

**UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration**

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AR: Lavaca Bay
Title: Funds Request - 1999

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January 21, 1999

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Ron Weddell
Aluminum Company of America
Point Comfort Operations
State Hwy 35
Point Comfort, TX 77978

Re: Lavaca Bay/Point Comfort NPL Site
- 1999 Funds Request under Trustee/ALCOA MOA

Dear Mr. Weddell:

This letter is submitted on behalf of the Texas General Land office, the Texas Parks and Wildlife Department, the Texas Natural Resource Conservation Commission and the U.S. Department of the Interior/U.S. Fish and Wildlife Service and presents the 1999 funding requests of these agencies pursuant to Section VII of the Trustee/ALCOA MOA dated January 14, 1997. The funds requested are estimates of the additional funds required by these agencies to support their participation in the cooperative assessment process underway for the Point Comfort NPL Site through December 31, 1999. Under Section VII, funding levels for each calendar year are to be discussed and agreed upon in January.

The Texas General Land Office, the Texas Parks and Wildlife Department, the Texas Natural Resource Conservation Commission and the U.S. Department of the Interior/U.S. Fish and Wildlife Service have determined costs incurred under the MOA in 1998 (through dates as indicated below) and have estimated their 1999 funding requirements under the MOA. This information is presented below:

Texas General Land Office: Updated Accounting for 1997 - At the outset of 1998, TGLO's advised its 1997 expenditures would be approximately \$32,659.62. This figure was supported by actual costs of \$31,159.62 incurred between 1/15/97 and 10/25/97 and TGLO's estimate that an additional \$1500.00 in costs would be incurred by 12/31/97.

With this year's accounting, TGLO reports that its actual costs from 10/26/97 through 12/31/97 totaled \$2007.00, meaning that actual costs incurred by TGLO in 1997 were \$33,166.62.

Funds Available in 1998 - Accounting Adjustment -Because actual costs incurred in 1997 were slightly higher (\$33,166.62) than TGLO had projected (\$32,659.62), the surplus in funds provided by ALCOA at the end of 1997 was \$3,852.51 (versus \$4,359.51 projected). Thus, TGLO had \$35,418.58 available from ALCOA to cover costs incurred in 1998 (\$3,852.51 surplus from 1997, plus \$31,566.07 provided to TGLO in February 1998).

Costs in 1998 - Between 1/1/98 and 11/30/98, TGLO expended \$19,555.81 under the MOA and expects to have incurred an additional \$1339.79 in costs by 12/31/98. Thus, TGLO's 1998 expenditures will be approximately \$20,895.60. As noted above, TGLO had \$35,418.58 available from ALCOA to cover costs incurred in 1998, therefore, TGLO estimates a \$14,522.98 surplus to begin 1999.

1999 - TGLO requests \$15,477.02 to cover costs in 1998. This amount will ensure about \$30,000-00 is available to cover costs in 1999.

Texas Parks and Wildlife Department:

Updated Accounting for 1997 - N/A.

Funds Available in 1998 - TPWD began 1998 with a deficit of \$661.76 (\$35,842.35 available; \$36,504.11 expended in 1997). ALCOA provided \$37,000.00 to TPWD in March 1998. After addressing the 1997 deficit, TPWD had \$36,338.24 available from ALCOA to cover costs incurred in 1998.

Costs in 1998 - Between 1/1/98 and 12/31/98, TPWD expended \$27,994.17 under the **MOA**, leaving a surplus of \$8,344.07 to begin 1999.

1999 - TPWD requests \$21,656.00 to cover costs in 1999. This amount will ensure that about \$30,000.00 is available to cover TPWD costs in 1999.

Texas Natural Resource Conservation Commission:

Updated Accounting for 1997 - At the outset of 1998, TNRCC advised its 1997 costs were expected to be about \$30,633.23. This figure was supported by actual costs of \$24,818.97 incurred between 1/13/97 and 10/25/97 and TNRCC's estimate that an additional \$5,814.26 in costs would be incurred by 12/31/97.

TNRCC reports that its actual costs from 11/1/97 through 12/31/97 were \$3,939.88, meaning that actual costs incurred by TNRCC in 1997 were \$28,758.85.

Funds Available in 1998 - Accounting Adjustment -Because actual costs incurred in 1997 were slightly lower (\$28,758.85) than TNRCC had projected (\$30,633.23), TNRCC ended 1997 with a \$202.21 surplus (\$28,797.66 available for 1997, less \$28,595.45 in costs for 1997), rather than a deficit (-\$1835.57), as had been projected. Thus, TNRCC had \$38,797.66 in funding from ALCOA to cover costs incurred in 1998 (\$202.21 surplus from 1997, plus \$38,595.45 provided by ALCOA in February 1998).

Costs in 1998 - TNRCC reports that costs expended from 1/1/98 and 10/31/98 were \$19,435.30 and that it expects to have incurred an additional \$3,906.44 by 12/31/98. Thus, TNRCC's 1998 costs are expected to be approximately \$23,341.74. As noted above, TNRCC had \$38,797.66 available to cover costs in 1998, therefore, TNRCC estimates a \$15,455.92 surplus to begin 1999.

1999 - TNRCC requests and additional \$13,000.00 to cover costs in 1999. This amount allows for an approximate 20% increase over costs expended from 11/1/97 through 10/31/98 (last 365 day period with documented costs), less the anticipated 1998 surplus.

U.S. Fish and Wildlife Service:

Updated Accounting for 1997 - N/A.

Funds Available in 1998 - USFWS began 1998 with a surplus of \$20,323.00 (\$61,550.00 available/\$41,227.00 expended in 1997). ALCOA provided \$54,077.00 to USFWS in February 1998, so that USFWS had a total of \$74,400.00 to cover costs in 1998.

Costs in 1998 - The USFWS reports expending a total of \$74,725.00 in calendar year 1998, leaving a deficit of \$325.00 to begin 1999.

1999 - USFWS requests \$74,325.00 to address the 1998 deficit and cover costs in 1999. The amount is based on the assumption that costs incurred in 1999 will, for USFWS, be roughly equivalent to costs incurred in 1998.

National Oceanic and Atmospheric Administration:

Updated Accounting for 1997 - At the outset of 1998, NOAA advised its 1997 expenditures would be approximately \$85,845.00. This figure was supported by actual costs of \$75,114.91 incurred between 1/19/97 and 11/22/97 and NOAA's estimate that an additional \$10,730.09 would be incurred by 12/31/97.

With this year's accounting, NOAA reports that its actual costs from 11/23/97 through 12/31/97 totaled \$8044.86, meaning that actual costs expended by NOAA in 1997 were \$83,159.77.

Funds Available in 1998 - Accounting Adjustment - Because actual costs incurred in 1997 were slightly lower (\$83,159.77) than NOAA had projected (\$85,845.00), the actual surplus in funds at the end of 1997 was \$54,401.66 (versus \$51,716.43 as had been projected). Thus, NOAA had \$127,451.68 available from ALCOA to cover costs in 1998 (\$54,401.66 surplus from 1997, plus \$73,050.02 provided to NOAA in February 1998).

Costs in 1998 - Between 1/1/98 and 10/24/98, NOAA incurred costs of \$93,883.08 and expects to have incurred an additional \$20,000.00 in costs by 12/31/98. Thus, NOAA's 1998 expenditures are expected to be approximately \$113,883.08. As noted above, NOAA had \$127,451.68 available from ALCOA to cover costs incurred in 1998, therefore, NOAA estimates a \$13,568.60 surplus to begin 1999.

1999 - NOAA requests \$112,000.00 to cover costs in 1999. This amount is a 10% increase over anticipated costs for 1998, less the anticipated 1998 surplus.

Trustee representatives will be prepared, if necessary, to discuss the basis for their 1999.funding requirements at the next Trustees-Alcoa NRDA meeting.

Sincerely,

Stephanie W. Fluke
Natural Resources Attorney

cc: Ingrid Hansen, TGLO
Richard Seiler, TNRCC
David Sager, TPWD
Tom Schultz, USFWS
Ron Gouguet, NOAA
John Kern, NOAA