MEMORANDUM OF UNDERSTANDING
BETWEEN
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION
AND
MUNICIPALITY OF ANCHORAGE
FOR AIR QUALITY CONTROL

I. Purpose

The purpose of this Memorandum of Understanding is to clarify the joint responsibilities for air pollution control and monitoring within the Municipality of Anchorage. The Alaska Department of Environmental Conservation (ADEC) and the Municipality of Anchorage (MOA) share responsibility and authority for air quality control in the Municipality of Anchorage. The parties to this Memorandum of Understanding recognize that clear lines of responsibility must be established and maintained to maximize the efficient utilization of available resources and to provide the greatest protection to health and safety. It is with this recognition that these two parties hereby enter into this agreement.

II. Ambient Air Monitoring

The MOA will maintain and operate a criteria pollutant monitoring network [carbon monoxide (CO), coarse (PM-10) and fine particulate (PM-2.5), oxides of nitrogen (NO_x), sulfur dioxide (SO_2), and ozone (O_3)], as applicable, to characterize air quality within the Municipality. The MOA air quality staff will review monitoring needs with ADEC and the Environmental Protection Agency (EPA) in consideration of resources available for the purpose of assigning monitoring priorities. The MOA will provide air quality reports and forecasts to the public each weekday (excluding holidays). ADEC will provide technical support and quality assurance related to the ambient air monitoring network.

Close communication and cooperation between state and local air agencies is necessary to share information on ambient air conditions to help determine the need for issuing an air quality advisory, or declaring an air episode due to anthropogenic or natural events.

A. ADEC will:

1. provide technical assistance to the MOA in the areas of ambient air monitoring science, instrument operation, and quality assurance;

2. send to the MOA copies of correspondence and applicable materials associated with air quality monitoring work performed by ADEC within the MOA and air monitoring information received from EPA or other sources which may be of interest to the MOA;

3. notify the MOA of reporting requirements and due dates;

4. review and approve in writing, quality assurance project plans, monitoring site locations and installations as required;

5. provide, or facilitate in-state, technical assistance and training as time and funding allows;

6. perform quarterly audit tests on the MOA's air quality monitoring network;

7. assist MOA staff with field monitoring if requested, as time, staffing and funding allows;

8. participate in the MOA's Upper Cook Inlet air monitoring network by operating and maintaining monitoring sites in the Mat-Su Valley and on the Kenai Peninsula subject to available funding;

9. submit MOA State Local Air Monitoring System (SLAMS) and National Air Monitoring System (NAMS) monitoring data to Air Quality Subsystem (AQS) quarterly until the MOA has a database management system capable of submitting the data; and

10. review MOA annual monitoring network assessment and forward final decisions to EPA as part of the state's annual network assessment for Alaska.

B. The MOA will:

1. operate and maintain the MOA criteria pollutant ambient air monitoring network (currently CO, PM-10, and PM-2.5) as required in accordance with state and federal regulations, guidelines, and the yearly ADEC/MOA and MOA/EPA monitoring work plans;

2. maintain and operate instruments to obtain accurate, precise, and valid ambient air quality data;

3. develop an annual monitoring work plan for air monitoring activities not included in the Municipality's direct grant agreement with EPA and submit it to ADEC for approval and funding;

4. at the time of submission to EPA, provide ADEC with a courtesy copy of the air work plan required under the Municipality's direct grant with EPA;

5. submit to ADEC, in writing, a request for approval of significant changes in the MOA monitoring network such as the decommissioning or commissioning of monitoring sites;

6. review documents provided by ADEC such as audit reports and Quality Assurance Project Plans (QAPP) developed by the state for monitoring projects in the Municipality;

7. Develop Quality Assurance Project Plans (QAPP) and Natural Events Action Plans (NEAP) for state review when required by EPA monitoring rules;

8. participate in the state's quality assurance programs and submit required data to ADEC or EPA;

9. assist ADEC in air quality monitoring systems audits;

10. maintain trained staff capable of operating and maintaining monitoring equipment and coordinate training needs with ADEC to identify potential local and in-state training opportunities;

11. participate in the ADEC's air quality data quality assurance program, and submit required quarterly data to ADEC and/or EPA;

12. submit quarterly/annual SLAMS, NAMS, and Special Purpose Monitor (SPM) air quality monitoring data to ADEC within 30 days after the end of a quarter for CO and PM-10 and within 60 days for PM-2.5, so that ADEC can meet AQS data submittal requirements. If requested, provide courtesy copies of other air monitoring data from SPM surveys and special studies to ADEC as it becomes available;

13. conduct an annual monitoring network assessment and develop recommendations for any changes which may be necessary in coordination with the ADEC and EPA;

14. continue to implement the MOA's emergency episode plan for criteria air pollutants. When episodes are detected which occur due to natural events, provide documentation and a Natural Events Action Plan to ADEC following guidance provided in EPA's Natural Events Policy;

15. provide a daily recorded telephone message providing air quality information to the public each weekday morning (excluding holidays) that includes a summary report of the Air Quality Index (AQI) on the previous day and a forecast of the AQI for the next 24 hours;

16. issue air pollution alerts, warnings, and emergencies to the public in accordance with state regulations and local ordinance; and

17. endeavor to provide web-based real-time air quality data, archived data and regularly updated air quality forecasts for the public by January 1, 2008.

III. Permitting

For the purpose of this MOU, an ADEC air quality control permit also includes a pre-approved emission limit, letter of authorization for operation under an owner requested limit or general permit, as well as a minor permit, a construction permit, and an operating permit;

A. ADEC will:

1. upon request, provide ADEC procedures and guidelines on: permitting, enforcement, surveillance, inspection, ambient air quality monitor siting, and record keeping to MOA;

2. notify MOA in writing when it receives an application for an air quality control permit, permit renewal, or permit revision request in the MOA even if ADEC determines the source does not require an ADEC permit. Upon request from MOA, ADEC will send copies of correspondence and written documentation related to the application, renewal or request for revision within 5 working days of the request;

3. notify MOA in writing when the deadlines for a complete application determination and permit issuance have been set;

4. if requested by MOA, provide MOA with access to all methodology and procedures used in evaluating each ADEC air quality control permit application;

5. if deemed appropriate and germane to developing an air quality control permit, permit revision or permit renewal, send out a request for additional information based partially or wholly on the MOA's written request, if MOA submits the written request to ADEC in a timely manner;

6. for each stationary source, send a copy of the signed air quality control permit, permit revision or permit renewal to MOA;

7. if requested by MOA, after completion of training and adoption of new municipal air quality ordinances and associated documents, delegate permitting for all sources within the Municipality to MOA for which municipal ordinances are of equal to or greater stringency than ADEC requirements; and

8. after delegation to MOA, notify all ADEC-permitted sources within the boundaries of the Municipality affected by the delegation that the department has granted responsibility for the permitting process to MOA.

B. MOA will:

1. send copies to ADEC's Air Permits Anchorage Office of correspondence and written documentation of contact with applicants seeking a renewal of an existing permit for a stationary source located in the Municipality, if the applicant's source would require an ADEC permit as a result of modifications proposed by the applicant. MOA will send copies in a timely manner after contact or receipt of written documentation. If an ADEC air quality control permit is necessary, MOA will not write a municipal permit;

2. review ADEC air quality control permit provisions with ADEC;

3. if requested by ADEC, submit copies to ADEC of correspondence and written documentation of permits issued by MOA;

4. schedule time for MOA staff training in permitting; and

5. maintain air quality ordinances consistent with ADEC air quality control regulations.

IV. Stationary Source Inspection and Enforcement

A. ADEC will:

1. maintain oversight of those stationary sources under ADEC air quality control permit;

2. conduct on-site and full compliance evaluations of those stationary sources under an ADEC air quality control permit in accordance with the department's compliance monitoring schedule, with MOA invited to join ADEC on selected on-site compliance evaluations;

3. give appropriate advance notice to MOA on selected on-site compliance evaluations and any changes in the scheduled evaluations;

4. take enforcement action on an ADEC-permitted stationary source if a unit at that source is found to be in violation of ADEC air quality control regulations; and

5. collaborate with the MOA to provide in-state EPA Method 9 opacity training and certification if private sector providers do not provide adequate service to Alaska industry and regulators.

B. MOA will:

1. maintain oversight of those stationary sources under a MOA air quality control permit;

2. conduct on-site and full compliance evaluations of those stationary sources under a municipal air quality control permit with ADEC invited to join MOA on selected on-site compliance evaluations;

3. give appropriate advance notice to ADEC of selected on-site compliance evaluations and any changes in the scheduled evaluations;

4. take enforcement action on a MOA-permitted stationary source if a unit at that source is found to be in violation of state or municipal air quality control regulations; and

5. collaborate with the ADEC to provide in-state EPA Method 9 opacity training and certification if private sector providers do not provide adequate service to Alaska industry and regulators.

V. Open Burn

A. ADEC will:

1. review and issue open burn approvals to stationary sources in the Municipality that are regulated under 18 AAC 50.325 through 18 AAC 50.346;

2. inform stationary sources regulated under 18 AAC 50.325 – 18 AAC 50.346 that they are also obliged to meet open burn ordinance requirements contained in Anchorage Municipal Code Section 15.35.100 and that this may entail obtaining open burn permits from the MOA for certain activities not regulated by ADEC;

3. work with MOA to develop consistency in the permitting process and the terms and conditions applied to open burn permits within the Municipality;

4. prior to issuing an open burn approval for a prescribed fire, significant land clearing operation or fire training exercise within the Municipality, notify MOA that an application has been received. If requested by MOA, send a copy of the permit application and draft permit to solicit input from MOA on the terms and conditions of the permit. ADEC will provide a copy of all open burning permits issued within the Municipality to the MOA;

5. develop and implement a system to provide notice to the MOA when applications for open burning in the Mat-Su and Kenai Borough are received if those activities have a reasonable potential to affect air quality in the Municipality. This notification system will be implemented as soon as possible based on available resources. Until then, ADEC will continue to provide the MOA with copies of all open burning approvals issued in the Mat Su and Kenai;

B. MOA will:

1. take the primary role in the issuance of open burn approvals within the Municipality for open burning activities on properties or stationary sources not regulated under 18 AAC 50.325 through 18 AAC 50.346;

2. take primary role issuing MOA open burn permits for open burning activities regulated under MOA ordinance except those that meet ADEC open burn minimum size thresholds at a stationary source regulated under 18 AAC 50.325 through 18 AAC 50.346;

3. develop and/or maintain local open burning regulations consistent with requirements in State statutes and ADEC regulations;

4. work with ADEC to develop consistency in the permitting process and the terms and conditions applied to open burn permits within the Municipality;

5. prior to issuing an open burn approval for a prescribed fire, significant land clearing operation, or fire training exercise, notify ADEC that an application has been received. If requested by ADEC, send a copy of the permit application and draft permit to solicit input from ADEC on the terms and conditions of the permit;

6. if requested, provide ADEC with copies of open burning permits issued within 5 working days of request.

VI. Inspection and Maintenance Program

The MOA will continue to maintain a vehicle emissions inspection and maintenance (I/M) program until such time as the Environmental Protection Agency approves its discontinuation.

ADEC will continue to maintain the Commuter Inspection and Maintenance program until such time as the program is no longer needed by the MOA and the Environmental Protection Agency approves its discontinuation.

A. MOA will:

1. continue to operate a decentralized vehicle emissions inspection and maintenance (I/M) program;

2. continue to evaluate methods for improving the I/M program;

3. continue to input and maintain I/M information in the I/M Tools software;

4. assist in identifying seasonal vehicles being driven during prohibited times and vehicles with expired license tabs. Violators of the Seasonal Waiver Program will be sent citations and the vehicle will be added to the list of those not eligible to receive future seasonal waivers;

5. follow ADEC regulations contained in 18 AAC 52 as adopted in local ordinance;

6. request formal approval for every Assembly-approved modification to MOA ordinances concerning the I/M program;

7. research and verify or confirm any hardware and/or software issues regarding analyzers and forward findings to the ADEC;

8. develop acceptance testing protocols and conduct alpha and beta testing of any needed analyzer software or hardware update, sponsored and funded by MOA, and forward results to ADEC;

9. develop and monitor QA/QC procedures of analyzer in the field;

10. work with DMV, EPA, and vehicle manufacturers on I/M technical or procedural issues related to MOA I/M Program; and

11. review I/M data and/or conduct advanced data queries and data analysis using data that is accessible to MOA through I/M Tools and iQuery.

B. ADEC will:

1. meet its regulatory obligations under 18 AAC 52, including review of program changes requested by the MOA. Program review material should be provided to ADEC four weeks in advance of MOA's desired deadline. ADEC will review and comment on the material within a four week time period;

2. maintain and operate the centralized I/M database which includes the VID and I/M Tools. This database contains all the I/M data collected statewide from all the analyzers, transfers the required information to DMV to allow for vehicle registration renewal and title transfer, as well as handles all the historical test data and allows all daily administrative functions to occur for the I/M programs at the Fairbanks North Star Borough, MOA and ADEC. ADEC will:

a. monitor and troubleshoot servers, uninterruptible power supply (UPS) units and associated equipment;

b. perform standard Oracle database administration tasks including but not limited to analyzing tables, monitoring memory use, optimizing configuration based on changing usage patterns, watching for inefficient

Structured Query Language (SQL), and extending segments;

c. backup database and file system daily;

d. investigate and respond to problems reported by system status monitor, such as network failures, equipment failures, software failures, power outages;

e. monitor and troubleshoot processing of daily vehicle record updates received from DMV, modify update routine as needed in response to changes at DMV;

f. ensure that the electronic monitor of the transfer of test records to DMV (every 15 minutes) is working properly and perform any required maintenance such as updates, patches, and reboots. Any uploads and transfer errors will be researched and data recovered, if possible, then re-transmitted if needed;

g. maintain and update periodic mirror-image development system (vs. production) in case of catastrophic failure;

h. perform periodic auditing of security methods in place;

i. perform data quality assurance audits, after every disruptive incident such as power failure or accidental shutdown and on a periodic basis, to insure quality of data. For example, randomly review data tables to ensure that all are formatted correctly and that there is no "garbage" in the fields;

j. coordinate analyzer phone account maintenance, additions, deletions, changes;

k. support Worldwide service technician regarding analyzer/VID connectivity issues;

l. answer questions and provide troubleshooting for 8 I/M specific end-user applications: IM Tools, QA Audit, EIS manual uploads, enforcement/surveys, Change Management System, iQuery, Wireless vehicle lookup, and External Data Transfer;

m. add and delete and change user accounts;

n. ensure that there is adequate staffing for operation and oversight of the system when primary programmer is unavailable;

o. provide and implement periodic system upgrades such as licenses and hardware;

p. make available a copy of the I/M data for use by entities under contract with ADEC or MOA for data analysis;

q. replace system computer hardware as necessary on a 3 to 5 year cycle;

r. purchase yearly computer maintenance agreements and program licenses;

s. purchase yearly VIN decoder; and

t. assist in records modification for covert and overt inspections, correct vehicle records after inspection, as long as assistance request is scheduled in advanced and some accommodation is given to programmer's schedule.

3. provide the following technical support,:

a. develop acceptance testing protocols and conduct alpha and beta testing of any needed analyzer software or hardware updates if sponsored and funded by ADEC, and forward results to MOA;

b. certify, for statewide use, all analyzers and software updates;

c. draft modifications to ADEC regulations at request of MOA or in response to federal requirements;

d. pass on any information it receives that could have an impact on the MOA I/M Program community, however, ADEC will not actively look for, anticipate, or plan for possible impacts or changes as a result of new or potentially new federal requirements;

e. conduct periodic surveys to determine the compliance rate of the MOA I/M Program regarding vehicles driving during the winter season; and

f. except for commuters and cases actively under investigation by ADEC, forward vehicle license and other information to MOA as time and resources permit. This information may include program evaders or potential evaders, such as seasonal, potential false registration, and expired registration.

4. Should there be unanticipated cost savings in the ADEC I/M program or additional funds are made available to ADEC, ADEC will:

a. program new applications and/or modify existing applications of the database system to meet continuing program needs. ADEC may work on system modifications as time allows but will not commit to completion dates or specific enhancements without identified funding;

b. provide detailed complex queries of data for specialized data requests in support of MOA program;

c. work with DMV on I/M related data issues, involving the MOA program, that is not a statewide issue. For example, without additional funding identified, a local program will need to work directly with DMV to correct errors generated by the local program to test records;

d. assist with questions on local tampering issues;

e. assist with development of acceptance testing protocols; and

f. assist with acceptance testing of analyzer software and troubleshoot potential software issues.

VII. Commuter I/M Program

A significant fraction of vehicles operating in the Anchorage area belong to commuters who live outside of the Municipality. To assist MOA in its efforts to maintain Anchorage carbon monoxide levels, ADEC adopted regulations requiring out-of-area commuters to participate in a State-administered I/M program. MOA assists ADEC in administering the Commuter I/M Program as provided:

A. The MOA will:

1. conduct QA/QC audits on certified Valley IM stations and analyzers as time and resources permit;

2. provide access to the MOA referee facility for setting up vehicles for use in overt and covert inspections of certified Valley I/M analyzers, mechanics and stations as time and resources permit;

3. offer mechanic training classes and competency tests;

4. forward potential commuter cases to ADEC; and

5. provide referee services for commuters.

B. The ADEC will:

1. Operate a commuter vehicle emissions inspection and maintenance (I/M) program;

2. identify potential commuters who drive to work and/or attend school in MOA by conducting parking lot sweeps and on-highway sightings;

3. research and verify potential commuters, then notify the owners of those vehicles, in writing, of the need to have their vehicle inspected, and pursue enforcement action against commuter vehicles that do not comply with the requirements of the Commuter I/M Program;

4. continue to input and maintain Commuter I/M information in the I/M Tools software. All parking lot sweeps and on-highway sightings of vehicles will be entered into I/M Tools, even those vehicle sightings that turn out not to be commuters;

5. follow ADEC regulations contained in 18 AAC 52;

6. certify Valley I/M mechanics and stations. This includes mailing out applications and renewal notices when certifications are about to expire. Review past audits and any compliance actions, reviewing test scores, assisting stations and mechanics with paperwork, and issuing certificates. ADEC will assist certified stations and mechanics on regulations, and answering program questions;

7. maintain a toll-free 800 number for mechanics, stations, or commuters to call regarding general program requirements; highly technical calls will be referred to either the MOA I/M Office or the MOA Tech hotline, depending on the exact nature of each call; and

8. monthly, mail out reminder notices to all commuters whose I/M tests are set to expire. The monthly reminder notices also include Non-Commuter Affidavits and vehicle transfer notices. Process all non-commuter affidavits by entering them in the tracking database and send all vehicle transfer notices received to DMV.

VIII. Air Quality Planning

The MOA will continue its efforts to maintain the national ambient air quality standards for carbon monoxide (CO) and particulate matter (PM). This will include the study and possible implementation of reasonable, cost-effective strategies designed to further reduce ambient concentrations which will aid the MOA in maintaining the health standards.

A. ADEC will:

1. provide technical and administrative assistance to the MOA in the development and processing of State Implementation Plan revisions for attainment and maintenance of the national ambient air quality standard for CO and PM;

2. assist the MOA in its dealings with EPA, particularly in the development of State Implementation Plan revisions;

3. process locally-developed State Implementation Plans through the state regulatory process and submit state-approved plans to EPA for final federal approvals; and

4. participate in the inter-agency consultation process to insure federally-funded projects within the MOA conform to the State Implementation Plan (SIP).

B. MOA will:

1. take the primary role in conjunction with the Anchorage Metropolitan Area Transportation Study (AMATS) organization, for all CO and PM planning for areas within the Municipality;

2. coordinate with AMATS, as necessary, to meet SIP deadlines for CO and PM;

3. continue its efforts to maintain the national ambient air quality standards for CO and PM;

4. continue to study, identify and implement additional strategies to further reduce ambient CO and PM as needed in the Municipality; and

5. participate in the inter-agency consultation process to ensure federally-funded projects within the MOA conform to the State Implementation Plan.

IX. Compensation

A. ADEC shall:

1. with regard to grant funding for PM-2.5 monitoring:

The Municipality of Anchorage is currently in attainment with the revised PM-2.5 standard and under current EPA funding policy, will not be eligible to receive funding for PM-2.5 monitoring and planning in FY08. Additionally, beginning in FY08, EPA PM-2.5 funding will be provided through Section 105 grants rather than Section 103. Should the MOA qualify for PM-2.5 funding in the future, ADEC will encourage EPA to provide this 105 funding directly to MOA.

B. MOA shall:

1. with regard to MOA 2007 I/M certificate revenue, it is agreed that MOA shall remit to ADEC:

a. A 1st quarter 2007 calendar year payment not to exceed $36,250.
b. A 2nd quarter 2007 calendar year payment not to exceed $36,250.
c. A 3rd quarter 2007 calendar year payment not to exceed $39,500.
d. A 4th quarter 2007 calendar year payment not to exceed $39,500.

ADEC shall not receive any other payment for calendar year 2007 from MOA under this MOU.

2. with regard to MOA 2008 I/M certificate revenue, it is agreed that MOA shall remit to ADEC:

a. A 1st quarter 2008 calendar year payment not to exceed $36,250.
b. A 2nd quarter 2008 calendar year payment not to exceed $36,250.

ADEC shall not receive any other payment for calendar year 2008 from MOA under this MOU.

X. General Provisions

A. Term

This Agreement shall commence on July 1, 2007 and be completed on June 30, 2008 when signed by both parties.

B. Amendment

Significant cutbacks or modifications are possible during the remaining years of the I/M program and may result in substantial differences in future agreements between ADEC and MOA. No later than March 15, 2008 the parties to this agreement shall have completed discussions and mutually determined whether to renew, amend or revoke this agreement.

However, should the MOA I/M Program be significantly modified or discontinued prior to March 15, 2008 thereby significantly impacting or eliminating MOA I/M revenue, the ADEC and MOA agree to enter negotiations at that time to determine the level of compensation required for ADEC technical support for the remainder of this agreement. If this occurs, this Agreement must be amended to reflect the funding level mutually negotiated.

This Agreement may only be amended, modified or changed in writing, executed by authorized representatives of the parties. The only representatives authorized to amend, modify or change the terms of the Agreement are:

ADEC: Commissioner or Approved Designee

Anchorage: Municipal Manager or Approved Designee

C. Notices

Any notice required pertaining to the subject matter of this agreement shall be personally delivered, sent via facsimile (FAX) or mailed by prepaid first class registered or certified mail, return receipt requested to the following address:

Municipality of Anchorage
Director, Department of Health and Human Services
P.O. Box 196650
Anchorage, AK 99519-6650
FAX: 907-343-6740

Alaska Department of Environmental Conservation
Director, Air Quality
555 Cordova Street
Anchorage, AK 99501-2617

D. Jurisdiction

Any civil action arising from this agreement shall be brought in the Superior Court Third Judicial District, of the State of Alaska at Anchorage. The laws of the State of Alaska shall govern the rights and duties of the parties under this agreement.

E. Integration

This agreement and all appendices and modifications hereto embody the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this agreement shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto.

F. Permits and Laws

The parties agree to acquire and maintain in good standing all permits, licenses, and other entitlements necessary to their performance under this Agreement. All actions taken by the parties under this Agreement shall comply with all applicable laws, statues, ordinances, rules and regulations.

G. Indemnification

Each party shall defend, indemnify save and hold harmless the other party from and against any and all claims, lawsuits, or liability, including attorney fees and costs, allegedly arising out of, in connection with, or incident to any loss, damage or injury to persons or property or from any wrongful or negligent act, error or omission of indemnifying party or indemnifying party's agents, employees, subcontractor or representatives, occurring during the course of or as a result of the indemnifying party or indemnifying party's employees, contractors, subcontractors or representatives performance pursuant to this Agreement.

H. Termination

The Agreement may be terminated:

1. By mutual consent of the parties;

2. For convenience of one party, provided that the terminating party notifies the other party of its intent to terminate at least 60 days prior to the effective date of the termination; or

3. For cause, by either party where the other party fails in any material way to perform its obligations under the Agreement. Termination is subject to the terminating party notifying the other party of its intent to terminate, stating with reasonable specificity the grounds therefore, and the other party fails to cure the default within thirty (30) days after receiving the notice.

I. Duties Upon Termination

All notes, data collected, and any draft reports shall be submitted to ADEC or MOA depending upon which party funded the project, within 30 days of termination of this agreement by either party.

J. Funding

1. Payments under this Agreement require funds from future appropriations and are subject to future appropriations. If sufficient funds are not appropriated for payments required under this Agreement, the Agreement shall terminate without penalty to MOA and MOA shall not be obligated to make payments under this Agreement beyond those which have previously been appropriated. Financial payments set out in this agreement shall not set precedent for any future agreement.

2. Nothing in this Agreement shall be construed as obligating ADEC and MOA to the expenditure of funds, or for the future payment of funds, in excess of that authorized by this agreement.

3. MOA may provide funding to ADEC for performing special projects negotiated under this Agreement after review and approval of a specific work plan and timeline. If this occurs, this Agreement must be amended to allow exchange of funds for special projects.

4. ADEC may provide funding to MOA for performing special projects negotiated under this Agreement after review and approval of a specific work plan and timeline. If this occurs, this Agreement must be amended to allow exchange of funds for special projects.

IN WITNESS WHEROF, the parties have executed this Agreement.

Alaska Department of Environmental Conservation

By _____
Larry Hartig
Commissioner

Date 6/29/07

Municipality of Anchorage

_____
Mayor, Municipal Manager
or Authorized Designee

Date 6/28/07

Alaska Department of Environmental Conservation

By _____
Joanna McDowell
DIAS Finance Officer

Date 7/3/07