ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7608 SENATE RESOURCES

The suggested shoreline cleanup and response equipment includes a modest amount for shoreline restoration, such as would occur on small crude oil spills or a product spill, while major shoreline cleanup would be left to contractors hired by the responsible party.

The response depots and centers for refined product spills provide the equipment for first strike protection, containment and removal by local strike teams using ACCC core vessels and reserve teams using contract vessel equipment. The support facilities and base equipment consists of buildings, storage areas, special docks or dry docks, shop equipment, offices, etc.

The budgets for these components for the statewide program are:

	Capital Value Millions
Shoreline protection and nearshore response	18.0
Shoreline response support	3.0
Product spill response centers equipment/supply inventory	5.0
Onshore bases, depots and support facilities	4.0
Total	$30.0

This equipment may be acquired by purchase, assignment from member entities, or resources maintained by others that would be made available in response to a spill.

This capital equipment level is on a par with the larger spill cooperatives on the West Coast. For example, the inventory of the Clean Sound Cooperative is $31,000,000, of which $22,000,000 has been spent since the *Exxon Valdez* and annual expenditures of $6,000,000 per year for capital acquisition are planned. However, the ACCC is oriented less toward dedicated response vessels and more toward protection booms, storage barges and vessel of opportunity skimming systems that can be used to mobilize a large number of task forces comprised of existing local vessels. The capital equipment projection of $30,000,000 for ACCC is substantially less than the reported $200,000,000 inventory of SERVS, or the approximately $400,000,000 inventory of the MSRC.

Operating budgets increase greatly as capital equipment inventories increase because of the costs associated with additional personnel, maintenance and insurance. Table 7 presents the operating and capital budgets and the present staff levels for three cooperatives.

TABLE 7: BUDGET COMPARISONS OF THREE COOPERATIVES

Coop Type	Operating Budget 1992	Capital Acquisition Since 1989	Total Capital Equipment	No. of Full-Time Staff	Ratio Operating: Capital
BDelaware River/Bay	$1,250*	$3,300*	$ 5,000*	1.6	25%
AClean Coastal Waters	$2,464	$7,500	$25,000	34.0	27%
AClean Sound	$3,180*	$22,000*	$31,000	34.0	10%

*Note - Budgets in thousands

Recognizing that the type of equipment proposed for the ACCC is closer to that of Clean Coastal Waters in southern California but adjusting for magnitude, an operating budget of 20% of the capital expense inventory is appropriate. This would indicate a budget of 20% of $30,000,000, or $6,000,000 per year when the ACCC isimplemented.

As a further comparison, the personnel level projected for the ACCC is between 45 and 50 full-time employees. Approximately 30 personnel would be in the Prince William Sound area; 10 in the Seward-Cook Inlet-Kodiak region, and 10 throughout the state. This personnel level compares closely with the 34 personnel of Clean Sound and Clean Coastal Waters after the 10 person training and technical component is added. The additional employees proposed for ACCC are necessitated by the wide geographic scope of the ACCC.

Clean Sound personnel are budgeted at a full-time equivalent (FTE) rate of $51,400 for salary and fringe benefits. Applying an Alaskan differential of 15%, would result in an Alaska FTE of approximately $60,000 per FTE.

Table 8 is a breakdown of the operating budgets of Clean Sound, Clean Coastal Waters and the ACCC. The table shows the budgets for personnel and facility expenses, technical support, equipment-related expenses, and insurance. A figure for supply inventory for ACCC was included because it is a necessary expense. It does not appear in the budgets of existing cooperatives because they have already created their supply inventory, or have substantial supplies available in their area. ACCC would have to build up its inventory of supplies over time.

TABLE 8: OPERATING BUDGETS COMPARISON

	Clean Sound 1992	Clean Coastal Waters 1992	ACCC
TOTAL	$3,179,573	$2,464,100	$6,000,000
PERSONNEL	55%	51%	50%
FACILITIES	12%	10%	12%**
TECHNICAL SUPPORT	13%	9%	10%
EQUIPMENT RELATED EXPENSE	13%	26%	18%**
INSURANCE*	7%	4%	4%
SUPPLY INVENTORY	0%	0%	6%

* For Director and Equipment/Supply Inventory
** Includes amortization of some capital expenses

Table 9 shows the preliminary breakdown of the ACCC budget by percent.

TABLE 9: PRELIMINARY OPERATING BUDGET FOR ACCC

PERSONNEL EXPENSES	$3,000,000
FACILITIES	720,000
TECHNICAL SUPPORT	600,000
EQUIPMENT	1,080,000
INSURANCE	240,000
SUPPLY INVENTORY	360,000
TOTAL	$6,000,000

Table 10 outlines the core staff positions for the ACCC. These employees would be located throughout the state at locations to be determined later. This core group will carry out the day-to-day management, operations, logistics, finance and technical response activities of the ACCC, as well as the organization, planning, and training of the reserve of up to 2,000 individuals.

TABLE 10: ACCC PERSONNEL LIST

Director	1
Assistant Director	1
Secretarial	4
Operations Manager	2
Regional Response Specialist	5
Response Specialist	6
Vessel Captains	2
Mechanics	3
Oper Support Manager	1
Logistics Specialist	2
Vessel coordination	5
Finance Mgr	1
Bookkeeper/Purchaser	2
Technical Response Manager	1
Planning Specialist	1
Training Director	1
Training Specialist	2
Graphics/Vis Aid	1
Inst Tech	1
Research Director	1
Research Asst	2
SUBTOTAL	46
Reserve and volunteers	2,000
TOTAL	2,046

The facilities budget includes office and warehouse rent, office maintenance, supplies, communications, vehicle expense, library, travel, taxes, moorage, etc.

The technical support budget includes professional services (engineering, legal, environmental, accountant), public relations, training for core staff and reserve, stipends and meals for trainees, internal response drill costs, and technology development.

The equipment budget covers equipment leases and licenses, repair, maintenance, modifications, fuel, etc.

Insurance expense covers director liability, general liability, equipment insurance, and other insurance that may be required.

OPERATIONS BUDGET DURING A SPILL

When the ACCC's presence is requested at a spill, the organization will shift from routine operation to response activities. At that time, a new financial structure is implemented because the responsible party or government agency in charge will be billed for response costs. This will include regular and overtime personnel, consumable supplies, repair, contract vessel and other spill related expenses. To some degree, these funds will replace budgeted operating expenses for the period of the spill. These recovered costs will be escrowed for subsequent budgets or used to repay capital costs. After a historical record of response expenses is established, they may become part of a given year's budget projections Similarly, funds generated by response drills, training, training fees and contract research may accrue to current or future year capital expense budgets.

The ACCC will need to obtain a commercial letter of credit or other reserve financing of about $2,000,000 to be able to finance modest response efforts until repayment is received. For catastrophic spills, the ACCC needs a guarantee from its members and/or the State Oil and Hazardous Substance Spill Response Fund to permit financing of the spill response. This funding is essential because community resources, whether individuals, vessel operators, or businesses are not in a position to wait long periods for payment. Such a guarantee from the state is not unreasonable, since the state fund would pay for the expense if the responsible party or the federal government did not. The legislature may need to provide for this guarantee, at least up to the current fund level. California's oil pollution law proviues that when its response fund is depleted, the state may borrow funds to replenish it until oil tax revenues replace the borrowed funds. A similar approach may be appropriate for Alaska.

FUNDING SOURCES

Many opinions could be expressed on how to obtain and apportion the $30,000,000 capital costs and $6,000,000 annual cost suggested for the ACCC budget. The authors can only offer what they believe to be a reasonable plan as a point of beginning. First, it could reasonably be argued that Prince William Sound would be best served by using part of the Exxon settlement funds as a one-time stimulus to set up this perpetual cooperative to help protect and minimize damage to Prince William Sound in the future. An allocation of $15,000,000 from the fund would achieve this purpose. Recognizing the politics that surround this fund, the financial plan hopes for this allocation, but does not depend on this source.

The capital budget could be achieved by the following formula:

Funds Provided by State participation	$10,000,000
Funds Provided by the North Slope Crude Oil Tanker Operators & Cook Inlet Tanker Operators based on shipped volume	$10,000,000
Financed by commercial loans or bonds	$10,000,000
TOTAL	$30,000,000

The following logic is suggested for this capital equipment budget.

The citizens of the United States have been charged for oil spill control in Alaska by means of a tax on Alaska crude oil. These funds are deposited in the Oil and Hazardous Substance Release Response Fund. It is reasonable that this fund be used actively to prepare for spill response rather than passively as an insurance fund to pay only for spill response. Thus, the use of the state funds to create this equipment base is warranted.

As dues paying members of the ACCC, the crude oil tanker operators will also pass on the cost of ACCC equipment to the users of Alaska crude in the lower 48. Part of industry's cost will be offset by the ACCC taking over some of the responsibilities industry has under Sections 4201, 4202 and 5005 of the Oil Pollution Act of 1990 and HB 567 and its implementing regulations. Industry may also choose to offset part of the capital cost by transferring equipment needed by the ACCC from industry inventory.

Borrowing of funds to obtain equipment is not the preferred method, but can be used. In this plan, the last $10,000,000 of capital funds is borrowed from commercial sources. This debt would be retired from three sources.

1. Allocation or savings in the operating budget.
2. Fees earned for response or response drills.
3. Fees charged to the approximately 300 product transporters, pipelines, storage facilities, offshore platforms, etc., which will need the capability of the ACCC to meet the contingency planning requirements of HB 567 Charges totaling $500,000 to $1,000,000 per year as flat fees based on size and risk appropriate.
4. Part of the income generated by training fees from outside individuals and groups.

Exxon Valdez settlement funds can be used for measures to prevent further damage to natural resources, which arguably include oil spill prevention and response activities. In the event funding from the *Exxon Valdez* Trust Fund were available for this purpose, the crude oil tanker owners' share would remain at $10,000,000, the State share would be reduced to $5,000,000. The income sources mentioned above would be accrued to the operating budget, future equipment allocations or a response fund.

The Operations budget would initially be equally split between the State and the Crude Oil Tanker Operators, e.g., $3,000,000 per year each.

TIMING:

The nature of the Alaska coastline, the wide geographic range of the state, the high level of use and the large volumes of potential spills warrant the creation of the ACCC and its associated capital and operating budgets.

The capability needs to be in place now Whereas lower 48 oil spill cooperatives have taken years to grow and transform into Class A cooperatives, the ACCC, like the MSRC, needs to initiate operations as a fully equipped cooperative. Some phase-in period will be necessary to allow for long lead times of equipment delivery, and to match personnel levels with the arrival of their response tools. However, this period should be on the order of months rather than years.

VI. SUMMARY

Alaska has come a long way since the *Exxon Valdez* spill. SERVS, Alyeska's response capability in Prince William Sound, has become the largest and best equipped response organization in the United States. CISPRI, the oil spill cooperative in Cook Inlet, has upgraded to become a first class cooperative. Alaska Clean Seas, which is the Oil spill cooperative in the Arctic has improved its operating format and equipment inventory, and the fledgling SEAPRO cooperative, is organizing in Southeast Alaska.

The organizational structures and response equipment necessary to initiate the first strike against major crude oil spills are largely in place. There are, however, a number of problems left unresolved by this network of industry cooperatives, including:

- The need for an implementation plan for shoreline protection and nearshore response.
- The need to equip and train local residents to respond to spills.
- The need to effectively organize, train and use the capabilities of the fishing fleet and other vessels.
- The need to protect against the very real problem of non-crude spills.

The Alaska Coastal Communities Cooperative (ACCC) provides a comprehensive and realistic solution to the major gaps in spill response in Alaska and provides a model for other states to follow. The failure to deal with these pressing needs has resulted in significant gaps in the level of oil spill protection for coastal Alaska expected by the public and required by law. While these problems could perhaps be resolved in the context of the existing scheme, there has been a marked reluctance to do so. The establishment of an entity like the ACCC has demonstrable advantages, including simplicity, cost effectiveness, and public support.

WHAT IS THE ACCC?

The ACCC, as currently envisioned, will be a statewide oil spill response organization with a core staff of professionals to perform response, training, planning and administrative functions.

The ACCC provides the means by which local resources and local knowledge are put to effective and timely use in a response. The ACCC will ensure that those who are closest to the spill, who have the most to lose if the spill response is not well executed, and who care the most about protecting the coastal environment, are involved in the response. In doing so, the ACCC will satisfy industry's obligations under state and federal law to involve local residents and provide an adequate response to spills.

ACCC's primary mission is to protect shoreline and nearshore resources any where in coastal Alaska. Its role in any given response may vary from primary responder to being part of a coordinated response managed by industry, the federal government or the state government. Secondary missions could involve coastal hazardous material spill response and marine firefighting support up to the training and performance of its core staff and volunteers.

Among the major responsibilities of the core staff of ACCC would be to organize, train and coordinate local fishermen, spotter pilots, charter boat operators, local contractors and local residents who are interested in participating in future spill responses.

WHY IS THE ACCC NEEDED?

The existing network of industry-based cooperatives has focused, with good reason, on initial response in the vicinity of the spill. Far less emphasis has been placed on the protection of shorelines and near shore areas. In addition, independent oil spill clean up companies are often relied upon in contingency plans. These companies are of limited value in remote areas because they are most often located so far away from the spill location. The contracts that companies have with these independent clean up companies is non-binding and their is no certainty of response. If they do respond the response time, equipment, and personnel they will bring to a spill is uncertain at best. The ACCC will be a known quantity with regard to equipment, personnel, and speed of response.

HOW IS THE ACCC ORGANIZED?

The ACCC will be established as a non-profit organization. Its governing board will include representatives of industry, local community, state, federal, environmental and Native interests. It will also have a technical advisory board with similar, but broader membership. The board of directors would select a director to operate the ACCC on a day-to-day basis.

The ACCC will be organized according to NIIMS-ICS guidelines. Five sections will handle administrative support, spill response operations, logistics, finance and planning/technical response. In addition, using NIIMS-ICS guidelines will enhance ACCC's ability to coordinate with the other entities involved in spill response, including state and federal agencies and industry, which are also organized using ICS guidelines.

WHERE WILL THE ACCC BE BASED?

The ACCC will have main bases in the regions of maximum risk. Spill specialists and coordinators would serve in Southeast Alaska, Prince William Sound, the Seward-Kodiak- Cook Inlet area, the Aleutians and Western Alaska. Depots of equipment and supplies would be placed throughout the state to supplement existing resources.

HOW WILL THE ACCC FIT IN WITH OTHER ALASKA COOPERATIVES?

The ACCC is designed to complement the roles of the three major Alaska cooperatives. The ACCC will undertake those response activities which it is best suited to accomplish and which the existing cooperatives have not provided. In the interests of minimizing costs, competition and confusion, the ACCC's role is carefully defined to avoid duplication of existing services.

HOW MUCH WILL THE ACCC COST?

Obviously, the cost of the ACCC will be determined by the nature and scope of the mission it is given. The figures included in this report are based on an analysis of the personnel, equipment and ancillary services necessary to fill the gaps in the existing scheme for oil spill response in coastal Alaska. A capital budget of $30,000,000 is proposed to equip the ACCC. $6,000,000 per year is proposed for the operating budget once the ACCC is fully equipped. This level of funding is on a par with similar West Coast cooperatives with similar missions.

WHO PAYS FOR THE CAPITAL AND OPERATING COSTS?

Both the capital and operating costs would come primarily from industry and the State Oil and Hazardous Substance Release Response Fund and from industry.

WHO FINANCES ACCC'S ROLE IN AN ACTUAL SPILL RESPONSE?

Response costs incurred by the ACCC would be reimbursed by the responsible party, the federal Oil Spill Trust Fund, or the State Oil and Hazardous Substance Release Fund.

WHAT ARE THE BENEFITS OF THE ACCC TO THE PUBLIC?

The public would benefit because a responsive oil spill organization will be in place to assist industry oil spill cooperatives when crude oil spills occur, and to respond or assist in industry's response to product spills. As a result, spill response will be better, and environmental and economic damage will be minimized.

WHAT ARE THE BENEFITS TO INDUSTRY?

The ACCC deals with major industry spill response needs in an effective and economical way. It is not an industry pay-all proposal! The ACCC will help industry meet its legislative requirements but will be funded by both government and industry.

WHAT IS NEEDED BY THE LEGISLATURE TO SUPPORT THE ACCC?

The Legislature needs to:

1. Pass a bill amending Title 46.08.110 -120, the Response depots and corps to change the definition to include coastal communities cooperatives and allow the Oil and Hazardous Substance Release Response Fund to provide response cost guarantees to permit ACCC response financing.

2. Allocate monies in the Oil and Hazardous Substance Release Response Fund to provide a portion of the capital and operating expense of ACCC.

RECOMMENDATIONS

There are legitimate needs in oil spill control in Alaska which have yet to be addressed. A do-nothing approach is clearly not acceptable given the present gaps in industry preparedness.

The ACCC is clearly a way to satisfy these needs. The ACCC has been carefully structured to be a reasonable and economical organization, which brings benefits to all parties in excess of the associated costs of the ACCC. Since the need exists now, it is recommended that the ACCC be fully implemented. An intermediate step should be pursued if this is not achieved.

If this can not be immediately achieved, an interim organization called the Alaska Coastal Communities Corporation should be created. This intermediate organization could be funded by industry, a state grant or both. The interim corporation would establish the initial board of directors, select a technical advisory board, hire legal, technical, and other consultants. Establish an office and begin the implementation of the foundation of the ACCC. This corporation would then transform into the ACCC when formal approval is received and funding provided.

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Every analysis of the response to the *Exxon Valdez* spill noted the enormous contribution of local resources to that effort, and recommended in the strongest possible terms that local involvement be an integral part of future planning and response efforts. This report will not attempt to restate the reasoning behind their conclusions; rather we attempt here to focus on the means by which their recommendations can be implemented.

SOUTHEAST REGIONAL OFFICE
PRIORITY ISSUES AND TASKS
FISCAL YEAR 92

Community Agreements with southeastern municipalities. Ketchikan Gateway Borough signed. City of Ketchikan, City of Haines, Haines Borough, and a regional partnership with the Southeast Conference await signing.

Incorporation of pollution prevention objectives into permits and enforcement actions.

Mixing zones for wastewater discharges for the AJ and Kensington Mines.

Renewals of federal discharge permits for both Alaska Pulp in Sitka and Ketchikan Pulp.

Air Quality Permits for Ketchikan Pulp, Alaska Pulp, the Kensington Project, the AJ Project, the Wrangell Sawmill, and the Green's Creek Mine.

Permits or Compliance Orders by Consent for solid waste facilities in Ketchikan, Petersburg and Wrangell. All three communities are at critical junctures; baling or incineration, new or expanded landfills, liners or no liners, etc.

Collection and disposal of household hazardous waste from southeastern communities. The Southeast Conference favors a mobile system.

Hazardous and solid waste management in remote camps. A workshop in Sitka on February 18-19 is designed to avoid another "Rowan Bay."

Public drinking water safety. Technical assistance and enforcement to ensure monitoring compliance and solutions.

Cruiseship smoke. Binding agreements with cruiseship companies are expected to decrease problems in the summer of '92.

Amendment of 29 Oil Spill Contingency Plans.

Investigation of contamination of Skagway Public Driking Water Supply. Low levels of trichloroethylene exist in the groundwater supply.

Management of soils contaminated by diesel and gasoline. Remediation to avoid problems and use remediated soils is the key.

Summary Report of Northern Region Objectives/Activities

Regional and District Office staff implement the policies and procedures developed by the Commissioner and the central office staff, and enforce the department's statutes and regulations.

Major ongoing activities, by program, are as follows.

Spill Prevention, Planning Management:

Work with the regulated facilities to ensure that each has an approved contingency plan consistent with the revised regulations.

Contaminated Sites:

NPL Sites
- Eielson AFB
- Ft. Walnwright
- Arctic Surplus
- Alaska Battery

FMUS
UAF Power Plant
Illinois/Minnie Connector
Railroad Industrial Area

Water/Wastewater Management:

Work with rural villages through the community agreements to improve monitoring and sampling compliance.
Work with Cominco and EPA to get a year round NPDES permit in place for the Red Dog mine tailings pond discharge.
Assist where ever possible in permitting for the Fort Knox project.

Water Quality Management:

Work with the Corps of Engineers and the FNSB to resolve wetlands issues within the Borough (possible General Permit)

Air Quality Management:

Implement modifications to the program necessary as a result of the CAAA 90.
Healy Clean Coal Project
Red Dog Ambient Air Lead

Solid/Hazardous Waste:

Work with the FNSB in siting a new landfill.
Work with the rural villages through community agreements to bring their landfills up to standard.

MAJOR ACTIVITIES and CHALLENGES
SOUTHCENTRAL REGION

* Oil spill prevention in Cook Inlet and other parts of the Region.

  The recent KPL spill in Cook Inlet demonstrated vast improvement in oil spill response capability. The success of the response in terms of oil recovery is still being evaluated.

* Environmental Infrastructure in Rural Alaska

  Solid waste, drinking water and wastewater present problems in most rural areas of the State. Steady and regular improvement on all Fronts is a high priority for the Southcentral Region.

* Fish Processing Industry

  Fish processing is one of the largest industries in the Region. We will be making a special effort to assure consistent application of environmental requirements to both onshore and off shore Fish Processors.

* Leaking Storage Tanks and Contaminated Sites

  The Southcentral Region includes a substantial portion of the urbanized areas of the State. A legacy of past practices, which we share with other parts of the country, is a large number of contaminated sites and leaking underground storage tanks. Progress in cleaning up these sites is a priority for the Region.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION
DIVISION OF ADMINISTRATIVE SERVICES
FY 93 REQUEST

	Federal Funds	General Funds	Other State Funds	Total Funds	PFT	PPT
FY92 AUTH.	$ 253.4	$1,603.2	$ 270.8	$ 2,127.4	39	1
FY93 REQ.	392.4	1,698.0	324.6	2,415.0	40	0
CHANGE	$ 139.0	$ 94.8	$ 53.8	$ 287.6	1	(1)

PROGRAM DESCRIPTION:

The Administrative Services Division provides centralized budgeting, accounting, fund administration, supply, payroll, personnel/human resource services, data processing support, public information services, and a Departmentwide Quality Control Section.

PROGRAM CHANGES FY93:

Transfers Within Adjusted Base:

- Personal Services funds were transferred to the Department of Education, Division of State Libraries to fully fund one PFT Librarian to provide support to the DEC Library. Previous funding provided via RSA.
- Transferred one PFT Risk Management Officer to SPAR's Spill Response Office to make safety personnel readily available to provide immediate technical safety assistance and expertise to the Department's responders statewide, or to respond to an incident when a situation warranted or was needed.
- Transferred in two PFT positions from EQ to meet reorganization goals of the Department which places emphasis for Public Information and Management Analysis in the Division to maximize efficiency.
- SPAR Division transferred in personal services to fully fund one existing accounting technician to support OHSSRF programs.

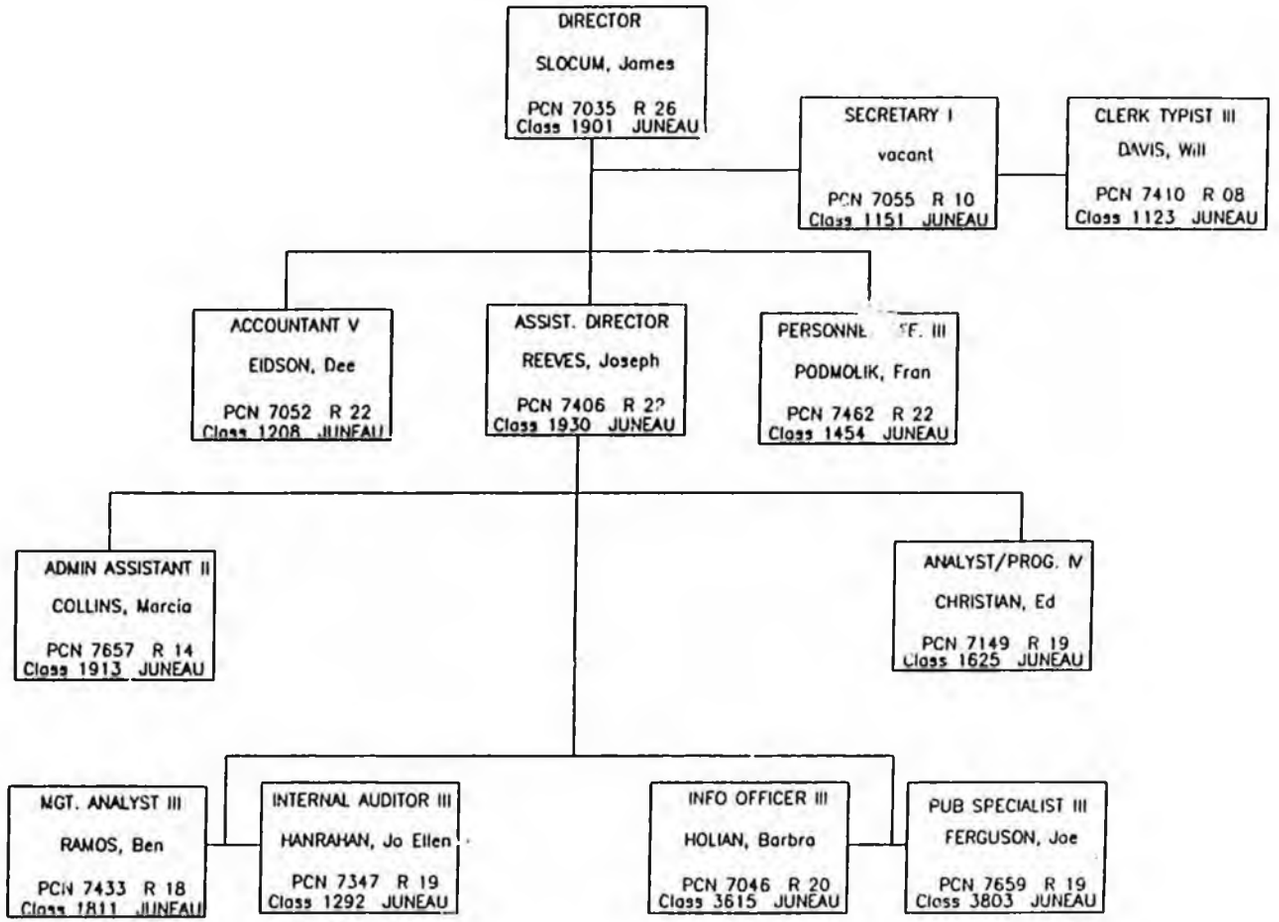
Increment/Decrement Requests:

- Due to general fund shortfalls within the Division's allocated operating budget, one PPT Information Officer working in the Office of the Governor's Media Center is being deleted. The assigned duties of this position will be picked up by other DEC information officers and the Governor's Media Center.
- To reduce the Division's high personal services forced underfunding, the Federal Indirect Recovery has been negotiated from 9.29 % to 19.63 % to enable State and Federal centralized program delivery committments to be accomplished.

STATE OF ALASKA
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
DIVISION OF ADMINISTRATIVE SERVICES

REVISED 1/22/92

DIRECTOR'S OFFICE



Approved _____
DIRECTOR DATE

Alaska Department of Environmental Conservation

Oil and Hazardous Substance Release

RESPONSE FUND ANNUAL REPORT

FISCAL YEAR 1991

Presented to the Second Session of the Seventeenth Alaska Legislature
January 22, 1991 • Walter J. Hickel, Governor • John A. Sandor, Commissioner

ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION

OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE FUND

FISCAL YEAR 1991 ANNUAL REPORT

January 22, 1992

OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE FUND

FISCAL YEAR 1991 ANNUAL REPORT

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OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE FUND

FISCAL YEAR 1991 ANNUAL REPORT

Section I. INTRODUCTION

The Oil and Hazardous Substance Release Response Fund, generally referred to as the "Response Fund", or "470 Fund" was created by the Legislature to provide a readily available fund for the payment of the expenses incurred by the State in the protection of the environment from the release, or threatened release of oil or hazardous substances" (AS 46.08.005). Each year the Department of Environmental Conservation (DEC), the Response Fund administrator, submits a report to the Legislature summarizing information on Response Fund expenditures, costs recovered, DEC response activities, projected expenditures, and any other information considered significant by the Commissioner (AS 46.08.060).

In May 1991, an internal DEC management audit of the Response Fund was completed which included recommendations for improving administrative procedures governing the Response Fund. Consistent with the recommendations in the audit report, a number of steps were taken in FY 92 to improve DEC's management of the Response Fund. Actions taken by DEC in FY 92 to resolve specific audit issues are described in Section II of this report.

A status report on Alaska's oil and hazardous substance spill response preparedness is given in Section III. Section IV provides information on FY 91 Response Fund allocations. FY 91 Response Funded activities are described in Section V.

Section II. RESPONSE FUND MANAGEMENT AUDIT UPDATE

Since the release of the May 1991 audit report, DEC has taken several actions to improve management of the Response Fund. Although some issues continue to need improvement, many audit recommendations have been implemented and there are ongoing efforts to improve management of the Response Fund. The conditions described in the audit report, and corrective actions taken by DEC are outlined below.

USE OF THE FUND BY OTHER AGENCIES

Audit Issue:

By statute, DEC is the State's designated Response Fund administrator (AS 46.08.010). However, DEC does not have full management and accounting control over Response Funds directly appropriated to other State agencies by the Legislature. There are no requirements to provide DEC with Response Fund accounting information from agencies receiving direct Response Fund appropriations. DEC can only manage, account, and report on Response Fund appropriations made directly to DEC.

Actions Taken by DEC:

DEC took the following actions to facilitate management control and to ensure statutory reporting requirements could be met:

1. Developed and incorporated standard reporting requirements into FY 92 RSAs between DEC and other agencies that use the Response Fund. Servicing agencies are now required to provide DEC with information that meets DEC's Response Fund reporting requirements, including contracts in excess of $20,000, purchases in excess of $10,000, and personal services expenditures.

2. DEC worked with the Department of Administration on fiscal controls to prevent other agencies from increasing an authorization to the Response Fund and "double booking" an appropriation from two Departments.

3. DEC requested that FY 92 Response Funds be appropriated to DEC instead of directly to other agencies. With the exception of two appropriations, all Response Funds went to DEC in FY 92. Direct appropriations were made to the Citizens Oversight Council and the Department of Transportation and Public Facilities.

CLARIFICATION OF DEC ROLES

Audit Issue:

There is no single manager of the Response Fund. Too many people are charged with making decisions that impact the Response Fund. Management and internal control functions are not clearly assigned within DEC's Divisions, and Regional Offices. Uniform policies and procedures for the use and recovery of Response Funds have not been developed.

Actions Taken by DEC:

The Spill Prevention and Response Division (SPAR) was established effective July, 1991. In FY 92, the Commissioner designated the Director of SPAR as DEC's Response Fund Manager. The Division of Administrative Services is responsible for internal fiscal control and Response Fund accounting reports. In FY 92 SPAR and Administrative Services will establish policies and procedures for use of the Response Fund by DEC and other State agencies. As the Response Fund Adminstrator, the Commissioner maintains ultimate oversight and control of the Response Fund.

COST RECOVERY

Audit Issue:

Full cost recovery on the majority of incidents does not occur. Procedures for pursuing and monitoring cost recovery do not exist. Cost recovery information is difficult to obtain since revenue is not tracked by type, multiple identifiers are assigned to the same project, and revenue is not reconciled to incident cost. Cost recovery has not been fully pursued by DEC and information about recovery is difficult to analyze.

Actions Taken by DEC:

Procedures for cost recovery by DEC's regional office response staff are being developed by SPAR and Administrative Services. Current efforts to resolve accounting problems with cost recovery include:

1. Billing legal costs by incident.
2. Charging staff time to incidents.
3. Tracking revenue by recovery, penalty, settlement, interest.
4. Establishing one program and one administrative identifier.
5. Coding recovery to the incident where the cost originated.

EQUIPMENT POLICY AND PROCEDURES

Audit Issue:

The condition, location, and current value of equipment purchased with Response Funds cannot be accurately documented. Ultimate ownership of the equipment is not clear. There are no procedures for managing Response Fund property. The State does not have a central listing of what equipment purchased with Response Funds is available to respond to an oil and hazardous substance release emergency.

Action Taken by DEC:

Equipment purchased by DEC with Response Funds is being identified on the state property system by a special fund coding. In addition, special Response Fund tags

are put on equipment purchased with Response Funds. The Division of Administrative Services maintains a master list of all equipment purchased with Response Funds, and will conduct an audit of the location, condition, and estimated value of Response Fund equipment during the second half of FY 92.

Section III. ALASKA RESPONSE CAPABILITY

FY 91 and FY 92

Planning for State responses to catastrophic spills during FY 91 has improved the State's overall response capability. The State Master Oil and Hazardous Substance Discharge Prevention and Contingency Plan (State Master Plan) is currently before the State Emergency Response Commission (SERC) for approval. The State Master Plan governs the statewide response network for all State agencies with responsibilities under the State's Incident Command System (ICS). A working group of local responders, industry responders, co-op responders, ICS consultants, federal on scene coordinators (EPA and the Coast Guard), the Division of Emergency Services (DES) and other State agencies, reached a consensus with DEC on ensuring clear lines of authorities for responses to spill incidents by employing a unified ICS for spills/releases.

The Commissioners of DEC and the Department of Military and Veterans Affairs (DMVA) evaluated the opportunities for improved State emergency response coordination and agreed to co-locate staff in Anchorage to enhance both agencies' capabilities to plan for responses to catastrophic spills. Effective October 1991, DEC and DES staffs are now co-located at the State's Emergency Operations Center at the National Guard Armory at Camp Denali. Both agencies are working together to improve the State's capability to respond to catastrophic spills/releases.

A Memorandum of Agreement was signed in FY 92 by the Commissioners of DMVA and DEC which describes the responsibilities of DEC and DES during actual spill/release emergencies, or potential disaster emergency situations. This agreement will facilitate smooth cooperation and coordination between DEC and DES in the event of future spills/releases, and resolve the issue of "who's in charge."
During FY 91, response kits containing personal protective equipment were distributed to 49 DEC personnel throughout the State for their use in responding to oil or hazardous substance spills. In addition, 118 State personnel attended hazardous waste operations and emergency response training to respond to hazardous substance releases, including oil. A medical monitoring program is being revived to ensure that State spill responders are medically fit to perform their assignments and establish a baseline medical history which will be used to measure exposures to hazardous substances on an annual basis, if necessary.

A priority task yet to be completed is the establishment of emergency response depots and volunteer corps, training volunteers, and establishing regional hazardous substance response teams around the State. During FY 92 a hazards analysis is being conducted to serve as the basis for identifying preferred depots locations. The hazards analysis will identify areas at risk, vulnerabilities, and existing response capabilities. A strategy will be developed to address high risk areas with depots based upon the analysis. However, to address the most glaring communication gaps for catastrophic spill/release responses in remote areas of the State, a transportable communications system will be purchased in FY 92 with matching federal funds. Also, funds to train local responders are available in FY 92 from the Response Funds allocated to DES for response depots and corps.

Requests for proposals will be published in FY 92 to develop a pool of response action contractors who will be available to respond with pre-negotiated contracts in place during all times. This will improve the State's response time to control, contain, and remove a spill/release in the event a responsible party is unknown, unwilling, or unable to adequately respond.

Efforts to integrate all agencies in spill response are continuing through coordination of preparedness activities. The coordination of response preparedness activities with federal on scene coordinators, the Federal Alaska Regional Response Team, other State and local agencies, industry response co-operatives, and potential responsible parties has increased dramatically. Response Funds are used for participation by other State agencies in prevention, planning, and response activities. All these players are integrating their response systems and will come together in a unified command response to an incident. Sharing State and local human resources and equipment will improve the efficiency of response operations in the State.

FUTURE PLANS

Spill Response Office (SRO):

SRO will become the State's most highly skilled and trained response team for hazardous substance release incidents throughout the State. The State's oil and hazardous substance release response team must have medical monitoring in place; be outfitted with state-of-the-art personal protective equipment; be in top physical condition; be trained on up-to-date response techniques and personal safety; be dedicated to working with each other as a highly trained team continually exercising and drilling their response skills. This team will function as the primary trainers for State and local emergency responders throughout the State.

As the designated State On Scene Coordinator (SOSC), DEC's four Regional Administrators are responsible for ensuring appropriate actions are taken to control, contain, and cleanup spills, and recover Response Fund expenditures for spill responses in their respective regions. The SOSC monitors a responsible party's (RP) response efforts, or those of a response action contractor funded by the Response Fund. SRO is available to assist DEC's designated SOSC in responding to oil or hazardous substance spills that exceed the regions capabilities to respond.

Response Depots:

State equipment purchased with Response Funds for responding to oil spills should be limited to equipment needed for the first few hours of a spill. State equipment must control and contain a spill until the responsible party mounts a response effort, or DEC's response action contractor arrives on scene with the resources to assume control. This equipment should be compatible with the federal response equipment and located near federal response equipment in high risk areas, or where both the State and federal government have concerns. Local responders should have access to the equipment and be trained in its deployment.

State equipment purchased with Response Funds for responding to releases of

hazardous substances should be limited to personnel protective equipment for trained State agency spill responders, and local professional responders who are part of a regional response team network. State response equipment for hazardous materials should be limited to control and containment until relieved by the responsible party's cleanup force, or DEC's response action contractor.

DES and DEC are working together to establish five depots in FY 93 which will be outfitted according to this strategy. Considerable expenditures of the Response Funds are anticipated for up to five years to ensure the State will be adequately protected.

Other State Agency Responders:

DEC will work with other agencies identified in the State Master Plan to identify specific responders and ensure they are properly trained and equipped to perform their duties in the State's ICS. Each agency that has a response role must make a commitment to this effort and designate personnel who would be dispatched to the State's ICS. Those personnel will then be trained in the State Master Plan and ICS, trained to perform the response duties to which assigned, and be outfitted with the appropriate response equipment. Once this basic level of preparations are met, all State agencies involved will drill and exercise together as teams. These drills and exercises will be integrated with federal and local resources, as well as potential responsible parties.

Prevention of Incidents:

The best strategy for investment of Response Funds is to take reasonable, cost-effective actions to prevent hazardous substance releases. Upon final adoption of industry contingency planning regulations, all industry oil spill contingency plans will be reviewed by DEC for compliance with the oil pollution control regulations. Inspections and investigations are expected to increase. Exercises and drills, including unannounced drills, will be conducted to verify that contingency plan holders can perform response activities as planned.

State Emergency Response Commission (SERC), and Local Emergency Planning Committees:

The SERC reviews and approves State and regional oil and hazardous substance release response plans prepared by DEC, and local response plans prepared by Local Emergency Planning Committees. Within the next few years local response plans will be completed for all of the State's Local Emergency Planning Districts. Through review and approval of government response plans, the SERC will continue to promote an organized and coordinated response to releases by the State and local organizations.

Hazardous Substances Spill Technology Review Council (HSSTRC):

The HSSTRC will establish a Memorandum of Agreement with the University of Alaska-Fairbanks, and the Prince William Sound Science Center's Oil Recovery Institute to develop a research and development program. The primary objective will be to develop State testing protocols for oil and hazardous substance technology. The HSSTRC will propose to the SERC guidelines for testing products during "spills of

opportunity". DEC staff will be responsible for implementation of the testing protocols adopted by the HSSTRC. DEC staff will develop and manage a State research and development tracking database which will be coordinated and shared with all interested parties.

Contaminated Sites Cleanup Management Plan:

DEC will complete a ten-year cleanup management plan by the end of February 1992 for approximately 1100 reported sites. The plan will lay out a systematic process for closing out all sites by the year 2002. That process will include a detailed review to confirm reported sites are contaminated, and remove reported sites from the list that are found not to pose a risk. The remaining confirmed sites will be ranked based on risk. The list will be further subdivided based on whether the responsible party for the spill is able to cleanup the site, or if the State must assume responsibility by default of the responsible party. Response Funds will be used to pay for staff to oversee responsible party cleanups, and pay for cleanups directly managed by the DEC using response action contractors. An action schedule will be developed for both the responsible party and state-lead category cleanups.

Section IV. FY 91 ALLOCATIONS

DEC was appropriated $27,000,000 in FY 91 to be used with $9,000,000 of the June 30, 1990 balance of the Response Fund for the following allocations[1]. Additional direct appropriations to other agencies, fiscal notes, supplementals and revised programs were authorized totalling $6,671,000[2].

DEC

State & Regional Contingency Planning[1]		$ 461,900
State Emergency Response Commission, Local Emergency Planning Committees, Hazardous Substance Spill Technology Review Council (HB 566)[2]		$ 550,000
Spill Response, Containment, Safety, Cleanup, & Cost Recovery[1]		$ 1,920,000
DEC Spill Prevention and Response Preparedness (HB 567)[2]		$ 1,371,000
Response Office, Depots, and Corps[1]		$ 3,169,900
Spill Response Drills[1]		$ 740,000
Site Investigation, Safety, Cleanup, & Cost Recovery[1]		$ 2,632,900
Kenal Cleanup Project[1]		$ 940,000
Exxon Valdez Project[1]	$ 8,707,300	
Exxon Valdez Revised Program[2]	$ 1,415,000	
FY 91 Total		$10,122,300
Spill Reserve[1]	$ 6,026,000	
Exxon Valdez Revised Program[2]	<$ 1,415,000>	
FY 91 Total		$ 4,611,000
DEC Supplemental Retroactive Pay Increase (HCS CSSB 161)[2]		$ 256,800

Other Agencies

Natural Resource Damage Assessment[1]	$11,402,000
Exxon Valdez Oil Spill Litigation[2]	$ 4,100,000
Citizens Oversight Council (HB 578)[2]	$ 236,700
Deptartment of Fish & Game Spill Prevention & Response Preparedness (HB 567)[2]	$ 156,500

Tables are provided at the end of this Report with additional financial data as follows:

Table 1:	FY 91 Expenditures and Obligations
Table 2:	June 30, 1991 Response Fund Balance Sheet
Table 3:	Summary of Funding Sources and Oil Surcharge Account Deposits
Table 4:	Mitigation Account Summary
Table 5:	FY 92 Allocation Summary
Table 6:	Community Involvement Summary
Table 7:	FY 91 Contractual Payments Exceeding $20,000
Table 8:	FY 91 Purchases Exceeding $10,000
Table 9:	DEC Personal Services Expenditures

Section V. FY 91 PROGRAM ACCOMPLISHMENTS

A. STATE AND REGIONAL CONTINGENCY PLANNING

The State Oil and Hazardous Substance Discharge Prevention and Contingency Master Plan relies on the State's Incident Command System for directing State agencies that are responsible for responding to an oil or hazardous substance release. A public review draft of the State's Master Plan was released in October 1990 followed by a series of 18 public meetings held throughout the state to involve the public and provide an opportunity to comment on the draft plan. A revised draft was presented to the Legislature in February, 1991. The plan is currently before the State Emergency Response Commission for final approval.

The Department issued final regulations establishing the boundaries for ten regional planning areas. Regional plans for Cook Inlet, Prince William Sound and Southeast Alaska were begun by preparing resource information maps under an FY 91 Reimbursable Services Agreement (RSA) with the Department of Fish and Game.

B. STATE EMERGENCY RESPONSE COMMISSION. LOCAL EMERGENCY PLANNING COMMITTEES. STATE HAZARDOUS SUBSTANCE SPILL TECHNOLOGY REVIEW COUNCIL (HB 566)

The SERC is responsible for oil and hazardous substance response planning at the state and local levels (AS 46.13.040). The SERC held four meetings during FY 91. Formal policies were established for reviewing and approving government contingency plans, establishing Local Emergency Planning Committees (LEPC), and training. During FY 91, the SERC approve five LEPCs (Ketchikan Gateway Borough, Northwest Arctic Borough, Prudhoe Bay, Matanuska-Susitna Borough, and Municipality of Anchorage), bringing the total number of approved local plans to ten.

Under the Federal Community Right-to-Know Act, the SERC is a repository for information submitted by businesses that store or use hazardous substances. During FY 91, DEC staff created a database to manage this information and make it available to the public. DEC also purchased a technical database containing information about health effects of hazardous substances and published a brochure to help raise public awareness about the program.

The HSSTRC exists within the SERC, and is responsible for recommending containment and cleanup products and procedures for responding to arctic and sub-arctic hazardous substance releases (AS 46.13.110). The first two meetings of the HSSTRC were held during FY 91. Formal bylaws and policies were adopted, and a chair and vice-chair elected at the meetings. During FY 91, DEC staff assigned to the HSSTRC investigated protocols for marine oil spill products. Staff assigned to the HSSTRC also maintains a vendor/product database, and manages an oil and hazardous substance technology for the HSSTRC and DEC.

C. SPILL RESPONSE, CONTAINMENT, SAFETY, CLEAN-UP, AND COST RECOVERY

Spill Prevention:

During FY91 DEC initiated a new oil pollution prevention program. Updated oil pollution prevention regulations were drafted for filing with the Lieutenant Governor's Office in FY 92. The regulations govern industry spill prevention plans as part of a facility's oil and hazardous substance release contingency plan. A technical workgroup of State and Federal agencies, public interest and industry representatives participated in development of the regulations and reviewed a contract to ECO Engineering for technical data and analyses on which to base new regulatory requirements.

Prevention Contract:

A request for proposals was published, and a contract awarded to ECO Engineering of Annapolis Maryland to prepare: (1) a list of prevention measures that DEC might consider for adoption in regulations, (2) methods to evaluate the effectiveness of prevention measures in preventing or reducing the size of spills, and (3) Realistic Maximum Oil Discharge (RMOD) sizes for different categories of oil operators.

NonCrude Oil Marine Transportation Contract:

Beginning in FY 91, DEC was directed to conduct a study and make recommendations to the legislature regarding oil discharge prevention and contingency planning for tank vessels and oil barges carrying noncrude oil in bulk as cargo. To assist the Department in that study a contract was awarded to Arthur D. Little, Inc. of Cambridge, Massachusetts on February 12, 1991. The contractor provided DEC with five products, including an inventory and database of noncrude tankers and barges operating in Alaskan waters; a list of environmentally sensitive areas in proximity to noncrude vessel routes; a list of response organizations and depots that could be accessed in response to a noncrude spill; and a report analyzing the information gathered. The contract was completed on August 2, 1991.

NonCrude Oil Terminal Facility Survey Contract:

As requested by the Legislature, DEC surveyed small noncrude oil terminal facilities regarding discharge prevention and contingency requirements for facilities with storage capacities of less than 10,000 barrels. Facilities were surveyed by DEC during April, May and June, 1991. To assist in the survey, a contract was awarded to ECO Engineering, Inc. on August 15, 1991. No expenditures were made in FY 91. The report will be completed during FY92 and presented to the Legislature.

Non-Catastrophic Spill Response:

Response Funds are used to hire contractors to initiate responses, or continue clean-up of spills when the spiller (responsible party) is unable or unwilling to respond. The Response Fund supports local response efforts to manage and monitor response efforts of the spillers or other responsible parties, and supports the Department of

Law's cost recovery actions. The program is responsible for spill data evaluation, as well as determining the staffing, equipping and training needed for the Department to effectively respond to all non-catastrophic spills. The spill response program responds to approximately 3,000 non-catastrophic oil and hazardous substance spills reported to DEC each year. Summaries of spills where Response Fund expenditures exceeded $1,000 in FY 91 are included in Appendix A.

In addition, $ 49,200 was expended by the Department of Law for assistance with recovery of costs to the Response Fund. Response Funds expended on spill response are recoverable if a responsible party is identified and is able to assume financial responsibility. Response fund recovery for each spill response on which Response Funds were expended are provided in Appendix A.

D. Spill Prevention and Response Preparedness (HB 567)

AS 46.04.030 requires DEC to certify oil discharge prevention and contingency plans for oil terminals, vessels, pipelines and oil and gas exploration and production facilities. The Department is required to review approximately 200 plans for these operations once every three (3) years. These plans cover approximately 400 separate vessels and facilities. Response Funds in this allocation are used for all contingency plan reviews conducted by DEC.

DEC inspects approximately 100 certified facilities, and approximately 100 certified vessels each year. The allocation funds the Department's inspection program to verify the effectiveness of industry's contingency planning and response preparedness.

Regulations for contingency plans and response planning standards were developed during FY 91 and filed with the Lieutenant Governor's Office in FY 92. Eighteen (18) public workshops and regular meetings of a technical working group were held to aid development of the regulations.

This Response Fund allocation also funds an RSA with the Department of Fish and Game (DFG) for plan review, participation in and evaluation of discharge exercises, and participation on related planning groups.

Financial Responsibility:

During FY91 DEC initiated a complete rewrite of the Financial Responsibility regulations to implement new legislation (AS 46.04.040). Financial Responsibility Program staff also reviewed 369 accounts, and answered hundreds of requests for technical assistance or other information about the program.

E. SPILL RESPONSE OFFICE, DEPOTS AND CORPS

Spill Response Office (SRO):

The SRO was established in FY 91 as a dedicated, highly trained team to increase the State's response capability to catastrophic oil and hazardous substance spills

(AS 46.08.100). Initial training of SRO personnel in oil and hazardous materials response was completed; safety standards and procedures were drafted; and minimum training standards and equipment needs for all State responders were established.

During FY 91, SRO worked to upgrade State and local response skills, knowledge and experience regarding hazardous substance releases. The SRO contacted local responders, and State and Federal Occupational Safety and Health Administration (OSHA) staff to identify training needs for local responders in first response activities.

The SRO also initiated the following actions in FY 91 for completion in FY 92:

1. Identify basic response equipment depots to be located in strategic coastal areas.

2. Coordinate potential locations for State depots with U.S. Coast Guard.

3. Establish baseline training needs and locate training sources for DEC's regional/district response personnel.

4. Purchase fifty individual response equipment kits for DEC's regional office responders.

5. Develop an Incident Command System (ICS) for a structured State response to oil and hazardous substance incidents.

6. Establish baseline criteria for medical monitoring of State hazardous substance release responders.

7. Develop safety guidelines and safety plans to be implemented by all DEC responders during response activities.

8. Commence training SRO personnel to become primary trainers for all State responders in the areas of Alaska Hazardous Waste Operations and Emergency Response, and Personnel Protection and Safety.

9. Prioritize training for its safety personnel to conduct OSHA required fit testing of all response personnel. Fit testing was started in FY 91 and continues as an ongoing program.

SRO Response Fund expenditures not associated with a particular spill are not recoverable. However, costs may be recovered in the future, as response personnel and equipment are used in spill response activities.

Corps and Depots:

The Division of Emergency Services (DES), Department of Military Affairs is responsible for establishing a volunteer oil and hazardous substance response corps, and emergency response depots (AS 46.08.110 & .120). In FY 91, DEC signed a RSA with DES to hire and train non-permanent staff to plan for depots and a volunteer response corps.

F. SPILL RESPONSE DRILLS

DEC is responsible for the review and approval of facility and vessel spill response contingency plans. All operators of facilities that store greater than 10,000 barrels of non-crude oil, or greater than 5,000 barrels of crude oil, all vessels that carry oil as cargo, crude oil pipelines, and oil exploration and production facilities must have a contingency plan approved by DEC to operate.

DEC can require two spill drills per year to test the effectiveness of certified facility contingency plans. DEC must also hold drills to test the effectiveness of the State and regional contingency plans. Drills may need to be repeated in cases where the drill uncovers problems with the contingency plan or its implementation.

In FY 91, DEC conducted seventy-one spill drills around the state. The level of drills varied. Some were telephone drills which tested procedures for emergency notification of contractors. Tabletop drills were used to test the response to spill scenarios created on paper. Some drills entailed a partial, or full response to test actual deployment and operation of response equipment and effectiveness of control, containment and cleanup procedures.

G. CONTAMINATED SITE INVESTIGATION, SAFETY, CLEANUP AND COST RECOVERY

The contaminated sites program investigates sites contaminated with oil or hazardous substances, and directs cleanup efforts by responsible parties or Response Fund contractors. DEC uses Response Funds to hire contractors to investigate and clean up sites when the responsible party is unable or unwilling to respond. Response Funds were used in FY 91 to manage and monitor response efforts of the responsible party and to fund the Department of Law for cost recovery.

In FY 91, DEC directly expended Response Funds in excess of $1,000 on 14 contaminated sites which are described in Appendix B. Response Funds were also used for DEC's oversight of over 100 responsible party site cleanups.

In addition to FY 91 expenditures on specific site cleanups, $10,900 was spent to complete a contaminated sites database and ranking model, and $12,500 was spent for a public drinking water contaminant survey. In addition, a total of $150,591 was expended by the Department of Law for assistance with Response Fund recovery for contaminated site cleanups.

DEC contracted with Shannon and Wilson, Inc. to make the Contaminated Sites Database application compatible with the newer version of Rbase in common usage on the DEC network, and to rank the total number of sites that exceeded the original list. At the time the original contract was written the database contained information on 330 sites. The final report submitted by Shannon and Wilson contained 905 sites. Work on the Contaminated Sites Database contract continued into FY 92.

Public water supplies have been found to be contaminated by Volatile Organic Chemicals (VOC's) which can cause adverse health effects. VOC contamination in

Alaska's small water systems may result from the following: (1) fuel is routinely stored very close to the water source; (2) leaking fuel lines are commonplace and often not identified for long periods of time because of snow cover or lack of record keeping; (3) the area around fuel storage tanks are not designed to prevent spills and leaks from seeping into the ground; and (4) fuel handling practices are poor in small communities.

During FY 91, Response Funds were used to test water for VOCs from approximately 500 public water systems serving fewer than 500 persons. In only two instances were VOCs detected at levels to warrant further sampling. All samples will be evaluated and scheduled for investigation should the detected levels persist. The Response Funds were used to purchase laboratory supplies, sampling containers and a student intern's time to prepare and mail the sample containers.

H. KENAI CLEANUP PROJECT

The purpose of the Kenai Cleanup Project is to implement an intensive effort within the Kenai Borough to investigate and clean up hazardous substances spilled in large part as a result of past industrial practices. FY 91 was the first year that response funds were used to support the Kenai Project. In previous years, general funds were obtained through the capital project budget process.

FY 91 expenditures supported Department of Law assistance with Kenai Cleanup Response Fund recovery actions. Response Funds were also used by DEC for the cleanup of contaminated sites where the responsible party was not known (appendix C), and for DEC's oversight of over 25 responsible party cleanups.

I. EXXON VALDEZ PROJECT

This project funded the State of Alaska's response to the Exxon Valdez Oil Spill during FY 91. Included were the Oil Spill Response Center (OSRC) in Anchorage and the SOSC and his staff. The Departments of Fish and Game and Natural Resources response activities were funded through RSAs. Other agencies such as Department of Administration, Telecommunications, Department of Military and Veterans Affairs, Emergency Services, and Department of Transportation and Public Facilities received RSA funds to provide support services. The University of Alaska received funds to participate in science studies related to response needs. Numerous contracts were let to vendors in the State for services.

FY 91 activities focused on the Public Information office, monitoring in Prince William Sound and the Gulf of Alaska, a science unit, data processing support, documentation for both legal and historical purposes, and an administrative support section.

The 1991 cleanup season overlapped into FY 92; however, the planning and coordination were done during the winter of 1990-91. FY 91 accomplishments included the following:

1. Surveyed 588 beach subdivisions.

2. Identified 148 sites for treatment, including more than 50 based on specific State requirements above those established by the federal government.

3. Conducted assessment and cleanup operations with state workers at additional sites. This was "finish" work designed to eliminate lightly contaminated areas from future contaminated site designations.

4. DEC, DFG, and DNR prepared *State Response Plan: Guidelines and Requirements*, which codified State policies and requirements for cleanup.

5. At the State's request, members of local communities were included in the spring survey.

6. Bioremediation was refined and better targeted. State sponsored research and analysis helped ensure that State requirements for removal were met before fertilizers were applied.

7. State survey teams and science staff initiated and completed detailed maps of sites where subsurface oiling remained. Exxon later joined this effort and helped better define these sites for future monitoring.

8. DEC's OSRC science staff completed the shoreline survey project started in March of 1989. This three-year effort is the basis for the long-term monitoring programs at the contaminated sites.

9. Approximately 70 State identified beach subdivisions are scheduled for a Federal OSC sanctioned 1992 spring survey.

10. The SOSC signed an agreement with Exxon for the transfer of Exxon Valdez oil spill response equipment in exchange for a $693,000 deduction from Exxon's financial obligations to the State. The location, condition and estimated value of this equipment will be verified and used to increase the State's readiness and ability to respond to future spills.

J. NATURAL RESOURCES DAMAGE ASSESSMENT AND RESTORATION

The expenditure of funds on Exxon Valdez damage assessment and restoration played a crucial role in eventually arriving at the one billion dollar oil spill settlement agreed to in October 1991. Studies of the injuries resulting from the oil spill were continued in FY 91. Those studies helped determine what resources and services were injured by the spill and the extent of that injury. That information was necessary both for development of restoration actions and for development of a judicial action against the spiller.

Restoration planning was continued during FY 91. The planning effort assisted in development of restoration implementation projects and in the judicial case against the spiller. The largest part of the potential recoveries from a court case would probably have resulted from the cost of restoration activities. Accordingly, restoration planning made up a major component of the court case. Now that a settlement has been reached, emphasis will be placed on implementation of restoration projects that will benefit the spill affected area and the people that live and work there.

K. SPILL RESERVE

In FY 91 the spill reserve was used to fund DEC staff retroactive Response Fund eligible pay increases, and a revised program for the Exxon Valdez Project.

L. OTHER EXPENDITURES

DEC is not able to report on expenditures made in FY 91 appropriations made directly to other agencies including the Citizens Oversight Council and Exxon Valdez litigation.

Table 1

FY91 EXPENDITURES AND OBLIGATIONS RECORDED

(In Thousands)

CURRENT YEAR AUTHORIZATION	Authorized	Expended	Obligated	Total
DEC				
State and Regional Contingency Planning	461.9	419.9	42.0	461.9
Response Office, Depots & Corps	3,169.9	807.3	1,070.9	1,878.2
Spill Response Drills	740.0	448.5	291.5	740.0
Contaminated Site Investigation, et. al.	2,632.9	1,443.6	275.6	1,719.2
Spill Response, et. al	1,920.0	662.6	1,152.6	1,815.2
Exxon Valdez Cleanup	10,122.3	7,274.8	1,781.0	9,055.8
Kenai Cleanup Project	940.0	581.8	358.2	940.0
State Emergency Response Commission and Local Emergency Response Planning (HB566)	550.0	399.6	-8.5	391.1
Spill Prevention and Response Preparedness (HB567)	1,371.0	1,056.2	106.0	1,162.2
Spill Reserve	4,867.8	76.6	0.0	76.6
OTHER AGENCIES				
Spill Prevention and Response Preparedness (HB567) [F&G]	156.5	119.8	3.0	122.8
Citizen's Oversight Council [Legislature]	236.7	119.5	2.6	122.1
Exxon Valdez Litigation [Law]	4,100.0	4,100.0	0.0	4,100.0
Exxon Valdez Damage Assessment [F&G]	11,402.0	8,834.4	2,135.4	10,969.8
Subtotal Current Year	**42,671.0**	**26,344.6**	**7,210.3**	**33,554.9**
PRIOR YEAR(S) AUTHORIZATION				
DEC				
State and Regional Contingency Plan		136.8	0.0	136.8
Response Office, Depots & Corps		160.4	0.0	160.4
Spill Response, et. al.		27.6	16.4	44.0
Site Investigation, et. al.		228.1	0.0	228.1
Kenai Cleanup Project		1.9	0.0	1.9
Exxon Valdez Cleanup Project		4,702.9	3,684.2	8,387.1
Spill Reserve		237.0	0.0	237.0
OTHER AGENCIES				
Redoubt Volcano [DNR]		4.8	0.0	4.8
Subtotal Prior Year(s)		**5,499.5**	**3,700.6**	**9,200.1**
GRAND TOTAL FY91 RECORDED		**31,844.1**	**10,910.9**	**42,755.0**

Table 2

BALANCE SHEET

June 30, 1991

(In Thousands)

Assets			
Cash	29,433.4		
Accounts Receivable[1]	2,897.4		
Total Assets			32,330.8
Liabilities			
Payroll Exceptions	(13.9)		
Accrued Payable	1,100.8		
Warrants Outstanding	299.1		
Total Liabilities		1,386.0	
Fund Equity			
Reserve for Encumbrances	10,910.9		
Reserve for Prior Year Authorizations	117.7		
Fund Balance	19,916.2		
Total Fund Equity		30,944.8	
Total Liabilties and Fund Equity			32,330.8

[1] The Accounts Receivable is booked at the value of Response Fund expenditures submitted by DEC to Exxon which have been neither paid nor rejected. Total receivables from Exxon available through the settlement exceed that amount. DEC has recorded expenditures exceeding 52.3 million dollars. To date reimbursement has been received exceeding 30.2 million dollars. The balance of the monies recorded, as well as additional expenditures incurred shall be recovered and posted to the mitigation account upon receipt of settlement monies from Exxon. Additional monies shall be recovered and posted to the mitigation account for other agencies expenditures which have not been recovered to date. These monies shall be available for appropriation to the Response Fund.

Table 3

SUMMARY OF FUNDING SOURCES AND DEPOSITS TO OIL SURCHARGE ACCOUNT

1986 - 1991

(In Thousands)

Response Fund Source of Funding

Fiscal Year	G/F[1] Program Receipts	G/F Mitigation Account	Oil Surcharge Revenue	G/F Other	Total
FY87	0.0	158.7	0.0	522.0	680.7
FY88	0.0	304.3	0.0	825.0	1,129.3
FY89	10,000.0	136.5	0.0	10,500.0	20,636.5
FY90	20,000.0	197.6	0.0	32,600.0	52,797.6
FY91	0.0	1,696.1	27,000.0	0.0	28,696.1
FY92	0.0	0.0	28,500.0	0.0	28,500.0
Total	30,000.0	2,493.2	55,500.0	44,447.0	132,440.2

Revenue Collected Oil Surcharge Account

FY90	26,932.4
FY91	27,965.2
Total	54,897.6

[1] General Fund

Table 4

FY91 MITIGATION ACCOUNT SUMMARY

(In Thousands)

Summary of Revenue by Type

Site	Cost Recovery	Penalty	Settlement	Interest	Total
T/V Thompson Pass	0.0	35.0	0.0	0.0	35.0
Foss Maritime	0.0	0.0	300.0	0.0	300.0
T/V Tanana Chief	0.0	0.5	0.0	0.0	0.5
ARCO Alaska 2U	0.0	200.0	0.0	0.0	200.0
M/V Swallow	0.0	0.0	150.0	0.0	150.0
T/V Oriental Crane	0.0	0.0	12.9	0.0	12.9
F/V Snow King	0.0	0.0	1.6	0.0	1.6
Anchor Point	123.5	0.0	0.0	0.0	123.5
Tesoro Benzene	0.0	0.0	400.0	0.0	400.0
F/V Debra D	0.0	0.0	3.0	0.0	3.0
T/V Glacier Bay	0.0	0.0	700.0	0.0	700.0
Sitka Air Monitoring	0.0	5.0	168.0	1.5	174.5
Citigold	10.8	0.0	0.0	0.4	11.2
Exxon Valdez Project	2,413.1	0.0	0.0	0.0	2,413.1
Mapco	0.0	162.4	0.0	0.0	162.4
Total	2,547.4	402.9	1,735.5	1.9	4,687.7

Table 5

FY92 ALLOCATION SUMMARY

(In Thousands)

DEC	
State and Regional Contingency Planning	395.9
Spill Response, Containment, Safety, Cleanup and Cost Recovery	3,934.3
State Emergency Response Commission	299.9
Local Emergency Planning Committees	600.0
Response Office, Depots & Corps	2,911.4
Hazardous Substance Spill Technology Review Council	296.1
Contaminated Site Investigation, Safety, Cleanup and Cost Recovery	3,655.0
Kenai Cleanup Project	807.0
Exxon Valdez Cleanup	4,126.0
Exxon Valdez Assessment and Restoration	12,474.4
Exxon Valdez Litigation	3,653.1
Arctic Marine Resources Commission	100.0
Spill Reserve	12,627.4
Prince William Sound Regional Citizens' Advisory Council Ballast Water Treatment Contract	175.0
Non Crude Tanker Study	30.0
OTHER AGENCIES	
Citizen's Oversight Council on Oil and Other Hazardous Substances	237.3
Ferries with Oil Spill Response Capabilities (SB165)	500.0
Total Allocated	46,822.8
Appropriated to Response Fund	28,500.0
Fund Balance (Table 2)	19,916.2
Total Available to Allocate	48,416.2

Table 6

FY91 COMMUNITY INVOLVEMENT SUMMARY

(In Thousands)

Community	Exxon Project	LEPC[1]	Response
Kenai Peninsula Borough	465.9	30.0	0.0
City of Homer	12.6	0.0	0.0
Chenega Village	476.4	0.0	0.0
Tatitlek Village	138.0	0.0	0.0
City of Valdez	297.7	0.0	0.0
Kodiak Island Borough	394.7	9.3	0.0
City of Cordova	303.2	0.0	0.0
City of Whittier	529.1	2.5	0.0
City of Kodiak	0.0	0.0	60.2
City of Sitka	0.0	5.3	0.0
Ketchikan Gateway Borough	0.0	8.0	0.0
City of Yakutat	0.0	5.0	0.0
Mat-su Borough	0.0	13.0	0.0
Municipality of Anchorage	0.0	13.4	0.0
City & Borough of Juneau	0.0	22.0	0.0
North Slope Borough	0.0	0.5	0.0
City of Unalaska	0.0	2.0	0.0
TOTAL	2,617.6	111.0	60.2

[1] Local Emergency Planning Committee

Table 7

FY91 CONTRACTUAL PAYMENTS EXCEEDING $20,000

(In Thousands)

Contractor	Amount	Purpose
Bennett Environmental	237.0	Oil Spill Contingency Planning
Cave Electric	73.6	Sitka Heart Lake Contaminated Site
Harding Lawson	103.0	Marshal Groundwater
Hart Crowser Inc.	104.7	Skagway Municpal Water
Ketchum Air	30.3	Air Charter - Exxon Cleanup
Raven Technical	39.6	Sitka Air Monitoring
Shannon and Wilson	10.9	Contaminated Site Database
Shannon and Wilson	12.6	Shoup's Property Contaminated Site
Shannon and Wilson	87.4	Cook's Sterling Tesoro Contaminated Site
VRCA	34.3	Manley Hot Springs Contaminated Site
Arthur D. Little Inc.	89.9	Study of Non Crude Vessels
Eco Engineering	66.8	Prevention Requirements for C-Plans
Gifilian Engineering	36.1	Nikiski Vegetation Impact Assessment
Hunter Environmental Services	51.3	Air Quality Monitoring
Northwest Environmental Services	57.4	Clear Creek Salvage
Pacific Northwest Environmental	10.6	Cook's Sterling Tesoro Contaminated Site
Shannon and Wilson	153.9	Cook's Sterling Tesoro Contaminated Site
VRCA	65.6	Peninsula Greenhouses
Battelle Memorial	68.0	Laboratory Analysis - Exxon
E-Tech	116.2	Mapping Services - Exxon
Era Aviation	58.1	Air Charter - Exxon
Hoffman Commercial	84.2	Lease Space - Exxon
Ketchum Air Service	87.4	Air Charter - Exxon
Northwest Environmental Services	53.2	Cleanup and Disposal - Exxon
Maritime Helicopters	62.1	Air Charter - Exxon
Roy Self	29.4	Vessel Charter - Exxon
Willow Air Service	37.5	Air Charter - Exxon
Total	1,868.7	

Table 8

FY91 PURCHASES EXCEEDING $10,000

(In Thousands)

Vendor	Amount	Item(s) Purchased
Anderson Instruments	47.4	Scientific Equipment
Data Systems West	10.6	Data Processing Equipment
Era Aviation	10.2	Equipment Repairs
Era Aviation	41.4	Air Charter
Kachemak Gear Shed	10.5	Boom, Rope, Supplies
Microage Computer	13.6	Data Processing Equipment
M/V Ultimate	19.5	Vessel Charter
TU of Alaska	11.4	Telephone Installation
Sears Roebuck	22.3	Data Processing Equipment
Connie Bennett	10.0	Space Lease Modifications
Total	195.9	

TABLE 9

PERSONAL SERVICES EXPENDITURES
(In Dollars)

SUMMARY OF PERSONAL SERVICES BY TYPE OF EXPENDITURE

State and Regional Contingency Planning	277,116
State Emergency Response Commission and Local Emergency Response Planning (HB566)	156,100
Spill Response, Containment, Safety, Cleanup and Cost Recovery	204,107
Spill Prevention and Response Preparedness (HB567)	634,682
Spill Response Office, Depots and Corps	363,795
Spill Response Drills	387,520
Contaminated Site Investigation, Safety, Cleanup and Cost Recovery	396,011
Kenai Cleanup Project	0
Exxon Valdex Project	2,870,178
Retroactive Payroll - Spill Reserve	76,629
Administrative Services Fund Accounting	196,819
Response Fund Shared Costs	135,380
TOTAL	5,698,337

DETAIL OF PERSONAL SERVICES BY PCN

PCN		DESCRIPTION	TOTAL *
01	044x	On Scene Coordinator-Exxon	62,612
18	0001	Deputy On Scene Coordinator - Exxon	99,234
18	0002	On Scene Coordinator-Exxon	26,378
18	0010	Laborer	367
18	5087	Environmental Field Officer I	25,157
18	5090	Environmental Field Officer I	-36
18	7005	Environmental Conservation Manager	6,058
18	7007	Executive Secretary II	3,103
18	7010	Environmental Conservation Manager	3,326
18	7043	Clerk Typist III	1,042
18	7044	Clerk Typist III	3,530
18	7046	Information Officer III	6,632
18	7048	Environmental Engineer IV	9,972
18	7051	Environmental Conservation Manager	5,748
18	7052	Accountant IV	31
18	7057	Environmental Specialist II	-2,043
18	7063	Clerk Typist III	22,410
18	7064	Administrative Assistant III	2,565
18	7075	Environmental Specialist III	56,233
18	7080	Environmental Conservation Manager	6,626
18	7081	Environmental Specialist III	43,261
18	7085	Secretary II	327
18	7108	Environmental Specialist III	5,294
18	7113	Environmental Conservation Manager	10,392
18	7117	Accounting Technician I	-229
18	7118	Environmental Specialist IV	89
18	7119	Chemist II	-344
18	7121	Environmental Engineer III	12,615
18	7122	Environmental Specialist IV	-122
18	7130	Risk Management Officer II	17,355
18	7133	Environmental Engineer IV	1,574
18	7134	Clerk Typist II	4,148
18	7135	Environmental Specialist III	-212
18	7137	Environmental Conservation Manager	444

*Negatives indicate a payroll adjustment has processed for prior overpayment.

Table 9 - Continued

18	7137	Environmental Conservation Manager	3,202
18	7138	Environmental Engineer III	1,395
18	7139	Environmental Specialist III	26,059
18	7140	Environmental Conservation Manager	68,706
18	7147	Ecologist I	189
18	7149	Analyst Programmer IV	30,779
18	7150	Paralegal Assistant I	1,891
18	7155	Planner IV	2,164
18	7156	Environmental Field Officer II	3,371
18	7157	Environmental Engineer III	43,068
18	7158	Environmental Specialist III	26,823
18	7159	Clerk Typist III	2,391
18	7160	Environmental Engineer IV	229
18	7161	Environmental Specialist IV	25,638
18	7164	Environmental Technician	898
18	7178	Clerk Typist III	2,649
18	7180	Clerk Typist III	948
18	7181	Clerk Typist III	115
18	7183	Documents Processor IV	1,119
18	7186	Clerk Typist II	1,024
18	7189	Environmental Engineer III	-59
18	7191	Environmental Field Officer II	38,264
18	7203	Field Office Assistant	1,220
18	7208	Administrative Officer II	5,584
18	7209	Environmental Conservation Manager	-771
18	7212	Environmental Health Officer II	-357
18	7232	Clerk Typist III	2,732
18	7246	Environmental Health Officer III	36
18	7248	Clerk Typist III	25
18	7249	Environmental Health Officer II	304
18	7250	Clerk Typist III	365
18	7252	Clerk Typist III	1,486
18	7258	Analyst Programmer III	216
18	7264	Environmental Specialist III	192
18	7265	Environmental Specialist II	25,729
18	7271	Environmental Engineer IV	12,732
18	7272	Administrative Assistant III	22,864
18	7274	Environmental Field Officer III	157
18	7279	Clerk Typist III	-56
18	7281	Environmental Field Officer II	24,313
18	7284	Village Safewater Engineer III	3,634
18	7286	Clerk Typist III	3,776
18	7292	Environmental Specialist IV	284
18	7293	Ecologist II	18,920
18	7297	Chemist II	-46
18	7298	Environmental Field Officer III	76,667
18	7301	Environmental Health Officer IV	-963
18	7305	Information Officer I	9
18	7306	Analyst Programmer III	19,603
18	7310	Environmental Conservation Manager I	6,812
18	7313	Clerk Typist III	-93
18	7317	Environmental Engineer III	1,921
18	7318	Clerk Typist III	3,208
18	7319	Clerk Typist III	335
18	7321	Environmental Conservation Manager II	2,985
18	7324	Environmental Engineer III	164
18	7326	Environmental Specialist III	-628
18	7329	Environmental Engineer I	2,542
18	7330	Environmental Engineer III	1,348
18	7331	Personnel Specialist I	53
18	7335	Environmental Health Officer III	409
18	7337	Environmental Health Officer I	1,412

Table 9 - Continued

18	7338	Environmental Field Officer II	-209
18	7339	Analyst Programmer IV	667
18	7341	Environmental Microbiologist	234
18	7342	Administrative Assistant I	118
18	7343	Environmental Laboratory Technician	-152
18	7344	Environmental Health Officer III	48
18	7348	Environmental Conservation Manager III	18
18	7352	Environmental Engineer III	6,223
18	7354	Environmental Engineer III	1,238
18	7355	Clerk Typist III	293
18	7357	Environmental Specialist II	5,927
18	7358	Clerk Typist III	1,116
18	7364	Environmental Specialist III	329
18	7366	Environmental Specialist II	495
18	7367	Environmental Specialist III	8,353
18	7369	Project Assistant	-452
18	7374	Environmental Technician II	383
18	7375	Environmental Field Officer II	-170
18	7376	Hydrologist III	-1,257
18	7377	Environmental Specialist II	-81
18	7379	Environmental Engineer III	718
18	7381	Environmental Field Officer I	107
18	7383	Environmental Specialist IV	-38
18	7384	Environmental Conservation Manager III	458
18	7385	Administrative Assistant I	-26
18	7390	Administrative Assistant III	13,427
18	7391	Environmental Specialist IV	657
18	7393	Clerk Typist III	-46
18	7395	Environmental Conservation Manager III	63,287
18	7400	Environmental Field Officer I	29,310
18	7401	Environmental Field Officer III	16,405
18	7403	Environmental Technician II	1,550
18	7405	Environmental Specialist II	1,909
18	7407	Clerk Typist III	-124
18	7408	Risk Management Officer III	2,144
18	7415	Chemist III	-244
18	7417	Laboratory Assistant II	40
18	7424	Environmental Specialist II	42,873
18	7424	Environmental Specialist II	1,158
18	7427	Environmental Specialist II	11,823
18	7429	Environmental Health Officer II	1,898
18	7430	Environmental Engineer II	176
18	7432	Clerk Typist III	2,255
18	7433	Management Analyst II	12,516
18	7434	Clerk Typist III	2,019
18	7439	Clerk Typist III	32,141
18	7442	Environmental Specialist III	25,392
18	7443	Environmental Specialist III	35,116
18	7444	Hydrologist II	16,787
18	7445	Accounting Technician I	22,975
18	7446	Environmental Field Officer II	991
18	7448	Environmental Sanitarian	4
18	7452	Environmental Engineer III	22,336
18	7454	Administrative Assistant I	-152
18	7455	Administrative Assistant I	21,430
18	7456	Clerk Typist III	269
18	7457	Information Officer II	1,042
18	7458	Environmental Field Officer I	10,311
18	7459	Environmental Field Officer I	268
18	7461	Environmental Engineer II	7,096
18	7465	Environmental Specialist III	2,736
18	7467	Administrative Assistant III	15,883

Table 9 - Continued

18	7470	Environmental Specialist III	4,808
18	7475	Environmental Specialist II	11,745
18	7476	Environmental Specialist III	13,748
18	7477	Environmental Field Officer III	12,679
18	7478	Chief, Env Programs Analyst	2,303
18	7480	Environmental Specialist III	4,205
18	7481	Environmental Specialist III	-3,179
18	7485	Environmental Engineer II	278
18	7487	Supply Technician I	219
18	7489	Environmental Engineer II	1,669
18	7492	Environmental Specialist III	1,362
18	7493	Environmental Specialist III	625
18	7495	Supply Officer I	295
18	7497	Environmental Engineer II	387
18	7498	Environmental Specialist II	1,323
18	7511	Clerk Typist III	311
18	7514	Clerk Typist III	18,536
18	7515	Environmental Specialist IV	13,310
18	7517	Environmental Specialist III	57,288
18	7518	Environmental Specialist IV	11,481
18	7519	Administrative Assistant II	14,790
18	7525	Environmental Specialist II	32,526
18	7527	Envioronmental Conservation Manager	49,811
18	7528	Environmental Specialist II	336
18	7530	Environmental Specialist II	1,104
18	7531	Environmental Conservation Manager I	2,057
18	7532	Environmental Specialist III	37,659
18	7534	Ecologist III	319
18	7535	Clerk Typist III	22,743
18	7539	Paralegal Assistant I	-7
18	7540	Ecologist III	3,919
18	7541	Environmental Conservation Manager II	5,671
18	7543	Accounting Supervisor I	36
18	7545	Environmental Specialist IV	6,478
18	7550	Environmental Specialist III	128
18	7551	Administrative Assistant II	4,254
18	7552	Administrative Officer II	43,353
18	7554	Administrative Assistant III	45,720
18	7559	Environmental Specialist II	13,874
18	7560	Environmental Specialist III	4,541
18	7562	Environmental Specialist II	10,902
18	7564	Accounting Clerk II	6,579
18	7565	Environmental Specialist III	35,967
18	7568	Environmental Specialist III	35,319
18	7569	Environmental Specialist II	18,145
18	7571	Environmental Specialist II	26,197
18	7572	Environmental Specialist I	26,862
18	7576	Environmental Specialist II	1,549
18	7577	Environmental Specialist I	14,535
18	7578	Environmental Specialist II	10,437
18	7579	Environmental Specialist II	14,636
18	7581	Environmental Specialist III	37,718
18	7583	Environmental Specialist II	26,251
18	7585	Environmental Specialist II	8,780
18	7586	Environmental Specialist II	14,528
18	7587	Environmental Specialist II	29,100
18	7588	Environmental Specialist III	29,473
18	7593	Environmental Specialist III	26,221
18	7595	Environmental Specialist III	51,334
18	7596	Analyst Programmer III	35,826
18	7597	Environmental Specialist III	30,686
18	7598	Environmental Engineer II	19,450

Table 9 - Continued

18	7599	Environmental Engineer III	37,569
18	7601	Environmental Specialist III	9,160
18	7602	Environmental Specialist II	13,836
18	7606	Clerk Typist III	1,506
18	7607	Environmental Specialist III	26,648
18	7625	Clerk Typist III	2,801
18	7632	Administrative Assistant I	22,221
18	7636	Administrative Assistant II	14,805
18	7643	Accounting Technician III	30,699
18	7657	Administrative Assistant II	13,063
18	7658	Risk Management Officer II	23,710
18	7659	Publications Spec III	44,888
18	9999	Unidentified Payrolls	1,295
18	EM03	Administrative Assistant III	2,754
18	K081	Clerk Typist III	7,826
18	N099	Student Intern I	1,751
18	N104	Paralegal Assistant I	20,143
18	N105	Information Officer II	17,443
18	N108	Accounting Technician III	6,996
18	N109	Paralegal Assistant I	10,873
18	N112	Supply Technician I	2,772
18	N113	Analyst Programmer V	-580
18	N114	Clerk Typist III	3,717
18	N115	Clerk Typist III	21,638
18	N116	Clerk Typist III	28,758
18	N117	Clerk Typist III	2,721
18	N119	Clerk Typist III	19,961
18	N124	Clerk Typist III	2,116
18	N125	Administrative Assistant I	6,469
18	N127	College Intern III	11,784
18	N131	Accounting Clerk III	31,995
18	N132	Storekeeper VI	4,064
18	N133	Environmental Field Officer II	7,482
18	N134	Environmental Field Officer II	23,945
18	N135	Environmental Field Officer II	167
18	N142	Environmental Specialist II	60,048
18	N144	Environmental Field Officer II	68,404
18	N147	Environmental Field Officer II	435
18	N148	Environmental Field Officer II	52,982
18	N149	Environmental Specialist III	20,547
18	N153	Environmental Technician II	16,593
18	N154	Environmental Technician	6,484
18	N155	Environmental Technician	89
18	N157	Environmental Technician	43,482
18	N162	Environmental Technician II	22,907
18	N166	Environmental Technician II	14,153
18	N168	Environmental Technician	24,963
18	N170	Environmental Technician	33
18	N173	Environmental Technician II	35,016
18	N177	Environmental Technician II	38,459
18	N178	Environmental Technician	3,756
18	N179	Environmental Technician	8,032
18	N180	Environmental Technician III	43,879
18	N181	Environmental Field Officer I	4,933
18	N183	Environmental Technician	36,710
18	N186	Environmental Technician III	44,014
18	N192	Environmental Technician	7,075
18	N193	Environmental Technician	10,755
18	N194	Environmental Technician II	34,809
18	N196	Environmental Technician III	47,738
18	N198	Environmental Technician II	45,863
18	N199	Environmental Technician II	23,175

Table 9 - Continued

18	N204	Environmental Technician II	13,560
18	N205	Environmental Technician	10,937
18	N208	Environmental Technician	37,540
18	N216	Environmental Specialist I	17,979
18	N221	Environmental Field Officer III	65,547
18	N222	Environmental Specialist III	53,391
18	N230	College Intern III	10,637
18	N235	College Intern III	7,714
18	N242	Environmental Specialist I	21,970
18	N244	Environmental Technician II	46,643
18	N253	Personnel Officer I	894
18	N254	Publications Technician	11,408
18	N255	Information Officer I	7,816
18	N257	Environmental Technician	9
18	N260	Environmental Technician	12,509
18	N264	Environmental Technician	12,044
18	N266	Environmental Field Officer I	17,156
18	N268	Environmental Technician	6,902
18	N273	Environmental Technician	5,235
18	N274	Analyst Programmer I	53,492
18	N277	Environmental Technician II	37,975
18	N280	Environmental Field Officer II	10,174
18	N282	Environmental Field Officer II	6,345
18	N283	Environmental Technician II	38,187
18	N298	Environmental Field Officer II	16,001
18	N299	Environmental Specialist II	38,918
18	N300	Environmental Field Officer II	2
18	N301	Environmental Specialist II	41,387
18	N304	Clerk Typist III	21,702
18	N312	Environmental Specialist I	28,533
18	N312	Environmental Specialist I	8,316
18	N313	Environmental Specialist I	23,372
18	N314	Environmental Field Officer I	9,060
18	N315	Environmental Specialist I	34,938
18	N319	Administrative Officer II	13,315
18	N326	Environmental Technician	3,266
18	N327	Environmental Technician	6,942
18	N328	Environmental Technician	2,262
18	N329	Environmental Technician	137
18	N330	Environmental Technician	27
18	N332	Environmental Technician	6,821
18	N338	Environmental Technician	2,834
18	N341	Environmental Field Officer I	7,508
18	N344	Environmental Technician	6,020
18	N346	Environmental Technician	9,951
18	N347	Environmental Technician	3,608
18	N351	Environmental Technician	6,099
18	N355	Ecologist II	53,384
18	N357	Analyst Programmer III	57,205
18	N362	Environmental Laboratory Technician	10,391
18	N365	Environmental Laboratory Technician	5,215
18	N366	Project Coordinator	62,650
18	N370	Administrative Assistant I	4,085
18	N374	Environmental Technician	785
18	N379	Visual Information Specialist	49,555
18	N380	Project Assistant	11,141
18	N382	Paralegal Assistant I	34,898
18	N383	Clerk Typist III	1,109
18	N386	Clerk Typist III	31,196
18	N388	Clerk Typist III	18,881
18	N389	Clerk Typist III	28,355
18	N403	Analyst Programmer II	48,385

Table 9 - Continued

18	N413	Project Assistant	18,028
18	N417	Administrative Assistant I	145
18	N418	Chemist II	9,891
18	N421	Paralegal Assistant I	38,982
18	N423	Paralegal Assistant I	12,984
18	N426	Environmental Specialist III	12,101
18	N427	Environmental Specialist II	37,320
18	N430	Chemist III	17,967
18	N431	Environmental Field Officer I	773
18	N432	Environmental Specialist IV	32,487
18	N434	Accounting Clerk III	9,208
18	N435	Accounting Technician II	9,518
18	N437	Clerk IV	5,692
18	N438	Clerk IV	13,109
18	N439	Clerk IV	7,871
18	N442	Accounting Clerk III	20,006
18	N446	Accounting Technician II	42,010
18	N448	Accounting Technician I	8,036
18	N454	Management Analyst III	40,816
18	N455	Program Budget Analyst II	3,438
18	N456	Student Intern III	4,232
18	N457	Environmental Specialist II	15,603
18	N462	Accounting Technician I	26
18	N473	Paralegal Asst II	6,315
18	N476	Accounting Clerk III	10,303
18	N481	Ecologist I	26,951
18	N482	Personnel Assistant	1,019
18	N485	Data Processing Clerk I	26,149
18	N486	Data Processing Clerk I	21,412
18	N490	Clerk Typist III	75
18	N506	Internal Auditor I	13,224
18	N509	Clerk Typist III	2,137
18	N515	Personnel Specialist I	28,044
18	N535	Clerk Typist III	23,425
18	N538	Publications Spec II	19,067
18	N541	Student Intern I	4,233
18	N546	Student Intern II	398
18	N550	College Intern I	534
18	N551	College Intern I	1,294
18	N999	Clerk Typist III	15,917
18	S064	Student Intern I	-8
18	W097	Student Intern I	178
18	X002	Restoration Planning Proj.	24,687
18	X005	Policy Analyst	29,904
18	X006	Policy Analyst	24,516
18	X009	Policy Analyst	49,276
18	7456	Clerk Typist II	1,082
18	N360	Environmental Specialist III	41,745
25	0048	Personnel Assistant II	2,097
99	9999	Exxon Payroll Other Agency	208,755
			5,698,337

APPENDIX A

SPILL RESPONSE SUMMARIES

This appendix includes detailed explanations of hazardous substance releases including oil spills on which $1,000 or more was spent from the Response Fund during FY 91 for response control, containment, safety, cleanup, and cost recovery.

The DEC State On Scene Coordinator is responsible for ensuring appropriate actions are taken to control, contain, and cleaunp hazardous substance releases, and recover Response Fund expenditures.

Title: Cruise Ship "Noordam" Chemical Spill

Site I.D.: 90-1-3-9-258-1

Location: Ketchikan

DEC Region: Southeast

Election District: H: 1 S: A

Ledger Code: 48000616

State on Scene Coordinator: Lester Leatherberry, SRO, 465-5372.

Situation:

On September 15, 1990 the cruise ship "Noordam" dumped several packages of chemicals into a garbage truck that had been brought alongside on a barge to remove the vessel's solid waste while in Ketchikan. The chemicals mixed with each other along with the water that was present in the truck, causing a chemical reaction which emitted chlorine and acid vapors. Several people were transported to the hospital by the fire department. The truck was moved to the local landfill and isolated.

FY 91 Actions:

DEC mobilized a response team, organized the responsible parties, and mounted an active response to the incident. The owners of the vessel assumed financial responsibility for all contractor cost. After careful identification of all the chemicals involved, a plan was implemented by the response action contractor and DEC staff to neutralize the remaining chemicals. This process took place over several days without further reported injuries. DEC staff were involved with controlling this incident from the first day through neutralization, overpacking and shipping for disposal.

DEC reached a settlement with the responsible party to fully recover DEC's expenses of $16,455. A $25,000 penalty was also applied to the responsible party.

FY 91 Expenditures: $ 6,300

Title: Drift River Terminal Crude Oil Release

Site I.D.: 90-2-3-1-069-1

Location: Cook Inlet

DEC Region: Southcentral

Election District: H: 5 S: D

Ledger Code: 48000589

State on Scene Coordinator: Lester Leatherberry, Kenai District Office, 262-5210.

Situation:

On March 10, 1990, 2,000 barrels of crude oil was released from a large bulk storage tank (tank # 3) when a valve was inadvertently opened during cleaning operations. The leaking oil was retained inside the containment berm that was designed to contain such spills at the facility.

FY 91 Actions:

DEC conducted overflights of the area and worked in coordination with the responsible party on a clean-up and recovery plan. The oil within the containment area was recovered and no long term environmental damage occurred. DEC staff closely monitored the cleanup. The facility was previously subjected to flooding due to eruptions from Mt. Redoubt.

Since the oil spill was confined by the facility's containment berm with no release to the environment, no cost recovery actions were taken.

FY 91 Expenditures: $ 1,400

Title: Iliuliuk Harbor Mystery Oil Spill

Site I.D.: 91-2-6-1-142-1

Location: East Sound Dutch Harbor

DEC Region: Southcentral

Election District: H: 26 S: N

Ledger Code: 48000632

State on Scene Coordinator: Eileen Olsen, Western District Office, 563-6775.

Situation:

A spill of waste oil was reported to DEC's Unalaska Field office on May 22, 1991. A Western District Office staff person on temporary rotational duty took charge of the investigation and clean-up. Since the responsible party was unknown, DEC took the lead in organizing the response and cleanup actions. After the preliminary investigation, the initial report of approximately 200 gallons of product in the water was rapidly upgraded to more than of 2,000 gallons.

FY 91 Action:

The DEC SOSC pulled together three local companies and some on hand Coast Guard materials to provide manpower, supplies, and equipment to clean-up the oil. After two days of intensive work, over 3,000 gallons of oily mousse and 20 drums of soiled sorbent material had been collected and the clean-up deemed substantially complete. Quick decisive action by DEC staff in organizing and directing locally available resources produced excellent, cost effective results in a timely manner.

Oil samples were taken from all of the available vessels and the spilled oil in an attempt to identify the spiller for cost recovery and possible penalty actions. DEC is actively investigating cost recovery options with the Coast Guard.

FY 91 Expenditures: $ 6,500

Title: Alaska Rail Road Oil Spill

Site I.D.: 90-1-3-9-258-1

Location: Mile 433, Dunbar Siding

DEC Region: Northern

Election District: H: 17 S: J

Ledger Code: 48000595

State on Scene Coordinator: Paul Bateman, Northern Regional Office, 451-2182.

Situation:

Nineteen cars of a Alaska Railroad train derailed on May 28,1990, spilling a mixture of refined oil products estimated to be in excess of 165,000 gallons into a remote wetlands and beaver ponds. The spill area was immediately adjacent to Goldstream Creek which drains into Minto Flats, a State refuge and very sensitive waterfowl habitat.

Fy 91 Action:

While initial cleanup was completed in FY 90, DEC continued to monitor operations of the Alaska Rail Road who assumed financial responsibility for the spill during FY 91. The responsible party drafted a site assessment, sampling, recovery, and remediation plan. DEC evaluated and approved the plan and has visited the spill site on several occasions to oversee the ongoing cleanup. Approximately 81,000 gallons of product were recovered.

DEC is currently working with the Department of Law on cost recovery for this site.

FY 91 Expenditures: $ 16,200

APPENDIX B

CONTAMINATED SITE SUMMARIES

This appendix includes detailed explanations of sites on which $1,000 or more was spent from the Response Fund during FY 91 for Contaminated Site Investigation, Safety, Cleanup and Cost Recovery.

The DEC Project Manager for Contaminated Sites Section project work has been delegated authority by the Commissioner's Office to expend Response Funds on a specific site investigation or remediation project. A Project Manager is assigned to each project as the site is discovered and manages all activities pertaining to investigation and cleanup of the site including, cost tracking, approval of all project funds, and cost recovery.

Title: Ketchikan Pulp Corporation Dioxin

Location: Ketchikan

Site I.D.: 901122741

DEC Region: Southeast

Election District: H:1S:A

Project Manager: Amy Kruse, Southeast Regional Office, Juneau, 465-5350

Situation:

The Environmental Protection Agency (EPA) conducted a study of dioxin levels in fish in the vicinity of pulp mills throughout the United States. This study indicated elevated dioxin and furan concentrations in fish collected in the vicinity of Ward Cove. The elevated dioxin in the fish was inferred to be a result of pulp mill discharges to the bay.

FY 91 Actions:

On October 11, 1990, DEC carried out a preliminary sampling effort to determine the possibility of dioxin contamination in fish caught in the Ward Cove area. A total of 20 salmon were collected. Four composite samples consisting of three to seven whole fish were analyzed as well as a composite sample of fish livers. All samples showed the presence of 2,3,7,8-tetrachlorodibenzofuran. Concentrations ranged from 0.45 parts per trillion (ppt) to 1.8 ppt.

A cost recovery meeting with the responsible party is scheduled for early 1992.

FY 91 Expenditures: $6,800

Title: Skagway Upland

Location: Skagway

Site I.D.: 891192991

DEC Region: Southeast

Election District: H:2S:B

Ledger Code: 48000387

Project Manager: Albert Kegler, Juneau District Office, Juneau, 465-5350

Situation:

Heavy metal contamination from transport and handling of lead ore from Canada has been found in the vicinity of the Skagway Lead Ore Terminal. Ore concentrate was lost from trucks, stockpiles, and ship loading facilities at the terminal located in downtown Skagway. Two responsible parties were involved in the cleanup. White Pass and Yukon Railroad were responsible for cleaning the railroad right of way and terminal. Bowhead Equipment Company cleaned up the truck routes. Air and soil monitoring programs are in place.

FY 91 Actions:

A field office was opened in Skagway and staffed with a temporary employee to oversee this project. Soil samples were collected and analyzed for heavy metals in an effort to identify the extent of lead contamination.

Cost recovery meetings are scheduled in early 1992 with the four identified responsible parties.

FY 91 Expenditures: $23,000

Title:	Skagway Marine
Location:	Skagway
Site I.D.:	881192993
DEC Region:	Southeast
Electin District:	H:2S:B
Ledger Code:	48000591
Project Manager:	Albert Kegler, Juneau District Office, Juneau, 465-5350

Situation:

Heavy metal contamination from transport and handling of lead ore from Canada has been identified at the Skagway Lead Ore Marine Terminal and in Taiya Inlet. Ore concentrate was lost from stockpiles and ship loading facilities at the terminal located in downtown Skagway. Two responsible parties are involved in the cleanup.

FY 91 Actions:

ADEC opened a temporary field office in Skagway to oversee Skagway field investigations. A temporary employee was hired to assimilate existing reports and to assemble a final report with recommendations for further investigations. Water and marine sediment samples were collected and analyzed for heavy metals. Several offshore areas of lead contamination were identified by the sampling.

Cost recovery meetings with the four identified responsible parties is scheduled for early 1992.

FY 91 Expenditures: $13,800

Title: Skagway Municipal

Location: Skagway

Site I.D.: 893113461

DEC Region: Southeast

Election District: H:2S:B

Ledger Code: 48000605

Project Manager: Randy Rice, Southeast Regional Office, Juneau, 465-5040

Situation:

Groundwater is contaminated with low levels of chlorinated solvents in the Skagway River valley. Detectable levels have been found in the City of Skagway municipal system water, as well as private wells in the vicinity.

FY 91 Actions:

DEC contracted a consultant and performed investigative work. Eight monitoring wells were installed and thirteen soil borings and samples taken. Better characterization of the plume of contamination and groundwater flow was obtained. The White Pass and Yukon Railroad yard was identified as one source of chlorinated solvent contamination. Limited data suggests the potential for additional contamination sources to be present. Additional investigation is needed to further delineate all potential sources.

No responsible parties have been identified. Cost recovery will await further investigation to identify the responsible parties.

FY 91 Expenditures: $116,600

Title:	Sitka Air Monitoring, Alaska Pulp Corporation (APC)
Site ID:	891262511
Location:	Sitka
DEC Region:	Southeast
Election District:	H:3S:B
Ledger Code:	48000547
Project Manager:	Gerry Guay, Air Quality Management Section, Juneau 465-5107

Situation:

Air quality modeling of sulfur dioxide and particulate emissions from the pulp mill in Sitka identified potential violations of ambient air quality standards. To better evaluate actual impacts from the facility, DEC installed a monitoring site over-looking the mill. The requirement to conduct ambient monitoring or reimburse the state for its costs was included in Alaska Pulp Corporation's latest permit.

FY 91 Actions:

The Department oper ed and maintained a monitoring site (Heart Lake) overlooking the Alaska Pulp Corporation (APC) between July 1, 1990 and June 30, 1991. Site operations were conducted by Raven Technical under contract to the State.

The State was reimbursed for all expenditures as agreed upon in APC's current contract. The State is exploring the possibility of having APC contracting directly for the monitoring site operation.

FY 91 Expenditures: $140,900

Title:	Cook's Corner Tesoro
Location:	Sterling
Site I.D.:	892311371
DEC Region:	Southcentral
Election District:	H:5S:D
Ledger Code:	48000623
Project Manager:	Paul Horwath, Kenai District Office, Soldotna 262-5210

Situation

The Department of Transportation and Public Facilities identified petroleum contaminated soil and groundwater at a service station while investigating right-of-way properties as part of the Sterling Highway road improvement project. Once this fact was reported to DEC, a sampling program was conducted in March 1991 to investigate the possibility of off-site migration of petroleum contamination. This sampling confirmed groundwater contamination had migrated onto neighboring properties dependent upon groundwater for domestic water supplies.

FY 91 Actions:

DEC staff from the Kenai District Office drafted a scope of work for cleanup and containment measures at this site, after establishing that the owner/operator of the site was unwilling/unable to provide a cleanup and containment response. DEC retained Shannon and Wilson, Inc., to perform assessment and cleanup activities at the site. A total of five additional monitoring wells were installed and approximately 2,500 cubic yards of petroleum contaminated soils were excavated and placed into an on-site storage/treatment cell.

The owner of the service station signed a compliance order by consent (COBC) and a confession of judgement with the DEC, and liens have been filed against the property. The COBC provides for a scheduled payment process that will allow the owner to repay the State's costs.

FY 91 Expenditures: $153,900

Title:	Peters Creek Tesoro Phase II
Location:	Chugiak
Site I.D.:	862110621
DEC Region:	Southcentral
Election District:	H:15S:I
Ledger Code:	48000591
Project Manager:	Kevin Kleweno, Anchorage District Office, Anchorage, 563-6775

Situation:

Gasoline spills of unknown quantities and duration contaminated the Peters Creek groundwater. Beginning in April 1986, about thirty-six residential wells were abandoned because of benzene levels and gasoline taste in the water.

In 1986 a new community water system was installed with DEC grant assistance. DEC contractors installed seventeen test wells to determine the source and extent of the contamination. Monitor wells and a vapor extraction system were installed and approximately 24,500 pounds of contamination were removed between May 1989 and January 1990.

FY 91 Actions:

Work conducted during FY 91 included sampling of several drinking water wells in the area, sampling and analyzing ground water from monitoring wells associated with the project, and operating the vapor extraction system. Results from the monitor well sampling shows a reduction in the concentration of benzene and other gasoline constituents in the contamination plume. The vapor extraction system was operated from June to November, 1990. Operation of the vapor extraction system in FY 91 resulted in the removal of approximately 2,400 pounds of contaminant.

As part of a $600,000 settlement reached in 1989, the responsible parties are released from any further liability at this site.

FY 91 Expenditures: $32,100

Title:	Kodiak Small Boat Harbor
Location:	Kodiak
Site I.D.:	892501931
DEC Region:	Southcentral
Election District:	H:27S:N
Ledger Code:	48000594
Project Manager:	Max Schwenne, Southcentral Regional Office, Anchorage 563-6529, Bill Rieth, Kodiak Field Office, 486-6760

Situation:

During June 1989, fuel was reported seeping into the Kodiak small boat harbor. The fuel flowed continuously and was most evident at low tide. DEC hired a contractor in January 1990 to find the source of the seep. The results of the field investigation indicated that the fuel plume was coming from a supermarket. The owner of the supermarket had the fuel tank removed and the entire system pressure tested. The return backup generator line failed the pressure test and residual contamination was found in the area. The potentially responsible party (PRP) maintained that the tank and associated lines were not the source of the harbor seep contamination based upon their interpretation of the tank and line tightness tests. Consequently, the PRP refused to take over cleanup of the spill.

FY 91 Actions:

The Harbor Master collected fuel with booms and absorbent materials as it flowed into the harbor. The PRP has been unwilling to perform cleanup; consequently, DEC took over and maintained the effort to contain the fuel and remove it from the harbor. The Department reimbursed the City of Kodiak a total of $60,156 for initial assessment and cleanup costs the city incurred. The PRP has agreed to perform additional site investigation to identify the source of the plume.

PRP funds have been placed in escrow as a result of Department cost recovery actions. The escrow funds are not sufficient to cover the entire cost of the Department's response and further cost recovery is being pursued.

FY 91 Expenditures: $93,500

Title: Marshall Groundwater

Location: Marshall

Site I.D.: 902221351

DEC Region: Southcentral

Election District: H:26S:M

Ledger Code: 48000629

Project Manager: Mike Lewis, Western District Office, Anchorage 563-6775

Situation:

In December 1990, DEC received complaints of objectionable taste and odor in the drinking water supply at the City of Marshall. The U.S. Public Health Service sampled the city well and identified petroleum hydrocarbon contamination. The city discontinued use of the well and developed an emergency drinking water source for Marshall residents.

FY 91 Actions:

A site investigation commenced on May 30, 1991. Twenty six soil borings and six monitoring wells were completed. Three of the monitoring wells could not be developed and were abandoned. An on-site gas chromatograph was employed to analyze 144 soil samples for petroleum hydrocarbons. The source of the groundwater contamination was identified as the fuel transfer pipeline connecting the Maserculiq Village corporation fuel storage tanks and city water treatment plant fuel storage tanks. The petroleum contamination consists of both diesel and gasoline range hydrocarbons. The Public Health Service completed an alternative drinking water well for the City of Marshall in September 1991.

Cost recovery meetings are scheduled in early 1992 with the two identified responsible parties.

FY 91 Expenditures: $107,800

Title: Shoup's Property

Location: Fairbanks

Site I.D.: 893192505

DEC Region: Northern

Election District: H:21S:K

Ledger Code: 48000613

Project Manager: Leslie Simmons, Interior District Office, Fairbanks 451-2360

Situation:

Miscellaneous leaking chemical containers were found onsite in 1987, including photochemicals, acids, liquid mercury, batteries and sodium cyanide. Other hazardous substances reported on site were containers of uranyl nitrate, mace, electron tubes and miscellaneous containers of paint. A chain link fence was erected around the property in 1987 to restrict entry. The responsible party assumed responsibility for cleanup.

FY 91 Actions:

A grid coordinate system was established on site and a systematic inventory of the site was completed in October, 1990. A radiation detector was used throughout the site survey. No radioactive materials were detected. Approximately 200 pounds of unidentified chemicals were located and contained on a wooden pallet. It is estimated that two to three drums of miscellaneous waste need to be removed from the site, and the chemicals should be packaged for disposal.

The responsible party recently died and cost recovery efforts are not being pursued.

FY 91 Expenditures: $12,600

Title: Minto Water System

Location: Minto

Site I.D.: 893112491

DEC Region: Northern

Election District: H:24S:M

Ledger Code: 48000559

Project Manager: Dan Basketfield, Interior District Office. 451-2360

Situation:

In April 1989, a petroleum product was observed in water removed from Minto Well #3 during pump renovations. Water samples were analyzed and found to contain volatile organic compounds. A layer of petroleum hydrocarbons was also observed in the community's water storage tank. The city discontinued the use of Well 3, and began to draw water exclusively from Well 1. In September 1989, DEC collected a sample from Well #3 that consisted of 21 inches of petroleum product. Subsequent sampling of three drinking water wells revealed benzene, toluene, ethylbenzene, and xylenes in each well. The source of petroleum hydrocarbon contamination has been identified as a tank farm jointly owned by the City of Minto and the Alaska Village Electrical Cooperative (AVEC). A product recovery pump was installed in a monitoring well to recover petroleum hydrocarbons.

FY 91 Actions:

DEC is continuing to work with AVEC in operating a product recovery well. Monitoring and sampling of the drinking water wells has continued through FY 91.

Meetings are scheduled in early 1992 with the two identified responsible parties to discuss terms of a settlement.

FY 91 Expenditures: $11,800

Title:	Manley Hot Springs Gravel Pit
Location:	Manley Hot Springs
Site I.D.:	863191151
DEC Region:	Northern
Election District:	H:24S:M
Ledger Code:	48000599
Project Manager:	Ed Armstrong, Northern Regional Office, Fairbanks, 451-2360

Situation:

Abandoned drums of herbicide dating from 1950s leaked and contaminated soil adjacent to a gravel pit near the town of Manley Hot Springs. Contamination associated with the three abandoned drums included an early form of 2,4,5-T that contained relatively high levels of dioxin (2,3,7,8-TCDD). The site was originally owned by Department of Transportation and Public Facilities (DOTPF) but is now owned by the local native corporation. The presence of herbicide was verified in the fall of 1989. The contamination is believed to have occurred during DOTPF ownership.

FY 91 Actions:

The three abandoned drums were overpacked and, along with 13 drums of excavated contaminated soil, were secured onsite in a conex container. There is currently not a destruction technology available for dioxin wastes.

No responsible party has been identified for the abandoned drums. Cost recovery is not anticipated.

FY 91 Expenditures: $37,100

Title:	Child's Pad
Location:	Deadhorse
Site I.D.:	913601131
DEC Region:	Northern
Election District:	H:22S:L
Ledger Code:	48000633
Project Manager:	Mehrdad Nadem, Pipeline Corridor Regional Office, Fairbanks, 451-2360

Situation:

A heavy oil sheen was observed in ponded water on the gravel pad during spring 1990 breakup. It is believed the oil is from past spills on the pad which resurface during spring breakup.

FY 91 Actions:

DEC mobilized a remediation term contractor, VRCA, Inc., to contain the oiled water. A vacuum truck was used to collect petroleum contaminated water. Samples were collected for lab analyses. Thirty three thousands gallons of contaminated water were disposed of at the ARCO Alaska, Inc. deep injection well. Although containment and removal of the oiled water was completed, the site is complex and has other areas which are being considered for State lead remediation.

The prior site lessee is in bankruptcy, and the State manages the land by default. Cost recovery is not anticipated.

FY 91 Expenditures: $8,200

Title:	Citigold Pad B Cyanide
Location:	Fairbanks
Site I.D.:	893191531
DEC Region:	Northern
Election District:	H:19S:K
Ledger Code:	48000601
Proejct Manager:	Ed Armstrong, Northern Regional Office, Fairbanks, 451-2360

Situation

Cyanide contaminated soil and groundwater from leaking heap-leach pad liners was detected in May 1989. It was also reported that hydrochloric acid contamination may be present on site. Petroleum hydrocarbon releases in 1988 and 1989 also contaminated the soil in the vicinity of the leach pad. The Potential Responsible Party (PRP) prepared an Environmental Monitoring Plan in 1989. The plan included the installation of five monitoring wells to determine cyanide contamination. The leach pad was neutralized in June of 1990.

FY 91 Actions:

Soil and the leach pad liner were sampled for cyanide. The remaining ore and liner were removed from Pad B on July 9, 1990. Groundwater sampling conducted in August 1990 detected cyanide in two wells. The wells were resampled on August 9 and September 4, 1990. Analyses showed no cyanide contamination.

A settlement has been reached with the responsible party for reimbursement of DEC costs.

FY 91 Expenditures: $16,000

APPENDIX C

KENAI CONTAMINATED SITE SUMMARIES

Title: Nikiski Air Monitoring

Location: Nikiski

Site I.D.: 882311839

DEC Region: Southcentral

Election District: H:5S:D

Ledger Code: 48020414

Project Manager: Gerry Guay, Air Quality Management Section, Juneau, 465-5201

Situation:

Several years of non-specific citizen complaints from residents surrounding the Nikiski Industrial Complex resulted in the installation of an air quality monitoring site on Bernice Lake in 1988. Upon identification of an acceptable ammonia analyzer, the site began background monitoring for ammonia in 1989. A second "maximum impact" ammonia monitoring site (Phillips Site) was established in July, 1990 to evaluate the intermittent release of ammonia.

FY 91 Actions:

The Department conducted ammonia and particulate monitoring at the Phillips monitoring site from late July 1990 through June 30, 1991. Environmental Science & Engineering (ESE) was selected as the contractor to operate the site. Elevated ammonia concentrations were detected intermittently, but never of sufficient duration to approach the proposed standard of 3.1 ppm. The Ammonia Standard was signed into law in June, 1991. The ESE monitoring contract was discontinued on June 30, 1991.

FY 91 Expenditures: $ 45,100

Title: Peninsula Greenhouse

Site ID: 87230932001

Location: Soldotna

DEC Region: Southcentral

Election District: H:5S:D

Ledger Code: 48020418

Project Manager: Deric Marcorelle, Kenai District Office, Soldotna 262-5210

Situation:

DEC investigated the Peninsula Greenhouse site on April 22, 1982, after reports of misuse of parathion pesticides. Pesticides were improperly used inside the structure resulting in personal injury. In 1984, the State of Alaska assumed control of the property when it was foreclosed by DNR Land and Water Division. A 1986 DEC inspection of the structures on site identified the property to be an "attractive nuisance" and a threat to persons trespassing on site. There was evidence of vandalism at the site. On April 16, 1987, DEC inspected the property and discovered abandoned unrestricted pesticides, oil, and unidentified chemicals in disintegrating containers. The greenhouse structure collapsed in the winter of 1987-1988 due to a heavy snow load. DNR could not secure funding for site remediation, so DEC chose to utilize Kenai Special Appropriation Funds to proceed.

FY 91 Actions:

DEC contracted VRCA Environmental Services, Inc. to perform a limited site cleanup on June 15, 1990. All site work was performed in FY 91, and was conducted in three phases. Phase I consisted of asbestos removal from pipes in the collapsed structure, and sampling of florescent light ballasts for the presence of PCBs. This work was completed on July 6, 1991. Phase II work was carried out on July 24, 1991, and consisted of collecting 695 PCB laden light ballasts, and sampling of identified burn piles for PCBs, pesticides, and dioxins. Preliminary analytical results from the sampling were received on September 24, 1991, and confirmed the presence of low levels of dioxin in several of the burn piles. Phase III work was initiated on October 9, 1991. and consisted of constructing an eight-foot chain link fence around the perimeter of the site to prevent human contact with the known contamination.

Reports summarizing the DEC cleanup actions were sent to DNR along with recommendations for future site assessments. The immediate threat to human health has been reduced at this site. Additional site assessment is required at this site to determine the extent of additional burn piles and uncollected light ballasts and to test for potential pesticide contamination.

FY 91 Expenditures: $65,500

Title: Rabbit Run Drum Site

Site ID: 88230130405

Location: Soldotna

DEC Region: Southcentral

Election District: H:5S:D

Ledger Code: 48020261

Project Manager: Deric Marcorelle, Kenai District Office, Soldotna,262-5210

Situation:

Thirteen drums are located on property near the corner of Rabbit Run Road and Lourdes Rd, approximately 14 miles southeast from Soldotna. The site owner alleges that the drums contain waste oil and turbine oil, an oil spill from this site was reported to DEC on April 16, 1991. ADEC staff found several leaking drums and spilled oil traveling up to 120 feet from the drum area.

FY 91 Action:

DEC deployed sorbent boom to contain the oil spill. Northwest EnviroService, Inc. was contracted to secure the site and stop the release of substances from the barrels. The leaking drums were placed in overpack containers and all of the drums were sampled to identify the contents. The sample results indicated five drums contains oil and water mixtures, 6 drums with waste oil and two drums contains halogenated oil. The cleanup action also produced one drum of petroleum contaminated sorbent pads and tyvek suits. All of the drums are secured on site. The property owner has been contacted and cost recovery is being pursued. DEC will dispose of the barrels in the spring of 1992 if the property owner refuses to initiate disposal actions.

FY 91 Expenditures: $3,800

Title: Nikiski Vegetation Impact Assessment

Site ID: 882311839

Location: Nikiski

DEC Region: Southcentral

Election District: H:5S:D

Ledger Code: 48020426

Project Manager: Tom Chapple, Air Quality Management, Juneau

Situation:

The primary objective of this study was to investigate and evaluate the extent of vegetation damage which has occurred in the vicinity of the Nikiski Industrial complex. Visual observations revealed dead and dying coniferous trees within close proximity to the industrial complex. It was felt that damage and growth retardation may have extended to numerous other indigenous vegetation forms.

FY 91 Actions:

DEC Air Quality Management staff drafted a RFP and scope of work which allowed for a first level study of vegetation within the project area. The contractor retained to conduct the sampling and analysis was Gilfilian Engineering, Inc. and its subcontractors, E & S Environmental Chemistry and Integrated Forest Ecology. The collection and analysis of vegetation, soil, and precipitation samples took place during the autumn of 1990. The findings showed a scientific link between local emissions of nitrogen oxides and ammonia to an increase in mortality of spruce and birch trees. In addition, notable changes were also found in lower vegetative species, such as lichen and other understory plants.

FY 91 Expenditures: $36,100

Title: Clear Creek Salvage Yard

Site ID: 862309

Location: Seward

DEC Region: Southcentral

Election District: H:6S:E

Ledger Code: 48020417

Project Manager: Deric Marcorelle, Kenai District Office, Soldotna 262-5210

Situation:

DEC received complaints in March, 1986, concerning the potential for hazardous wastes at a junkyard located on Resurrection River Road approximately two miles northeast of the Seward Highway. The owner of the property died in 1987 and the property has remained vacant. DEC staff visited the property in 1988. Visible contamination included containers of DDT, orthotolodene, batteries, and thirty five drums. The extent of contamination could not be fully examined due to the extent of junked cars and other scrap on site.

Northwest EnviroServices, Inc. was contracted to conduct a preliminary site cleanup in August 1989. The contractor prepared a site map and identified over 200 small containers and 60 empty drums. Lead-acid batteries were collected for recycling in Anchorage. Identified hazardous substances were staged for later disposal. In May, 1990 soil samples were collected to analyze for petroleum hydrocarbons and PCBs. Drums of solid waste were consolidated for eventual disposal.

FY 91 Actions:

On July 30, 1990, solid waste from the site was disposed of at a landfill. Petroleum contaminated soils were excavated and stockpiled. Hazardous waste containers in drums and overpacks were transported to Seattle Washington on December 4, 1990, for disposal. A final report outlining the contractors actions and listing an inventory of identified waste was received by DEC on May 30, 1991.

FY 91 Expenditures: $57,400

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Overview

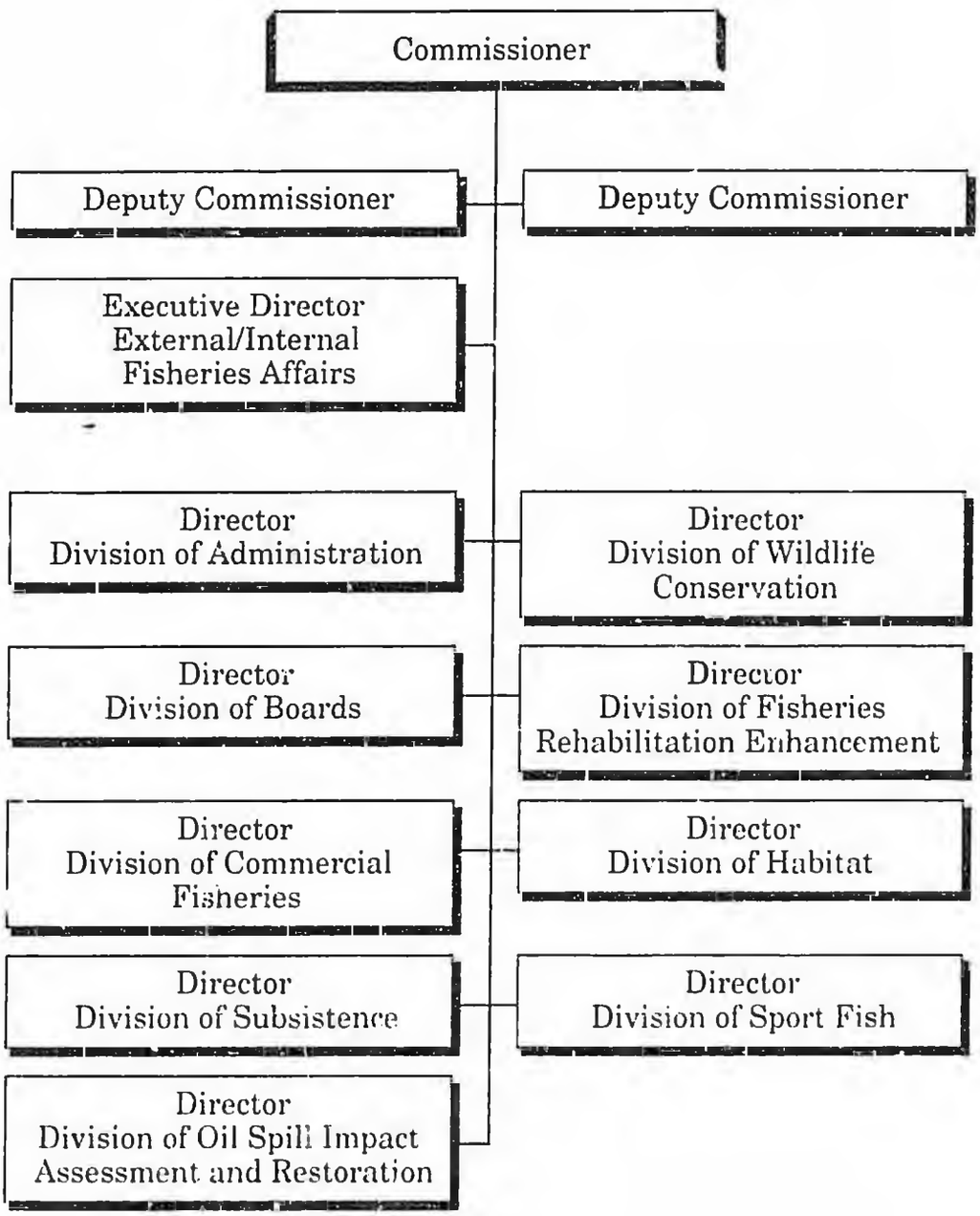
1-17-92

ALASKA DEPARTMENT OF FISH AND GAME
DEPARTMENT BUDGET AND PROGRAM OVERVIEW - FY93

Carl L. Rosier, Commissioner
Ron Somerville, Deputy Commissioner
Chuck Meacham, Deputy Commissioner

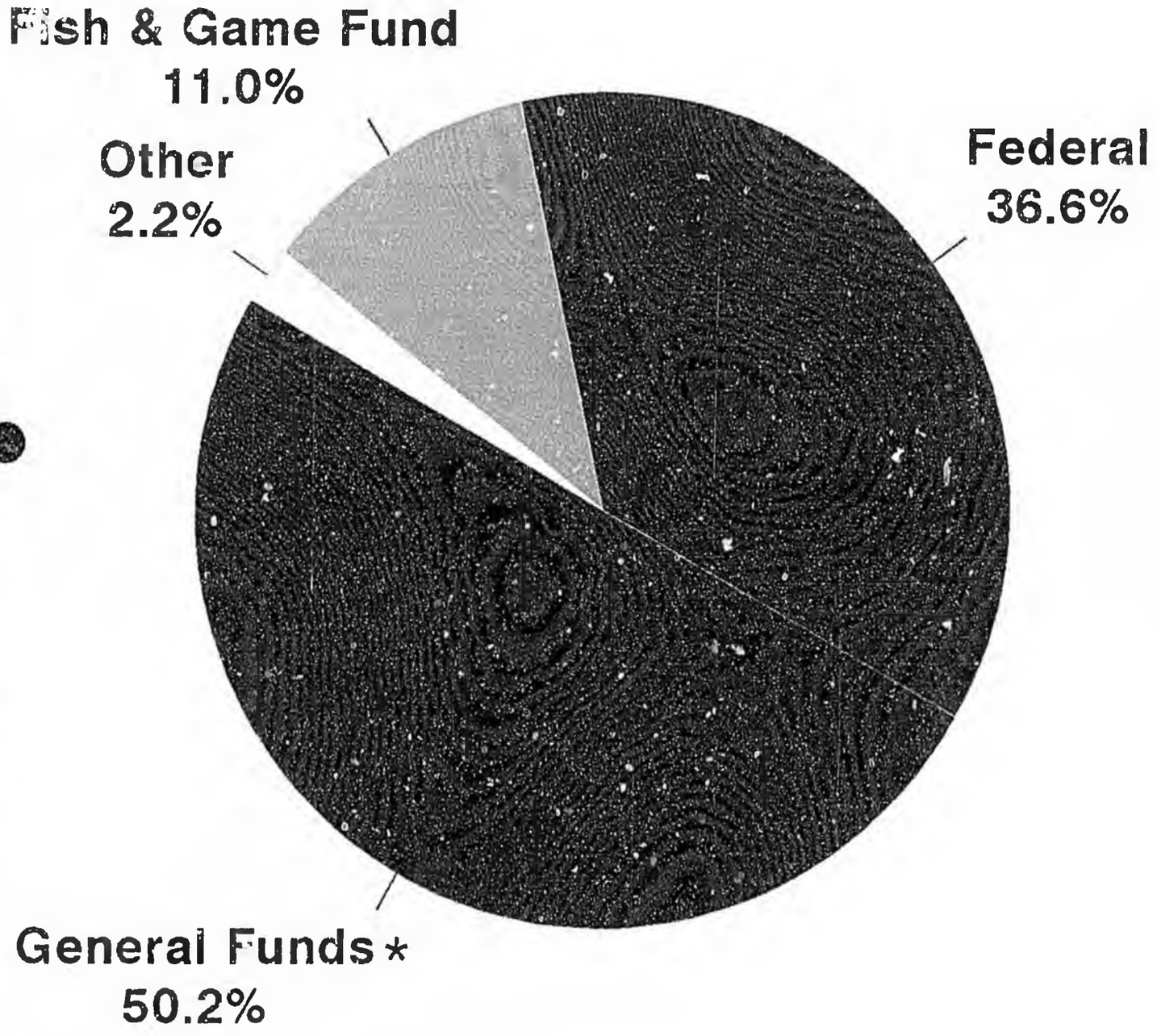
Division Directors
Larry Jones, Division of Administration
Laird A. Jones, Division of Boards
Denby Lloyd, Division of Commercial Fisheries
Jeffery P. Koenings, Division of Fisheries Rehabilitation, Enhancement and Development
Frank Rue, Division of Habitat
Norval Netsch, Division of Sport Fish
Robert Bosworth, Division of Subsistence
David Kelleyhouse, Division of Wildlife Conservation

DEPARTMENT OF FISH AND GAME



Department of Fish and Game

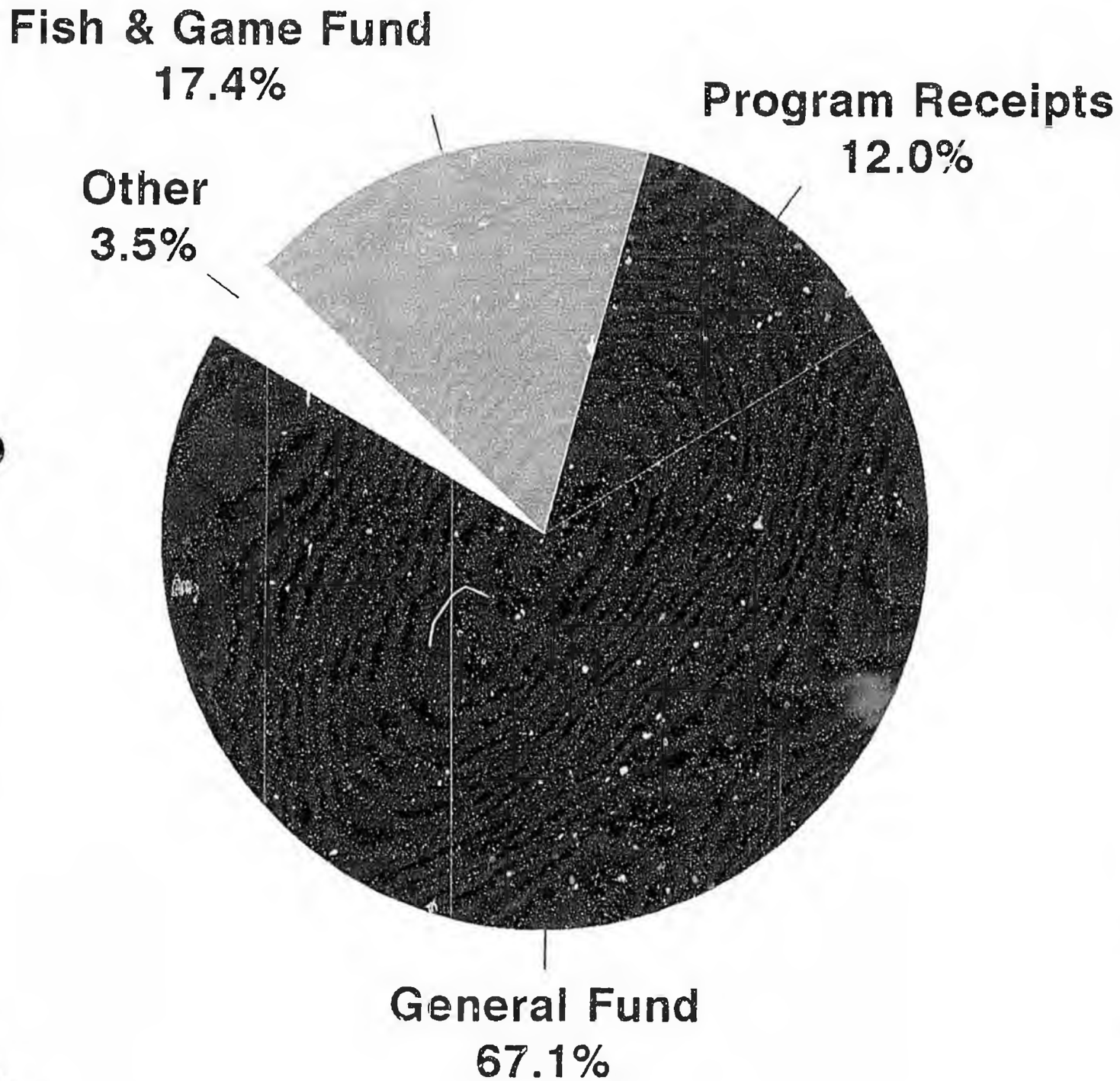
FY93 Funding by Source



* General Funds include Program Receipts.

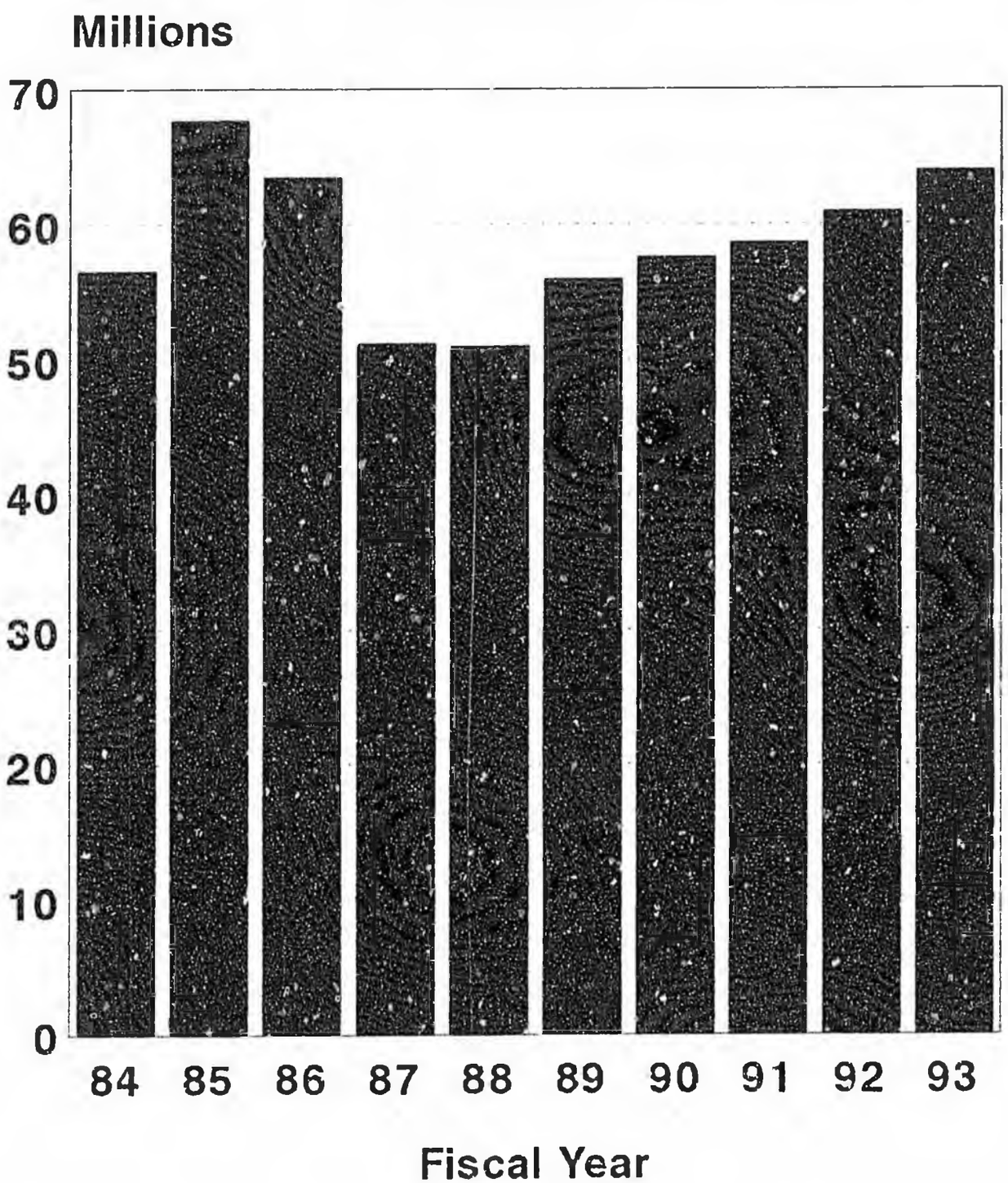
Department of Fish and Game

FY93 "General Fund" by Source



Department of Fish and Game

General Fund Dollars



General Funds include Program Receipts, Fish and Game Fund, and Other General Funds.

ALASKA DEPARTMENT OF FISH AND GAME

The administration has identified controlling personal services costs, the user pay funding concept, economic diversification, and the institution of federal management efficiencies as the best means of preparing state government for the expected declines in revenue associated with the depletion of the Prudhoe Bay oil field.

The Department of Fish and Game has undertaken an extensive management and budgetary review over the past few months to implement this philosophy in its programmatic and budgetary systems. This review is ongoing, and only partial results of the process are reflected in the FY93 budget submissions. Potential reorganization of certain divisions of the department and resultant savings will be considered and presented as appropriate in those budgets.

The goal of the FY93 operational budget is to provide the same, or an improved, level of resource management, research capability, and technical or public service as previously provided. Within the limits of the overall state budget and through reprogramming efforts some new programs have been initiated. Our budget is also designed to increase or expand revenue sources.

Throughout the Operating budgeting process, the department has placed considerable importance on this administration's priority agenda goals of controlling costs, revenue enhancement, and economic diversification.

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GENERAL FUNDS NOT INCLUDING FISH AND GAME FUND MONIES

Division	FY91 Actual	FY92 Authorized	FY93 Request	Increase/ Decrease FY91/FY92	Increase/ Decrease FY91/FY92	Increase Decrease FY91/FY92
Commercial Fish	20705.0	21577.0	22554.4	4.2%	8.9%	4.5%
Sport Fish	0.0	0.0	18.2	0.0%	100.0%	100.0%
FRED	11210.9	11337.5	11732.2	1.1%	4.6%	3.5%
Wildlife Cons.	1998.5	2070.2	2081.9	3.6%	4.2%	0.6%
CFEC	2583.8	2534.6	2793.8	-1.9%	8.1%	10.2%
Commissioner	1150.7	850.7	1000.6	-26.1%	-13.0%	17.6%
PCS	293.8	365.9	365.9	24.5%	24.5%	0.0%
Administration	3630.8	3559.1	3447.5	-2.0%	-5.0%	-3.1%
Facility Maint.	0.0	169.8	0.0	0.0%	0.0%	0.0%
Boards	1378.8	1197.9	1354.6	-13.1%	-1.8%	13.1%
Subsistence	2031.1	1909.9	1925.4	-6.0%	-5.2%	0.8%
Habitat	3339.3	3318.7	3394.9	-0.6%	1.7%	2.3%
Total F&G	48322.7	48891.3	50669.4	1.2%	4.9%	3.6%
NOTE: Total General Fund COLA for FY93 = 868.0 by absorbing COLA effective percentages are					3.1%	1.9%

TOTAL FUNDS

Commercial Fish	24965.2	27306.4	29540.0	9.4%	18.3%	8.2%
Sport Fish	9886.4	11177.9	13008.7	13.1%	31.6%	16.4%
FRED	16313.4	18925.4	25369.1	16.0%	55.5%	34.0%
Wildlife Cons.	11736.0	12413.2	14438.9	5.8%	23.0%	16.3%
CFEC	2593.8	2643.0	2903.6	1.9%	11.9%	9.9%
Commissioner	1214.1	982.1	1133.3	-19.1%	-6.7%	15.4%
PCS	498.1	576.4	576.4	15.7%	15.7%	0.0%
Administration	4165.0	4278.2	4222.0	2.7%	1.4%	-1.3%
Facility Maint.	0.0	192.2	0.0	0.0%	0.0%	0.0%
Boards	1651.7	1602.2	1758.9	-3.0%	6.5%	9.8%
Subsistence	3285.8	2622.7	3483.0	9.9%	46.0%	32.8%
Habitat	4025.7	4431.8	4568.0	10.1%	13.5%	3.1%
Total F&G	79435.2	87151.5	101001.9	9.7%	27.2%	15.9%
NOTE: Total COLA for FY93 = 1446.3 by absorbing COLA effective percentages are					25.3%	14.2%