State Funds	33,586.8	62,936.3	37,694.0	38,049.8	38,044.7	38,233.5	38,579.5	38,374.5	38,833.3	39,094.3	38,725.5
<b>Operations</b>	73,486.0	74,135.0	76,054.2	76,488.4	77,323.8	77,368.5	77,765.7	78,032.4	78,283.3	78,756.9	79,401.1
General Fund	15,025.8	15,125.9	16,531.6	16,594.0	17,003.5	17,013.4	17,063.6	17,034.3	17,045.4	17,057.0	17,069.0
General Fund Match	3,976.6	4,014.6	4,387.5	4,453.0	4,373.0	4,327.5	4,328.5	4,329.5	4,324.5	4,325.5	4,326.5
Federal Funds	21,396.8	21,497.6	21,291.1	21,441.6	21,752.6	21,644.1	21,644.1	21,644.1	21,630.1	21,630.1	21,630.1
Other State Funds	33,086.8	33,496.9	33,844.0	33,999.8	34,194.7	34,383.5	34,729.5	35,024.5	35,283.3	35,744.3	36,375.5
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	73,486.0	74,135.0	76,054.2	76,488.4	77,323.8	77,368.5	77,765.7	78,032.4	78,283.3	78,756.9	79,401.1
General Fund	15,025.8	15,125.9	16,531.6	16,594.0	17,003.5	17,013.4	17,063.6	17,034.3	17,045.4	17,057.0	17,069.0
General Fund Match	3,976.6	4,014.6	4,387.5	4,453.0	4,373.0	4,327.5	4,328.5	4,329.5	4,324.5	4,325.5	4,326.5
Federal Funds	21,396.8	21,497.6	21,291.1	21,441.6	21,752.6	21,644.1	21,644.1	21,644.1	21,630.1	21,630.1	21,630.1
Other State Funds	33,086.8	33,496.9	33,844.0	33,999.8	34,194.7	34,383.5	34,729.5	35,024.5	35,283.3	35,744.3	36,375.5
<b>Capital</b>	125,968.4	120,606.0	129,509.3	129,159.3	128,959.3	128,959.3	128,959.3	128,959.3	129,159.3	128,959.3	128,959.3
General Fund	23,830.4	25,000.0	69,492.7	78,942.7	88,942.7	98,942.7	108,942.7	111,567.7	111,567.7	111,567.7	111,567.7
General Fund Match	22,909.5	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6	14,041.6
Federal Funds	78,728.5	52,125.0	42,125.0	32,125.0	22,125.0	12,125.0	2,125.0	0.0	0.0	0.0	0.0
Other State Funds	500.0	29,439.4	3,850.0	4,050.0	3,850.0	3,850.0	3,850.0	3,350.0	3,550.0	3,350.0	3,350.0

**DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
RESPONSE FUND**

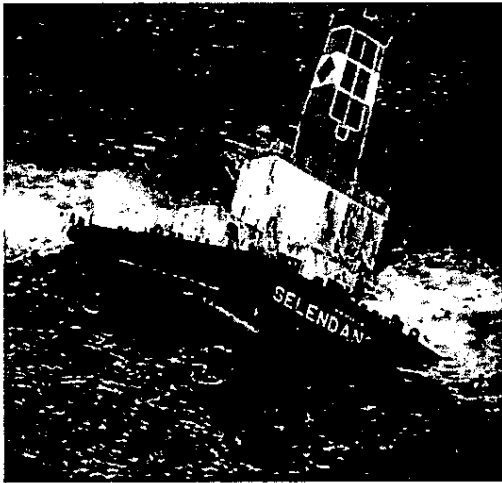
*PREVENTION ACCOUNT - BALANCE PROJECTION  
12/15/08 YEAREND UPDATE*

	FY2008 FUND BALANCE	13,537.6				
	FY2009	FY2010	FY2011	FY2012	FY2013	
<b>REVENUE to PREVENTION ACCOUNT</b>	<b>18,780.0</b>	<b>11,550.0</b>	<b>11,150.0</b>	<b>10,910.0</b>	<b>10,990.0</b>	
4 Cent Surcharge (Fall 2008 Revenue Sources Book)	9,476.2	8,800.0	8,400.0	8,160.0	8,240.0	
Cost Recovery/Fines/Penalties*	8,053.8	1,500.0	1,500.0	1,500.0	1,500.0	
Interest	1,250.0	1,250.0	1,250.0	1,250.0	1,250.0	
<b>GOVERNOR'S BUDGETED OPERATING EXPENDITURES</b>	<b>13,922.3</b>	<b>14,094.9</b>	<b>14,094.9</b>	<b>14,094.9</b>	<b>14,094.9</b>	<b>14,094.9</b>
Environmental Conservation (annual salary increases not included in FY11-13)	13,922.3	14,094.9	14,094.9	14,094.9	14,094.9	14,094.9
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>5,750.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>ESTIMATED PREVENTION ACCOUNT BALANCE</b>	<b>18,395.3</b>	<b>10,100.4</b>	<b>7,155.5</b>	<b>3,970.6</b>	<b>865.7</b>	
<b>EXPENDITURES IN EXCESS OF REVENUE</b>	<b>4,857.7</b>	<b>(8,294.9)</b>	<b>(2,944.9)</b>	<b>(3,184.9)</b>	<b>(3,104.9)</b>	

**PREVENTION ACCOUNT BALANCE**



\* Nothing added for potential increases in cost recovery caused by intent to collect from other agencies. Number represents estimated collections for FY2009 use.



### WHAT THE 4¢ SURCHARGE PAYS FOR

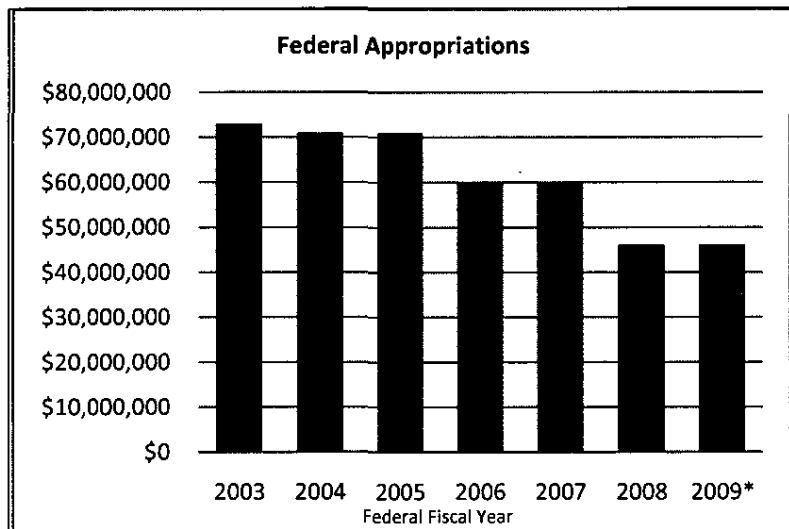
#### **OIL AND HAZARDOUS SUBSTANCE, SPILL PREVENTION AND RESPONSE**

- Standards and regulation to protect the environment from releases or oil or hazardous substances.
- Establishment and maintenance of a spill response capability.
- Investigation, evaluation, containment, and/or cleanup of a release or threatened release of oil or hazardous substances.
- Restoration of the environment.
- Review of oil discharge prevention and contingency plans.
- Training, response exercises, inspections, and tests.
- Verification of proof of financial responsibility.
- Recovery of state costs.

### IS IT ENOUGH?

- Revenues continue to decrease as production decreases.
- Despite the change in surcharge amounts, expenditures continue to exceed projected revenues.
- Without additional revenues, the fund will be depleted in FY2014, which assumes no additional capital appropriations for clean-up costs.

## Rural Alaska Sanitation Appropriations



**Annual funding for rural sanitation improvements has declined by nearly \$27 million or 37% since FFY 2003.**

Fiscal Year	EPA				USDA				Total Enacted
	President	House	Senate	Enacted	President	House	Senate	Enacted	
2003	\$40,000,000	\$35,000,000	\$45,000,000	\$43,000,000	\$20,000,000	\$24,000,000	\$30,000,000	\$30,000,000	\$73,000,000
2004	\$40,000,000	\$25,000,000	\$45,000,000	\$43,000,000	\$11,800,000	\$0	\$30,000,000	\$28,000,000	\$71,000,000
2005	\$40,000,000	\$20,000,000	\$50,000,000	\$45,000,000	\$11,800,000	\$0	\$28,000,000	\$26,000,000	\$71,000,000
2006	\$15,000,000	\$15,000,000	\$40,000,000	\$35,000,000	\$11,800,000	\$0	\$26,000,000	\$25,000,000	\$60,000,000
2007	\$14,850,000	\$15,000,000	\$40,000,000	\$35,000,000	\$0	\$0	\$25,000,000	\$25,000,000	\$60,000,000
2008	\$15,500,000	\$10,500,000	\$30,000,000	\$24,610,000	\$0	\$0	\$21,945,000	\$21,515,000	\$46,125,000
2009*	\$15,500,000			\$24,610,000	\$3,300,000			\$21,515,000	\$46,125,000

\* Assumes the Continuing Resolution for the first six months of FFY09 will be extended through last six months of FFY09.

**While funding has declined by 37% over the last six years, there are still over 500 rural Alaska sanitation projects that need funding. The cost of completing these projects is approximately \$700 million.**

The State's continued goal is to increase the number of rural households with adequate sanitation facilities by an average of 3% per year while at the same time assisting communities address sanitation needs relating to aging infrastructure and complying with new regulations.

We are concerned that although we've achieved this goal for the last several years, the momentum that we've gained may wane due to a decrease in federal funding levels.

## **DEC Water, Wastewater and Solid Waste Grant Programs**

- Facility Programs of DEC's Division of Water work with communities to develop and maintain sustainable water, sewer, and solid waste services in full regulatory compliance.
- There are two types of grant programs managed by DEC for sanitation projects. The *Village Safe Water* program offers 100% grant funding for smaller, rural communities and the Municipal Matching Grants program offers 60%-85% grant funding for larger communities.

### **Village Safe Water (VSW) Program**

- VSW Funding comes from a combination of federal grants and state appropriations. The two primary federal funding sources (which have provided a five year combined average of \$57 million per year) are the U.S. Department of Agriculture and the Environmental Protection Agency. Funding through these agencies requires a 25% State match. In addition, the Denali Commission and the Indian Health Service have provided a recent average of \$10 million a year in 100% federal grants for projects through VSW.
- Communities apply each year for proposed sanitation project funding. Applications are scored, based heavily on the proposed project's ability to address assessed critical public health needs, as well as the communities' demonstrated capacity to operate and maintain the facilities. Capital funding is requested for the highest ranking projects.
- Per a federal funding requirements established in 2004, the VSW CIP priority list which is divided into two types of projects – those that can be completed in less than three years and those that will take three years or longer.
- Projects that are estimated to take one year to complete receive full funding in a single fiscal year.
- The Three Year List contains large, high scoring projects; however projects on the list are not prioritized. This allows the flexibility that is required in scheduling funding for multi-year projects. An

unanticipated delay in one project will not hold up funding for a different project that is ready to go.

- Funding for the construction phases of Three Year List projects is granted based upon completion of design packages and chronological approval, available funding, and sufficient drawdown of existing project funds. In other words, this is a "first ready, first funded" list and new funds are not made available to a project until prior project grant funds for the project are exhausted.
- In some cases, funding is transferred by VSW through the Indian Health Service to the Alaska Native Tribal Health Consortium, who in turn assists communities in design and construct of sanitation projects.

### **Municipal Matching Grants Program**

- The Alaska Municipal Water, Sewerage, and Solid Waste Matching Grant program provides partial funding and engineering support for drinking water, sewer, solid waste and non-point source pollution projects, such as water quality enhancement and waterbody restoration and recovery.
- These state grants primarily assist the larger communities and boroughs in the State.
- Each year, communities submit sanitation grant questionnaires which are scored weighing primarily the extent to which proposes projects address critical public health and environmental needs. Grants are awarded to the highest ranking projects as funding allows.
- SB 303 which passed the Legislature last year amended the Municipal Matching Grants enabling statute to change the State/Local funding ratio of eligible project costs. The State share of project costs for grants awarded under the program are now:
  - 85 percent of eligible costs for a municipality with a population of 1,000 persons or less.
  - 70 percent of eligible costs for a municipality with a population of 1,001 to 10,000 persons.
  - 60 percent of eligible costs for a municipality with a population of greater than 10,000 persons.



# Annual Summary of Oil and Hazardous Substance Releases

Fiscal Year 2008 (July 1, 2007-June 30, 2008)

Alaska Department of Environmental Conservation  
Division of Spill Prevention and Response  
January 2009

## Significant Responses

### Sand Point Abandoned Drum Site

Location: Sand Point  
Report Date: February 15, 2007\*  
Product: diesel fuel, used oil, and water  
Quantity: 605 drums  
Cause: leaking drums



Over a 10-year period, more than 600 drums containing diesel fuel, used oil and water were placed within storage cells in an old rock quarry near the Sand Point airport. The drums were placed there by the City of Sand Point and various other State agencies, private businesses, and local residents. During a site visit, DEC responders determined that 121 drums had ruptured

and released their contents, some of which leached into the ground when it overflowed the secondary containment. In July 2007, DEC responders worked with the EPA, the City of Sand Point, and local native groups to clean up the site and properly dispose of the drums and their contents.

\*NOTE: Cleanup occurred during FY 2008.

### F/V Nordic Viking Grounding

Location: Port Gravina  
Spill Date: July 21, 2007  
Product: diesel  
Quantity: 3,500 gallons  
Cause: grounding



On July 21, 2007, the F/V Nordic Viking ran aground at Port Gravina near Olsen Bay, Prince William Sound releasing an estimated 3,500 gallons of diesel fuel into the water. ADF&G closed the commercial salmon fishery for the Port Gravina area. The response team

assisted with the lightering and salvage operations until demobilization on July 31, 2007. There were no reports of wildlife impacts.

### DS-16 Flowline D, Crude/Methanol Spill

Location: Flow Station 2, Prudhoe Bay Field  
Spill Date: October 15, 2007  
Product/Quantity: 630 gallons methanol; 1,260 gallons 60/40 methanol/water; 42 gallons crude/water  
Cause: puncture

A flow line at Flow Station 2 was punctured when it moved with sufficient force to strike an adjacent horizontal support module. An estimated 1,932 gallons of methanol, crude oil and water were released. Approximately one acre was impacted. The contaminated snow and ice were removed and treated.

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### Kuparuk 2U Pad Crude Oil Spill

Location: North Slope, Kuparuk River Field  
Spill Date: December 16, 2007  
Product: crude oil, gas and fluids  
Quantity: 4,284 gallons  
Cause: external corrosion of flow line

On December 16, 2007, oil field workers at the Kuparuk 2U Pad discovered a crude oil spill from the 24-inch flowline and the oil wells feeding the flowline were shut down. Production wells were shut down for approximately five days during the repair. The spill volume was reported at 4,284 gallons (102 barrels) and affected a nearby frozen lake and the surrounding tundra.

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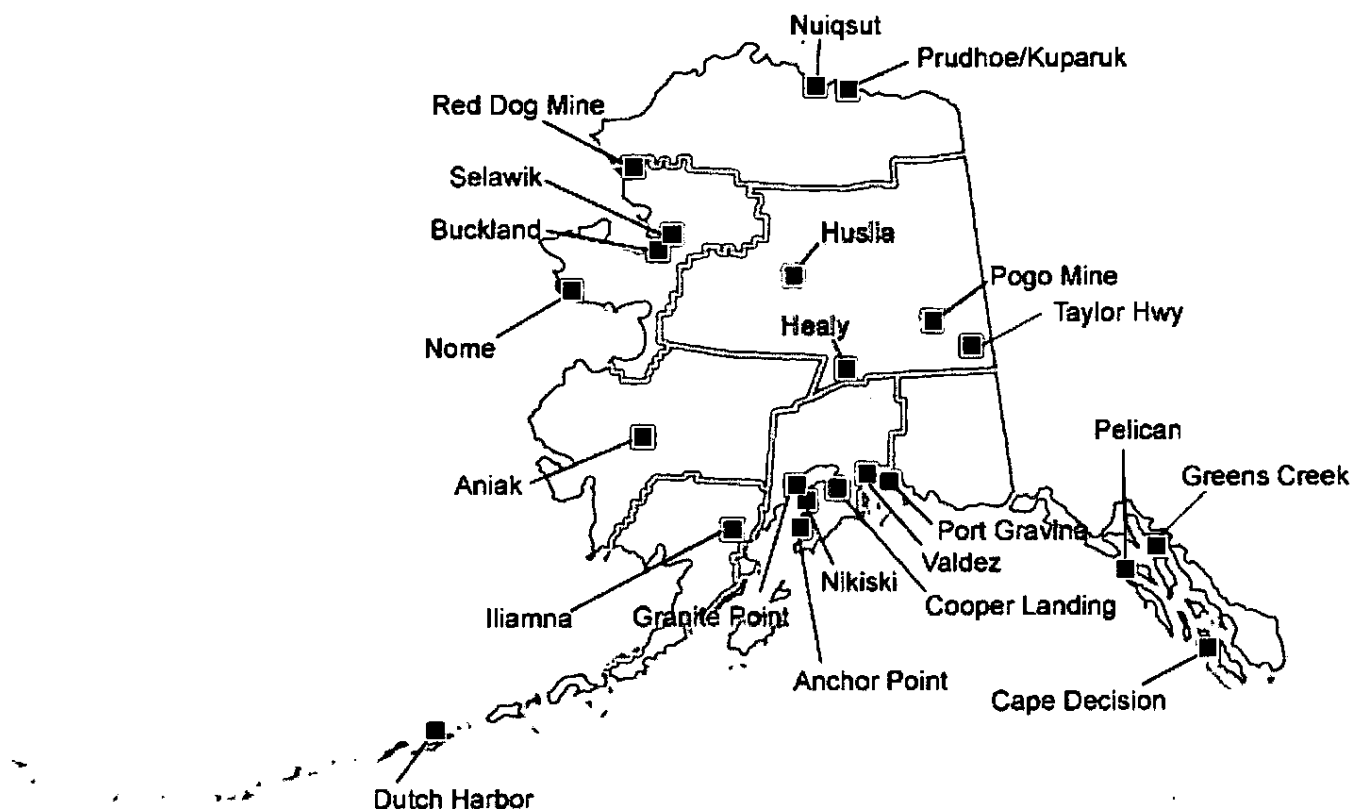
### Selawik Tank Farm Release

Location: Selawik IRA Fuel Project  
Spill Date: January 23, 2008  
Product: diesel fuel No. 1  
Quantity: 5,385 gallons  
Cause: automatic shutoff malfunctioned

An estimated 5,385 gallons of diesel fuel was released due to the failure of an automatic shut off pump that transfers fuel from the storage tank to the day tank. The day tank overflowed and the diesel spilled into the tank farm's secondary containment. All the free-standing fuel oil was recovered and pumped back into a holding tank.

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# Large Spills



## Large Spills, July 1, 2007-June 30, 2008

Spill Date	Spill Name	Location	Product	Total Released
03/23/2008	F/V Alaska Ranger	120 miles W of Dutch Harbor	Diesel	145,000 gal
07/21/2007	Red Dog Mine	82 mi N of Kotzebue	Produced Water	78,300 gal
05/23/2008	HR Trucking	Cooper Landing	Urea (Solid)	48,300 lbs
12/22/2007	Unisea	Dutch Harbor	Ammonia (Anhydrous)	18,007 lbs
11/05/2007	Samson Tug & Barge	Cape Decision	Propane (LPG)	17,800 lbs
08/20/2007	Pogo Mine	38 mi NE of Delta Junction	Mill Slurry	15,000 gal
03/15/2008	Pogo Mine	38 mi NE of Delta Junction	Other	12,000 gal
03/26/2008	Kuparuk Gubik #3	Prudhoe Bay/Kuparuk	Drilling Muds	10,920 gal
01/23/2008	Selawik Tank Farm	Selawik	Diesel	10,000 gal
11/20/2007	MP 252 Parks Hwy	Healy	Other	9,500 lbs
10/21/2007	Red Dog Mine	82 mi N of Kotzebue	Other	8,854 lbs
04/05/2008	Buckland KAE Tank	Buckland	Diesel	7,750 gal
06/25/2008	Agrium Plant	Nikiski	Ammonia (Anhydrous)	4,500 lbs
12/16/2007	Kuparuk Drill Site 2U	Prudhoe Bay/Kuparuk	Crude	4,284 gal
07/28/2007	Taylor Highway MP 32	MP 32 Taylor Highway	Diesel	3,698 gal
07/21/2007	F/V Nordic Viking	Port Gravina	Diesel	3,500 gal
07/13/2007	Aniak Tank Farm	Aniak	Diesel	3,000 gal
10/21/2007	Red Dog Mine	82 mi N of Kotzebue	Zinc Slurry	3,000 gal
02/01/2008	Greens Creek Mine	18 mi S of Juneau	Hydrogen Peroxide	3,000 lbs

## Large Spills *(continued)*

Spill Date	Spill Name	Location	Product	Total Released
09/04/2007	Iliamna Airport	Iliamna	Aviation Fuel	2,280 gal
01/30/2008	Kuparuk Gubik #3	Prudhoe Bay/Kuparuk	Drilling Muds	2,226 gal
07/16/2007	Agrium Plant	Nikiski	Unknown	2,100 gal
02/03/2008	Oooguruk Development Project	Prudhoe Bay/Kuparuk	Drilling Muds	2,100 gal
03/17/2008	West North Slope Rendezvous 2	Prudhoe Bay/Kuparuk	Crude	2,100 gal
04/28/2008	Nuiqsut Maintenance Shop	Nuiqsut	Used Oil (all types)	2,020 gal
06/04/2008	Pump Station 1	Prudhoe Bay/Kuparuk	Halon	1,800 lbs
02/11/2008	Granite Point Tank Farm	Granite Point, Cook Inlet	Produced Water	1,680 gal
06/04/2008	Pump Station 1	Prudhoe Bay/Kuparuk	Halon	1,600 lbs
02/11/2008	Pelican Power Plant	Pelican	Diesel	1,500 gal
12/29/2007	Prudhoe Bay, Well Pad W	Prudhoe Bay/Kuparuk	Drilling Muds	1,470 gal
10/15/2007	Prudhoe Bay, Drill Site 16	Prudhoe Bay/Kuparuk	Produced Water	1,260 gal
02/10/2008	Prudhoe Bay, Drill Site 13	Prudhoe Bay/Kuparuk	Produced Water	1,260 gal
11/05/2007	Samson Tug & Barge	Cape Decision	Kerosene	1,100 gal
01/06/2008	Nome Airport	Nome	Diesel	1,050 gal
09/11/2007	Pioneer Resources Hansen #1	5.5 mi N of Anchor Point	Diesel	1,018 gal
11/25/2007	Red Dog Mine	82 mi N of Kotzebue	Other	1,000 gal
05/03/2008	Huslia Water Treatment Plant	Huslia	Diesel	1,000 gal

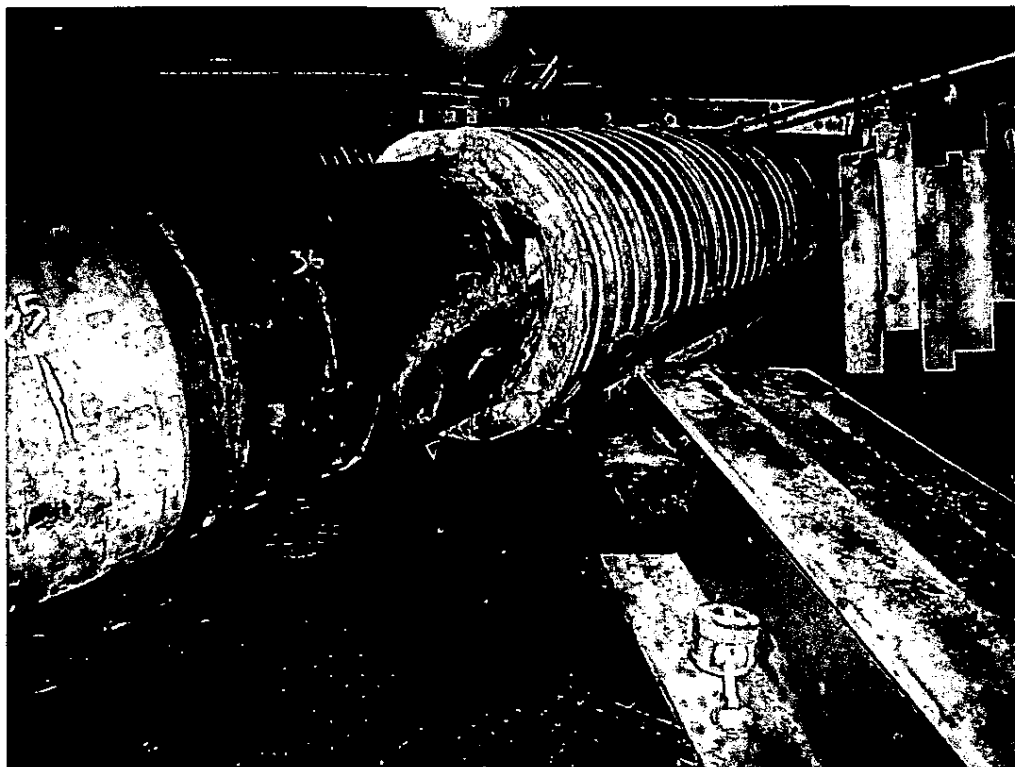


Photo showing the puncture in the BPXA DS 16 Flowline D and the wooden blocks to prevent the flowline from shifting. (Photo courtesy of BP)

# Statewide Summary

## All Spills

During Fiscal Year 2008 (July 1, 2007-June 30, 2008), 2,013 oil and hazardous substance releases were reported to the Department.

Noncrude oil comprised 75% of the spills reported and nearly 60% of the total volume. The largest noncrude spill was a 145,000 gallon diesel spill which resulted when the *F/V Alaska Ranger* sank on March 23, 2008. This spill was also the largest one for the period.

While Oil Production facilities reported more spills, Vessels and Mining facilities were responsible for the greatest volume released for FY 2008.



Spills Reported in Gallons	2,013
Total Gallons	388,842
Spills Reported in Pounds	45
Total Pounds	117,856

## Top 5 Causes (gallons)

Cause	Spills	Gallons
Sinking (HUM)	32	145,940
Line Failure (STR/MECH)	363	106,612
Equipment Failure (STR/MECH)	272	37,024
Human Error (HUM)	287	16,013
Crack (STR/MECH)	58	12,606

## Top 5 Products (gallons)

Product	Spills	Gallons
Diesel	611	205,013
Produced Water	30	84,975
Drilling Muds	19	19,220
Other	85	16,180
Mill Slurry	2	15,122

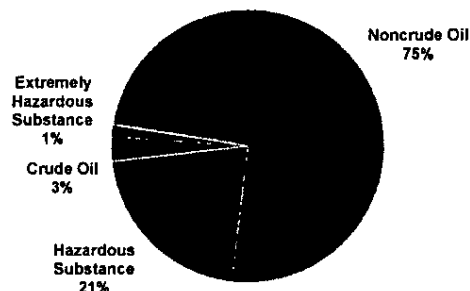
## Top 5 Facility Types (gallons)

Facility Type	Spills	Gallons
Vessel (VES)	208	155,926
Mining Operation (STO)	261	116,433
Oil Production (TRA)	441	30,166
Noncrude Terminal (STO)	21	18,464
Oil Exploration (TRA)	34	16,350

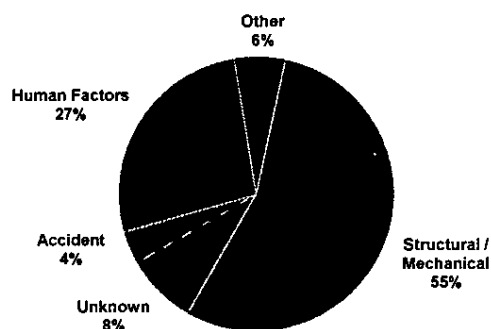
## KEY TO ABBREVIATIONS

HUM	Human Factors
ACC	Accident
UNK	Unknown
OTH	Other
STR/MECH	Structural/Mechanical
STO	Storage
TRA	Transportation
VES	Vessel
OTH/UNK	Other/Unknown

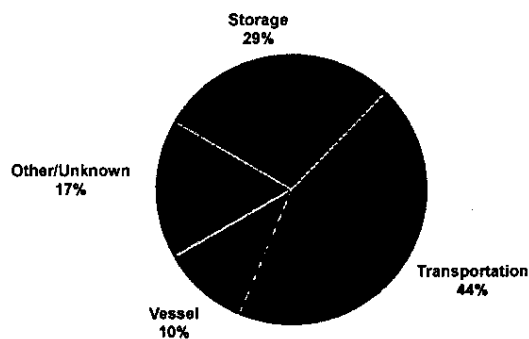
## Number of Spills by Product



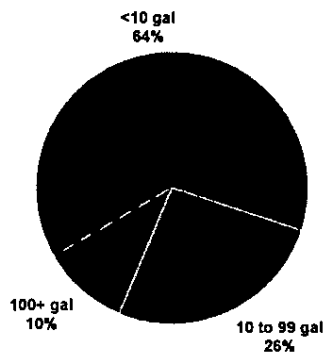
## Number of Spills by Cause



## Number of Spills by Facility Category



## Number of Spills by Size Class



# Statewide Summary *(continued)*

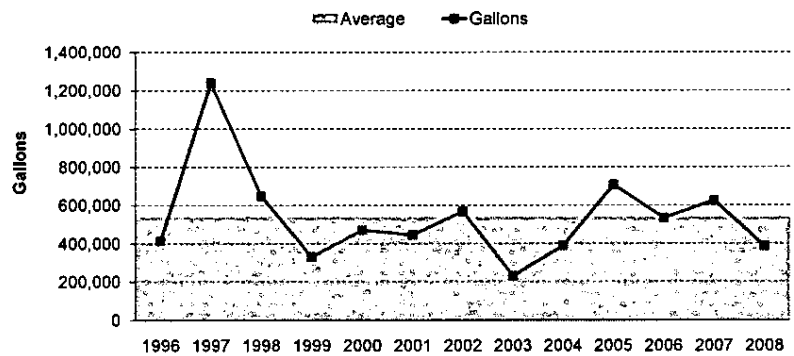
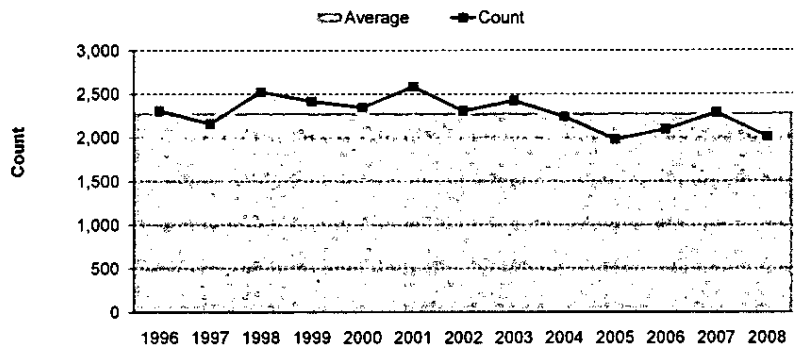
## Spills by Fiscal Year

- The total number of spills (2,013) as well as the total volume (388,842 gal) released in FY 2008 was lower than the average for the 13-year period of record.\*
- The North Slope subarea had the greatest number of spills (545) during FY 2008 compared to the other subareas. However, the total volume (46,755 gal) was less than 25% of the 13-year average for the subarea (200,933 gal).
- Cook Inlet subarea had significantly fewer spills (351) than its 13-year average (538).
- Total volume spilled in the Aleutians subarea (148,554 gal) was about three times the 13-year average due to the 145,000-gallon diesel spill resulting from the sinking of the FV Alaska Ranger.
- Spill counts for the Aleutian subarea (97) and the North Slope subarea (545) were significantly higher than average during FY 2008.
- During FY 2008, spill counts for Cook Inlet subarea (351), Interior subarea (318), Prince William Sound subarea (42), and Western subarea (48) were significantly lower than average.
- The Cook Inlet subarea (16,175 gal), North Slope subarea (46,755 gal), Southeast subarea (11,642 gal), and Western subarea (5,091 gal) had spill volumes in FY 2008 that were significantly lower than average.
- The total spill count (2,013) and spill volume (388,842 gal) for FY 2008 were both significantly lower than average.

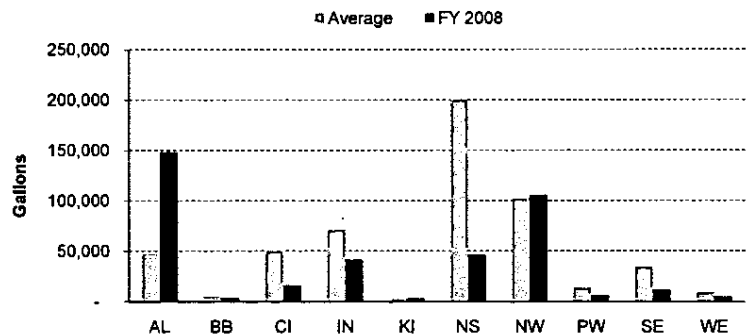
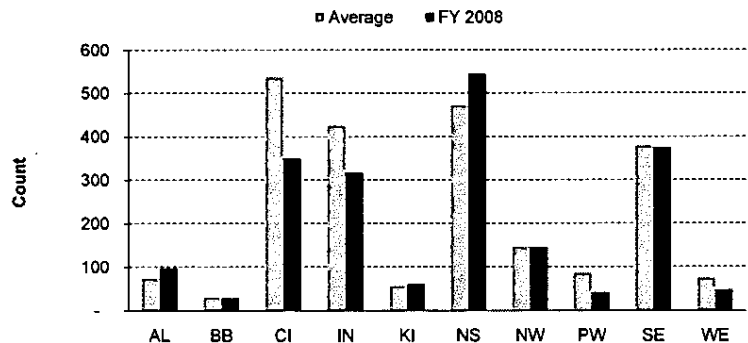
\*July 1, 1995 to June 30, 2008

### KEY TO ABBREVIATIONS

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## Spills by Subarea



# Statewide Summary *(continued)*

## Noncrude Oil

- Nearly two-thirds of the noncrude spills were under 10 gallons.
- Diesel comprised approximately 40% of the total number of noncrude spills and more than 80% of the total volume released during FY 2008.
- The largest noncrude spill during the reporting period was a 145,000 gallon diesel spill which occurred when the F/V Alaska Ranger sank in March 2008. This single incident comprised over half of the total noncrude volume for the year.

◆◆◆

Spills Reported in Gallons	1,497
Total Gallons	227,151
Spills Reported in Pounds	6
Total Pounds	17,953

### Top 5 Causes (gallons)

Cause	Spills	Gallons
Sinking (HUM)	32	145,940
Unknown (UNK)	118	11,383
Crack (STR/MECH)	44	10,345
Rollover/Capsize (ACC)	31	9,515
Equipment Failure (STR/MECH)	203	7,877

### Top 5 Products (gallons)

Product	Spills	Gallons
Diesel	611	205,013
Hydraulic Oil	423	5,636
Aviation Fuel	74	4,257
Used Oil (all types)	61	3,581
Other	41	1,871

### Top 5 Facilities (gallons)

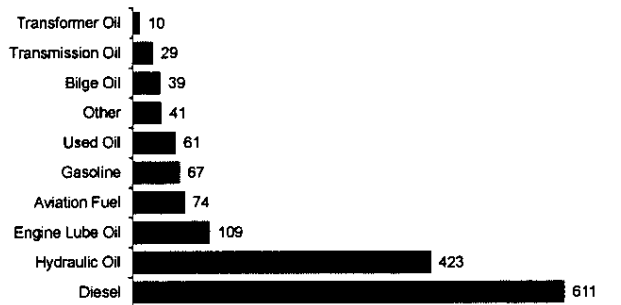
Product	Spills	Gallons
Vessel (VES)	204	155,919
Noncrude Terminal (STO)	17	18,433
Vehicle (TRA)	170	9,459
Other (OTH/UNK)	219	8,347
Residence (OTH/UNK)	96	7,395

#### KEY TO ABBREVIATIONS

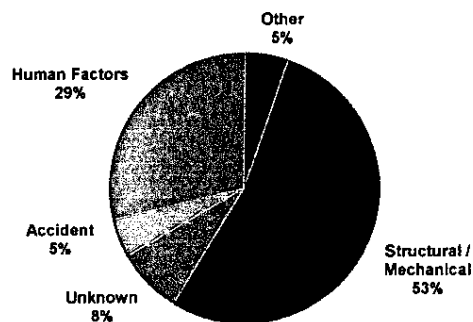
HUM	Human Factors
ACC	Accident
UNK	Unknown
OTH	Other
STR/MECH	Structural/Mechanical
STO	Storage
TRA	Transportation
VES	Vessel
OTH/UNK	Other/Unknown

## Number of Spills by Product

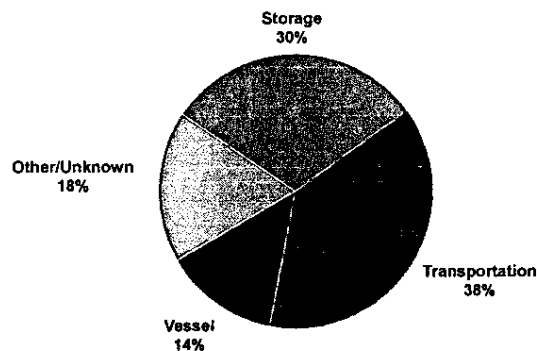
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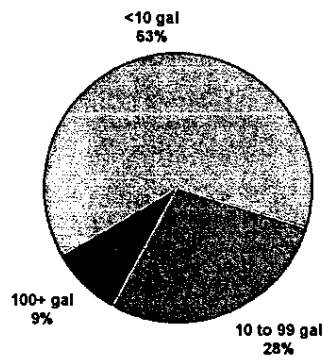
## Number of Spills by Cause



## Number of Spills by Facility Category



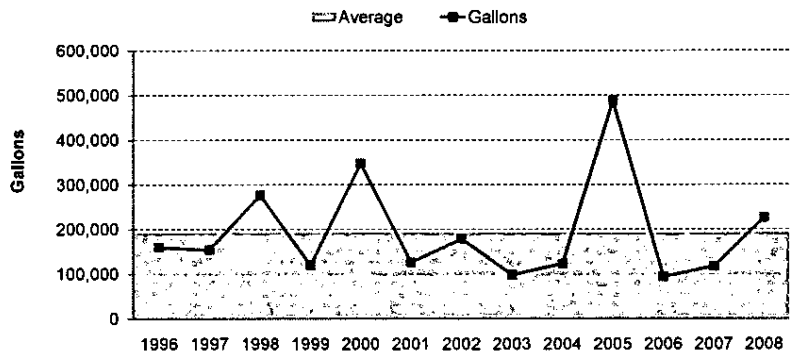
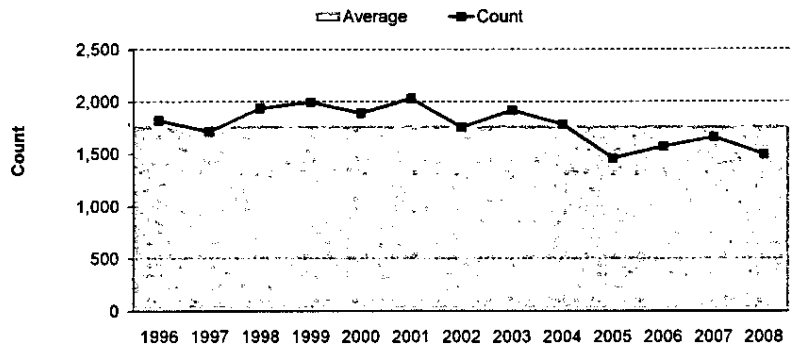
## Number of Spills by Size Class



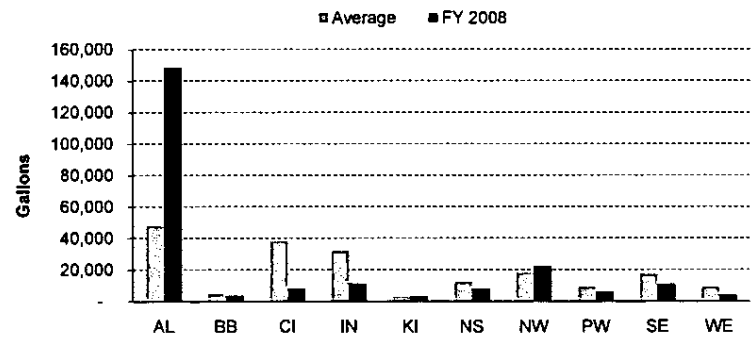
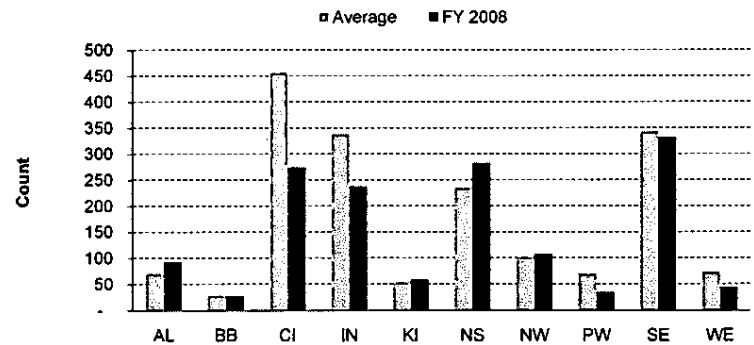
# Statewide Summary *(continued)*

## Spills by Fiscal Year

- The number of noncrude spills during FY 2008 (1,497) was significantly below the 13-year annual average.
- The total noncrude volume for FY 2008 (227,151 gal) was slightly above average, but about 80% of the total was due to a single 145,000 gallon release.
- Four large spills resulted in higher than average volumes:
  - FY 1998 - Elmendorf Aero Club (100,000 gal aviation fuel)
  - FY 2000 - West Coast Aviation Tank Farm (84,360 gal gasoline) and Gold Creek Derailment (120,516 gal diesel)
  - FY 2005 - Selendang Ayu (321,052 gal IFO 380)
- The Cook Inlet subarea (275), Interior subarea (238) and Prince William Sound subarea (35) had significantly fewer spills compared to the 13-year average. Total noncrude volume for those subareas (8,225 gal, 11,384 gal and 6,041 gal respectively) was also significantly below the 13-year average.
- Total noncrude volume spilled in the Aleutians subarea (148,548 gal) was about three times the 13-year average due to the 145,000-gallon diesel spill resulting from the sinking of the FV Alaska Ranger.
- The Aleutian subarea (93) and North Slope subarea (283) had spill counts that were significantly higher than average in FY 2008.



## Spills by Subarea



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# Statewide Summary *(continued)*

## Crude Oil

- More than 80% of the Crude Oil spills occurred at Oil Production facilities.
- Corrosion and External Factors were the primary causes based on total volume released.
- Over half of all Crude Oil spills were less than 10 gallons.

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Spills Reported 59  
Total Gallons 9,985

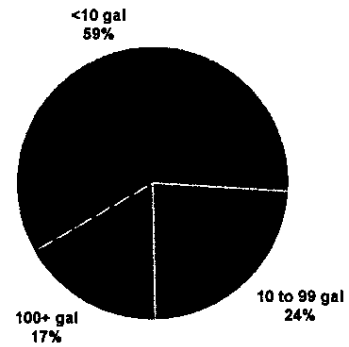
### Top 5 Causes

Cause	Spills	Gallons
Corrosion (STR/MECH)	5	4,678
External Factors (OTH)	5	3,414
Valve Failure (STR/MECH)	6	549
Line Failure (STR/MECH)	4	436
Human Error (HUM)	7	324

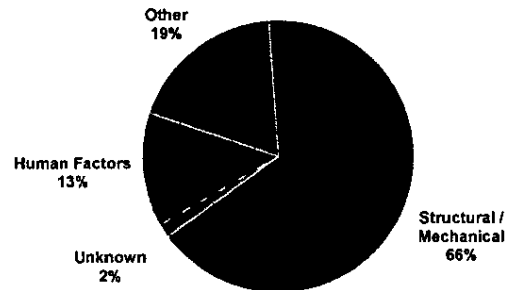
### Top 5 Facilities

Product	Spills	Gallons
Oil Production (TRA)	49	9,423
Crude Oil Terminal (STO)	1	420
Refinery Operation (STO)	5	122
Transmission Pipeline (TRA)	2	10
Oil Exploration (TRA)	1	5

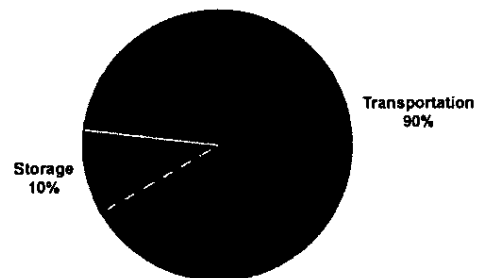
## Number of Spills by Size Class



## Number of Spills by Cause



## Number of Spills by Facility Category



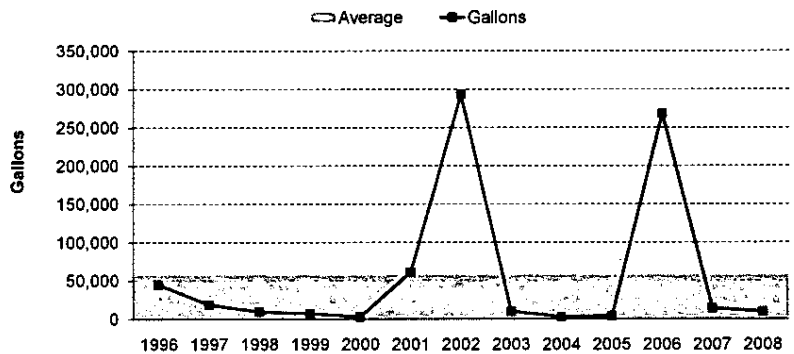
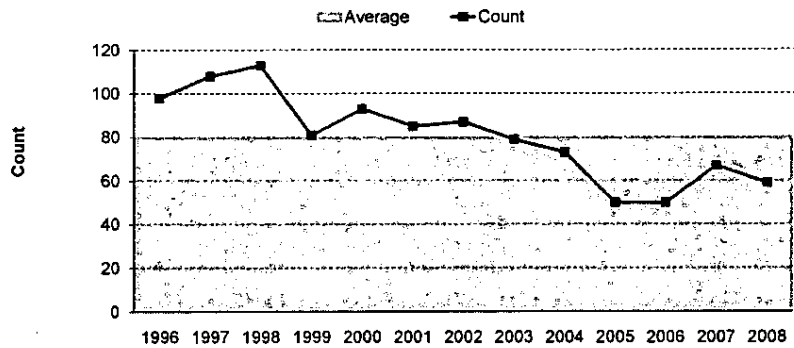
### KEY TO ABBREVIATIONS

HUM	Human Factors
ACC	Accident
UNK	Unknown
OTH	Other
STR/MECH	Structural/Mechanical
STO	Storage
TRA	Transportation
VES	Vessel
OTH/UNK	Other/Unknown

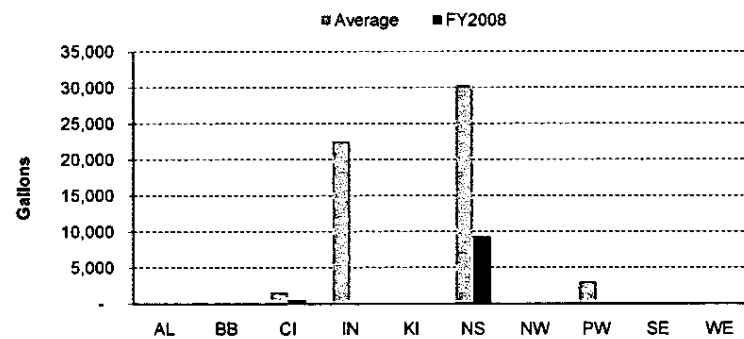
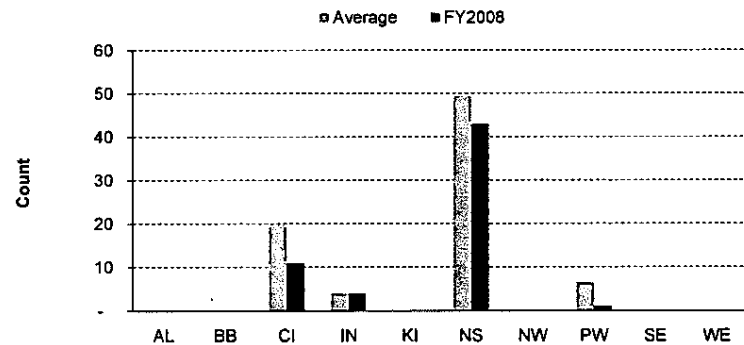
# Statewide Summary *(continued)*

## Spills by Fiscal Year

- There were 59 Crude Oil spills in FY 2008, significantly lower than average for the 13-year period.
- The average number of Crude Oil spills for the first half of the period (FY 1996-2002) was 95 compared to 63 spills for the latter half (FY 2003-2008).
- Several large crude oil spills account for higher total annual volumes:
  - FY 1996 - Check Valve 92 (34,073 gallons)
  - FY 2001 - GC-2 (30,030 gallons) and GCI D-Pad Flowline (25,500 gallons)
  - FY 2002 - TAPS Bullet Hole Release (285,600 gallons)
  - FY 2006 - GC-2 Oil Transit Line Release (267,000 gallons)
- Most subareas had fewer Crude Oil spills during FY 2008 compared to the 13-year average.
- Total volume for crude oil spills was substantially less than the 13-year average volume for the North Slope and Interior subareas. However, the average is inflated by a few very large spills -- in particular, the TAPS Bullet Hole release in FY 2002 and the GC-2 spill in FY 2006.
- The spill count for the Cook Inlet sub-area (20) and the Prince William Sound subarea (6) was significantly below average in FY 2008.
- The spill volume for Cook Inlet (1,649 gal) was significantly below average in FY 2008.



## Spills by Subarea



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# Statewide Summary *(continued)*

## Hazardous Substances

- More than 60% of the Hazardous Substance spills in FY 2008 were less than 10 gallons.
- Mining facilities had more Hazardous Substance spills in terms of total volume.



Spills Reported in Gallons	430
Total Gallons	151,595
Spills Reported in Pounds	19
Total Pounds	71,502

### Top 5 Causes (gallons)

Cause	Spills	Gallons
Line Failure (STR/MECH)	56	99,567
Equipment Failure (STR/MECH)	57	28,860
Human Error (HUM)	58	8,494
Valve Failure (STR/MECH)	32	3,510
Seal Failure (STR/MECH)	35	3,423

### Top 5 Products (gallons)

Product	Spills	Gallons
Produced Water	30	84,975
Drilling Muds	19	19,220
Mill Slurry	2	15,122
Other	44	14,310
Zinc Slurry	13	3,083

### Top 5 Facilities (gallons)

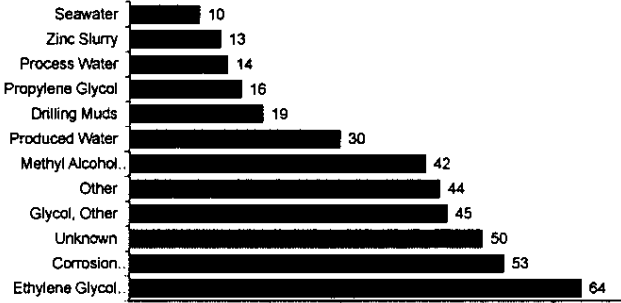
Product	Spills	Gallons
Mining Operation (STO)	74	113,119
Oil Production (TRA)	167	15,822
Oil Exploration (TRA)	12	14,246
Refinery Operation (STO)	11	2,229
Crude Oil Terminal (STO)	4	1,681

#### KEY TO ABBREVIATIONS

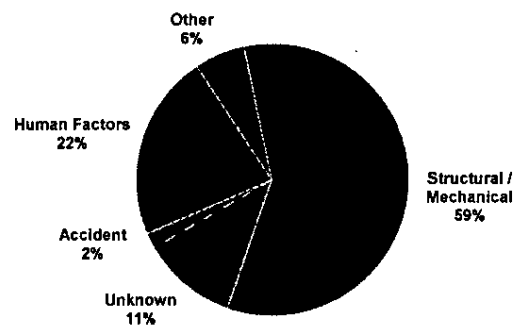
HUM	Human Factors
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UNK	Unknown
OTH	Other
STR/MECH	Structural/Mechanical
STO	Storage
TRA	Transportation
VES	Vessel
OTH/UNK	Other/Unknown

## Number of Spills by Product

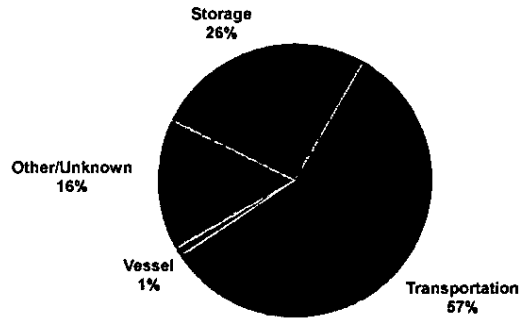
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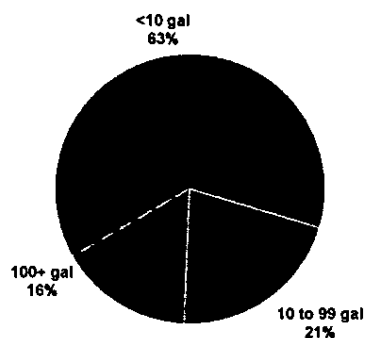
## Number of Spills by Cause



## Number of Spills by Facility Category



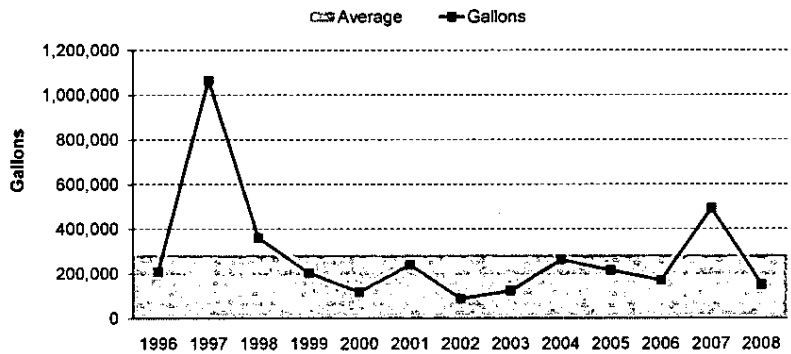
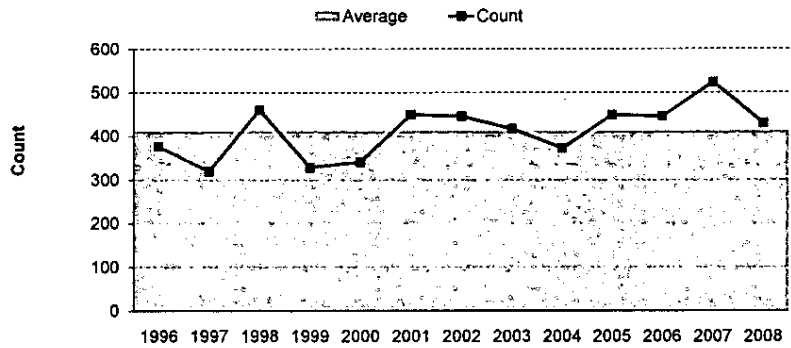
## Number of Spills by Size Class



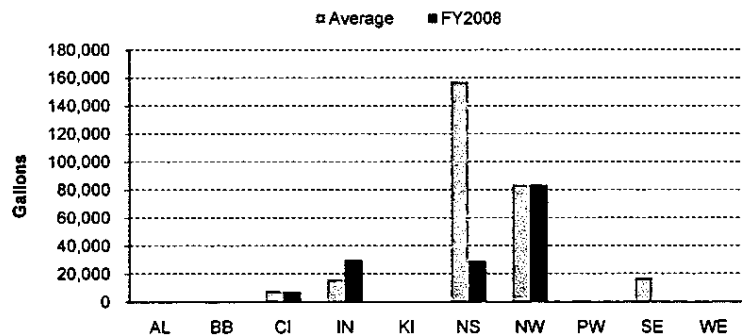
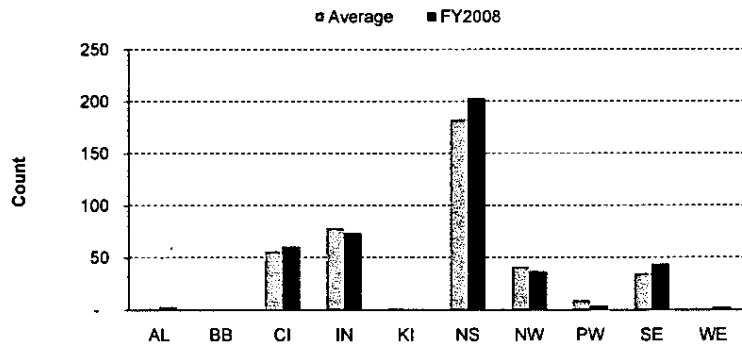
# Statewide Summary *(continued)*

## Spills by Fiscal Year

- The number of Hazardous Substance spills has been fairly steady over the 13-year period of record.
- Total volume fluctuated quite a bit in certain years due several large releases:
  - ARCO Seawater DS 4 in FY 1997 (995,400 gallons)
  - GC-2 Tank 8511 Produced Water in FY 2007 (234,738 gallons)
- The total spill volume for FY 2008 (151,595 gal) was significantly below average.
- The North Slope subarea (203) and the Interior subarea (74) had the greatest number of Hazardous Substance releases during FY 2008, and also the greatest average over the 13-year period.
- The Northwest Arctic subarea had the greatest volume spilled for FY 2008 (83,561 gal).
- The Southeast subarea (44) and the Western subarea (3) had higher than average spill counts in FY 2008.
- The Prince William Sound subarea (4) had a below average spill count in FY 2008.
- The Western subarea (752 gal) and the Interior subarea (30,014 gal) had above average spill volumes in FY 2008.
- The North Slope subarea (29,285 gal) and the Southeast subarea (550 gal) had below average spill volumes in FY 2008.



## Spills by Subarea



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# Statewide Summary *(continued)*

## Extremely Hazardous Substances

Spills Reported in Gallons	27
Total Gallons	110
Spills Reported in Pounds	20
Total Pounds	28,401

### Top 5 Causes (pounds)

Cause	Spills	Pounds
Leak (STR/MECH)	4	18,687
Intentional Release (HUM)	1	4,500
Other (OTH)	1	3,000
Valve Failure (STR/MECH)	3	602
Unknown (UNK)	2	501

### Top Products (pounds)

Product	Spills	Pounds
Anhydrous Ammonia	15	24,279
Hydrogen Peroxide	1	3,000
Sulfur Dioxide	2	1,000
Chlorine	2	122

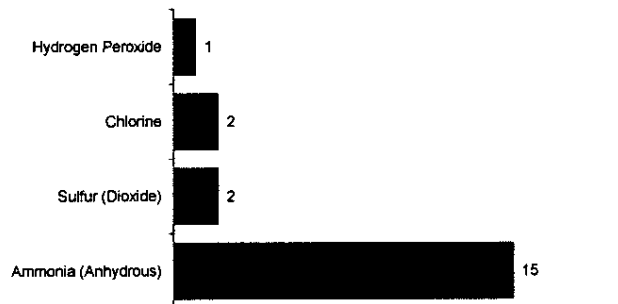
### Top 5 Facility Types (pounds)

Product	Spills	Pounds
Cannery (STO)	9	18,199
Refinery Operation (STO)	4	5,950
Mining Operation (STO)	1	3,000
Chemical Manufacturing (STO)	4	1,130
Water/Wastewater Facility (STO)	2	122

NOTE: Extremely Hazardous Substances (EHS) are designated by the US Environmental Protection Agency in federal regulations (40 CFR part 355, Emergency Planning and Notification).

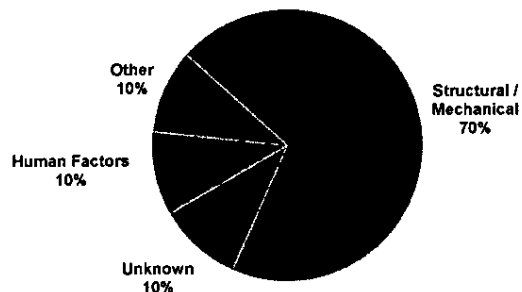
## Number of Spills by Product

*(spills reported in pounds)*



## Number of Spills by Cause

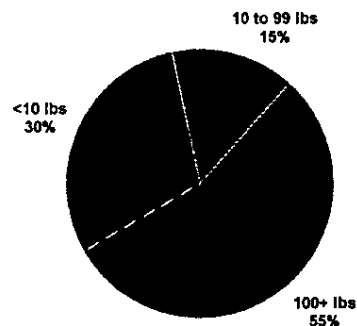
*(spills reported in pounds)*



## Number of Spills by Facility Category

*(spills reported in pounds)*

## Number of Spills by Size Class



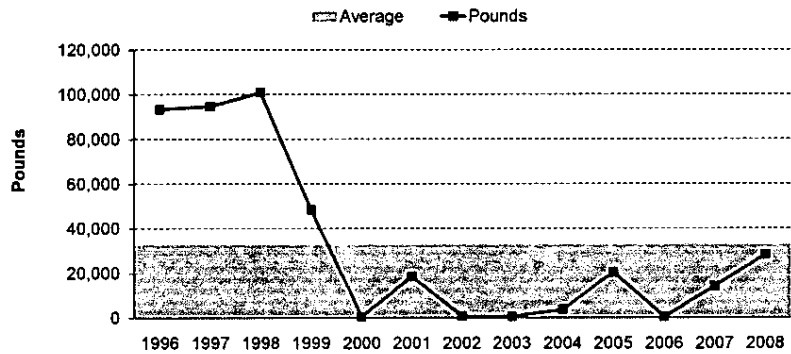
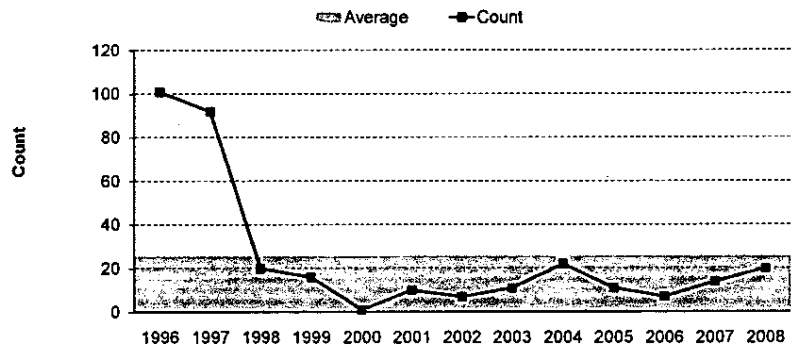
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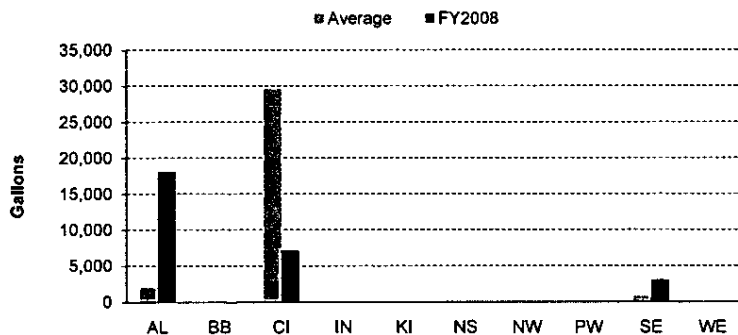
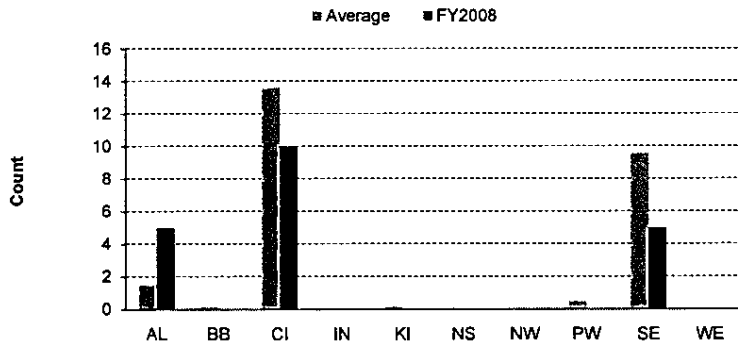
# Statewide Summary *(continued)*

## Spills by Fiscal Year *(spills reported in pounds)*

- The number of Extremely Hazardous Substance (EHS) releases and total pounds released was significantly higher in FY 1996 and FY 1997. The majority of releases during those years were from a pulp mill in Southeast Alaska which ceased operations in 1997. EHS spill counts and quantities released have been substantially less since then.
- During FY 2008, EHS releases occurred within the the Cook Inlet subarea (10), Aleutian subarea (5) and the Southeast Alaska subarea (5).



## Spills by Subarea *(spills reported in pounds)*



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# Projects

## Special Projects

### ■ Emergency Towing System

Within the last decade, several distressed or stricken vessel incidents occurring in the Aleutian Islands have impacted the community of Unalaska and in a few cases caused environmental and economic repercussions. In each situation, the vessel was a large trampler or cargo type vessel, which generally carry fuel in bottom tanks, thus posing a significant pollution risk in a grounding. The information provided in the Vessel Traffic in the Aleutians Subarea study, illustrates roughly 67% of port calls to Unalaska/Dutch Harbor in 2004 were either container ships or trampler/reefer vessels.

Following the near grounding of the *Salica Frigo* on March 9, 2007 the Mayor of Unalaska convened a Disabled Vessel workgroup to address the possibility of future groundings and to discuss local emergency response solutions. This initial meeting prompted the Emergency Towing System (ETS) workgroup whose goal was to develop emergency towing capabilities for disabled vessels in the Aleutian Subarea using locally available tugboats in conjunction with ETS equipment stationed in Unalaska.

The City of Unalaska purchased a system suitable for vessels up to 50,000 DWT and the Alaska Department of Environmental Conservation purchased a system capable of towing vessels greater than 50,000 DWT; both systems are stored in Unalaska.

The ETS consists of a light weight towline, a messenger line to assist in deploying the towline, a line-launcher, a lighted buoy, and chaffing gear. These components may be configured to deploy to a disabled ship from the stern of a tugboat or airdropped to the ship's deck via helicopter.

The Alaska Department of Environmental Conservation has also purchased and stored a 10-inch Emergency Towing System (ETS) at the USCG Air Station in Kodiak. For mobilization and use of the Kodiak Emergency Towing System, please contact the USCG Sector Anchorage Command Center at (866) 396-1361 or (907) 271-6769.

Project website: <http://www.dec.state.ak.us/spar/perp/aiets/home.htm>

## Prevention Initiatives

### ■ Home Heating Oil Tanks

Home heating oil tanks are in use throughout the state and are not regulated by the Department. Since 2001, response staff have actively worked to achieve a reduction in the number and magnitude of heating oil discharges from home heating oil systems through a variety of public outreach methods with a focus on prevention targeted primarily at the homeowner. They have attended home shows, state fairs, and local and statewide forums, and have been interviewed on radio and television. A series of public service announcements was produced and aired in over 250 Alaskan communities served by the Alaska Public Radio Network, and a print version appeared in newspapers.

Additional outreach information is being developed for fuel distributors. Greater emphasis is being placed on providing information on preventive measures to rural Alaskan communities where oil drum "tanks" are common and the high price of oil makes the impact of a spill difficult on the residents and governments of these remote Alaskan villages and towns.

Project website: <http://www.dec.state.ak.us/spar/perp/hho.htm>

### ■ Clean Harbors Initiative

The Clean Harbors initiative in Alaska is being sponsored jointly by Alaska Department of Environmental Conservation (ADEC) and Cook Inlet Regional Citizens' Advisory Council (CIRCAC), and is partially financed by a grant from the Conoco Phillips Earth Energy Partners Program. Homer Harbor is serving as a "pilot project" for launching the Clean Harbors initiative in Alaska. This program is based on Clean Marinas programs on the west coast and nationwide, promoted by NOAA and others, that encourage marina operators and recreational boaters to protect coastal water quality by engaging in environmentally sound operating and maintenance practices.

While Clean Marina Programs vary from state to state, all programs offer information, guidance, and technical assistance to marina operators, local governments, and recreational boaters on Best Management Practices that can be used to prevent or reduce pollution. Marinas that participate in the Clean Marina Program are recognized for their environmental

stewardship.

The first workgroup meeting for the Clean Harbors pilot project was held in Homer on December 19, 2007. Participants at the meeting included ADEC, CIRCAC, City of Homer Port Administration, Cook Inlet Keeper, the USCG, Alaska Sea Grant, and Nuka Research. As the first step in the pilot project, a sub-group is working with a contractor, Nuka Research, to develop a Best Management Practices template for harbors in Alaska.

Project website: <http://www.nukaresearch.com/projects/cleanharbor/index.shtml>

### ■ Aleutians Risk Assessment

ADEC and the U.S. Coast Guard are funding a multi-stage risk assessment of maritime transportation in the Bering Sea and the Aleutian Archipelago. The first phase of this long-term risk assessment and mitigation strategy is to fund a project titled, "Risk of Oil Spills in the Aleutian Islands-A Study to Design a Comprehensive Risk Assessment". A Committee established within the Transportation Research Board of the National Academies is conducting this project and the first committee meeting was held in Anchorage and Unalaska during the last week of October 2007.

The efforts of the committee culminated with the completion of their report titled "Risk of Oil Spills in the Aleutian Islands-A Study to Design a Comprehensive Risk Assessment."

The second phase of the project – conducting the Aleutian Islands Risk Assessment is now underway. The assessment organization and management structure consists of four groups: a Management Team, an Advisory Panel, a Risk Analysis Team, and a Peer Review Panel. The management team consists of the U.S. Coast Guard, State of Alaska (ADEC), and the National Fish and Wildlife Foundation (the agency responsible for allocating funds). A priority for the management team is the establishment of the advisory panel and selection of a contracted facilitator for the panel.

Project website: [http://www.dec.state.ak.us/spar/perp/ai\\_risk/ai\\_risk.htm](http://www.dec.state.ak.us/spar/perp/ai_risk/ai_risk.htm)

For more information go to:  
[www.dec.state.ak.us/spar/perp](http://www.dec.state.ak.us/spar/perp)

# STATE OF ALASKA

**DEPARTMENT OF FISH AND GAME**  
**ADMINISTRATIVE SERVICES**

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February 17, 2009

The Honorable Mike Hawker, Co-chair  
House Finance Committee  
House of Representatives  
Alaska State Capitol  
Juneau, Alaska 99801-1182

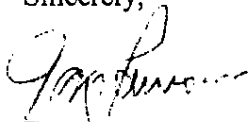
Dear Representative Hawker:

At the February 2 Alaska Department of Fish and Game overview before the House Finance Committee, you asked the question whether the department had been asked by the Alaska Energy Authority to review their proposed energy projects.

The short answer is no. However, the department has issued fish habitat permits to Kenai Hydro LLC for the installation of stream gauges to collect baseline data regarding four hydro feasibility projects in the Moose Pass area.

Please contact me if you have further questions.

Sincerely,



Tom Lawson  
Director

## Department of Natural Resources FY10 Long Range Plan

### Notes for FY09 baseline appropriations and department assumptions for FY10 and beyond

Through operating budget one-time-item continuations and increments and capital project requests, the Department will continue to seek funding to support:

#### Resource Development

- Services provided by the Division of Oil and Gas
- Royalty valuation, allowing re-negotiation of royalty settlement agreements when it is advantageous to the State
- Airborne mineral surveys
- Abandoned Mine Reclamation (Fed)
- New Geologic Materials Center

#### Water Resources

- Cooperative Water Resource Program (SDPR)

#### Coastal Management

- Alaska Coastal Management pass-through grants (Fed)

#### Land acquisition and sales

- Land acquisition as per statehood entitlement
- Forward funding of surveys for remote recreational cabin sites (LDIF)
- New subdivision development and remote recreational cabin program (LDIF)

#### Wildland Firefighting

- Shared costs at the Interagency Coordinator Center
- Increases in helicopter and air tanker costs when contracts come up for renewal

#### Parks Facilities and Programs

- Design phase of the South Denali Access Road and other capital projects in State Parks
- Maintain the Boating Safety Program and expand the education portion (mostly Fed)
- Acquire outdoor recreation lands and develop facilities through the Land and Water Conservation Fund (Fed)
- National Historic Preservation Program (Fed)
- National Recreation Trails Grant (Fed)

#### Forest Management

- Reforestation of State forest lands following harvests and burns
- Forest road maintenance
- Timber inventories

- Technical forestry assistance program (Fed)
- Private and public forest assessment

#### Agricultural Industry

- Foundation seed program and other functions of the Plant Material Center that support the agricultural industry in Alaska

#### Guide Concession Area Program

- Initial planning work for guide concession area program, with additional general funds needed in subsequent years to develop regulations and implement the program until it is self-supporting through fees

#### Administrative and Information Technology

- Information technology infrastructure upgrades and contract increases
- Increases in chargebacks and core service costs

#### Anticipated need for replacement of federal funds:

- Funds to support critical services of the Alaska Volcano Observatory will decline, starting in FY10
- Federal funding for BLM2009 is scheduled to end in FY09, but continuing general funds will be needed for surveys, audits, and settlement of discrepancies

#### Increased demand for services and information:

- Over the next ten years we expect oil, gas and mineral exploration and development to continue to increase, based on the potential of Alaska's undeveloped resources
- General fund support for Large Project programs will be needed to allow advanced planning and staffing necessary to meet industry needs and facilitate projects that create jobs and generate state revenue
- The Pebble Project, if permitted, will require a full-time coordinator. Industry will support the position, although some general funds will be needed in the initial planning stage.
- Information needs will include geohydrology for water resource conservation, management and development; coastal hazards and development data; improved Geographic Information System (GIS) capability; a Statewide parcel database; and increased demand for programming and electronic solutions
- Increasing complexity of borough and other restrictions will require increased staffing in the Land Sales Program
- Increased demand for roads to access forest resources for firewood and timber sales
- Increased support for the agricultural industry will be proposed including erosion control and land conservation, a wetlands research unit, and horticulture evaluation program

#### Continual need for replacement/upgrade of facilities, equipment, and IT infrastructure including:

- Wildland fire truck replacement and fleet maintenance cost increases
- Trunk Road Facility move in FY10

- State Parks deferred and annual maintenance, with deferred maintenance balance currently at \$60 million
- Plant Material Center facilities, grounds and equipment
- Deferred and ongoing maintenance of other buildings
- Replacement of Northern Region Facility and Kenai/Kodiak Area Forestry Facility, and site studies for various fire and resource management facilities
- Replace state-owned tactical aircraft in FY11

**Other expected increases:**

- Increased responsibilities of the Petroleum Systems Integrity Office based on completion of the gap analysis and risk assessment
- Need for Oil and Gas leasing program improvements
- Twenty permanent seasonal initial attack firefighting positions are currently paid with soft funding. To assure continuation of these positions, it will be necessary to replace this with general funds starting in FY11

**Expected project completions:**

- Mat-Su Hydrogeology assessment in FY11
- Electronic document management system in FY11 - creating electronic land management case files with search capability
- Unified Permit Project to streamline application and approval processes in FY11
- Statewide digital mapping initiative in FY13
- Electronic recording of titles and UCC for the Recorder's Office, resulting in savings as the need for regional offices will decrease

**Department assumptions for gasoline appropriation estimates**

Continuation of funding to support:

- AGIA license management
- Pipeline corridor geologic hazards identification

Increased demand for services and information:

- Surveys, rights-of-way, inspection and administrative staff through FY17 as pipeline(s) are completed
- Geological trench mapping starting in FY13 (part SDPR)
- Upon completion of gasoline in FY18, funds will be needed for multi-agency oversight of the completed project, and will require some level of funding for the life of the pipeline

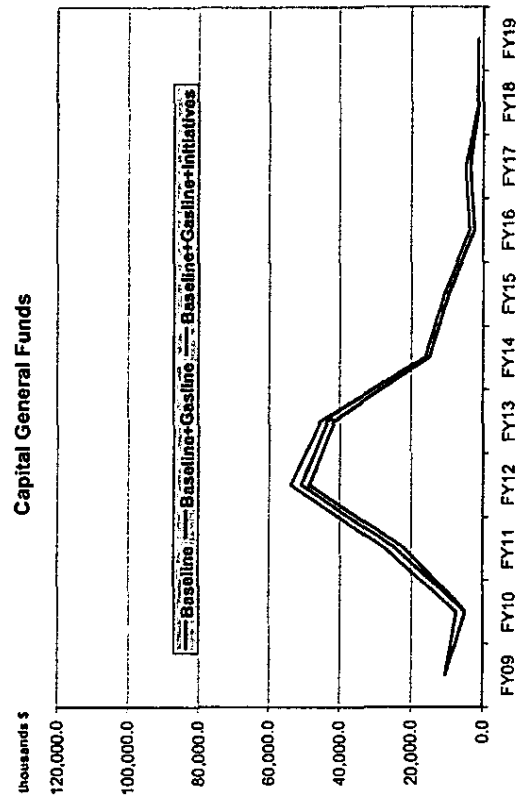
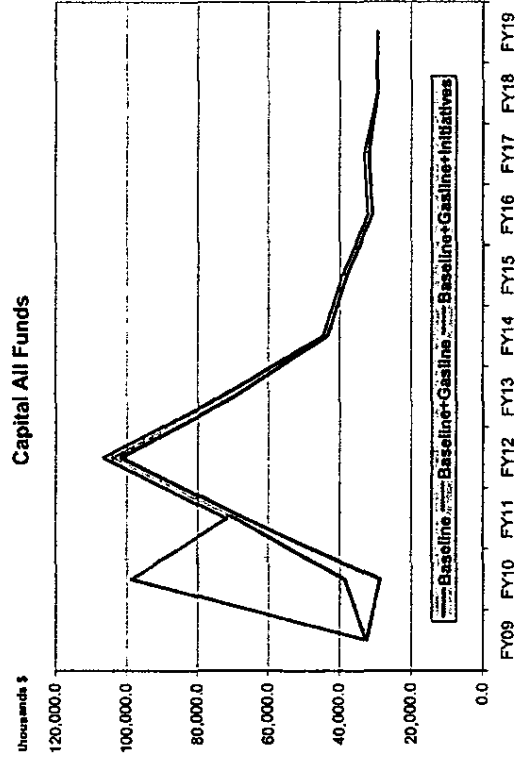
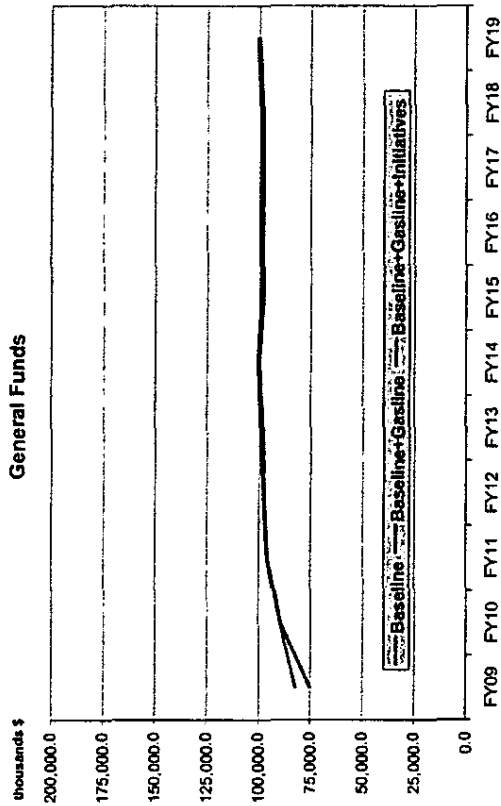
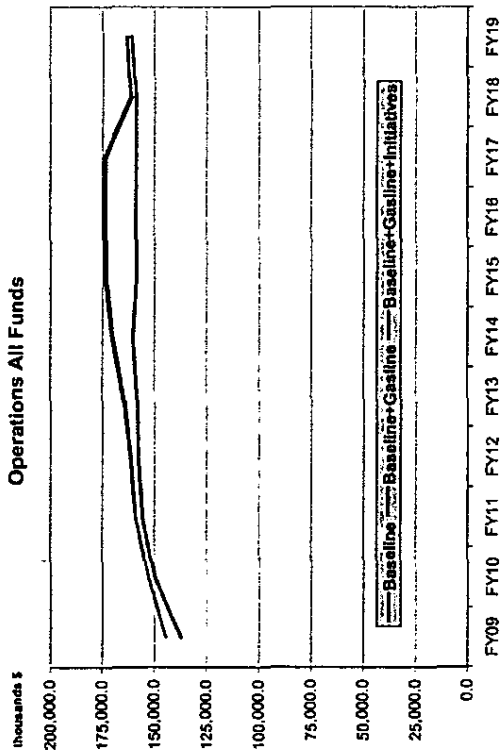
Expected project completion:

- North Slope Reservoir Studies to determine the best use of natural gas resources

**Department assumptions for new initiatives except gasoline:**

- Major influx of formula funds from the federal government for the Coastal Impact Assessment Program. Increase is based on federal offshore drilling leases. (Fed)
- Need to address the potentially dangerous situation of bear/human interaction at the Chilkoot River in Haines by managing the area to allow road-accessible brown bear viewing
- Construction of South Denali Visitors Center, estimated to start in FY12 (Fed)

# Natural Resources



# Natural Resources

## Baseline Budget Growth 1/

(thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<b>Total Appropriations</b>	169,697.3	178,701.7	222,398.1	259,604.7	228,181.9	203,854.4	196,704.6	189,488.7	190,570.7	188,446.7	190,227.7
General Fund	83,332.7	92,495.7	115,302.2	143,919.8	137,275.0	112,520.6	105,461.8	98,254.9	99,372.9	97,283.9	99,093.9
General Fund Match	2,177.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	34,211.5	26,695.0	27,023.0	52,073.0	26,990.0	26,790.0	26,340.0	26,140.0	25,940.0	25,740.0	25,540.0
Other State Funds	49,975.6	57,383.5	77,945.4	61,484.4	61,789.4	62,416.3	62,775.3	62,966.3	63,130.3	63,295.3	63,466.3
<b>Operations</b>	137,370.8	149,944.7	155,911.1	157,849.6	158,403.6	160,504.7	158,768.7	158,859.7	158,841.7	159,017.7	160,898.7
General Fund	72,932.7	87,555.7	93,552.2	95,401.7	95,750.7	97,592.1	95,847.1	95,847.1	95,765.1	95,876.1	97,686.1
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	44,376.5	44,818.4	44,907.4	45,112.4	45,372.1	45,631.1	45,722.1	45,786.1	45,851.1	45,922.1
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	137,370.8	149,944.7	155,911.1	157,849.6	158,403.6	160,504.7	158,768.7	158,859.7	158,841.7	159,017.7	160,898.7
General Fund	72,932.7	87,555.7	93,552.2	95,401.7	95,750.7	97,592.1	95,847.1	95,847.1	95,765.1	95,876.1	97,686.1
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	44,376.5	44,818.4	44,907.4	45,112.4	45,372.1	45,631.1	45,722.1	45,786.1	45,851.1	45,922.1
<b>Capital</b>	32,326.5	28,757.0	66,487.0	101,755.1	69,778.3	43,349.7	37,935.9	30,629.0	31,729.0	29,429.0	29,329.0
General Fund	10,400.0	4,940.0	21,750.0	48,518.1	41,524.3	14,928.5	9,614.7	2,407.8	3,607.8	1,407.8	1,407.8
General Fund Match	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	18,376.5	10,810.0	11,610.0	36,660.0	11,577.0	11,377.0	11,177.0	10,977.0	10,777.0	10,577.0	10,377.0
Other State Funds	3,500.0	13,007.0	33,127.0	16,577.0	16,677.0	17,044.2	17,144.2	17,244.2	17,344.2	17,444.2	17,544.2

1. Baseline wage and benefit increases are handled in the statewide spreadsheet.

Notes for FY09 Baseline Appropriations and department assumptions for FY10 and beyond

See cover sheet.

## Natural Resources

### Gasline Related Budget Growth (thousands \$)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
<b>Total Appropriations</b>	7,209.8	12,680.2	5,555.2	5,655.2	8,080.2	10,530.2	15,530.2	15,530.2	15,530.2	1,891.7	1,391.7
General Fund	7,209.8	391.7	2,766.7	2,566.7	2,491.7	1,841.7	1,841.7	1,841.7	1,841.7	591.7	591.7
Federal Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	12,288.5	2,788.5	3,088.5	5,588.5	8,688.5	13,688.5	13,688.5	13,688.5	1,300.0	800.0
<b>Operations</b>	7,209.8	3,180.2	3,180.2	3,480.2	6,180.2	9,280.2	14,280.2	14,280.2	14,280.2	1,891.7	1,391.7
General Fund	7,209.8	391.7	391.7	391.7	591.7	591.7	591.7	591.7	591.7	591.7	591.7
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	2,788.5	2,788.5	3,088.5	5,588.5	8,688.5	13,688.5	13,688.5	13,688.5	1,300.0	800.0
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	7,209.8	3,180.2	3,180.2	3,480.2	6,180.2	9,280.2	14,280.2	14,280.2	14,280.2	1,891.7	1,391.7
General Fund	7,209.8	391.7	391.7	391.7	591.7	591.7	591.7	591.7	591.7	591.7	591.7
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	2,788.5	2,788.5	3,088.5	5,588.5	8,688.5	13,688.5	13,688.5	13,688.5	1,300.0	800.0
<b>Capital</b>	0.0	9,500.0	2,375.0	2,175.0	1,900.0	1,250.0	1,250.0	1,250.0	1,250.0	0.0	0.0
General Fund	0.0	0.0	2,375.0	2,175.0	1,900.0	1,250.0	1,250.0	1,250.0	1,250.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	9,500.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Describe department assumptions for gasline appropriations estimates below**

FY09: Includes Special Session appropriation for AGIA Implementation. See attached for further explanation.

**Natural Resources**

**Initiatives (Except Gasline)**

(thousands \$)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
<b>Total Appropriations</b>	0.0	60,745.0	3,250.0	3,666.0	2,870.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0
General Fund	0.0	2,625.0	3,070.0	3,085.0	2,275.0	330.6	330.6	330.6	330.6	330.6	330.6
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	58,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	120.0	180.0	581.0	595.0	689.4	689.4	689.4	689.4	689.4	689.4
<b>Operations</b>	0.0	120.0	270.0	766.0	870.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0
General Fund	0.0	0.0	90.0	185.0	275.0	330.6	330.6	330.6	330.6	330.6	330.6
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	120.0	180.0	581.0	595.0	689.4	689.4	689.4	689.4	689.4	689.4
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	0.0	120.0	270.0	766.0	870.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0	1,020.0
General Fund	0.0	0.0	90.0	185.0	275.0	330.6	330.6	330.6	330.6	330.6	330.6
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	120.0	180.0	581.0	595.0	689.4	689.4	689.4	689.4	689.4	689.4
<b>Capital</b>	0.0	60,625.0	2,980.0	2,900.0	2,000.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund	0.0	2,625.0	2,980.0	2,900.0	2,000.0	0.0	0.0	0.0	0.0	0.0	0.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	58,000.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Describe department assumptions for new initiatives (except gasline) appropriations estimates below**

See assumptions on cover sheet.

### Natural Resources

#### Baseline plus Gasoline (thousands \$)

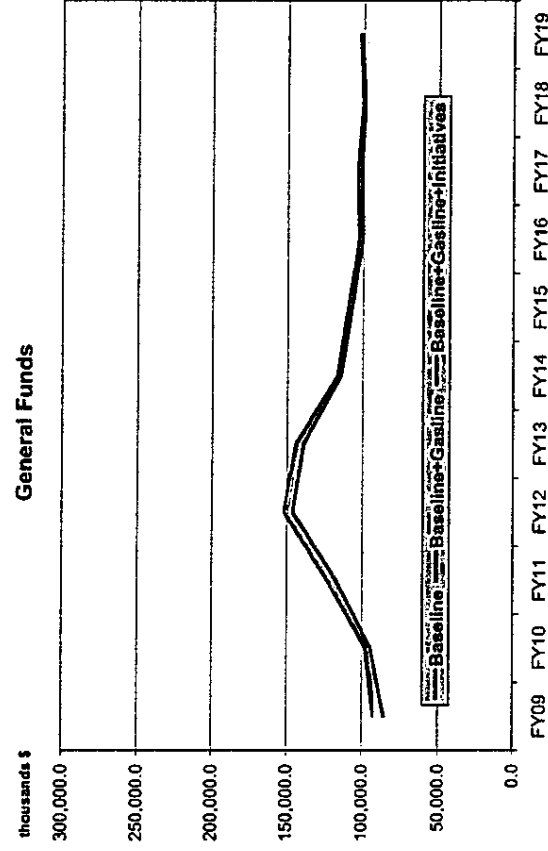
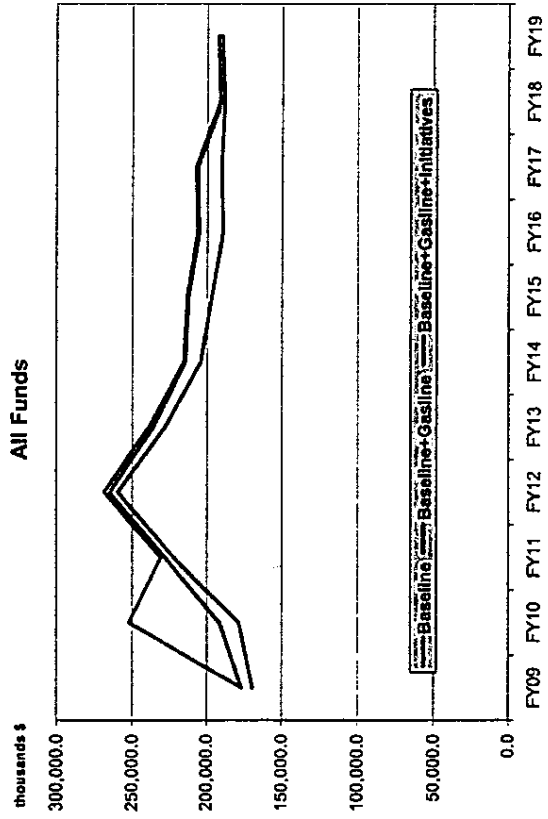
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<b>Total Appropriations</b>	176,907.1	191,381.9	227,953.3	265,259.9	236,292.1	214,384.6	212,234.8	205,018.9	206,100.9	190,338.4	191,619.4
General Fund	90,542.5	92,887.4	118,068.9	146,486.5	139,766.7	114,362.3	107,303.5	100,096.6	101,214.6	97,875.6	99,685.6
General Fund Match	2,177.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	34,211.5	26,695.0	27,023.0	52,073.0	26,990.0	26,790.0	26,340.0	26,140.0	25,940.0	25,740.0	25,540.0
Other State Funds	49,975.6	69,672.0	80,733.9	64,572.9	67,377.9	71,104.8	76,463.8	76,654.8	76,818.8	64,595.3	64,266.3
<b>Operations</b>	144,580.6	153,124.9	159,091.3	161,329.8	164,583.8	169,784.9	173,048.9	173,139.9	173,121.9	160,909.4	162,290.4
General Fund	80,142.5	87,947.4	93,943.9	95,793.4	96,342.4	96,183.8	96,438.8	96,438.8	96,356.8	96,467.8	98,277.8
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	47,165.0	47,608.9	47,995.9	50,700.9	54,060.6	59,319.6	59,410.6	59,474.6	47,151.1	46,722.1
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Formula Programs</b>	144,580.6	153,124.9	159,091.3	161,329.8	164,583.8	169,784.9	173,048.9	173,139.9	173,121.9	160,909.4	162,290.4
General Fund	80,142.5	87,947.4	93,943.9	95,793.4	96,342.4	96,183.8	96,438.8	96,438.8	96,356.8	96,467.8	98,277.8
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	47,165.0	47,608.9	47,995.9	50,700.9	54,060.6	59,319.6	59,410.6	59,474.6	47,151.1	46,722.1
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Capital</b>	32,326.5	38,257.0	68,862.0	103,930.1	71,678.3	44,599.7	39,185.9	31,879.0	32,979.0	29,429.0	29,329.0
General Fund	10,400.0	4,940.0	24,125.0	50,693.1	43,424.3	16,178.5	10,864.7	3,657.8	4,857.8	1,407.8	1,407.8
General Fund Match	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	18,376.5	10,810.0	11,610.0	36,660.0	11,577.0	11,377.0	11,177.0	10,977.0	10,777.0	10,577.0	10,377.0
Other State Funds	3,500.0	22,507.0	33,127.0	16,577.0	16,677.0	17,044.2	17,144.2	17,244.2	17,344.2	17,444.2	17,544.2

### Natural Resources

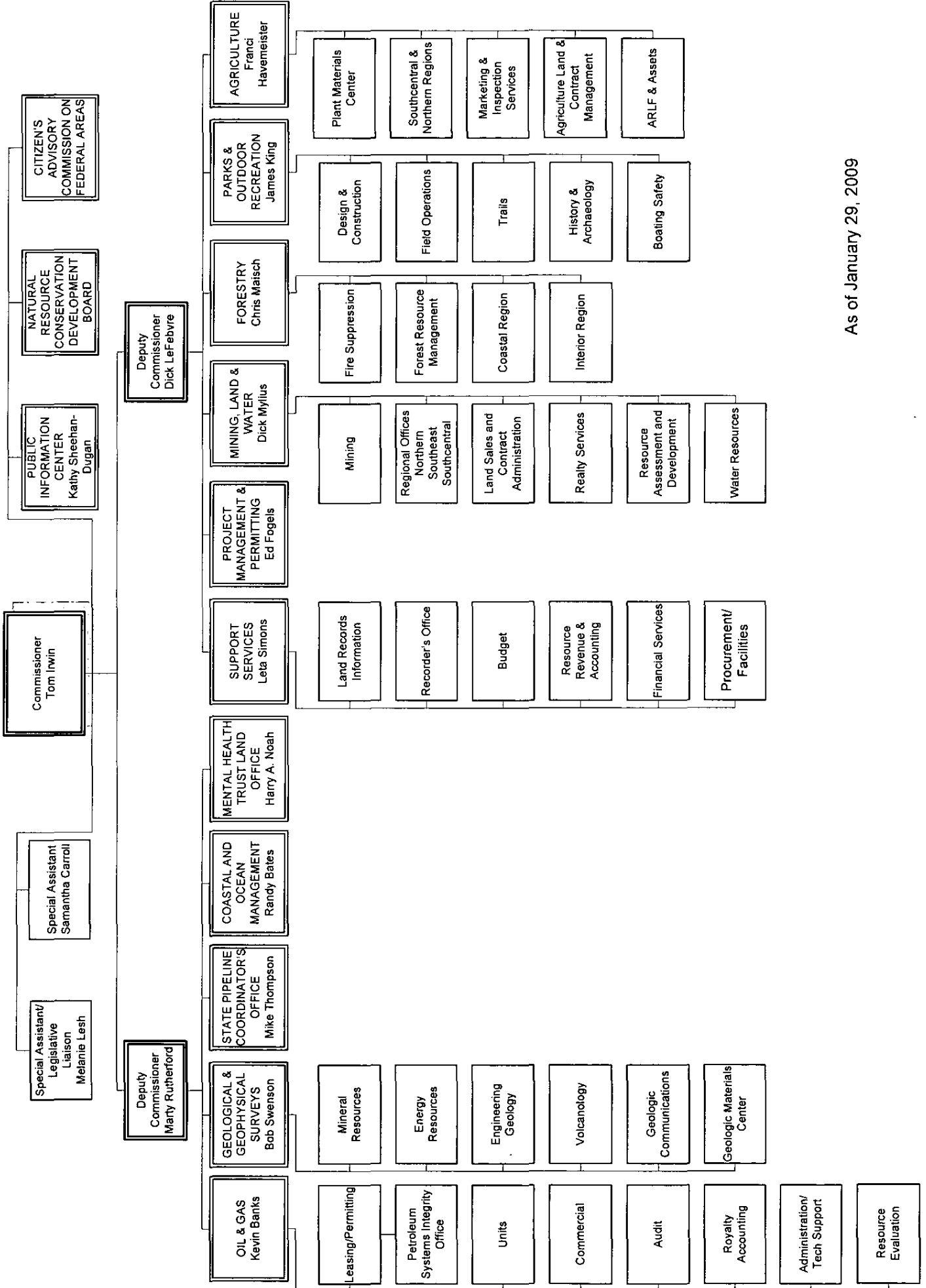
#### Baseline plus Gasline plus Initiatives (thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<b>Total Appropriations</b>	176,907.1	252,126.9	231,203.3	268,925.9	239,132.1	215,404.6	213,254.8	206,038.9	207,120.9	191,358.4	192,639.4
General Fund	90,542.5	95,612.4	121,138.9	149,571.5	142,041.7	114,692.9	107,634.1	100,427.2	101,545.2	98,206.2	100,016.2
General Fund Match	2,177.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	34,211.5	84,695.0	27,023.0	52,073.0	26,990.0	26,790.0	26,340.0	26,140.0	25,940.0	25,740.0	25,540.0
Other State Funds	49,975.6	69,792.0	80,913.9	65,153.9	67,972.9	71,794.2	77,153.2	77,344.2	77,508.2	65,284.7	64,955.7
<b>Operations</b>	144,580.6	153,244.9	159,381.3	162,095.8	165,453.8	170,804.9	174,068.9	174,159.9	174,141.9	161,929.4	163,310.4
General Fund	80,142.5	87,947.4	94,033.9	95,978.4	96,617.4	98,514.4	96,766.4	96,766.4	96,687.4	96,798.4	98,608.4
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	47,285.0	47,786.9	48,576.9	51,295.9	54,750.0	60,009.0	60,100.0	60,164.0	47,840.5	47,411.5
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	144,580.6	153,244.9	159,381.3	162,095.8	165,453.8	170,804.9	174,068.9	174,159.9	174,141.9	161,929.4	163,310.4
General Fund	80,142.5	87,947.4	94,033.9	95,978.4	96,617.4	98,514.4	96,766.4	96,766.4	96,687.4	96,798.4	98,608.4
General Fund Match	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5	2,127.5
Federal Funds	15,835.0	15,885.0	15,413.0	15,413.0	15,413.0	15,413.0	15,163.0	15,163.0	15,163.0	15,163.0	15,163.0
Other State Funds	46,475.6	47,285.0	47,786.9	48,576.9	51,295.9	54,750.0	60,009.0	60,100.0	60,164.0	47,840.5	47,411.5
<b>Capital</b>	32,326.5	98,882.0	71,822.0	106,830.1	73,678.3	44,599.7	39,185.9	31,879.0	32,979.0	29,429.0	29,329.0
General Fund	10,400.0	7,565.0	27,105.0	53,593.1	45,424.3	16,178.5	10,864.7	3,657.8	4,857.8	1,407.8	1,407.8
General Fund Match	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	18,376.5	68,810.0	11,610.0	36,660.0	11,577.0	11,377.0	11,177.0	10,977.0	10,777.0	10,577.0	10,377.0
Other State Funds	3,500.0	22,507.0	33,127.0	16,577.0	16,677.0	17,044.2	17,144.2	17,244.2	17,344.2	17,444.2	17,544.2

### Natural Resources



# Department of Natural Resources



As of January 29, 2009

**Overview of the Alaska Department of Fish and Game  
February 2, 2009**

**Background**

Alaska Constitutional mandates: Article VIII (Natural Resources) reads in part:

The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people.

Fish, forests, wildlife, grasslands, and all other replenishable resources belonging to the State shall be utilized, developed, and maintained on the sustained yield principle, subject to preferences among beneficial uses.

Mission of the department:

To protect, maintain, and improve the fish, game, and aquatic plant resources of the state, and manage their use and development in the best interest of the economy and the well-being of the people of the state, consistent with the sustained yield principle.

Goals of the department:

Optimize economic benefits from fish and wildlife resources  
Optimize public participation in fish and wildlife pursuits  
Increase public knowledge and confidence that wild populations of fish and wildlife are responsibly managed

**Core Services of the Department**

1. Harvest Management: provide opportunity to utilize fish and wildlife resources
2. Stock Assessment: ensure sustainability and harvestable surplus of fish and wildlife resources
3. Customer Service: provide information to all customers
4. Public Involvement: involve the public in management of fish and wildlife resources
5. State Sovereignty: protect the state's sovereignty to manage fish and wildlife resources

In support of these core services, the department conducts the following activities:

6. Habitat Conservation: protect, maintain, and improve Alaska's fish and wildlife habitat
7. Workforce Development: support a professional staff to deliver other core services

Ambitions within core services:

1. Harvest management: provide opportunities to utilize fish and wildlife resources
  - Expand existing and develop new programs to increase harvest opportunities (e.g., abundance-based management initiatives)
  - Protect and improve access to fishing and hunting opportunities and resources
  - Optimize participation in hunting and fishing activities
  - Improve harvest monitoring and assessment
2. Stock assessment: ensure sustainability and harvestable surplus of fish and wildlife resources
  - Improve existing fish and wildlife stock assessment capabilities
  - Expand stock assessments
  - Invest in new technologies\*
  - Anticipate changing conditions (e.g., climate change, invasive species)

\*Idea of investing in new technologies applies to several of the core services.

3. Customer service: provide accurate and meaningful information to all customers
  - Enhance public communications materials and delivery (e.g., web capacity, multimedia, technical and lay reports)
  - Increase publication in peer-reviewed scientific literature
  - Improve management and scientific reporting
  - Improve licensing and permitting services (including unique identifier for each user)
  - Better coordinate and improve education and viewing programs throughout department and better integrate CF and Subsistence into education programs.
4. Public involvement: involve the public in management of fish and wildlife resources
  - Improve BOF/BOG and other regulatory processes (e.g., Federal Subsistence Board, North Pacific Fishery Management Council)
  - Effectively involve (optimize) public in specific decision making processes (legislative, EVOS, task forces and advisory groups)
  - Evaluate further and enhanced opportunities for public involvement
5. State sovereignty: protect the state's sovereignty to manage fish and wildlife resources
  - Reassess strategies for state/federal agreements and initiatives
  - Evaluate and improve effectiveness in interacting with other government agencies and forums (e.g., ESA, Magnuson-Stevens Act, NPFMC, Pacific Salmon Treaty, Migratory Bird Treaty Act, ANILCA, FSB)
  - Strengthen state's role in dual management for subsistence
  - Strengthen state's interests in partnerships with other governmental agencies
6. Habitat conservation: protect, maintain, and improve Alaska's fish and wildlife habitat
  - Strengthen department involvement in resource development and land use project reviews
  - Improve technical capabilities (e.g., geographical information systems, GIS) to inform environmental reviews of development projects

- Maintain, restore and improve habitats in the face of other resource development and land use
7. *Workforce development*: support professional staff to deliver other core services
- Re-establish ADF&G as premier employer among nation's fish and wildlife agencies (e.g., compensation, benefits, training, workload management, motivation, initiative, recognition)
  - Improve and increase employee training opportunities
  - Enhance and improve administrative support
  - Stabilize and increase funding for divisional programs and employee development

### **Structure and Budget**

The Department of Fish and Game comprises six divisions (Commercial Fisheries, Sport Fish, Wildlife Conservation, Subsistence, Habitat, and Administrative Services) plus the Alaska Boards of Fisheries and Game, the Commercial Fisheries Entry Commission, and the Exxon Valdez Oil Spill Trustee Council. Two deputy commissioners, an assistant commissioner, and special assistants support the Commissioner in managing the state's fish and wildlife resources.

The department's FY 09 operating budget is \$180.0 million, from sixteen funding sources, including \$55.0 million in federal funds, \$58.1 million in state general funds, and \$26.2 million in fish and game funds. In FY09, the department has 917 permanent full-time, 764 permanent part-time, and 62 non-permanent positions for a total of 1,743 positions.

The department's FY10 operating budget request is \$180.0 million from sixteen funding sources, including \$54.6 million in federal funds, \$58.7 million in state general funds, and \$26.1 million in fish and game funds. In FY10, the department has requested 910 permanent full-time, 767 permanent part-time, and 62 non-permanent positions, for a total of 1,739 positions.

### **Other Designated Responsibilities for the Commissioner**

North Pacific Fishery Management Council  
 Pacific Fishery Management Council—non-voting seat  
 Pacific States Marine Fisheries Commission  
 University of Alaska-Fairbanks School of Fisheries and Ocean Sciences (SFOS) Advisory Council  
 Alaska Sea Grant Advisory Council  
 Alaska Board of Fisheries—as ex officio secretary, not a voting member  
 Alaska Board of Game—as ex officio secretary, not a voting member  
 Exxon Valdez Oil Spill Trustee Council  
 Federal Subsistence Board—non-voting seat  
 Western Association of Fish and Wildlife Agencies (WAFWA)—incoming president  
 Association of Fish and Wildlife Agencies (AFWA)  
 Alaska Migratory Bird Comanagement Council  
 The Pacific Flyway Council  
 The North Slope Science Initiative Board of Directors

## **Department of Fish and Game 10 Year Plan**

### **Budget Assumptions**

The Alaska Department of Fish and Game (ADF&G) does not have any operating formula programs and has fairly static operating and capital budgets. The growth in ADF&G's operating budget has been primarily related to Cost of Living Allowances (COLA) for state employees handled by the Office of Management and Budget (OMB) and a few priority programs and projects that are identified each fiscal year. The capital budget annually includes a few recurring appropriations for deferred maintenance of facilities, vessels, aircraft and equipment; recreational boating access projects; and Pacific Coastal Salmon Recovery Funds. Other capital budget items are generally for one-time projects identified each fiscal year.

The department has not identified any significant issues other than the gasline that will significantly affect ADF&G's budget over the next 10 years. The following is a list of each budget presented in the Long Range Fiscal Plan and our assumptions.

### **Baseline budget**

FY10 and beyond assumes no major changes in funding as salary and benefit adjustments and other statewide issues dealt with by OMB.

### **Gasline budget**

The operating budget amounts are for the Division of Habitat only and represent a "best guess" at workloads, funding, and positions needed to support gasline initiatives. These estimates are also based on the State Pipeline Coordinators Office estimates of timeframes and the assumption that either the TransCanada Alaska or Denali pipeline will be built, but not both.

The gasline will have operating impacts on other ADF&G divisions, but the department has not determined the financial impacts on the other divisions at this time. ADF&G assumes the gasline will have no major impacts on the department's capital budget.

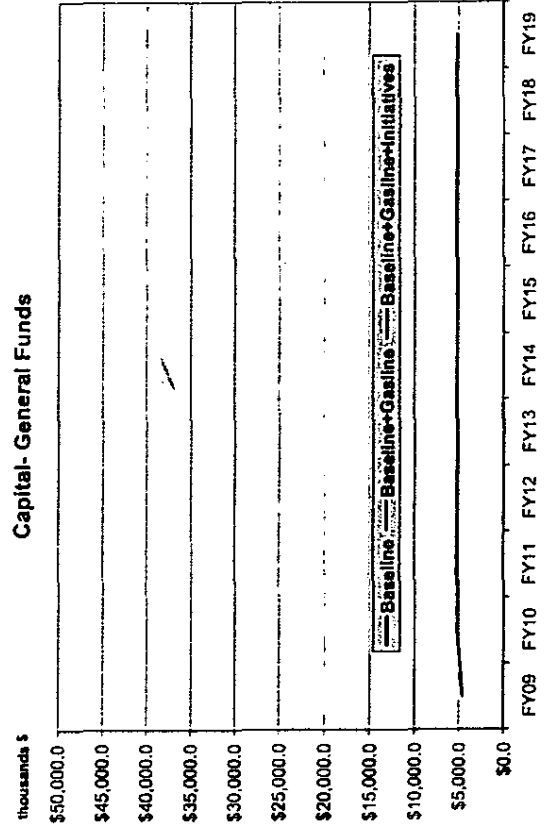
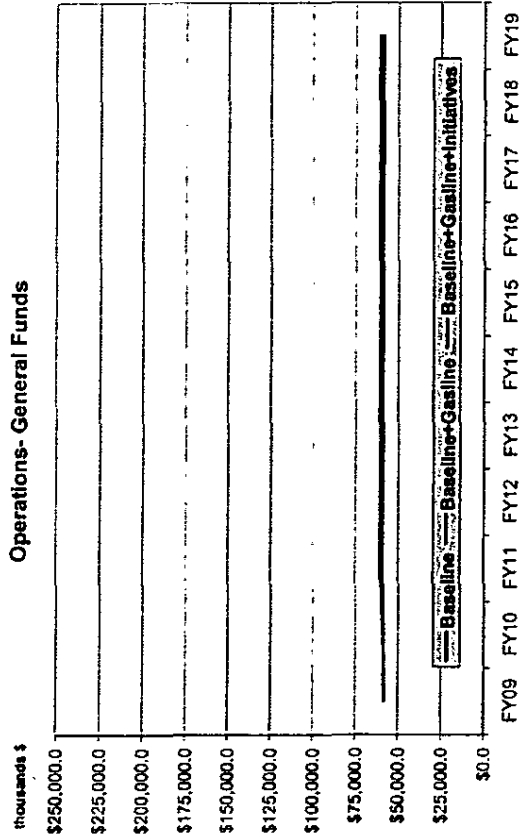
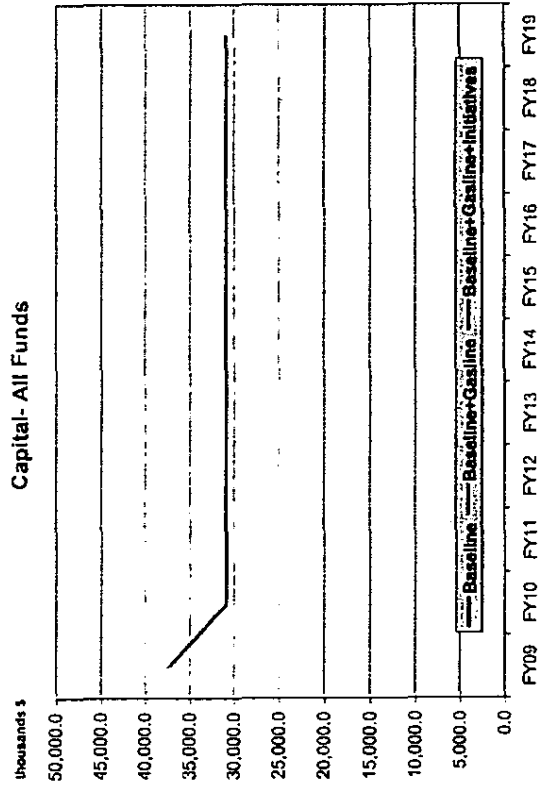
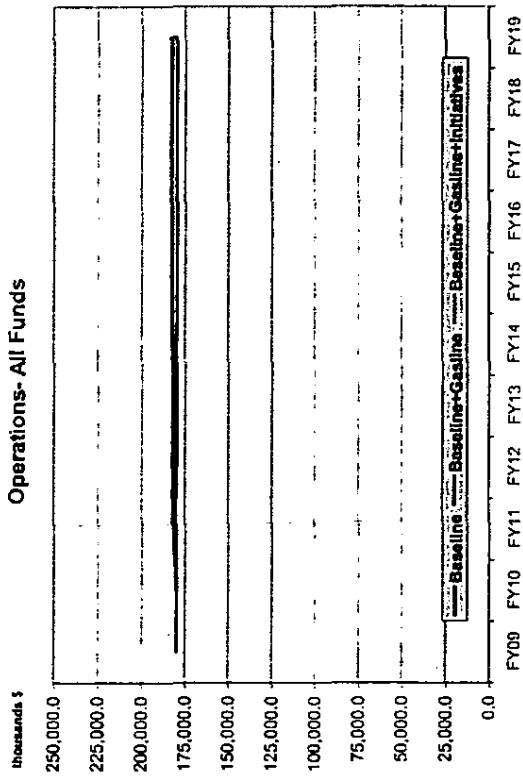
### **New Initiatives budget**

FY09 and FY10 budgets are showing zero as the full budget amounts are shown in the FY09 Authorized and FY10 Governor's baseline budget amounts above. It is very difficult to split out funds tied to new initiatives versus funds used to support programs.

For FY11 and beyond in the operating budget, ADF&G assumes a minimal 3 percent per year for yet to be determined initiatives. Historically ADF&G has received state funded initiatives that total at least 3 percent. (FY09 GF increments of \$7,509.1 divided by total FY09 GF in Governor's Amended budget of \$55,267.9 equals 13.5 percent. FY10 GF requested increments of \$1,803.7 divided total FY10 GF in Governor's Request budget of \$58,726.4 equals 3 percent.) These GF increments are not related to salary and/or benefit adjustments related or other statewide issues handled by OMB.

For the capital budget, we are assuming FY11 and beyond would be similar to FY10 amounts already shown in the baseline budget amount above.

Fish & Game



## Fish &amp; Game

## Baseline Budget Growth 1/

(thousands \$)

	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>
<b>Total Appropriations</b>	217,401.2	210,997.0	210,997.0	210,997.0	210,997.0	210,997.0	210,997.0	210,997.0	210,997.0	210,997.0	210,997.0
General Fund	62,244.3	63,528.8	63,528.8	63,528.8	63,528.8	63,528.8	63,528.8	63,528.8	63,528.8	63,528.8	63,528.8
General Fund Match	418.2	422.6	422.6	422.6	422.6	422.6	422.6	422.6	422.6	422.6	422.6
Federal Funds	80,925.3	78,937.5	78,937.5	78,937.5	78,937.5	78,937.5	78,937.5	78,937.5	78,937.5	78,937.5	78,937.5
Other State Funds	73,813.4	68,108.1	68,108.1	68,108.1	68,108.1	68,108.1	68,108.1	68,108.1	68,108.1	68,108.1	68,108.1
<b>Operations</b>	180,044.5	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0
General Fund	57,687.6	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8
General Fund Match	418.2	422.6	422.6	422.6	422.6	422.6	422.6	422.6	422.6	422.6	422.6
Federal Funds	54,950.3	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5
Other State Funds	66,988.4	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	180,044.5	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0	180,079.0
General Fund	57,687.6	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8	58,303.8
General Fund Match	418.2	422.6	422.6	422.6	422.6	422.6	422.6	422.6	422.6	422.6	422.6
Federal Funds	54,950.3	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5	54,612.5
Other State Funds	66,988.4	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1	66,740.1
<b>Capital</b>	37,356.7	30,918.0	30,918.0	30,918.0	30,918.0	30,918.0	30,918.0	30,918.0	30,918.0	30,918.0	30,918.0
General Fund	4,556.7	5,225.0	5,225.0	5,225.0	5,225.0	5,225.0	5,225.0	5,225.0	5,225.0	5,225.0	5,225.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	25,975.0	24,325.0	24,325.0	24,325.0	24,325.0	24,325.0	24,325.0	24,325.0	24,325.0	24,325.0	24,325.0
Other State Funds	6,825.0	1,368.0	1,368.0	1,368.0	1,368.0	1,368.0	1,368.0	1,368.0	1,368.0	1,368.0	1,368.0

1. Baseline wage and benefit increases are handled in the statewide spreadsheet.

**Notes for FY09 Baseline Appropriations and department assumptions for FY10 and beyond.**

FY09 Capital includes Leg Add On \$4,556.7 GF for Mixed Stock Salmon Fishery Assessment project #45755  
Assumes no changes in funding for FY10-19 as COLA and other statewide issues dealt with by OMB.

# Fish & Game

## Gasline Related Budget Growth (thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<b>Total Appropriations</b>	0.0	180.0	90.0	371.2	557.4	557.4	1,082.4	1,082.4	1,082.4	1,082.4	1,082.4
General Fund	0.0	0.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	180.0	0.0	281.2	467.4	467.4	992.4	992.4	992.4	992.4	992.4
<b>Operations</b>	0.0	180.0	90.0	371.2	557.4	557.4	1,082.4	1,082.4	1,082.4	1,082.4	1,082.4
General Fund	0.0	0.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	180.0	0.0	281.2	467.4	467.4	992.4	992.4	992.4	992.4	992.4
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	0.0	180.0	90.0	371.2	557.4	557.4	1,082.4	1,082.4	1,082.4	1,082.4	1,082.4
General Fund	0.0	0.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	180.0	0.0	281.2	467.4	467.4	992.4	992.4	992.4	992.4	992.4
<b>Capital</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Describe department assumptions for gasline appropriations estimates**

The Operating budget amounts shown below are for the Division of Habitat only. The gasline will have operating impacts on other ADF&G divisions, but we are unable to determine the financial impacts on the other divisions at this time.

Operating Budget: The narrative, below, represents a "best guess" at workloads, funding, and positions needed to support gasline initiatives. Multiple State agencies will be affected by these proposals and, undoubtedly, as the projects develop and as applicants submit a specific scope of work, there will be interagency discussions to formulate the best overall State approach to review and permit these projects, including detailed discussions about budget and staffing needed. These interagency discussions have not yet occurred. These estimates are also based on the State Pipeline Coordinators Office estimates of timeframes and the assumption that either the TransCanada Alaska or Denali pipeline will be built, but not both.

FY10: Assumes Habitat will request and receive GF support for one new HB III position in Fairbanks to begin initial planning/design review/field inspections/and pre-construction permitting work on the TransCanada Gasline Project. This project is part of the \$291,900 increment detailed in our FY 10 HUM budget proposal. Cost: \$ 90,020 GF Assumes pre-application work for Denali, ANGDA, ENSTAR and TransCanada. Assumes Habitat will get RSA money to support our initial planning/design review/field inspections/and pre-construction permitting.

Estimate up to two PCNs needed and cost of \$180,000 in interagency receipt (RSA) funds will be handled with internal transfers from Sport Fish to Habitat.  
(continued on following page)

## Fish & Game

### Department gasoline assumptions continued

- FY11: Assumes pre-application work for Denali and TransCanada and receipt of right-of-way applications from ANGDA and ENSTAR. Assumes Habitat will receive continuation RSA monies from previous year.
- FY12: Assumes right-of-way applications received from Denali and TransCanada and continued processing of ANGDA and ENSTAR right-of-way applications. Assumes Habitat will get RSA money to support of work. Estimate up to three PCNS needed. (\$281.2 includes funds for travel and supplies)
- FY13: Assumes continued processing of right-of-way applications submitted by Denali and TransCanada. Also assumes that either ENSTAR or ANGDA are in the construction phase. Assumes Habitat will get RSA money to support our permitting/review/monitoring work. Estimate up to two PCNs needed. (Cost: \$186.2 includes funds for travel and supplies)
- FY14: Assumes continued processing of right-of-way applications submitted by Denali and TransCanada. Also assumes that either ENSTAR or ANGDA are in the construction phase. Assumes Habitat will receive continuation RSA monies from previous year, but no new monies or positions are needed.
- FY15: Assumes construction phase for Denali or TransCanada (only one project assumed to reach the construction phase).  
Assumes Habitat will receive RSA money to support our permitting/monitoring work. Estimate up to 5 PCNs needed. (Cost: \$525.0 includes funds for travel and supplies)
- FY16: Assumes construction phase for Denali or TransCanada. Assumes Habitat will receive continuation RSA monies from previous year, no new monies or positions needed.
- FY17: Assumes construction phase for Denali or TransCanada. Assumes Habitat will receive continuation RSA monies from previous year, no new monies or positions needed.
- FY18: Assumes first year operation for Denali or TransCanada. Assumes Habitat will receive RSA funding to support same number of positions.
- FY19: Assumes continuation of Operation Oversight for Denali and ENSTAR. Assumes Habitat will receive RSA funding to support one oversight position.  
(Cost: \$119.8 includes funds for travel and supplies)

## Fish &amp; Game

## Initiatives (Except Gasline)

(thousands \$)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19
<b>Total Appropriations</b>	0.0	0.0	1,801.6	1,803.2	1,857.3	1,913.0	1,970.4	2,029.5	2,090.4	2,153.1	2,217.7
General Fund	0.0	0.0	1,801.6	1,803.2	1,857.3	1,913.0	1,970.4	2,029.5	2,090.4	2,153.1	2,217.7
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operations</b>	0.0	0.0	1,801.6	1,803.2	1,857.3	1,913.0	1,970.4	2,029.5	2,090.4	2,153.1	2,217.7
General Fund	0.0	0.0	1,801.6	1,803.2	1,857.3	1,913.0	1,970.4	2,029.5	2,090.4	2,153.1	2,217.7
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Formula Programs</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-formula Programs</b>	0.0	0.0	1,801.6	1,803.2	1,857.3	1,913.0	1,970.4	2,029.5	2,090.4	2,153.1	2,217.7
General Fund	0.0	0.0	1,801.6	1,803.2	1,857.3	1,913.0	1,970.4	2,029.5	2,090.4	2,153.1	2,217.7
General Fund Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other State Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Capital</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Describe department assumptions for new initiatives (except gasline) appropriations estimates**

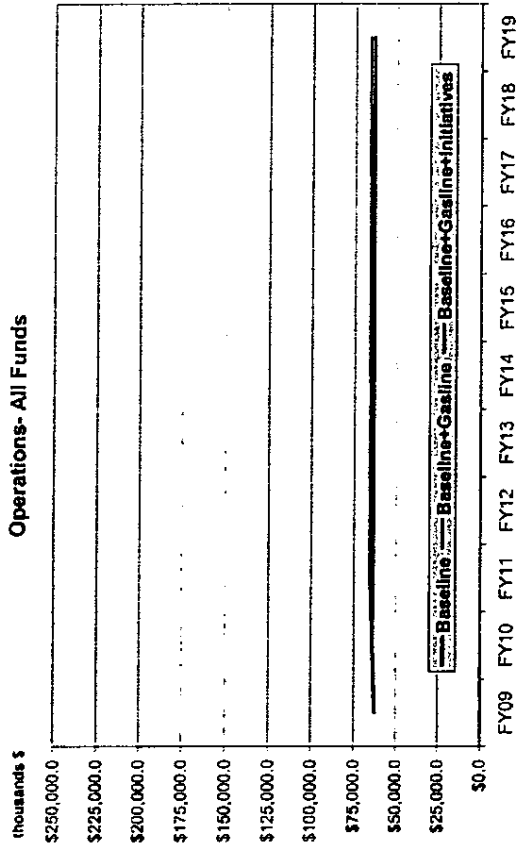
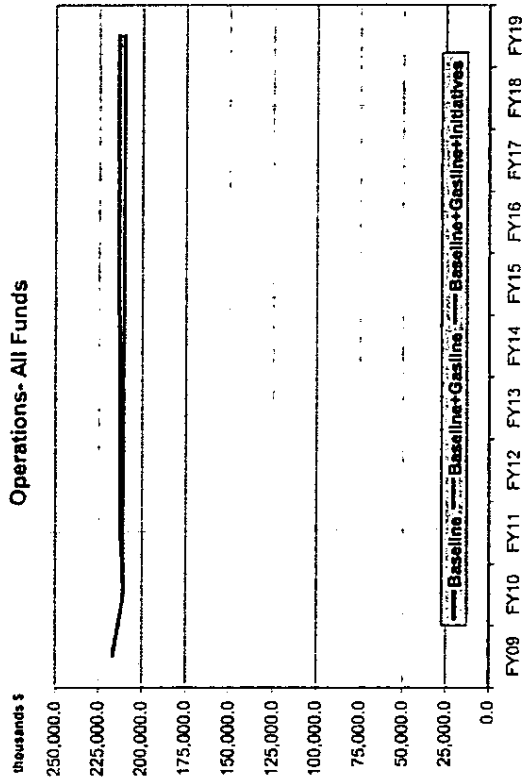
For FY09 and FY10, we are showing zero as the full budget amounts are shown in the FY09 Authorized and FY10 Governor's Base budget amount. It is very difficult to split out funds tied to new initiatives versus funds used to support programs.

For FY11 and beyond in Operating, we assume a minimal 3 percent per year for yet to be determined initiatives. At this point, we cannot forecast that far into the future, but historically we have state funded initiatives that total at least 3 percent (FY09 GF increments of \$7,509.1 divided by total FY09 GF in Gov amended of \$55,267.9 equals 13.5 percent. FY10 GF increments of \$1,803.7 divided total FY10 GF in Governor of \$58,726.4 equals 3 percent). These GF increments are not COLA or service step related which have been handled by OMB. For Capital, we are assuming FY11 and beyond would be similar to FY10 amounts already shown in the Base amount.





Fish & Game



# STATE OF ALASKA

**DEPT. OF ENVIRONMENTAL CONSERVATION**  
**DIVISION OF WATER**

**SARAH PALIN, GOVERNOR**

555 Cordova Street  
Anchorage, Alaska 99501-2617  
PHONE: (907) 269-7599  
FAX: (907) 334-2415

February 9, 2009

The Honorable Mike Hawker  
House of Representatives  
Alaska State Capitol, Room 505  
Juneau, Alaska 99801-1182

RE: Water and Sewer Services in Alaska

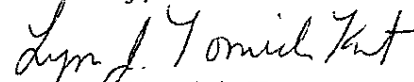
Dear Co-Chairman Hawker:

During the House Finance Committee hearing on February 2, 2009 Representative Gara asked two questions of the Department of Environmental Conservation regarding water and sewer services in Alaska.

First, he asked how many communities are paying more than \$100/month for water and sewer services. We conducted a survey of 85 communities and found that 22% charged a residential rate which totaled \$100 per month or greater. Survey results are enclosed.

Second, Representative Gara asked how many rural households have been disconnected from piped sewer and water service due to financial hardship in comparison to how many households have been connected to service. As part of the survey mentioned above, we asked if any customers had requested to be disconnected from service due to financial hardship. None of the communities responding answered yes to this question. In contrast, over the last ten years, the number of rural households receiving sanitation service has grown at an average rate of 2.5% per year or 875 homes per year. Currently an estimated 89% of all rural households are connected to a piped or covered haul system.

Sincerely,



Lynn J. Tomich Kent  
Director

Enclosure  
cc: House Finance Committee Members  
Marit Carlson-VanDort, Legislative Liaison

Alaska Department of Environmental Conservation  
**Survey of Piped Water and Sewer User Fees**  
 February 6, 2009

No	Community	Monthly Residential Household Rate			Total	Notes
		Water	Sewer	Combined		
1	Cold Bay			\$186.00	\$186.00	
2	Lower Kalskag			\$160.00	\$160.00	
3	Deering			\$155.00	\$155.00	
4	Buckland	\$75.00	\$75.00		\$150.00	
5	Selawik			\$130.00	\$130.00	
6	Tanana			\$130.00	\$130.00	
7	Haines	\$46.93	\$77.47		\$124.40	
8	Ambler			\$120.00	\$120.00	
9	Brevig Mission			\$120.00	\$120.00	
10	Fort Yukon			\$118.50	\$118.50	
11	Aktachak			\$118.00	\$118.00	
12	Kobuk			\$115.00	\$115.00	
13	Bethel	\$86.25	\$27.00		\$113.25	
14	Nulato			\$110.00	\$110.00	
15	Noatak			\$108.00	\$108.00	
16	Akiak			\$105.00	\$105.00	
17	McGrath	\$60.00	\$45.00		\$105.00	
18	Kotzebue	\$69.30	\$31.83		\$101.13	
19	Grayling			\$100.00	\$100.00	
20	Gambell			\$95.00	\$95.00	
21	Whittier	\$47.17	\$47.17		\$94.34	
22	Skagway	\$60.00	\$30.30		\$90.30	
23	Klawock	\$42.81	\$46.13		\$88.94	
24	Chevak			\$85.00	\$85.00	
25	Chignik Lake			\$85.00	\$85.00	
26	Goodnews Bay			\$85.00	\$85.00	
27	Hooper Bay			\$85.00	\$85.00	
28	Savoonga			\$80.00	\$80.00	
29	Upper Kalskag		\$80.00		\$80.00	No water fee (household use individual wells)
30	Fairbanks	\$36.09	\$43.85		\$79.94	
31	Juneau	\$23.00	\$56.00		\$79.00	
32	Nome	\$36.00	\$43.00		\$79.00	
33	Seward	\$34.17	\$43.11		\$77.28	
34	Unalaska	\$28.96	\$47.31		\$76.27	
35	Dillingham	\$32.07	\$43.40		\$75.47	
36	Alakanuk			\$75.00	\$75.00	
37	Anchorage	\$44.24	\$29.00		\$73.24	
38	Elim	\$45.00	\$25.00		\$70.00	
39	Emmonak			\$70.00	\$70.00	
40	Russian Mission			\$70.00	\$70.00	
41	South Naknek			\$70.00	\$70.00	
42	Toksook Bay			\$70.00	\$70.00	
43	Barrow	\$55.00	\$14.00		\$69.00	
44	Cordova	\$29.58	\$38.95		\$68.53	
45	St. Mary's	\$35.50	\$30.50		\$66.00	
46	Thorne Bay	\$36.00	\$30.00		\$66.00	
47	Unalakleet			\$66.00	\$66.00	
48	Chuathbaluk			\$65.00	\$65.00	
49	Kaltag			\$62.50	\$62.50	
50	Petersburg	\$32.47	\$29.52		\$61.99	
51	Ketchikan	\$27.74	\$33.97		\$61.71	
52	Hoonah	\$25.05	\$35.05		\$60.10	

No	Community	Monthly Residential Household Rate			Total	Notes
		Water	Sewer	Combined		
53	Marshall			\$60.00	\$60.00	
54	Shaktoolik			\$60.00	\$60.00	
55	Sleetmute	\$60.00			\$60.00	Water fee only (no community sewer system)
56	Togiak			\$60.00	\$60.00	
57	Nenana	\$29.40	\$29.40		\$58.80	
58	Wrangell	\$24.36	\$31.92		\$56.28	
59	Craig	\$19.50	\$35.00		\$54.50	
60	Kenai	\$13.78	\$40.35		\$54.13	
61	Yakutat	\$25.00	\$26.00		\$51.00	
62	Atka			\$50.00	\$50.00	
63	New Stuyahok			\$50.00	\$50.00	
64	Twin Hills			\$50.00	\$50.00	
65	Soldotna	\$18.90	\$29.62		\$48.52	
66	Larsen Bay			\$46.00	\$46.00	
67	Sitka	\$16.00	\$30.00		\$46.00	
68	Port Lions			\$45.50	\$45.50	
69	Palmer	\$24.75	\$20.45		\$45.20	
70	Homer	\$25.00	\$20.00		\$45.00	
71	Sand Point	\$24.00	\$19.00		\$43.00	
72	Manokotak			\$40.00	\$40.00	
73	Saint Paul	\$20.00	\$20.00		\$40.00	
74	North Pole	\$22.27	\$13.41		\$35.68	
75	Adak	\$20.00	\$15.00		\$35.00	
76	Glenallen		\$30.25		\$30.25	No water fee (household use individual wells)
77	Aniak		\$30.00		\$30.00	No water fee (household use individual wells)
78	Chilkat Indian Village			\$30.00	\$30.00	
79	Hydaburg			\$30.00	\$30.00	
80	Scammon Bay			\$30.00	\$30.00	
81	Kake			\$24.00	\$24.00	
82	Koliganek			\$20.00	\$20.00	
83	Platinum			\$20.00	\$20.00	
84	Pelican	\$5.80	\$0.00		\$5.80	
85	Akutan			\$0.00	\$0.00	Totally subsidized by Trident SF