


MEMORANDUM
DEPARTMENT OF NATURAL RESOURCES

STATE OF ALASKA
DIVISION OF MINING & WATER MGMT

TO: Nico Bus
Chief of Financial Services
FSS/Juneau

DATE: January 20, 1995

TELEPHONE NO.: 762-2165

FROM: Jules Tileston 
Director
Division of Mining & Water

SUBJECT: Legislative Update/Budget

DESCRIPTION OF CHANGES IN SERVICES BETWEEN FY94 AUTHORIZED AND FY95 CC+OTHER:

As a direct result of budget reductions, the Director's office for water was eliminated in FY95. The Divisions of Mining and Water have been combined to create the Division of Mining and Water Management. Water marketing has been de-emphasized, and we have changed membership in the Western States Water Council from a full member to an associate member. All functions and responsibilities of the former Division of Water have been maintained as a fully operating unit within the merged Division of Mining and Water Management.

Before the merger, Division of Water was going to layoff a Hydrologist II position. The Mining unit needed and had the approval to hire a comparable position. Instead of laying off the Hydrologist, his PCN was transferred from Water Resource to Coal Surface Mining Section. The Water Resource Section is already experiencing the impact of the elimination of this position. This is the only hydrologist with specific expertise in groundwater hydrology in Anchorage. In a region as dependent on groundwater as Southcentral Alaska, this represented a loss of ability within the section to respond to and manage this critical resource.

Due to the general fund reduction of \$94.8 in FY95, Water Resource Section will fill only one of two approved NRT/II positions unless program receipts exceed expectations. This results in one additional adjudicator in the Northern Region and will enhance the Northern Region's ability to react to new and backlogged water rights applications and temporary water use permits. It also allows the Fairbanks office to work on their backlog of expired permits related to mining and other development projects. Two adjudicators in Fairbanks mean the public is more likely to receive assistance when needed. Both office and field presence will be enhanced. The Hydro II in Fairbanks will also be filled. This hydrologist will continue work on existing projects in the Northern Region (Healy Coal Mine, Minnie Street groundwater contamination, Fish Creek hydrology and TMDL placer mining). The positive result in the Northern Region will be balanced by the negative results of budget cuts in the Southcentral Region. The NRT I/II will not be filled in Anchorage unless program receipts exceed expectations. Southcentral staff will be held at status quo. The water rights backlog will likely be maintained or possibly increased depending on the amount of development activities requiring water rights permit in the region. Water rights applications could be backlogged for a year or longer under the current budget levels. General Fund cuts reduced travel and contractual budgets resulting in minimum field presence. In addition the DPC II position, which has been reclassified as Administrative Clerk I, in Anchorage will not be filled unless program receipts exceed expectations, resulting in backlog of water management and hydrologic data entry into several important data base systems used by DOW&M, other state agencies, the private and the public. Current accurate data is important to good water resource management and decision making.

Water Resource Section requested and received additional \$150.0 in program receipts authorization from LB&A. Out of this \$150.0 additional program receipts, \$75.5 will be passed through to USGS. The remaining \$74.5 will be used for personal services and other expenses. No new positions will be funded. The authorization will go toward meeting the FY95 vacancy factor amount as well as supplanting budgeted IA and Federal receipts personal services which will not be forthcoming.

The Division of Mining's FY95 operating budget was reduced from the FY94 level by \$114.6 in operating funds including lost annual capital funding of \$64.2 related to the mental health land issues. To meet this reduction in funding the Division will: 1) Eliminate one manager position (Geologist V) and increase management responsibilities of the remaining 3 section managers, and 2) Change a Geologist III position to seasonal (4 months) to be used only during peak permitting and field season. These changes should have minimal impact on the day-to-day activities and services provided by the Division; however, managers will have greater responsibility and work load to contend with.

This is what we requested for FY95. No significant changes have taken place. We are still able to provide adequate level of services to the public.