

**Alaska Department of Environmental Conservation
and
U.S. Environmental Protection Agency**

**Performance Partnership Agreement
Midyear Performance Report**

**State Fiscal Year 2008
(July 1, 2008 - June 30, 2008)**

Executive Summary

This Midyear Performance Report on the progress made implementing the SFY 2008 Performance Partnership Agreement (PPA) between the State of Alaska and the U.S. Environmental Protection Agency (EPA) is prepared in order to assist senior managers to monitor accomplishments based on performance measures identified in the PPA. The SFY 2008 PPA continues the State of Alaska's Department of Environmental Conservation's (DEC) relationship with the EPA to foster excellence in state and federal environmental programs under the National Environmental Performance Partnership System.

Delivering on Commitments

EPA and the State have accomplished many of the goals set forth in the PPA. The status of all these activities is presented in the body of this report. Some of the highlights include:

- Water Quality Standards Development Timeline was developed and is being used to track progress.
- The EPA Region 10 Toxics Release Inventory program worked with DEC regarding the annual release of the TRI inventory and assisted DEC in the development of DEC's press release and TRI data guide.
- Division of Air Quality staff generated an improved greenhouse gas emission inventory. This included updates to the original greenhouse gas emission inventory, new detailed emission estimates for large industrial facilities, and further specifics on aircraft related emissions. The report was released for public review in early January 2008.
- The federal/state Alaska Marine Ecosystem Forum continues to bring together State and Federal agencies in order to develop a cooperative understanding on issues of shared responsibilities related to the marine ecosystems off Alaska's coast. The initial focus has been on the Aleutian Islands marine ecosystem.
- The State of Alaska issued Fish Consumption Guidelines for Alaskans.
- DEC and EPA continue to coordinate efforts to help DEC put together an approvable NPDES authorization application. DEC submitted a draft NPDES application for EPA review in October 2007. EPA reviewed the application and provided comments to ADEC in January, 2008. DEC remains on track to submit a final NPDES application in May 2008.
- EPA has received 24 completed NPDES Inspection Reports from DEC this SFY to date.
- DEC has completed and EPA has approved the Pederson Hill Creek TMDL.
- The State of Alaska was the only State in Region 10 to submit to EPA, on time, its Clean Water Act Integrated Report.

Some Tasks to Complete

While many of the tasks identified in the PPA have seen progress, several remain in need of attention in order to be accomplished. Some of these include:

- NPDES program approval remains the most substantial unmet goal for EPA Region 10 and the State of Alaska.
- Reducing the backlog of NPDES permits continues to be an issue of concern.

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I. INTRODUCTION AND PURPOSE

The National Environmental Performance Partnership System is a framework designed to achieve better environmental results by focusing the capacities and resources of the Environmental Protection Agency (EPA) and the States to jointly address the most pressing environmental problems. Common goals, priorities and strategies are based on information about environmental conditions, and progress is evaluated based on results actually achieved in the environment.

Successful implementation of the Performance Partnership Agreement (PPA) is dependent upon each of the partners carrying out their respective parts. Joint evaluation, in which EPA and State officials assess progress and the remaining challenges together, facilitates mutual understanding of each other's strengths and opportunities for improvement, and sets the stage for continuous improvements in how they work together.

A well-managed system for conducting joint evaluations is essential to resolving the tension between providing more flexibility to States through PPAs and Performance Partnership Grants (PPGs) and ensuring accountability for results. Joint evaluation also provides an opportunity for reviewing EPA's progress in meeting its own commitments to the State, such as providing technical assistance, staff training, and analytic or legal support.

This Midyear Report provides for stronger accountability and a results-oriented evaluation of the PPA. The objective is to strengthen the PPA so that it can serve as the defining document for the State-EPA partnership. The PPA Midyear Report is one of the tools employed in the process of jointly evaluating how well the PPA is working. The performance information in the report supports State and EPA program planning and decision making and provides assurance to officials and the public that the EPA and the States are carrying out their environmental program responsibilities. This report will be used by State and EPA managers to discuss accomplishments as measured against commitments, the cumulative effectiveness of the work performed under all work plan components, existing and potential problem areas, and suggestions for improvement.

II. MIDYEAR EVALUATION OF DEC/EPA SFY08 PPA PRIORITIES

1. Climate Change

EPA and DEC will:

- Work together to identify interagency or international organization(s) that oversee arctic global climate change science and efforts.
 - DEC has been involved in some of the international polar year events that are unfolding. Furthermore, state / federal agency coordination on arctic climate change impacts, adaptations, research needs and project coordination has improved through the Alaska Forum on the Environment and the state / federal roundtable forum that is sponsored by USGS and NMFS and held twice per year in Alaska.
- Work together to align, where possible, the developing concepts within DEC's and EPA Region 10's respective strategic plans on Climate Change.
 - As a result of the mid-year PPA meeting, it appears that a work share program for an EPA operations person to join DEC's climate change work in early 2008 will assist in building a strong link between the strategic efforts underway in both Alaska and EPA.
- Formulate an understanding or agreement to identify climate change research needs.
 - The Governor's Sub-cabinet on climate change has formed a Research Needs Workgroup to assist addressing scientific questions and developing a prioritized list of longer term research needs as the state climate change strategy is being developed in 2008 and 2009.
- Work with tribal and municipal governments to maximize coordination and effectiveness of local and state climate initiatives.
 - We have worked together to ensure tribal representation at the Alaska Forum on the Environment. EPA, Region 10 and ORD Global Change Research Program, has provided travel funding for community representatives to participate in sessions at the Forum and also with the Governor's Sub-cabinet Immediate Action Workgroup, and the Newtok Relocation Planning Group. This also helps make available the opportunity for tribes and local governments to get involved in a meaningful way in other areas that the Sub-cabinet, chaired by ADEC Commissioner, is focusing on. EPA has also provided support and coordination to tribal and local governments such as Homer, Fairbanks, Anchorage, and Yakutat who have taken the lead in developing local climate programs. EPA has made IGAP grants available to support this work.

EPA will:

- Be receptive to state use of grant funds in developing some of the components of the Climate Change Strategy as the specific programmatic grant agreements and work plans are developed. Coordinate EPA's efforts with those of DEC to identify opportunities to reduce generation of greenhouse gas emissions. Coordinate EPA's efforts with those of DEC on clean energy and renewable energy development.

- EPA has issued a Regional Geographic Initiative grant to three Alaska partners (Alaska Conservation Solutions, Green Star, and Renewable Energy Alaska Project) to strive to lower emissions in urban and rural communities.
- Coordinate EPA's efforts with those of DEC in refining a greenhouse gas emissions inventory.
 - Inventory completed.
- Invite the participation of the State of Alaska's climate change representatives in presentations about global warming at the IGAP trainings and other appropriate venues. Discussion will include how Tribes may incorporate climate change work into their IGAP workplans. EPA Region 10's Tribal Trust and Assistance Unit will designate a point of contact to facilitate communication on this issue with Tribal IGAP grantees and the State of Alaska.
 - At the Alaska Forum on the Environment, State of Alaska representatives, including ADEC Commissioner Hartig and Representative Samuels from the Joint Alaska Climate Impact Assessment Commission, participated in several climate change sessions that EPA organized. The IGAP training is integrated within the Alaska Forum on the Environment agenda, and there were representatives from most of Alaska's Tribal governments in attendance. At the Alaska Native Tribal Environmental Health conference, some sessions discussed incorporating climate change activities within IGAP workplans, and there was information about climate change activities in the EPA's most recent RFP for the IGAP proposals. The RFP included the following: "Responding to Climate Change. Tribes in EPA Region 10, especially are increasingly concerned about the rate and effect of climate change on their communities and traditional life ways. EPA Region 10 supports the use of IGAP funds, consistent with the capacity building focus of the program, to gather and report on changed climatic conditions and to plan for how Tribes can best respond to the climate-change related risks, such as the coastal erosion and consequent increased risk of flooding. Exploration of ways in which Tribes and their members can reduce carbon emissions is also encouraged." The EPA Tribal Office has designated Michelle Davis as the agency lead on tribal climate change issues. In her absence, Sally Thomas, Tribal Unit Manager is also available. Michelle may be reached at 907/271-3434 or davis.michelle@epa.gov. Sally may be reached at 206/553-1201 or thomas.sally@epa.gov.

DEC will:

- Develop an inventory of greenhouse gas emissions.
 - During the first half of state fiscal year 2008, Division of Air Quality staff generated an improved greenhouse gas emission inventory. This included updates to the original greenhouse gas emission inventory, new detailed emission estimates for large industrial facilities, and further specifics on aircraft related emissions. The report was released for public review in early January 2008.
- Encourage the development and use of low carbon technologies in the energy sector.

- During the first half of state fiscal year 2008, the Division of Air Quality staff assisted private and non-profit entities in applying for grants to help fund development of facilities converting fish oil to biodiesel in Southeast Alaska.
- Explore ways to remove barriers to the development of advanced, low-carbon technologies for fossil fuel-powered generation capable of capturing and sequestering carbon dioxide emissions.
 - No significant efforts are underway as yet. Some prioritization of action will likely unfold through the mitigation advisory group chartered by the Governor's Sub-cabinet on Climate Change.
- Determine how Alaska can best initiate involvement in regional climatic policies with the Western States and British Columbia.
 - Governor Palin has joined the multi-state, multi-province forum of the Western Climate Initiative (WCI), so Alaska is an observer state for purposes of Executive order 238 and this goal. DEC Commissioner Hartig and Tom Chapple are the state's representatives for WCI.
- Inform the general public of the process for getting involved, commenting and developing recommendations for Alaska's climate change policy.
 - Division of Air Quality staff developed a website to track activities associated with the Governor's subcabinet on Climate Change.
 - Division of Air Quality staff provided three weeks for the public to comment on a revised Alaska Greenhouse Gas Emission Inventory report.
 - All meetings of the sub-cabinet and its workgroups are public noticed, posted on the web site and electronically noticed to listed interested parties.

2. Timely Communication on Controversial Projects/Issues.

- EPA Region 10's Office of Air, Waste, and Toxics provided DEC with written guidance on the definition of "ambient air" as it relates to the coal-fired power plant at Healy. EPA Region 10's Office of Air, Waste, and Toxics provided DEC with written guidance on the definition of "fuel conversion plant" for use in making a BART-eligibility determination for the Conoco-Philips LNG terminal.

DEC and EPA will:

- For specific mining and oil and gas projects, EPA project managers or team leads will serve as a primary point of contact for EPA to meet and review the status of ongoing projects, schedules and issues. Mining and Oil and Gas sector managers will meet monthly to review status of major projects, discuss federal and state legal and policy requirements, and identify any issues needing resolution. The EPA, DEC, and ADNR mining sector leads have established a regular monthly meeting to accommodate these discussions.
 - DEC and EPA managers held conversations in November regarding the need to establish a routine meeting/communication process on Alaska oil and gas issues between EPA and ADEC. The shared goal is to establish a means for routine

information exchange about Alaska oil and gas exploration, development and production activities that our agencies are working on, and to identify shared issues, regulatory approaches and permitting actions. We have agreed to initially focus this effort between ADEC and EPA, with an emphasis on the need for senior staff/managers to set up routine conversations, and expand the group if and when it makes sense.

- EPA, DEC, and ADNR mining sector leads continue to meet regularly. EPA has been partnering with state and federal agencies and tribal governments to move forward several important mining projects in Alaska. These include:
 - Chuitna Mine SEIS - EPA is the lead agency in developing an SEIS for the proposed Chuitna coal mine. EPA coordinated with State and Federal partners to identify additional fisheries baseline requirements and is working effectively with Tribal governments and interested parties to resolve potential adverse effects to archaeological sites located within the proposed project footprint.
 - Abandoned Mine Lands [AML] mapping - EPA participated in a workgroup with ADNR, ADEC, the NPS, BLM, and USFS to create an inventory and priority of abandoned mine lands in Alaska. The state of Alaska recently decided to take the lead in developing the inventory database and GIS map thereby conserving EPA's resources and ensuring DEC/DNR continued commitment and ownership of this project.
 - Mining training - EPA has partnered with the State in developing and delivering mining 101 training at conferences and in mining communities. This provides valuable information to communities, particularly native communities, concerned about current and future impacts from mining. The EPA/State partnership has made the training superior to training done by each agency individually - the State provides valuable information and perspective as the main permitting authority for mines and the EPA provides information on our authority as well as lessons learned from our mining cleanup side of the house and perspective from our tribal trust responsibility.
- Coordinate announcements, to include EPA statement(s) in news releases, explaining Toxics Release Inventory (TRI) data. Coordinated announcements are to coincide with EPA's public announcement of the data release. Coordination will include DEC providing the final release draft to the EPA TRI Program prior to issuing. EPA's annual Toxics Release Inventory continues to rank Alaska first in the nation for total toxic pollution releases. That ranking is based on total pounds of toxic chemical releases and other waste management activities in Alaska, most of which are attributed to trace metals in waste rock and tailings from the metal mining industry.
 - The EPA Region 10 TRI program worked with DEC regarding the annual release of the TRI inventory and assisted DEC in the development of DEC's press release and TRI data guide. The TRI Program met all AK PPA commitments for FY 2007.
- Work together pro-actively throughout the year prior to and following the annual TRI Public Data Release to address mutual concerns about the data release including the TRI data reporting concerns of industry.

- EPA Region 10 relayed the TRI data as soon as they knew about it. EPA Headquarters provided little notice of the actual release date. DEC would appreciate having the data summaries from EPA a minimum of 1 week, and preferably 2 weeks, in advance of the Public Data Release. DEC needs the lead time to allow time to update the State summary and prepare the press release and to prepare for media inquiries.

DEC will:

- Work with EPA to draft an Alaska-specific TRI document.
 - Completed.

EPA will:

- Work with DEC to revise and/or develop additional Alaska-specific TRI document(s) that provide additional context for Alaska's TRI releases and other waste management activities. EPA will continue to provide technical assistance such as providing review and comments for the "Guide to the Toxics Release Inventory for Alaska" and "Factors to Consider when Using TRI Data" brochure to help Alaska educate its citizens on TRI.
 - Completed.
- Maintain timely notice of activities from EPA headquarters and EPA Region 10 including proposed rulemaking changes that may affect Alaska.
 - Ongoing.

3. Consultation and Deference

DEC and EPA will:

- DEC and EPA Managers shall consider ways of assuring their staffs exercise due regard of these requirements
 - Ongoing.

4. Ocean Resource Management

EPA and DEC will:

- Work together to raise awareness of America's northern oceans, and the need to monitor the health of these resources, within our respective levels of government, seeking to establish an integrated state/federal cooperative program at the national level.
 - The federal/state Alaska Marine Ecosystem Forum seeks to improve coordination and cooperative understanding between the agencies on issues of shared responsibilities related to the marine ecosystems off Alaska's coast. The initial focus of the AMEF has been on the Aleutian Islands marine ecosystem .
- Continue Alaska Marine Ecosystem Forum [AMEF] cooperation with other State and Federal Agencies.

- The AMEF met on January 23, 2008, in Anchorage, AK. Each agency gave a brief update on activities of interest regarding the Aleutian Islands or other Alaska marine ecosystems.

5. Improving Environmental Conditions in Rural Communities that Affect Native Alaskans

EPA and DEC will:

- Continue to hold quarterly teleconferences to discuss tribal waste management issues. We will share examples of good templates of community-developed tribal IWM plans with one another and consider how we might collaborate to get this information out to tribes. We will discuss ways in which the EPA can fund incremental steps which lead to bringing Alaska tribal open dumps into compliance with State of Alaska solid waste regulations.
 - DEC has participated in quarterly teleconferences with EPA staff and solid waste staff from other EPA Region 10 states.
- Discuss how DEC's new approach to solid waste management – proposed rule changes, location calculator and procedures manual, may be used to support EPA's GPRA measures to upgrade open dumps and ensure that tribes are covered by integrated waste management plans.
 - EPA Region 10 has provided written comments to the ADEC on their proposed regulatory changes as they apply to Class III landfills.
- Meet regularly to (1) exchange information relevant to tribes in Alaska and programs that affect Alaska Natives to better collaborate and coordinate the funding and implementation of environmental protection programs in rural Alaska, (2) exchange information on programs and projects tribes in Alaska are undertaking with EPA funding. This effort will include the development of a document which identifies IGAP funded programs and related DEC and EPA programs; and (3) develop opportunities for open communication and coordination between, EPA, DEC, and tribal environmental staff.
 - EPA and DEC have continued to hold quarterly teleconference to discuss tribal waste management issues. On October 25, 2007 we invited members of our national OSW Tribal Team to join in the EPA and DEC dialogue to discuss a national EPA Office of Solid Waste Tribal Team update.
- Work with affected Native Villages and project proponents on specific resource extraction and development projects to assure that conserving and preserving subsistence resources is given an appropriate level of consideration with the goal of sustaining the subsistence way of life.
 - EPA Region 10 Tribal Office has created and filled a new position in the Anchorage Office designated to cover these activities. EPA provided mining training in

November (Anchorage federal Building) & February at the Alaska Forum on the Environment in coordination with the State DNR.

- Designate primary points of contact for these activities.
 - Tami Fordham, Alaska Resource Extraction Tribal Policy Advisor, is the EPA Region 10 primary point of contact for these activities.

DEC will:

- Provide information to Alaska tribes and the EPA on Alaska's environmental statutes, regulations, and DEC's responsibilities, services, priorities, and expectations regarding programs that affect Alaska tribes such as fish tissue monitoring and fish consumption advisories, Air quality issues, especially regarding rural dust and diesel emissions, solid waste planning and management, Village Safe Water implementation (drinking water and sewage infrastructure development), and NPDES authorization application.
 - DEC remains committed to keeping informed of new EPA fish tissue criterion for mercury. National guidance on implementing tissue-based criteria is not presently available. DEC has identified fish consumption on the list of potential priorities and plans on developing a statewide approach to addressing this issue.
 - During the first half of state fiscal year 2008, Air Quality Division staff continued to work with EPA and tribes on rural dust issues. DEC and EPA staff travelled to the Northwest Arctic Borough and visited Kotzebue, Buckland, and Noatak to discuss dust monitoring results and the next steps for addressing concerns. Staff initiated efforts for a dust mitigation pilot project that will hopefully occur in Buckland. Staff continued to remain in contact with DOT, BIA, local government, and tribes on dust control. In addition, during the fall of 2007, air quality staff assisted in instructing an EPA-sponsored air quality training session for tribes. This training included providing information on dust control issues and plans as well as on diesel issues, including the transition to ultralow sulfur diesel fuel and diesel engine retrofit opportunities. Several course participants expressed interest in diesel retrofits.
- Provide draft solid waste regulations to the EPA for review before sending the new regulations package out for official public comment.
 - DEC solid waste regulations are still awaiting action in the Commissioner's office. EPA Region 10 has provided written comments to the ADEC on their proposed regulatory changes as they apply to Class III landfills.
- Participate in discussions to share environmental program information, and provide technical assistance to Alaska Natives.
 - During this evaluation period DEC Air Quality monitoring staff provided technical support to interested villages related to fugitive/windblown dust. DEC Air Quality staff also loaned air monitors and provided training on their use and assisted the villages with interpreting the air data and developing appropriate control strategies.
- Participate in discussions with EPA on how DEC's proposed new approach for solid waste management – proposed regulatory changes, procedures manual and location calculator – can be used to augment

and support EPA's new national GPRA measure for Tribal Integrated Waste Management Plans.

➤ No update.

EPA will:

- Provide a list of grants awarded to Alaska Tribes that includes amount of funding, project period and a project description. The list will be provided in October of each year to the Commissioner of DEC for the Tribal Solid Waste Assistance Program, the Indian Environmental General Assistance Program (IGAP), Clean Air Act grant programs, and Clean Water Act grant programs.
 - A list of all current EPA grants in the State of Alaska was provided to DEC. In FY 2007 the Akiachak Native community was awarded funds from the national Tribal Solid Waste Management Assistance Project to enable them to purchase equipment to maintain the working face of their landfill, improve waste and collection and recycle used oil. No other Alaska Tribal grants were awarded for the 2007 National Tribal Solid Waste Management Assistance Project.
- Identify potential sources of EPA funding for those tribes interested in collaborating with DEC and the EPA regarding solid waste management, dust and diesel emissions, water quality and fish tissue monitoring.
 - EPA has disseminated information on grant opportunities to the Alaska tribal community at the Alaska Forum on the Environment (AFE) and at IGAP trainings.
- Coordinate Rural Utilities Business Advisor (RUBA) and IGAP program actions to assist Tribes in improving sustainability requirements in order for Tribes to obtain Village Safe Water (VSW) funding.
 - EPA grant funding has been provided to the Bristol Bay Area Health Consortium to complete RUBA training in Dillingham.

6. National Pollutant Discharge Elimination System [NPDES] Program Approval

DEC and EPA will:

- Work cooperatively to finalize and implement the terms and conditions of the Capacity Building Plan, including training, Intergovernmental Personnel Agreements (IPAs), and workshare on NPDES program activities.
 - Capacity building activities have increased. The State has engaged more actively with EPA in work share efforts to write permits. DEC is currently revising the Capacity Building Plan and intends to transmit an updated document for EPA's review. Although the Plan has not been formally finalized, DEC has and will continue to implement elements of the Plan, including: staff training, loaner staff recruitment, work share agreements with EPA for DEC staff to take the lead to draft NPDES permits, and conducting joint inspections with EPA staff.

DEC will:

- Respond to EPA inquiries and all requests for clarification or additional information as needed. DEC may need to amend or supplement the record or application per findings of the EPA's statutory review. DEC will likely need to participate with the EPA in public meetings, hearings, the consultation process with the tribal governments, meetings with Natural Resource Agencies, and meetings with other interested parties.
 - DEC submitted the Draft NPDES application for EPA review October 15, 2007. EPA reviewed the application and provided comments to ADEC on January 15, 2008. Comments were far fewer. It's clear that many issues have been resolved. Both DEC and EPA remain committed to work cooperatively to address comments and amend the NPDES application as appropriate for program approval. EPA did not identify any additional statutory changes from the October 2007 review. House Bill 149 which is currently before the Alaska legislature addresses the necessary statutory changes identified from previous reviews. DEC remains on track to submit a final NPDES application in May 2008.

EPA will:

- Once the application is determined by the EPA to be complete, perform its statutory review process. The EPA will evaluate the adequacy of the application per the statutory requirements. The EPA will consult and coordinate with tribal governments in a formal government to government basis. The EPA will address the Essential Fish Habitat and Endangered Species Act requirements as necessary.
 - Alaska's application is expected in May 2008.
- As DEC approaches NPDES primacy, the EPA will seek to ensure needed training is made available in Alaska including training in NPDES permitting and enforcement.
- EPA has technical experience developing tribal communications plans, and with incorporating traditional environmental knowledge into the permitting process. The EPA offers to provide information and technical assistance to DEC staff to support incorporation of these elements into the NPDES process. The EPA can provide examples of Tribal communications strategies from the NPDES programs of other States who are implementing the NPDES program.
 - ADEC has developed a public participation process document that outlines how it will communicate and consult with Tribes. EPA has reviewed and commented on the State plan to consult with Tribes.

7. NPDES Program Implementation

DEC and EPA will:

- Work cooperatively towards permit issuance to address issuance goals as identified in the NPDES Permits Unit Plan. The EPA agrees to involve DEC personnel during the drafting of NPDES permits. DEC will issue

timely 401 certifications of draft and final NPDES permits with the goal of certification issuance within 30 days of receipt of the permit from EPA.

- Several General Permits have been administratively extended. ADEC continues to provide 401 certifications as necessary. Providing certifications within 30 days remains a joint goal.
- Work towards the EPA re-issuing the Seafood Processing General Permit.
 - DEC has and continues to support EPA with all deliverables as defined under the work share agreement for EPA re-issuing the Seafood Processing General Permit.
- Work cooperatively in reducing the EPA permit backlog in anticipation of DEC inheriting the permit backlog at primacy.
 - EPA and DEC have identified three domestic permits that will be drafted by DEC: Homer, Kodiak, and Fairbanks permits; and the non-domestic work-share on Alaska Ship and Dry Dock will proceed.

DEC will:

- Seek EPA credentials, in accordance with EPA Order 3500.1, for DEC inspectors who conduct NPDES inspections on behalf of the EPA until full NPDES primacy is achieved. DEC will track each inspector's progress towards completion of the required training specified in EPA Order 3500.1. DEC management will certify each individual inspector's completion of the required training and forward the information to EPA.
 - A draft authorization agreement is pending with EPA Headquarters. Five staff have completed all the necessary requirements to receive the EPA credential, minus review of a final authorization agreement.
- Conduct inspections consistent with the procedures outlined in the "EPA NPDES Compliance Inspection Manual" (EPA 300-B-94-014, September 1994) and in the Basic Inspector's Training course. DEC will submit complete NPDES inspection reports [with forms 3560-3] to EPA within 60 days of the inspection.
 - EPA has received 24 completed NPDES Inspection Reports with forms 3560-3 from DEC this SFY to date.
- Submit a draft list of anticipated NPDES inspection candidates by March 31st, 2008. Once the inspection list is final, DEC will coordinate all changes which occur throughout the inspection year, with EPA prior to the inspection. The inspection list will include DEC inspection of facilities conducted as part of (and funded by) the PPG grant workplan as well as inspections funded by the state as part of DEC's capacity development for NPDES primacy.
 - In December, 2007 EPA and DEC discussed inspection planning for the second half of the reporting period. DEC provided a copy of the proposed list of nondomestic facilities that will be inspected during the calendar year 2008. Three facilities were tentatively identified as joint inspection candidates.

- Provide storm water compliance assistance, primarily through outreach to construction trade organizations and local government planning/permitting offices.
 - Compliance assistance is ongoing. The most current outreach targeted the Alaska Forum on the Environment in Anchorage, February 11-15, 2008 and a 1-day seminar “Current Issues in Storm Water Regulation in Alaska” in Anchorage February 22, 2008. Other site-specific compliance assistance will be offered during the course of site inspections. DEC, the Department of Transportation, and a construction contractor trade group are cooperating on providing on-going training on stormwater compliance. An MOU between the three cooperating parties is almost complete.

EPA will:

- Issue EPA Credentials to DEC inspectors who have fulfilled the training requirements specified in EPA Order 3500.1, as certified by DEC management.
 - EPA will complete this task upon receipt of certification from DEC management.
- Review and comment on DEC’s candidate inspection list.
 - EPA and DEC continue to work collaboratively on NPDES inspection planning.
- Coordinate its NPDES inspections with the appropriate DEC contact.
 - EPA continues to coordinate its NPDES inspection planning with DEC.
- Hold quarterly teleconferences with DEC wastewater managers and compliance managers.
 - EPA and DEC communicate on a routine basis; more frequently than quarterly.

8. Timely Revision of State Water Quality Standards

DEC and EPA will:

- Work together early in the WQS revision process to identify the information, data, and justification that may be needed to support the timely approval of changes to the WQS. Work together to identify principles and processes to promote early involvement on WQS development. These may include procedures for development of action plans for individual WQS revisions and approvals; etc. Implement these principles and processes in new or revised WQS initiated in SFY 2008, including those initiated outside of triennial review process (e.g., UAAs, site-specific criteria that may be requested by permittees)
 - DEC and EPA have worked together early in the process. DEC routinely provides EPA pre-public comment drafts. EPA coordinated pre-public notice and public notice comments within timeframes established by DEC. Three large water quality standards (WQS) revisions have been submitted to EPA – mixing zones, residues, and natural conditions. These three standards are all highly complex and involve issues that are unique to Alaska. Unlike numeric water quality criteria, these three WQS packages are narrative and require significant work in understanding how they will be implemented. DEC has significantly revised the toxics manual in which

- numeric water quality criteria are listed. The manual has been significantly reorganized with the goal of making it easier to use. Values of several specific numeric water quality criteria have been updated.
- Discuss overall WQS workload planning, prioritization, and resourcing for efforts to be undertaken in SFY 2008. The outcome of this discussion will be an agreed-on plan for work to be undertaken in SFY 2008, their relative prioritization, timeframe of work elements, and resources expected to be needed.
 - DEC and EPA developed a task, schedule and timeline for all potential and current projects. These action plans have been revised and are being used to monitor and to allocate resources. The milestones in the action plan provide clarity for identifying the processes in the federal and state approvals. Regularly scheduled teleconferences between EPA and DEC have provided the venue for workload planning prioritization and determining the resources necessary to address the workload to be undertaken in SFY2008. A significant degree of management discussion of workload has also occurred during this mid-year report performance period. This attention has helped keep projects moving forward.
 - Work together to bring about the early involvement of NOAA-Fisheries and US Fish & Wildlife (“Services”) in standards revisions when an Endangered Species Act (ESA) or Essential Fish Habitat (EFH) consultation may be required.
 - Both agencies continue to make significant effort to fulfill the goals of the ESA and EFH consultation requirements. EPA’s resources have been heavily focused on meeting the requirements for initiation of formal consultation on the mixing zone and residues actions. EPA and DEC have and continue to work together cooperatively to bring about early involvement in issues concerning ESA and EFH.
 - Continue to coordinate the timely involvement of the Services as needed to ensure that, wherever possible, ESA and EFH consultation requirements are completed within CWA approval timeframes.
 - EPA and DEC coordinate regularly through teleconferences to discuss ways of improving coordination. EPA has asked NOAA and the US Fish and Wildlife Service to allow for DEC participation in consultation meetings.
 - Continue to work constructively together as the EPA fulfills its commitment to Tribal government-to-government consultation on WQS review actions.
 - EPA appreciates DEC’s participation in EPA’s effort to communicate with Federally-recognized Alaska tribes concerning the State’s Triennial Review process.
 - Mixing zones: Work together to fully address issues related to EPA’s review of Alaska’s mixing zone regulation submitted to the EPA in 2006.
 - This WQS revision was adopted by DEC in 2006 and submitted to EPA in 2006. EPA worked with DEC staff and contractors on this guidance, October through January. EPA, as required by an information request from the U.S. Fish and Wildlife Service, developed and submitted (12/07) refined toxicological analysis to support

- the evaluation of EPA's action on threatened and endangered Alaska species. Formal consultation will take place during the remainder of the PPA performance period.
- Triennial review: Work together to ensure DEC's triennial review process leads to WQS that meet the requirements of the CWA and 40 C.F.R. 131. This will include:
 - < EPA providing guidance (e.g., Chapter 6 of the WQS Handbook) on the triennial review process and regulatory requirements.
 - < EPA providing feedback during DEC's public comment period.
 - < DEC and EPA holding conference calls at the staff level to ensure a clear shared understanding of substantive issues raised by EPA during and after the public comment period.
 - < DEC, EPA, and the Services meeting or teleconferencing to discuss the triennial review process and substantive items to identify any anticipated EFH and ESA issues on each potential WQS revision.
 - < DEC and EPA working together to identify opportunities for direct communication and exchange with Tribes on triennial review issues of potentially significant impact on Tribes.
 - EPA has provided guidance and continues to stay involved in the evolving Triennial Review process. EPA has provided timely comments. EPA and DEC have regular teleconferences regarding the Triennial Review and its substantive issues including the identification of EFH and ESA issues on each WQS revision. At the invitation of EPA, DEC has explored new opportunities for direct communications including participating in IGAP statewide and regional teleconferences.
 - Residues: Work together to determine path forward on Alaska's revised residues criterion, which was revised and adopted in 2006, but not yet submitted.
 - < EPA and DEC will achieve a clear shared understanding of the substantive issues raised earlier on this package.
 - < EPA and DEC will discuss an action plan to address issues, including consultation requirements, so that when submitted, EPA can take action under CWA §303 within the allotted time frame
 - < EPA and DEC will agree to a schedule and path forward on this package
 - DEC and EPA staff have exchanged versions of DEC's draft residues implementation guidance document. DEC provided EPA with a revised draft in mid-January. EPA has reviewed the draft and has submitted comments to DEC. EPA conducted several Tribal government-to-government activities during this performance period. EPA also revised and submitted a biological evaluation to the Services on the residue criteria, requesting concurrence with "not likely to adversely affect" conclusions. Following USFWS non-concurrence with EPA's BE, EPA sent a letter (1/08) requesting initiation of formal consultation. This consultation will take place during

- the remainder of the PPA performance period. EPA recommends management-level discussion on the residues revision prior to formal submittal for EPA action.
- Natural conditions: Work together to determine path forward on Alaska's revised natural conditions criterion, which was revised and adopted in 2006, but not yet submitted to the EPA.
 - < EPA and will achieve a clear shared understanding of the substantive issues raised earlier on this package.
 - < EPA and DEC will develop an action plan to address issues, including consultation requirements, so that when submitted, EPA can take action under CWA §303 within the allotted time frame.
 - < EPA and DEC will agree to a schedule and path forward on this package.
 - This WQS revision was adopted by DEC in 2007 but is now being redrafted for future submittal to EPA. DEC and EPA have both invested considerable staff and DEC has invested contractor resources in this performance-based water quality standard and accompanying guidance. Several senior EPA staff have been working with DEC staff to work on the accompanying guidance. Staff have resolved most Clean Water Act concerns.

DEC will:

- Inform EPA of WQS issues under consideration for revision. Provide a schedule, including dates, explanation of schedule drivers, and identification of desired time frame for EPA action, and describe DEC's proposed approach and schedule before releasing revisions for public comment. Work to clarify and negotiate schedule and workload with EPA.
 - DEC and EPA have jointly developed an Project Plan and Schedule that includes milestones, tasks and a timeline for all issues and are using this Project Plan to track milestones and principal tasks.
- Provide EPA an opportunity to review a draft revision and discuss their comments with DEC before the public comment period.
 - DEC and EPA hold regularly weekly teleconference to discuss all regulatory projects, coordination, and federal consultation issues.
- The draft and final submittal documents provided to EPA should meet the minimum requirements of 40 C.F.R. 131.6 and all other applicable provisions in 40 C.F.R. 131, and include a clear explanation of the technical support for the change (e.g., any technical literature reviews that were conducted to inform the revisions; clear discussions of how the changes affect the protectiveness of the standard for designated uses; and explanations of how the revised WQS will be implemented in CWA programs).
 - Consultation with EPA on all technical support issues happen frequently and routinely. Scientific justification and supporting documents are provided for each regulatory project to EPA.

- In order to facilitate informal and timely ESA and EFH consultation, be prepared to engage in early exchange with the Services regarding WQS revisions under consideration and the technical basis for these revisions.
 - EPA and DEC work together to provide the necessary documents and make themselves available to the Services for consultation.
- In order to facilitate the EPA's timely completion of its Tribal government-to-government consultation on WQS review and action, continue to exchange information and work together regarding WQS.
 - DEC makes itself available to participate in teleconferences and meetings to assist EPA and provide water quality standards information.

EPA will:

- Treat the approval of WQS as a high priority for achieving the water quality protection objective in EPA Region 10's Strategic Plan.
 - EPA generally expends significant effort developing coordinated EPA pre-public notice and public notice comments within timeframes established by DEC.
- Provide "upfront" technical assistance to DEC on proposed revisions to Alaska's water quality standards, at a minimum regarding Clean Water Act requirements and implementation in Clean Water Act programs, and also including scientific, technical, and other input as appropriate.
 - Ongoing.
- Perform timely and thorough Tribal consultation on WQS revisions.
 - EPA appreciates DEC's participation in EPA's effort to communicate with Federally-recognized Alaska tribes concerning the State's Triennial Review process.
- Perform timely and thorough ESA/EFH consultation.
 - Both agencies continue to make significant effort to fulfill the goals of the ESA and EFH consultation requirements. EPA's resources have been heavily focused on meeting the requirements for initiation of formal consultation on the mixing zone and residues actions.
- Where appropriate, raise issues that may be unique to Alaska waters in national WQS policy discussions.
 - EPA appreciates DEC's participation in EPA's effort to communicate with Federally-recognized Alaska tribes concerning the State's Triennial Review process.

9. Complete Statewide Coastal and Freshwater EMAP Surveys of the Nation's Waters

EPA will:

- Act to help secure funding to complete the Northwest Alaska Beaufort Sea and the Northwest Bering and Chukchi Seas coastal assessments and to continue freshwater monitoring.
 - EPA has been working with EPA Headquarters and Alaska DEC to define Alaska's participation in the National Survey of Rivers and Streams in 2009. Planning has also

been started for including Alaska in the National Survey for coastal waters in 2010 and wetlands in 2011.

- Help communicate the need for the results and benefits of having Alaska's EMAP completed.
 - EPA has been working with EPA Headquarters and Alaska DEC to define Alaska's participation in the National Survey of Rivers and Streams in 2009. Planning has also been started for including Alaska in the National Survey for coastal waters in 2010 and wetlands in 2011.

DEC will:

- Complete EMAP baseline surveys of the remaining coastal waters and additional freshwaters, as funding allows.
 - This work is ongoing and proceeds as funding allows. Alaska will be participating in the National Lake Survey by conducting assessment activities in the Cook Inlet region. The 2007 Aleutian and Southeast Alaska surveys are currently undergoing quality assurance and quality control. The Chukchi Sea Coastal survey is in the planning stages and may receive Coastal Impact Assistance Program [CIAP] funding of \$1.4M. The EPA Rivers study is awaiting EPA guidance /funding.

DEC and EPA will:

- Work on a long term plan for completing the survey of Alaska's waters supported by EPA funding commitments and incorporating partnerships with other agencies.
 - Work in this area is ongoing. EPA only provides partial funding for AKMAP implementation. Partnerships with the University of Alaska, NOAA and other entities are a vital part of implementing the AKMAP Implementation Strategy. They lend expertise and add to the holistic picture of water quality in Alaska.
- Work jointly on including Alaska in the EPA Rivers Survey including meaningful funding and adaptation of methods to Alaska to provide statistically valid baseline water quality information for Alaskan rivers.
 - The EPA Rivers Survey for Alaska is in the planning stages, with initial preparations in obtaining and establishing partnerships with other agencies.
- Discuss EPA's proposed National Rivers Survey funding scheme with a goal of seeking additional EPA funds or funding sources from other federal agencies for this survey.
 - Currently waiting for EPA to establish funding level, and establishing partnerships with other agencies.
- As funding becomes available, work together to prepare grant workplans to provide funding to study the Yukon River as part of the 2008 Rivers Survey.
 - Based on priorities and funding, the Tanana River is currently selected as part of the 2008 Rivers Survey with preparations initiated to build partnerships with University of Alaska, and Environment and Natural Resources Institute, and USGS.
- Work jointly on developing a strategy that will result in completion of national baseline water quality data for Alaskan lakes under the National

Lakes Survey. The strategy should include Program Activity Measures that would monitor progress on the path of completing statistically valid baseline water quality information for lakes under the National Lakes Survey.

- This work is ongoing. Alaska EMAP work plans and timeframes are available on the DEC website and updated as necessary, based on identification of ACWA high priority waters, and 303(d) listings. Alaska will be participating in the National Lake Survey by conducting assessment activities in the Cook Inlet region.

10. Drinking Water Rules and Primacy Delegation Approvals

DEC will:

- Assign staff to work with the EPA to obtain Extension Agreements, when necessary, complete rule development or rule adoption packages, and primacy applications.
 - Extension Agreements for the LT2 and Stage 2 Rules were submitted by DEC Drinking Water Program to EPA Region 10 in September, 2007.

EPA will:

- Support the use of Extension Agreements for rule adoptions and provide timely guidance in the form of staff and written documentation to DEC on the statutory requirements for rule adoptions, primacy delegation, and program requirements.
 - EPA reviewed and approved the State's Extension Agreements for the LT2 and Stage 2 Rules.
- Complete early implementation for the two new drinking water regulations that were finalized during January of 2006: 1) Long-Term 2 (LT2) Enhanced Surface Water Treatment Rule and 2) Stage 2 Disinfection By-Products Rule. In a number of instances, the EPA will work directly with the water systems; therefore, EPA will keep DEC informed of all activities undertaken by EPA Region 10 and or EPA Headquarters to complete early implementation.
 - Continuing.

EPA and DEC will:

- Continue early implementation activities for LT2 and Stage 2 Disinfection By-Products Rule as agreed upon in the December 2005 workload agreement between the EPA and DEC.
 - Alaska declined early rule implementation for the LT2 ESWTR and Stage 2 Disinfectants/Disinfection By-Products (D/DBP) Rules; however, the Drinking Water Program continues to conduct the early implementation activities as agreed upon in the work plan.

11. Public Water System Compliance

DEC and EPA will:

- Clearly delineate, in writing, when and in what circumstances each agency will take on the enforcement role for drinking water systems. Specifically, EPA and DEC will update their compliance assurance agreement and draft a strategy on how to address the backlog of significant non-compliers (SNC's).
 - The Compliance and Enforcement (C/E) Manual was submitted to EPA in June, 2006. EPA has reviewed the manual and expects to provide its approval soon.
 - DEC Drinking Water Program finalized the Compliance Assurance Agreement, which was submitted to EPA Region 10 in June 2007, and is currently awaiting signature by EPA pending approval of the Drinking Water Program's Compliance and Enforcement Manual. The Compliance Assurance Agreement is part of the Drinking Water Program's Compliance and Enforcement Manual, which was submitted to the EPA Region 10 on June 30, 2006.

DEC will:

- Provide compliance assistance consisting of written information and workshops for public water system owners and operators, utility managers, technical service providers, and consulting engineers on drinking water rule requirements.
 - The Drinking Water Program, along with the EPA and the Alaska Training and Technical Assistance Center (ATTAC), sponsored a 2 ½-day public workshop, November 11 – 15, 2007, in Anchorage, entitled *Disinfection Byproducts and Microbial Rules* Training. Attendees included public water system owners and operators, technical service providers, consulting engineers, government employees, and other drinking water industry representatives. EPA, Cadmus, and the DEC Drinking Water Program provided trainers for the workshop and 1.6 CEUs were available to participants through the DEC Operator Certification Program.
 - During the first half of FY 2008, the Drinking Water Program's newsletter, Northern Flows, Issue #31, Fall 2007, was provided in electronic format and was also posted on the Drinking Water Program's website. Included in this issue was the "The Message from the Manager" which provides a summary of all major Drinking Water Program projects and initiatives, including new rules development and requirements, staffing changes. Also included in this issue were articles on Managerial Capacity Water/Wastewater Agency Response Network (WARN) and the Disinfection By-Products & Microbial Rules Workshop.
 - DEC Drinking Water Program staff participated in the Alaska Rural Water Association annual fall conference in Anchorage, AK, in October 2007. DEC staff provided the presentations on Drinking Water Regulations (18 AAC 80) update (Kathy Kastens), Alaska Wellhead Protection activities (Chris Miller), PWS Security and Water and Wastewater Agency Response Network – WARN (Shannon DeWandel), and PWS engineered plans requirements (Adam Pigg).
 - DEC staff participated in the Alaska Water Wastewater Management Association (AWWMA) Southeast Region Operator Training Conference in Ketchikan, AK, in September, 2007. DEC Drinking Water Program staff, Carrie Bohan, provided

drinking water presentations that covered compliance requirements of the Long Term 2 (LT2) Enhanced Surface Water Treatment Rule and Stage 2 Disinfection By-Products formation and compliance requirements. Shannon DeWandel, Environmental Program Specialist on PWS Security and Emergency Response Planning, provided a presentation on PWS Security and the concept and importance of “WARN” (Water and Wastewater Agency Response Networks).

- Technical Assistance (TA) Providers meetings and teleconferences continued on a monthly basis; however, the meetings were split into two groups: a systems meeting (focused on the water systems) and a business meeting (focusing on the goals and functions of the TA Providers Group). Currently, the TA Providers group is focusing resources on assisting the Villages of Gambell, Scammon Bay, and Tununak, to help them achieve better compliance for their PWS and public health protection for the local residents. The TA Providers group has also recently invited the Village of Hydaburg to join the process.
- During the first half of FY 2008, staff participated in four EPA-sponsored (Drinking Water Academy and Watershed Academy) technical or regulatory web cast workshops
- Focus available resources on addressing violations before they become SNC’s when possible and to the extent practicable address SNC’s before they become exceptions.
 - For FY2008, the EPA Office of Enforcement and Compliance Assurance (OECA) Pivot Table was replaced by the EPA Fixed Base List (FBL). This is a different strategy for selecting and targeting enforcement actions for Alaska PWS SNCs and SNC Exceptions. The targeted number to be addressed by the end of FY2008 (June 30, 2008) is 185 systems.
 - By the end of first quarter FY2008, 106 Alaska Public Water Systems from the Fixed Base List were addressed. Additionally 10 “new” SNCs from the October 2007 quarterly SNC List were also addressed during this time frame. DEC issued a total for 8 Notices of Violations to SNC systems for the quarter ending September 30, 2007.
 - Enforcement action issued statewide for FY 2008

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|--|------------|
| ○ Total Enforcement Actions Statewide: | 265 |
| ○ Monitoring Summaries: | 72 |
| ○ Warning Letters: | 176 |
| ○ Notices of Violation: | 16 |
| ○ Compliance Orders by Consent: | 0 |
| ○ Bilateral Compliance Agreements: | 0 |
| ○ Administrative Penalties: | 1 |
 - Sanitary Surveys completed: **127**

| | |
|---------------------------|-----|
| ○ Third Party Inspectors: | 112 |
| ○ Drinking Water Staff: | 15 |

EPA will:

- Provide in person and “hands-on” training workshops in Alaska using EPA staff or contractors, as well as fully utilize satellite videoconferences

with downlink sites in Alaska, and webcast training seminars for DEC staff, public water system owners and operators, utility managers, technical service providers, and consulting engineers on the implementation requirements of new federal rules

- EPA HQ's did provide a training on the new rules at the end of 2007. EPA HQ's also provides webcasts on the drinking water rules.
- In partnership with DEC, and when requested, complete timely enforcement on public water system referrals with a significant history on noncompliance and non-cooperation with DEC.
 - As a result of staff turnover EPA Region 10 has had to gear down in this area. EPA has now re-staffed and is catching up in this area.
- Ensure that DEC has an opportunity to provide comments on all press releases regarding PWSs in Alaska before they are finalized by the EPA press office and released. EPA will consider, address and respond to DEC's comments and seek DEC's agreement on the "final" version.
 - No issues here and no press releases have gone out thus far.
- Communicate and coordinate all PWS issues through DEC program management staff prior to contact with any third party to include Technical Assistance Providers and PWS owners and operators, on any work the EPA may undertake relating to PWS in Alaska.
 - No update.
- Ensure that DEC has an updated SNC List every quarter to track performance of workplan objectives.
 - EPA Region 10 provides the SNC List as it becomes available; EPA HQ's generates the SNC list.

12. Surface Water Quality Assessment, Restoration and Protection (nonpoint source pollution controls)

DEC and EPA will:

- Coordinate TMDL work to ensure that the court ordered requirement to develop and establish at least two TMDLs per year is met.
 - Coordinate TMDL work to ensure that the court ordered requirement to develop and establish at least two TMDLs per year is met. EPA supported ADEC with development of the draft Pederson Hill Creek TMDL and Noyes Slough residues TMDL through contractor assistance and technical assistance from EPA staff. The public notice for Pederson Hill Creek Fecal TMDL ended and ADEC received no comments. ADEC addressed all of EPA's comments prior to the public notice draft Pederson Hill Creek TMDL . DEC has submitted the TMDL to EPA and EPA has approved the Pederson Hill Creek TMDL. DEC completed the agency review draft Noyes Slough residues TMDL and is circulating this draft TMDL for final agency review.

DEC will:

- Submit Alaska's 2008 Integrated Report to EPA by April 1, 2008 including updates on status of restoration actions and water quality improvements of all impaired waterbodies (categories 4 and 5). Provide EPA with electronic Assessment Data Base [ADB] Version 2 with all impaired waterbodies georeferenced within 90 days of EPA's approval.
 - A pre-public notice draft of the Integrated Report including a detailed listing methodology for turbidity was submitted to the EPA on Dec 6, 2007. EPA provided comments on a short turnaround. The report and ADB geo-referencing are on target for timely submission to the EPA. ADEC was one of 9 states to participate in a nationwide study on TMDL Implementation Tracking Needs Assessment to track TMDL implementation and report on the level of waterbody restoration.
- Submit a detailed assessment methodology for at least one pollutant to EPA by April 1, 2008.
 - The Integrated Report includes one detailed assessment methodology. ADEC submitted its agency review draft detailed assessment methodology for turbidity to EPA during December and EPA provided comments on the methodology. EPA provided contractor funds to help ADEC draft the methodology
- Provide EPA with the number of waterbodies identified in 2002 as being primarily NPS-impaired that are partially or fully restored by June 30, 2008 (EPA Performance Measure WQ-10)
 - Refinement of EPA Performance Measure WQ-10 is currently under discussion with EPA. Data is included in the Integrated Report.
- Submit two TMDLs by May 30, 2008 for EPA approval.
 - The Pederson Hill TMDL has been submitted and approved. The preliminary draft of the Noyes Slough TMDL has been reviewed by DEC. The contractor is revising the preliminary draft based on comments received. The Noyes Slough TMDL is on schedule for submittal to EPA in May 2008.
- Submit Alaska's annual report on its progress in meeting its Nonpoint Source Management Strategy's milestones (including available information on reductions in nonpoint source loadings and improvements in water quality) by December 31, 2007. Complete all GRTS data entry for all 319 funded activities for SFYs through SFY08 by April 1, 2008 (including 319 funding used for funding grant proposals and funding used within ADEC to fund state staff and contract funding).
 - Alaska's annual report submittal for NPS Management Strategy has been submitted. EPA is in the process of reviewing and approving the report. GRTS training of staff was completed in October 2007 and the data entry of GRTS data is to commence with the new DEC staff. EPA is concerned about DEC's lack of progress in entering data into GRTS, EPA's national non-point source program's data system. This has been a problem for several years and EPA intentionally included this item in the PPA this year to give it greater priority. The Section 319 Grants Reporting and Tracking System (GRTS) is the main reporting vehicle for the Section 319 program to account to the Congress, Office of Management and Budget and public on what we are

accomplishing with Section 319 funds. This system identifies where and how Section 319 money is spent and what water quality improvements are being achieved. Furthermore GRTS provides key information 1) required under the Government Performance and Results Act to report on water quality improvements and reducing nonpoint source loadings, especially for nutrients and sediment and 2) required under Section 319(h)(11) for States to report annually on what their nonpoint source programs are accomplishing, including available information on load reductions and actual water quality improvements.

- Coordinate with other Alaska State agencies to address the remaining conditions (Urban/New Development, Roads/Highways/Bridges, Onsite Sewage Disposal Systems) required for full approval of Alaska's Coastal Nonpoint Source Program. Submit to EPA and NOAA completed tasks and a status report on progress towards submittal of remaining tasks as part of the annual progress on the Nonpoint Source Management Strategy.
 - DEC has met with EPA and NOAA to discuss the remaining requirements and to refine activities. Contracts have been awarded to complete some of the remaining activities and others activities are being accomplished by DEC staff. ADEC has made substantial progress in the last few months to address these final remaining conditions such as setting up a contract to develop a Statewide Stormwater Management BMP manual.
- Working through the state land-management agency (Department of Natural Resources), institute non-point source pollution controls on state-managed lands. At a minimum these will include establishing minimum setbacks or management practices for water-polluting activities near water bodies in state land-use plans.
 - DEC is working with DNR to incorporate non-point source pollution controls in state land use plans.

EPA will:

- Review and approve or disapprove Alaska's Integrated Report submittals within 30 days of receipt.
 - EPA has worked closely with DEC on the development of its 2008 Integrated Report and provided comments on the agency review draft, despite a short turnaround time.
- Work cooperatively on DEC's assessment methodology and provide examples from other state agencies.
 - EPA provided examples from other states and funded a contract with Tetra Tech to assist DEC in developing the assessment methodology on turbidity
- Review and approve or disapprove Alaska's TMDLs within 30 days of receipt.
 - EPA provided comments on the draft Noyes Slough and Pederson Hill Creek TMDLs within the agreed timeline.
- Coordinate with NOAA and EPA HQ to review and approve or provide comments on Alaska's submittal of its remaining conditions required

for full approval of Alaska's Coastal Nonpoint Source Program within 60 days of receipt.

- ADEC has not submitted any documentation pertaining to the remaining conditions during SFY08; however, EPA has initiated and led numerous conference calls on activities needed to be completed in order to address the remaining conditions with ADEC, NOAA, EPA HQ, and several other Alaska state agencies. ADEC has recently reorganized and now new managers and staff are working on this program. EPA conducted two conference calls in the past few months to introduce the new ADEC staff and managers to the program. ADEC and its state counterparts are making progress towards addressing these remaining conditions.
- Review and comment or issue a determination of progress on whether Alaska has made satisfactory progress in implementing the milestones of its approved NPS Management Program within 30 days of receipt.
 - EPA provided the acting DEC program manager with examples of previous DEC reports to assist her in preparing this year's report. During December, ADEC had requested an extension until mid-January due to the holidays. During the conference call held on January 17, 2008, ADEC projected that they would be able to complete this report by the end of February. DEC has now submitted and EPA is in the process of reviewing and approving this report. It is important that this report be submitted in a timely manner in order for EPA to conduct a review and provide a determination on their nonpoint source pollution management program progress and before issuing the 319 funds through the Alaska SFY09 PPG.

13. Rural Dust Pollution

DEC and EPA will:

- Communicate regularly as new monitoring or mitigation information becomes available.
 - EPA has had regular communication via meetings and conference calls with DEC staff and managers to work collaboratively on the road dust mitigation problem, particularly focusing on a pilot project in the Native Village of Buckland in the Northwest Arctic Borough. EPA seeks to support efforts to address the other rural Alaskan tribal air issues collaboratively with DEC and tribes, including road dust, solid waste burning, residential heating and indoor air quality concerns, and diesel pollution. The air program participates in the quarterly conference calls on tribal solid waste issues in rural Alaska with DEC and EPA's Waste and Toxics Tribal Program.
 - Road dust was one of the major air quality concerns addressed during an EPA sponsored workshop in Fall 2008 which DEC collaborated on with EPA OAQPS and Region 10. A field trip was arranged for tribal participants at the workshop by EPA to the Anchorage Road Maintenance facility to learn about dust palliatives that could be used by these communities to reduce the impacts from road dust. At the Alaska Forum on the Environment in February 2008, EPA participated with tribal and ADEC

- staff in discussions on the best means to address the air quality concerns in rural Alaska, including a session on road dust mitigation.
- Work collaboratively in communicating and working in partnership with the Northwest Arctic Borough and other local governments and tribes affected by adverse PM10 pollution.
 - EPA and ADEC staff and managers worked collaboratively on the road dust mitigation problem, particularly focusing on a pilot project in the Native Village of Buckland in the Northwest Arctic Borough. Road dust was one of the major air quality concerns addressed during an EPA sponsored workshop in Fall 2008 which DEC collaborated on with EPA OAQPS and Region 10. A field trip was arranged for tribal participants at the workshop by EPA to the Anchorage Road Maintenance facility to learn about dust palliatives that could be used by these communities to reduce the impacts from road dust. At the Alaska Forum on the Environment in February 2008, EPA participated with tribal and ADEC staff in discussions on the best means to address the air quality concerns in rural Alaska, including a session on road dust mitigation.
- Discuss and evaluate options, other than formal nonattainment designation, which will have the potential for securing resources to mitigate the localized PM10 violations.
 - EPA has also funded a large cooperative agreement with the Alaska Inter Tribal Council, a tribal consortium of Alaska Native villages from across the State,
 - (1) to develop a website on the causes and prevention of air pollution in Alaskan Native Villages that will provide information on the causes, health impacts, and options for reducing air pollution common to these rural tribal communities,
 - (2) to develop culturally appropriate outreach materials for Alaska Native villages to use to inform their communities on health impacts from air pollution and how these can be reduced or their causes mitigated, and
 - (3) to provide mini-grant opportunities for demonstration or pilot projects to individual tribes to encourage work that will benefit tribes throughout Alaska. One project will be to use portable particulate matter (PM) monitors in high-school science classes to collect data on indoor and outdoor air quality monitoring that will increase knowledge in the community about the causes and prevention of air pollution, while giving tribal students the opportunity to carry out hands-on science research that will show how they can help protect their community's health.

DEC will:

- Continue ambient air monitoring in Kotzebue during the spring through fall dust season of 2007.
 - Project is all but complete with the final write up to be completed by May 2008.
- Provide technical assistance and training to tribal organizations that will be conducting air monitoring projects during FY 2007-2008.
 - The Air Monitoring Program continues a very active tribal air monitoring program providing equipment, training and technical assistance to villages desiring to conduct air monitoring in their village. Most of the monitoring in the NWAB has wound

down and only limited monitoring is scheduled for the summer of 2008 as of this update.

- Work in partnership with Alaska Department of Transportation and Public Facilities (ADOT), the Northwest Arctic Borough, and the City of Kotzebue to undertake roadway based PM10 mitigation studies and remedies to reduce PM10 exposure to the extent state or federal funds are made available through ADOT or the Federal Highways Administration.
 - DEC and EPA staff travelled to the Northwest Arctic Borough in August. Staff met with the Borough mayor, as well as city and tribal governments in Kotzebue. The City of Kotzebue Public Works Department continued to water roads in Kotzebue during the summer months and DEC/DOT concluded their post-paving monitoring. The air monitoring and assessment phase of this project ended in September 2007. The data is currently being analyzed and the final report should be available in May 2008
- Work with ADOT and the UAF transportation center to develop and test effective dust control measures for the state which are effective, durable and will not harm the sensitive rural environment.
 - No update.
- Provide assistance to the Northwest Arctic Borough, the City of Kotzebue, NANA Regional Corporation, Mannilaq Health Corporation, and Kotzebue based tribes, as well as other Alaskan communities and tribes in assessing dust conditions, assessing dust mitigation options or related matters.
 - DEC continued to provide assistance to the Northwest Arctic Borough region related to dust conditions and mitigation. DEC Air Quality staff met with the Borough mayor and Mannilaq Association staff, as well as with the city and/or tribal governments in Kotzebue, Buckland, and Noatak. DEC staff also remained in communication with local staff in Ambler and Noorvik. DEC and EPA are currently working with locals in Buckland to gain local commitment for a pilot dust mitigation project in that community (road watering). DEC is working to determine a workable project for Noatak. DEC staff are working to develop additional information and outreach materials that can be used in the region to address dust concerns – including information on dust control options and behavioral changes that would help reduce the production of dust from vehicles and all terrain vehicles.

EPA will:

- Strongly support ambient air monitoring projects or PM10 mitigation assessment projects that Alaska tribes desire to undertake using federal funds to resolve PM10 pollution in their respective villages or communities.
 - EPA has supported PM10 monitoring projects to the extent authorized under Congressional appropriations and CAA grant authority. In Buckland, a continuous PM monitor is being considered to replace the FRM that has been operated for the

- last several summers, as part of the ongoing road dust assessment and mitigation study undertaken there with GAP and CAA funds
- Work cooperatively with DEC air monitoring staff to successfully evaluate air pollution conditions in rural / tribal communities.
 - An EPA Air Program manager and DEC managers traveled to Buckland together this past summer to better understand the challenges and conditions in this community related to road dust mitigation. EPA is prepared to provide additional support to Buckland, as appropriate, to be able to complete the pilot/demonstration project on the effectiveness of a chemical palliative, as well as water application. What is learned from this project can then be shared with other rural communities with road dust problems.
 - Give fair consideration to any request made by the State to designate one or more locales in Alaska as non-attainment areas for PM10.
 - To date, no formal request has been received by EPA from DEC for a designation of nonattainment; however, Region 10 would give such a request fair consideration and forward it to EPA's Office of Air Quality Planning and Standards [OAQPS] with the strongest support possible for their final determination.
 - Encourage EPA's Office of Air Quality Planning and Standards to proceed with their planned rural community health assessment project to acquire new knowledge on health impacts from coarse sized airborne particle pollution typical of rural communities.
 - When the PM10 National Ambient Air Quality Standards [NAAQS] was retained, OAQPS committed to doing research on the health impacts of PM10/coarse particulates in rural areas.

14. Core Air Quality Functions

As a mutual high priority health issue, DEC and EPA agree that:

- DEC will continue to track and participate when appropriate in West Coast Collaborative workgroups and steering committees to build partnerships that will advance the goals of reducing emissions from diesel engines.
 - DEC Air Quality Division staff continues to track and participate in the West Coast Collaborative. Staff provides technical assistance to groups likely to apply for grant funding through the West Coast Collaborative process. The current areas of focus include biodiesel derived from fish oil and exploring opportunities for rural retrofits of stationary power sources.
- EPA will continue to develop and support the West Coast Collaborative or federal, state, local, nonprofit, and private sector partners to reduce diesel emissions on the west coast.
 - EPA has been supporting the West Coast Collaborative.

- EPA and DEC will work together to ensure funding to support diesel emission reduction work in Alaska.
 - EPA and ADEC are working to ensure funding to support diesel emissions reduction work in Alaska but have not yet been able to schedule a funding forum. DEC Air Quality staff continued to work with interested parties to develop emission reduction projects and proposals that could be submitted for funding under the West Coast Collaborative or other federal program. DEC Air Quality staff regularly update Region 10 EPA about diesel emission reduction projects in the state.

15. Fish Tissue Monitoring

DEC will:

- Implement the statewide fish tissue monitoring plan for mercury and other contaminants, informing EPA of general progress in implementation of the plan and consulting with EPA in the case of deviations from the Quality Assurance Monitoring Plan.
 - The Fish Tissue Monitoring Program collected 629 fish from across the state during 2007. Of these, 501 fish were collected in the primary sampling program and 121 portions of fillet tissue were collected from recreational fishers during creel census surveys. Of the overall total, 250 fish samples were analyzed for six trace metals during the July to September time period. This included 163 halibut, 33 lingcod, 33 rockfish, 20 salmon and one salmon shark. In addition to the fish sampled, bivalve samples (clams and oysters) are now being processed at DEC's Environmental Health Lab for possible inclusion into the program. A study on the effects of holding time on total mercury concentration in skinless fillet tissue continues. At this point we have seen no significant effect of holding time for samples stored for eighteen months. A contract for analytical chemistry services for organochlorine compounds was signed between the state and AXYS Analytical Services, of Sydney, BC, Canada in late 2006. The DEC Environmental Health Lab is performing the analysis for pesticides. Dr. Gerlach participated as a member of the steering committee and attended the EPA National Fish Contaminants Forum in Portland, Maine
- Maintain a web page where EPA, the public, and tribes can access data collected on the levels of mercury and other heavy metals found in Alaska fish.
 - The State has maintained two primary web sites for the public to access: (1) DEC maintained web site describing the Fish Tissue Monitoring Program, the Quality Management Plan, the data collected and an interpretation of the data from a public health perspective: <http://www.dec.state.ak.us/eh/vet/fish.htm> (2) DHSS maintained web site at <http://www.epi.alaska.gov/eh/fish/> covering the topics of the benefits of fish consumption, facts about contaminants in fish, and the fish consumption guidelines for Alaska residents.
- Submit to EPA a draft report of the data results when DEC has finalized it. This report will include all validated data from the analysis of fish tissue performed as part of the Fish Tissue Testing Program.

- A draft report of the organochlorine contaminant data is in the final stages of review. A copy of the report will be forwarded to the EPA Region 10 contact, Lon Kissinger, and then posted on the State's web site.
- Consult with the Alaska Department of Health and Social Services regarding the benefits and risks of consuming Alaska fish.
 - ADEC and DHSS continue to work together on the outreach to Native subsistence fishers and recreational fishers regarding the risks and benefits of consuming local fish. The current report was posted on the State web site <http://www.epi.hss.state.ak.us/eh/fish/default.htm>. DHSS has expanded its biomonitoring program to Alaska residents and the most current report is available at http://www.epi.hss.state.ak.us/bulletins/docs/b2007_21.pdf. Both DEC and DHSS are collaborating with the USFWS on a study of pike in the Interior. Pike have been collected and are being analyzed at the DEC Lab. Public health officials also traveled to communities to collect hair samples and conduct fish consumption surveys. The results of the report will be delivered to community members by public health officials during a return visit. Two communities, Nome and Lake Clark, have requested to partner with the state and have submitted fish to the DEC Lab in Anchorage for analysis of trace metals. The data will be evaluated by DHSS and a report will be sent to the communities.
- Provide EPA with all past and future validated fish tissue data.
 - Quarterly reports for the Fish Monitoring Program have been sent to the EPA Region 10 Office, specifically to Lon Kissinger. A contract to validate the data from 2007 has been drafted and after the validation report is completed, it will be sent to the EPA. The Fish Tissue Monitoring Program analyzes fish tissue for six trace metals in addition to total mercury, methyl mercury and organochlorine contaminants. With the financial assistance of the EPA, the DEC Environmental Health Lab acquired an ICP-Mass Spectrometer to perform this trace metal analysis. One of the validation steps for the new ICP-Mass Spectrometer was a comparison of the results for a select group of tissue samples with the metals results from the same tissue samples using the older Graphite Furnace Atomic Absorption Spectrometer (GFAAS) method. This report was sent to the EPA and it showed that there was no statistical difference between the two techniques when analyzing the same tissue sample.
- As opportunities arise, participate in presentations about the fish tissue testing program at IGAP trainings. Discussions will include how tribes may incorporate work DEC's fish monitoring program into their Indian General Environmental Assistance Program (IGAP) workplans.
 - DEC and DHSS have worked with several Native Alaskan communities as noted above.

EPA will:

- Use Alaska's fish tissue data in developing consumption advice and consult with the Alaska Department of Health and Social Services and DEC before issuing any fish consumption advisories in the State of Alaska.

- EPA has not issued any fish consumption advisories in the State of Alaska. EPA appreciates that the State has issued Fish Consumption Guidelines for Alaskans.
- Identify potential sources of EPA funding, including Indian General Environmental Assistance Program (IGAP) funding, for those tribes interested in collaborating with DEC and EPA regarding fish tissue testing.
 - EPA's IGAP guidance includes language that allows tribes to pursue fish tissue testing activities.
- As opportunities arise, EPA will inform tribes of the laboratory services (fish processing and analysis) that the DEC Environmental Health Laboratory has to offer for fish tissue testing.
 - EPA IGAP training included discussions on fish tissue testing and DEC Labs availability.
- Continue to invite the participation of DEC in presentations about the fish tissue testing program at IGAP trainings. Discussions will include how Tribes may incorporate work with DEC's fish monitoring program into their IGAP work plans. EPA Region 10's Tribal Trust and Assistance Unit will designate a point of contact to facilitate communication on this issue between the EPA Region 10, Tribal IGAP grantees, and the DEC.
 - IGAP training participants at the Alaska Forum on the Environment have had the opportunity to learn about all DEC's programs including DEC fish monitoring program.

16. Drinking Water Laboratory Certification Program

DEC will:

- Participate with the EPA Region 10 Laboratory Drinking Water Certification Officers in the annual review of the Alaska Drinking Water Laboratory Certification Program and the triennial EPA inspection of the State-maintained principal laboratory. The triennial EPA inspection will include the EPA Region 10 Laboratory Drinking Water Certification Officers accompanying the Alaska Drinking Water Certification Officers on an audit of one or more commercial drinking water laboratories.
 - A satisfactory triennial inspection of the Drinking Water Laboratory Certification Program and the State Drinking Water Primary Microbiology Laboratory was completed by the EPA in August 2006. The next inspection is due in August 2009.
- Designate third-party EPA/NELAC certified laboratories as State principal laboratories for analysis of contaminants for which the State-maintained laboratory is not EPA/NELAC certified. Written agreements are maintained with each of the laboratories.
 - Agreements with the Oregon Department of Environmental Quality have been completed to date and expire on June 30, 2008. The two year renewal is to be accomplished before June 30, 2008. Agreements with Columbia for the remaining

HAA5 analysis will be completed by the new Chemistry Certification Officer, Lance Morris.

- Ensure that the Alaska Drinking Water Certification Program meets all criteria in EPA's current "Manual for the Certification of Laboratories Analyzing Drinking Water" by maintaining a current Quality Assurance Plan and Standard Operation Procedures. This effort will be the responsibility of the Quality Systems Manager with assistance from the DEC Certification Authority and DW Certification Officers.
 - Revision of the Quality Assurance Plan has been completed and reviewed by Stephanie Harris of EPA Region 10. Comments from the EPA Chemistry Certification Officers are pending. Annual review of the Standard Operating Procedures is in progress and will be completed in January 2008. All documentation meets the requirements of the current *Manual for the Certification of Laboratories Analyzing Drinking Water*, 5th Edition.
- Ensure Alaska Drinking Water Certification Officers are provided with a minimum of two weeks per year of laboratory bench experience in their area of drinking water analysis in order to maintain proficiency.
 - The Microbiology Certification Officer has completed 50% of the annual training requirements. Completion of this objective is scheduled for early 2008. Training for the new Chemistry Certification Officer has been initiated and is ongoing. The new Chemistry Certification Officer is anticipated to attend the next EPA-offered Chemistry Organic and Inorganic Certification Officer training session.
- The State of Alaska Certification Authority will inform the EPA Certification Authority of major changes to the State's Drinking Water Certification Program, including but not limited to, loss of Certification Officers, within a reasonable length of time.
 - Any major changes will be relayed to the EPA Certification Officers.

EPA will:

- Conduct the annual evaluation of the Alaska Drinking Water Laboratory Certification Program and the triennial on-site inspection of the State-maintained laboratory and designated- principal laboratories. This effort will include the EPA Region 10 Laboratory Drinking Water Certification Officers accompanying the Alaska Drinking Water Certification Officers on a triennial audit of one or more commercial drinking water laboratories.
 - Annual evaluation not yet conducted.
- The EPA Region 10 Laboratory will assist the State Drinking Water Certification Officers with access to the EPA Region 10 Laboratory in order to gain the two weeks of laboratory bench experience in drinking water analysis, needed to maintain proficiency.
 - Alaska currently has met all DW parameters, microbiology within the state system and chemistry by third parties requirements. The State has selected a replacement for

- their former CO. This person will attend the next Certification Officer (CO) training course. Until that time, chemistry certification will be overseen by the former CO.
- The EPA Region 10 Drinking Water Certification Officers will keep the State Drinking Water Certification Officers aware of changes to EPA requirements for the Drinking Water Certification Program and provide advice and guidance on technical issues.
 - Yes and ongoing.

17. Environmental Laboratory Cooperation

EPA and DEC Laboratory managers and staff will:

- Communicate on issues such as laboratory capacity and capability to address the analytical needs presented by Homeland Security events, options for lowering the cost and improving the efficiency of laboratory operations, and the National Environmental Laboratory Accreditation Program.
 - The Environmental Laboratory (EHL) became fully operational in late 2005. Since that date, additional testing capabilities and capacities in both the Chemistry and Bio-Analysis sections have taken place. A cooperative agreement from USDA/FERN has made it possible to begin testing food contaminants using rapid assay testing. Fish tissue testing assays for pesticides, melamine, and heavy metals are now completed. In the future, it is anticipated that additional rapid assays, using molecular techniques, shall be implemented. The EHL filled the position for a full time Quality Manager in 2007, which allows for full time planning and preparation of the Quality Management System, an Emergency Response Plan, and accreditation by A2LA, which incorporates the requirements of the National Environmental Laboratory Accreditation Program. This accreditation is scheduled on or before 2011.

18. Technical Assistance Evaluating Use of Pesticides

DEC and EPA will:

- Conduct a joint evaluation process that focuses on the reporting items specified in the grant workplan.
 - The joint evaluation process has been completed. This is a part of the FIFRA Cooperative Agreement. DEC and EPA pesticide staff work closely together throughout the year in a very positive working relationship. Both EPA and DEC consult regularly on a variety of pesticide issues
- Conduct a mid-year evaluation to review the current program accomplishments in relation to the grant workplan.
 - DEC is currently writing the mid-year evaluation report for submission to the EPA pesticide staff.

- Within 60 days after the end of the budget period, conduct an evaluation and review the accomplishments for the year. Both parties shall jointly prepare an evaluation report.
 - The annual DEC report to EPA will be completed in a timely manner after the end of the state fiscal year.

EPA will:

- Provide technical assistance to the DEC Pesticide Program staff as needed.
 - EPA and DEC have consulted regularly on a variety of pesticide issues. EPA HQ provided assistance to ADEC in November 2007 for a pesticide application permit. The permit was for application of herbicides for vegetation management by Klukwan Inc.

19. EPA to Report Bi-annually on EPA Progress on PPG Workplans

For example, the EPA writes a three year NPDES permit issuance plan, upon which DEC bases its workload and planning efforts. It can be difficult to add or drop projects from the priority list during the three year interim period. By receiving EPA reports bi-annually, DEC can gain a clearer understanding of project status and how the project is tracking against the plan. This will allow DEC to make more efficient use of time and resources in many different programs.

- Under development.

20. Clean Air Mercury Rule

EPA Region 10 and DEC leadership will work to find a reasonable accommodation in the final rule or another alternative that may possibly originate from those discussions.

- EPA Region 10 has facilitated a number of discussions between DEC management and EPA Headquarters regarding the issue and the potential for addressing it in the forthcoming mercury FIP. Region 10 has also kept Alaska's Congressional delegation apprised of the status of discussions between DEC and EPA. DEC and EPA Region 10 have discussed the potential of “interstate” mercury allocations. These additions to Alaska allocation would come from other Western states, based on the agreements with those states. The discussion for Clean Air Mercury Rule (CAMR) and allocations are on-going. DEC is also reviewing alternative methods to allocate the mercury under the existing federal guidance. On February 8, 2008, the U.S. Court of Appeals for the District of Columbia Circuit vacated EPA's Clean Air Mercury Rule, issued in 2005, which established an emissions trading system to reduce mercury emissions by about 70 percent over 20 years. Instead, the ruling said, EPA must establish national emissions standards for hazardous air pollutants, including mercury, for power plants. EPA is reviewing the opinion and will determine appropriate action once the review is complete.

21. Drinking Water and Wastewater Loan Programs

DEC and EPA will:

- Cooperate in performing an annual program review for both State Revolving Fund (SRF) loan programs in order to assure that all state and federal requirements are being met, to identify areas where improvements can be made, and to recognize successful program implementation.
 - The Clean Water State Revolving Fund program review was held on January 22-25, 2007, however DEC has not yet received a written report on the review. EPA has provided verbal assurance that all state and federal requirements are being met.
 - Drinking Water SRF Program Review was held on December 5-6, 2006, and a written report was provided on March 14, 2007. No significant findings were made; however, a note for better documentation of the 10% set-side match as well as other set-aside commitments is needed. In addition, a request to improve the timeliness of borrower's payments request submissions.

DEC will:

- Follow all terms and conditions outlined in the Operating Agreement, yearly capitalization grant agreements, federal statutes, regulations and published national guidance and policies for both SRF loan programs.
 - Ongoing.
- Submit annual SRF reports to EPA as required.
 - Both State Revolving Fund program annual reports for SFY07 (FFY06) were completed and forwarded to EPA in October 2007.
- Develop, review and modify annual Intended Use Plans for both SRF loan programs.
 - Both State Revolving Fund program Intended Use Plans for SFY08 (FFY07) were completed in August 2007. In addition, in 2008, both IUPs were amended for a solicitation of interim projects prior to stating next year's IUP which began in March 2008.

EPA will:

- Provide DEC with updated program guidance from EPA Headquarters as it becomes available.
 - EPA sends email updates of SRF program guidance documents to DEC as they become available.
- Upon request, provide timely advice regarding SRF program implementation.
 - EPA responds to email and voicemail requests for SRF program advice in a timely manner.
- Make necessary training available to DEC staff responsible for administration of both loan programs.
 - In October, EPA provided CWSRF training for EPA Region 10 states in Oregon. EPA provided grant money to the Council of Infrastructure Financing Authorities

(CIFA) to hold an annual SRF Training Conference in November.

22. Sanitation Facility Projects for Rural Alaska Communities

DEC and EPA will:

- Abide by the 2006 three party MOU.
 - Yes.
- Participate in interagency coordination meetings at least semi-annually, with other agencies involved with rural sanitation.
 - Interagency coordination meetings were held in September , 2007 and late January 2008. Besides EPA and DEC, meetings include the Alaska Rural Utility Business Advisor Program, the USDA-Rural Development Program, the Indian Health Service, and the Alaska Native Tribal Health Consortium
- Work cooperatively to maintain procedures for allocating state and Federal funding available for sanitation facility improvement projects. All available funding will be allocated annually.
 - Funding for SFY2009/FFY2008 is currently being allocated. Applications were submitted by communities in the summer of 2007, and subsequently scored by the inter-agency scoring committee, which included both DEC and EPA. The highest priority projects were included in the Governor's budget request in December 2007. Currently, the Alaska State Legislature is considering the budget request, with final action expected in April or May, 2008

DEC will:

- Annually, update a database of rural sanitation needs organized by community, including water and sewer service levels to individual homes.
 - The database of rural sanitation needs was updated as part of the annual funding allocation process. The information on service levels to individual homes will be updated prior to the 2008 construction season.
- Submit required Federal grant application forms and associated work plans to Federal funding agencies a minimum of 60 days prior to the proposed start date of the proposed federal award, and no later than August 1st.
 - FFY07 grant application forms and associated work plans were submitted to EPA on August 17, 2000. DEC will submit its FFY08 grant application package and associated work plans to EPA no later than July 1, 2008.

EPA will:

- Notify DEC of the final amount available to the program as soon as the allocation amount is final. Federal grant awards will be awarded in accordance with Uniform Administrative Requirements for Federal Grants to States.
 - Commitment met and ongoing.

III. Compliance and Enforcement

Ongoing in a satisfactory manner. The Drinking Water Program has not referred any Alaska PWS to EPA Region 10 for enforcement.