

1. INTRODUCTION

God's Grace and Good morning, Honorable Clifford Graham, Chairman of the 31st Legislature's Committee on Finance, members of the Committee on Finance, other members of the 31st Legislature present, staff, and the listening and viewing public. I am Dawn L. Henry, Commissioner of the Department of Planning and Natural Resources (DPNR or Department), and with me are, Althea Grant, Director of Business and Administrative Services and Tasida Kelch, Acting Director of the Virgin Islands Council on the Arts. I am before you today to present testimony in support of the Department's recommended fiscal year 2017 budget and to touch on some of the accomplishments realized by the great women and men of DPNR.

The Department of Planning and Natural Resources was established by Title 3 V.I.C. § 400(a) and its mission is to protect, maintain, and manage the natural and cultural resources of the Virgin Islands. This mission is accomplished through coordination and collaboration with local, federal, and non-government organizations, to ensure that present and future generations live safer, fuller lives, in harmony with their environmental and cultural heritage.

2. BUDGET OVERVIEW

The Department has a total FY'17 recommended budget of \$27,901,004.67, which is comprised of a general fund anticipated appropriation of \$6,915,420 or 25%, contributions from Non-Appropriated Local Funds of \$4,027,596.67 or 14%, and federal awards of \$16,957,988 or 61%. The \$27,901,004.67 distributed among categories is: personnel for \$10,243,166 or 37%, capital outlay of \$1,960,709 or 7%, fringe benefits of \$4,730,159 or 17%, supplies for \$1,553,161 or 6%, other services and charges of \$8,582,703 or 31%, and utilities of \$831,105 or 2%.

PERSONNEL

The total FY'17 recommended budget for personnel cost is \$10,243,166 which funds 220 positions and consists of \$3,910,929 from General Funds, \$1,623,908 from Non-Appropriated Funds and \$4,708,329 from Federal Funds. Listed below are the various divisions, their functions, the positions necessary to maintain operation, the associated costs, and a current initiative from each division.

Human Resources

DPNR's Human Resources is a unit within the Division of Business and Administrative Services and is staffed with one employee, Celia Jackson-Williams. The Department hired 11 new employees, promoted 13 employees, had 5 resignations and 3 retirees.

The below table provides a detailed breakdown:

New Hires	Division	District	Position Title
3	DLAM	STT/STJ	Assistant Director, Special Assistant to the Territorial Archivist Office Assistant
1		STX	Library Technician I
2	DEE	STT/STJ	Conservation Enforcement Officers
2		STX	Conservation Enforcement Officers
1	DFW	STT/STJ	Fisheries Biologist I
1	DFW	STX	Fisheries Biologist II
1	CCZP	STT/STJ	Planning Technician
1	DAHP	STX	Historic Preservation Technician
1	DEP	STX	Environmental Specialist I
1	CZM	STX	Park Ranger Supervisor
1	Permits	STT	Office Assistant
Resignations Deceased	Division	District	Position Title
1	Exec. Off.	Territorial	Assistant Commissioner
2	DLAM	STT/STJ	Librarian I
3		STX	Librarian I Library Associate Librarian Aides
4	DEP	STT/STJ	Legal Counsel Environmental Specialist I Environmental Specialist III & Environmental Engineer I
2	CZM	STX	Marine Park Coordinator, Marine Park Interpreter
2	DEE	STT/STJ	Clerk Typist III Conservation Enforcement Officer
1	DFW	STT/STJ	Environmental Specialist III (Deceased)
1		STX	Chief of Fisheries
Number of Retirements	Division	District	Position Title
4			
1	DEE	STX	Conservation Enforcement Officer
1	CZM	STT	Environmental Specialist III
1	Permits	STT	Trades Inspector
1	VICA	Territorial	Executive Director

No. of Promotions	Division	District	Position Title
1	DFW	STX	Grants Manager
1	DFW	STX	Fisheries Biologist I
1	DBAS	STX	Administrative Specialist
1	DBAS	STT	Director, Div. of Business & Admin. Services
1	DEP	STT	Territorial Program Coordinator
1	DEP	STX	Federal Grants Coordinator
1	DEP	STT	Environmental Specialist II
1	DEP	STX	Program Administrator
1	DEP	STT	Special Projects Coordinator
1	DEP	STT	Environmental Specialist III
1	CCZP	STT	Territorial Planner
1	DLAM	STT	Library Aide I
1	DLAM	STT	Library Technician III

One of Human Resources' major initiative is to have a minimum entry level full time salary of \$25,000.00. Currently the Department has 10 employees below this level

Business and Administrative Services

The Division of Business and Administrative Services (DBAS) is responsible for all fiscal matters pertaining to budgeting, personnel, payroll, revenue collection, and other fiscal matters involving general, federal and other special funds.

Personnel Allocation	Funding Source	Funded Positions
\$797,347.00	General	19
Total - Personnel Allocation - \$797,347.00		19

DBAS, with the leadership of Director Althea Grant and Assistant Director Kenneth Milligan, contributed to the significant improvements made towards removing the Department’s High Risk Designation imposed by EPA. Recent correspondence by EPA advised the Inspector General of the improvements and recommended that “at risk” programs be monitored to determine whether efforts by the Division of Environmental Protection could be sustained over the long term. The DEP continues to be on a reimbursement method of payment for all cost associated with executing its program objectives. Payroll continues to be withheld with the fiscal year 2015 payroll cost of approximately \$1.8 million dollars pending reimbursement by the United States Environmental Protection Agency (USEPA). Reimbursements are scheduled to be sent to the territory by September 30, 2016. Discussions regarding the 2016 reimbursement are ongoing. The Division received approval to recoup approximately \$1.5 million dollars of past indirect cost revenues. Those amounts also will be received by September 30, 2016.

Recognizing the efforts made by DEP, the EPA has eased a few restrictions as it relates to grant funding. To this end, the DPNR staff remains committed in putting their best efforts to have the High Risk designation removed.

Environmental Enforcement

Enforcement serves as the law enforcement arm of the Department. Its primary function is to enforce all environmental, boating safety and permitting laws of the United States Virgin Islands and to protect, conserve and preserve the natural resources of the Territory. Its secondary functions are to support: the philosophy of “zero tolerance” to illegal drugs by assisting when called upon by federal and local enforcement agencies to participate in joint initiatives aimed at eradicating illegal drugs within the USVI borders; enforcement of Homeland Security duties through land and marine patrols focused at preventing terrorist attacks; and enforcing federal fisheries laws as stipulated in the Joint Enforcement Agreement.

Personnel Allocation	Funding Source	Funded Positions
\$ 98,000.00	General Fund	4
\$435,983.00	Non-Appropriated Fund	12.85
\$276,250.00	Federal Fund	7.15
Total - Personnel Allocation - \$810,233.00		24.00

In May, the Department participated in a legislative hearing to discuss Bill No. 31-0333, a measure to provide for the increase in the fee schedule for mooring and anchoring and the implementation of a marine event permit fee. This body approved the measure which was forwarded to the Governor for his signature. Acting Director Howard Forbes, Sr. and I would like to thank the sponsor, Senator Francis and the 31st legislature for supporting this revenue generating measure.

Permits

The Permits Inspection Unit reviews and issues various types of permits. It also inspects all construction activity throughout the Territory to ensure minimum local and national building code compliance.

Personnel Allocation	Funding Source	Funded Positions
\$ 777,314.00	General	17.45
Total - Personnel Allocation - \$777,314.00		17.45

For the first time, technical staff from both districts participated in a two-day training on St. Thomas. The clerical support employees received training on Essential Records and Microsoft Access. This was achieved under the leadership of Territorial Director Douglas Hodge and Unit Chief Amanda Acosta-Jackson.

Coastal Zone Management

The Division of Coastal Zone Management (CZM), serves to protect, maintain, preserve enhance and restore the quality of the environment in the coastal zone while promoting the economic development and growth in the coastal zone. CZM also permits and regulates all development within the first tier of the coastal zone; develops, manages and promotes the St. Croix East End Marine Park; oversees the negotiation and implementation of submerged and filled land leases; and assists in the protection of marine environments, particularly coral reefs, via implementation of erosion and sedimentation control regulations and programs and non-point source pollution control policies and programs.

Personnel Allocation	Funding Source	Funded Positions
\$500,353.00	Non-appropriated Fund	9.50
\$682,064.00	Federal Fund	14.50
Total - Personnel Allocation - \$1,182,417.00		24.00

To assist with its submerged and filled land leases, Director Jean-Pierre Oriol initiated the purchase of property management software and currently has about 40% of all its land rentals entered into a database. The software will allow better tracking of accounts, resulting in increased payments and better tracking of delinquencies.

Comprehensive and Coastal Zone Planning

Comprehensive and Coastal Zone Planning (CCZP), formulates long-range plans and policies, including the development of a comprehensive plan to properly guide and manage physical, economic and social growth and development trends in the territory. The Division is also responsible for administering DPNR’s zoning map amendments, subdivision processes, and reviewing their effectiveness and appropriateness.

Personnel Allocation	Funding Source	Funded Positions
\$176,000.00	General Fund	4
\$ 34,000.00	Non-appropriated Fund	1
Total - Personnel Allocation - \$210,000.00		5.00

Notwithstanding CCZP being short staffed, I wish to recognize Leia LaPlace, Territorial Planner, for the division’s ability to meet its mandates. This fiscal year the division has reviewed approximately 1,500 business license request, 7 public hearings, 19 subdivision reviews resulting in 12 approvals, 38 zoning inquires, and 140 earth change requests.

Archaeology and Historic Preservation

The Division of Archeology and Historic Preservation (SHPO) preserves the cultural and historic heritage by protecting as well as fostering a meaningful awareness and appreciation of the unique history of the United States Virgin Islands (USVI). This mission is accomplished through education and outreach and by sponsoring and assisting programs that promote historic preservation in the USVI.

Personnel Allocation	Funding Source	Funded Positions
\$ 61,047.00	General Fund	2
\$ 220,384.00	Federal Fund	4
Total - Personnel Allocation - \$281,431.00		6.00

With the leadership of Acting Director Sean Krigger, SHPO continues to assist the Department with the conservation/restoration work Custom Builders is conducting at the Fort Christian Museum. There are two major funding sources for this project: (1) Virgin Islands Public Finance Authority (VIPFA) in the amount of \$2,000,000.00 and (2) the Department of Interior (DOI) in the amount of \$536,000.00. On October 13, 2014, the project resumed after almost five (5) years of inactivity.

Custom Builders took approximately eight months to essentially complete Phase I scope of work. On June 24, 2015, after a final inspection of the punch list items were completed, Where are we today? Still to be completed prior to the Centennial: the courtyard, Phase II which is the western rooms, outfitting of the chapel, the dungeon or lower rooms, and the eastern exterior. The Department has the funding to complete this work. However, the GVI still owes Custom Builders \$582,076.52 for Phase I.

Library, Archives and Museums

The Division of Libraries, Archives and Museums (DLAM) provides library and information services, through the development and preservation of its historical and archival collections.

The Museums Unit is responsible for the interpretation of the history, arts, and material culture of the USVI through exhibitions, displays, lectures, and workshops. This unit is responsible for preserving and maintaining two coastal Danish fortresses, Fort Christian and Fort Frederik.

Personnel Allocation	Funding Source	Funded Positions
\$1,360,565.00	General Fund	38
\$ 63,510.00	Federal Fund	1
Total - Personnel Allocation - \$1,424,075.00		39.00

In March of 2016, Interior Secretary for Insular Areas announced that \$1 million in grant funding under the Office of Insular Affairs' Capital Improvement Project Program had been awarded to the Virgin Islands to make infrastructure improvements at the libraries. This is in addition to \$915,000 awarded in 2015. Under the leadership of Director Ingrid Bough, approximately \$2 million in grant funding has been awarded to the Virgin Islands to make infrastructure improvements, structural renovations and technological upgrades.

Fish and Wildlife

Fish and Wildlife (DFW) is 100% federally funded and provides scientific advice to the Department on the condition of the Territory's wildlife, fisheries and marine resources and the best strategies to sustain these resources for all the citizens of the USVI. DFW is split into three bureaus: Bureau of Fisheries, Bureau of Wildlife, and Bureau of Environmental Education and Endangered Species.

Personnel Allocation	Funding Source	Funded Positions
\$963,930.00	Federal Fund	22
Total - Personnel Allocation - \$963,930.00		22.00

The Division of Fish and Wildlife is no longer on high risk status. US Fish and Wildlife Service removed this stain in December 2015. Under the leadership of Director Ruth Gomez and Director Althea Grant, DFW was able to recoup \$1.5 million from previous year's awards that ended on December 31, 2015.

Environmental Protection

The Division of Environmental Protection provides protection and conservation of the natural resources of the Territory in collaboration with other divisions and governmental agencies.

Personnel Allocation	Funding Source	Funded Positions
\$ 289,656.00	General Fund	6.22
\$ 231,447.00	Non-Appropriated Fund	5.43
\$2,502,191.00	Federal Fund	37.35
Total - Personnel Allocation - \$3,023,294.00		49.00

In April 2016, the Division of Environmental Protection became the official State Revolving Fund recipient for the Territory, now managing both the Drinking Water SRF for FY'16 in the amount of \$4,120,000.00 and the Clean Water Construction SRF for FY'15 in the amount of \$4,000,000.00. The Drinking Water SRF is used for capital improvement project for the Territory's drinking water supply and the Clean Water Construction SRF is used for capital improvement project for the Territory's wastewater treatment plants and stormwater projects.

Office of the Commissioner

Personnel Allocation	Funding Source	Funded Positions
\$351,000.00	General Fund	5
\$422,125.00	Non-appropriated Fund	9.55
Total - Personnel Allocation - \$773,125.00		14.55

General Fund Allocation

The FY'17 General Fund anticipated appropriation is \$6,915,420. This is less than 1% increase over the FY'16 appropriation of \$6,911,143. The following table highlights the areas of reduction/increase:

	FY'16 Appropriation	Anticipated FY'17	Increase/Reduction
Personal Services	\$3,700,904.00	\$3,910,929.00	\$210,025.00
Fringe Benefits	\$1,619,787.00	\$1,808,530.97	\$188,744.00
Sub-total	\$5,320,691.00	\$5,719,459.97	\$398,769.00
Supplies	\$158,301.00	\$124,999.00	(\$33,302.00)
Other Services & Charges	\$843,037.00	\$699,413.00	(\$143,624.00)
Utilities	\$589,114.00	\$371,548.00	(\$217,566.00)
Capital Outlay	-0-	-0-	-0-
Sub-total	\$1,490,452.00	\$1,195,960.00	(\$394,492.00)
Totals	\$6,911,143.00	\$6,915,420.00	(\$4,278.00)

Supplies: \$124,999 or 1.81% is recommended from the General Fund for supplies to cover costs as outlined in the following table.

Supplies	Allocation
Office Supplies	12,500
Operating Supplies	112,499
Repair & Maint. Supplies	-0-
Vehicle Supplies	-0-
	124,999

Other Services & Charges: \$699,413 or 10.11% is recommended from the General Fund for Other Services & Charges. These funds will support costs for professional services, travel, communication, rental, and repair and maintenance as outlined in the following table:

Other Services & Charges	Allocation
Prof. Svcs – On-line library services, A/C maintenance/service, elevator maintenance	53,159
Communication	246,699
Travel	21,800
Advertising & Promotion	-0-
Repairs & Maintenance	6,192
Rental of Land & Building	371,563
Other Services and Charges NOC	-0-
Total Other Services:	699,413

Utilities: \$371,548 or 5.37% is recommended to cover cost of utilities; \$327,048 will pay for electrical costs and \$44,500 will pay for water. Due to the installation of solar panels at the Charles W. Turnbull Library the department has seen a 60% reduction in the cost of electricity at this location. We are currently looking at extending the solar panel installation at each library location.

General Fund Allocation by Division

The Department consists of 10 divisions. The General Fund contributes to eight, with the remaining two being funded by federal grants and /or other non-appropriated local funds. The following Table and chart shows the recommended allocation of general funds for these divisions.

Allocation of General Fund by Divisions

Divisions	Allocation	Percentage
Executive Office	565,000.00	8%
Business and Administrative Services	1,307,896.00	19%
Environmental Enforcement	150,786.00	2%
Permits	1,397,498.00	20%
Comprehensive and Costal Zone Planning	306,074.00	4%
Libraries, Archives & Museums	2,476,340.00	36%
Historic Preservation	105,379.00	2%
Environmental Protection	606,448.00	9%
Allocation by Divisions	6,915,420.00	

General Fund – Miscellaneous Appropriations

The Department seeks \$900,000.00 in miscellaneous appropriations from the General Fund to be applied as follows: \$325,000 to cover operations of the Virgin Islands Council of the Arts (VICA), \$75,000 for the Virgin Islands Humanities Council (VIHC), \$100,000 for the Virgin Islands Cultural Heritage Institute (VICHI) and, \$400,000 for the Tutu Well Litigation Site.

The Tutu Well Superfund Site project is ongoing. The scope of work includes pumping and treatment of contaminated ground water. The second five-year review was completed by EPA in September 2014. Although the groundwater plume continues to shrink, the report identified the potential presence of dense non-aqueous phase liquid (DNAPL) as an ongoing source of contamination in the deep aquifer. The EPA is currently conducting a study to determine a strategy for addressing this DNAPL source.

As expected, the 2015 Annual Groundwater Sampling Report found improved water quality in the down gradient areas, located around the Tutu Park Mall and the Curriculum Center. The 2016 Annual Groundwater Sampling Report will be available in August 2016, and all indications are that the sampling results follow the same trend.

Non-Appropriated Local Funds

The FY'17 recommendation from Non-Appropriated funds is \$4,027,596.67. Non-Appropriated local funds account for about 14% of the Department's total recommendation. These funds, derived from fees, fines, and filled and submerged land leases. The funds provide support to the Executive Office, DEE, Building Permits, CCZP, CZM, DLAM, and DEP. The following table provides a breakdown by division:

Allocation of Non-Appropriated Local Funds by Divisions

Divisions	Allocation	Percentage
Executive Office	1,425,840.84	35%
Environmental Enforcement	688,001.00	17%
Permits	117,000.00	3%
Comprehensive and Costal Zone Planning	97,260.00	2%
Coastal Zone Management	1,109,731.00	28%
Libraries, Archives & Museums	3,237.00	1%
Environmental Protection	586,526.83	14%
Allocation by Divisions	4,027,596.67.00	

Federal Funds

The majority of the Department’s funding comes from federal awards in the amount of \$16,957,988 or 61% for FY’17. Allocated across all categories, the estimated amounts are: personnel services at \$4,708,329, which funds 86 positions within the department, fringe benefits at \$1,960,253, supplies at \$1,230,890, other services and charges at \$6,912,488, utilities at \$229,557 and capital outlay at \$1,916,471.

Allocation of federal resources by divisions is shown in the following table.

Allocation of Federal Funds By Divisions

Divisions	Allocation	Percentage
Coastal Zone Management	1,377,060.36	8%
Fish and Wildlife	6,007,855.60	35%
Environmental Enforcement	796,110.00	5%
Libraries, Archives & Museums	128,364.44	1%
Historic Preservation	415,116.00	2%
Environmental Protection	8,233,481.98	49%
Allocation by Divisions	16,957,988.00	

Revenues

Revenues from Fees: The Department generates revenues from fees charged for various permits and services provided to the public and fines imposed for violations of specific regulations. Revenues from fees and fines assist in providing support for operating the Department.

Fees collected are deposited into the General Fund, Coastal Protection Fund, Legal Publication Fund, Library Revolving Fund, Fish and Game Fund, Underground Storage Tank Fund, Natural Resource Reclamation Fund and the Air Pollution Control Fund. As can be observed from the table, fees collected in the Department contribute over 1.4 million dollars annually to the General Fund.

Comparative Table of Revenues Collected and Deposited

Fund	Responsible Division	FY'14	FY'15	FY'16(TO 6/30/16)
General Fund	Permits	1,457,873.81	1,570,107.69	1,185,384.12
Coastal Protection Fund	Environmental Protection	83,427.00	219,040.48	145,776.00
Legal Publication	Comprehensive & Coastal Zone Planning	33,173.00	33,102.40	25,069.84
Library Revolving Fund	Libraries	1,760.71	1,737.72	7,782.93
*Fish & Game Fund	Environmental Enforcement	339,372.86	329,184.97	232,633.72
Underground Storage Tank Fund	Environmental Protection	8,500.00	12,750.00	15,500.00
CZM Program Income	Coastal Zone Management	723,370.24	1,310,571.09	1,091,370.40
Natural Resource Reclamation Fund	Coastal Zone Management/Environmental Enforcement	949,977.36	1,483,373.47	1,641,492.45
Air Pollution Control Fund (Title V)	Environmental Protection	225,390.65	202,162.00	256,695.00
		3,822,846.03	5,162,029.82	4,601,704.46

Peak collection period for Fish & Game fund is late May to early July.

Submerged Land Leases & Permits: In addition to revenues from fees and fines, the Department also generates revenues from submerged lands leases and permits. These funds are recorded as program income and are used to support the Coastal Zone Management Administration Grant funded through the National Oceanic Administration Agency (NOAA). Program income funds are deposited into the Natural Resource Reclamation Fund and support Coastal Zone Management activities in the Department.

As is observed from the table, contribution to the Natural Resource Reclamation Fund from submerged land leases and permits now averages about three quarters of a million dollars annually. These funds support the activities of Coastal Zone Management.

Annual Collections of Revenues from Submerged land leases & Permits

Category	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016(to June 30, 2016)
LEASES	\$741,324.32	\$783,204.50	\$618,297.64	\$1,121,170.09	\$919,883.55
PERMITS	\$20,202.50	\$19,931.74	\$ 27,897.00	\$43,492.50	\$ 19,267.35
	\$761,526.82	\$803,136.24	\$646,194.64	\$1,164,662.59	\$939,150.90

The Department leases 120 real properties valued at about \$2,436,698.82 annually; 85 properties are located in St. Thomas, 25 are located in St. Croix and 10 in St. John.

With the assistance of a new database the department continues to review the status and increase its collections on its delinquent clients. It is anticipated that by the 1st quarter of FY'17 all accounts would be brought into compliance.

3. MAJOR ONGOING INITIATIVES

CHARLES W. TURNBULL REGIONAL LIBRARY

In February 2016, Balbo Construction, finalized work at the Charles W. Turnbull Regional Library and the Public Finance Authority (PFA) paid all outstanding approved invoices pursuant to the construction contract. After Balbo Construction was paid, the Library had a credit of \$91,260.00. The staff is in the process of spending that credit on the following items: auditorium railings, exterior and interior directional signage, UPS system, tinting of windows, and CPS system. In accordance with Act No. 7246 staff received former Governor Turnbull's approval for layout of the bronze plaque. Pursuant to Act No. 7771 contractors were selected for the digitization and to publicize the life of David Hamilton Jackson.

After consultation with former Governor Turnbull, the official opening of facility is scheduled for March 2017, to coincide with the Centennial. The Department will be forming a committee to plan the event.

RUM FUNGUS IMPACTS AND PLAN OF ACTION

Over the past several years, residents on the western side of the island of St. Croix have filed complaints with the Department relative to the rum fungus and its impacts to their properties. In June 2015, the Legislature convened a hearing on the fungus and on July 9, 2015, DPNR hosted a community meeting to discuss the fungus' impact on the surrounding community.

On July 31, 2015, DPNR served enforcement orders to both rum companies, Diageo and VI Rum. The orders, outlined the required corrective actions to include an assessment of the impacted areas. Both rum companies submitted proposed methodologies to determine the extent of the impacted areas and for sampling of the rum fungus. The Division of Environmental Protection is reviewing those plans and upon approval, sampling will commence.

HOVENSA – LIMETREE BAY TERMINALS

During FY'16, Limtree Bay Terminals, LLC (Limetree Bay) purchased portions of the former HOVENSA oil refinery. DEP staff ensured a successful transfer of the many environmental permits, to include the Title V Permits, Well Permits, Territorial Pollutant Discharge Elimination System (TPDES) and a Terminal Facility License.

The administrative transfer of the mentioned permits does not impact ongoing cleanup efforts related to contamination of the Kingshill Aquifer. This work, referred to as the Hydrocarbon recovery Program, continues as stipulated in Consent Decree. The Government of the Virgin Islands and the US Environmental Protection Agency both agreed to establish the HOVENSA Environmental Response Trust. Project Navigator is the Trustee. The Trust became effective February 2016.

The Trust main responsibilities are to: 1) Review and pay invoices pursuant to required Marine Study, 2) Provide funds for the WAPA's Emissions Monitoring Assistance Project, 3) Provide funds in performance of the VI Supplement Environmental Project, 4) Closure of the recycle yard, 5) Provide post-closure care of Landfarm 1, 6) Take corrective action and conduct the remediation and Hydrocarbon recovery or groundwater remediation program, and 7) Operate Landfarms 2 & 3 and start closure.

Regarding the groundwater remediation, as of December 2015, approximately 1,053,233 million barrels of phase separated hydrocarbon (psh) had been recovered. The December 2014 annual report estimated 2,960 barrels yet to be recovered. However, the in-place estimated volume in December 2015 was 8,160 barrels of hydrocarbons. This represents an increase of approximately 5,200 barrels within a one year period. DPNR understands that the recovery volumes are estimated and will continue to monitor. It is estimated that it would take 10-20 years to complete the Hydrocarbon Recovery Program.

NATURAL RESOURCES DAMAGES CASE - Red Mud Mitigation

From the 1960's until 2000, Lockheed Martin's predecessors, VIALCO, and St. Croix Alumina (SCA) conducted alumina refining operations at the former alumina refinery property west of the HOVENSA oil refinery. St. Croix Renaissance Group (SCRG) has owned the Site since 2002. With respect to this facility, massive quantities of red mud and caustic solution, among other wastes, were collected and disposed of onsite.

On June 1, 2010, a settlement agreement was reached and was approved by the federal District Court in 2012. This agreement covers Area A, the Settling Basin, and the Upper Cooling Pond, which are referred to as the Group A Units. Mitigation work as outlined in the settlement agreement began in 2014. At the last quarterly held meeting between the contractors and the property owners, remedial activities is scheduled to be completed during the last quarter of this year.

The remediation work at the SCRG site is separated into two units, Group "A", located to north/north western portion of the site and Group "B", located on southern portion of the site. As indicated above, the work in the Group "A" unit is complete with exception of few corrective work needed at culverts and drainage features. Pre-design work is currently being performed in the Group "B" units, to include ground water evaluation. The project timeline expects for the design phase to be completed in 2017 and actual remediation work to start in 2018.

Throughout the Group A remedial work, DPNR received complaints from nearby residents of fugitive dust. In response, DPNR ordered that the contractor install additional measures to further reduce potential impacts caused by the mining of caliche and disturbance of the red mud. Despite these efforts, the Department continued to receive complaints. In February 2016, DPNR served enforcement action against ALCOA and Waste Management Authority (WMA), the contractor. In June 2016, ALCOA and WMA submitted a proposed settlement agreement. The Department is reviewing the offer and anticipates a settlement by the end of FY'16.

EAST-END MARINE PARK VISITOR'S CENTER

The St. Croix East End Marine Park will complete Phase I of its visitor's center by the start of FY '17. Phase I will include exhibits on marine habitats within the East End Marine Park, a ridge to reef concept and the history of fishing in the Virgin Islands. CZM is still reviewing opportunities to fund Phase II of the Visitors Center buildout, but has not yet identified the funding to implement this phase.

MOORING BAY ASSESSMENTS

On June 9, 2016, the Division of Environmental Enforcement with CZM assistance, began an assessment that will map out the Territory's mooring bays in a grid format. The information captured will include pictures of each vessel, its current condition, and pictures of the mooring tackle, length, GPS coordinates, as well as the ocean floor beneath each vessel. This process will allow for a comprehensive management of the bays, efficient use of each bay considering the many allowable recreational activities, boat access, and necessary infrastructure. Thus far, four (4) bays have been completed: St. Thomas' Honeymoon Bay, Paquareau Bay, Brewers Bay, and Chocolate Hole, St. John.

Ongoing assessments include Elephant Bay and Cruz Bay and we are in the process of working on a plan for St. Croix.

FISH AGGREGATING DEVICES

This fiscal year DFW deployed four fish aggregating devices (FADs) – two in each District. The FAD program benefits our local fishers by attracting pelagic fish to specific areas making them more accessible to anglers. Shifting the fishing pressure from the nearshore areas to offshore areas helps DFW manage our local fishing stocks by allowing anglers to target the migratory fish more efficiently. DFW continues to construct new FAD and by the end of calendar year 17 the territory will have a total of eight FADs in each district.

4. FISCAL YEAR 2017 OBJECTIVES

The Department will use the requested appropriation to continue to meet its mandates by accomplishing the following objectives during Fiscal Year 2017:

- Purchase an E-Permitting system.
- In FY'17, CZM will be expanding its coral reef monitoring to include assessments of ocean acidification. Through funding provided by the Department of Interior, specialized equipment will be purchased and placed at permanent monitoring sites as part of the Territorial Coral Reef Monitoring Program. Measuring ocean acidification gives insight to the resilience of our reefs to climate change as the ocean continues to warm, impacting our coral reef ecosystems.
- CCZP plans to identify areas of the Territory, suitable for adoption of the Form Based Code floating zone.
- CCZP will complete the update of the Official VI Zoning Maps and begin using the digital layer to improve customer service and product output.

- CCZP will form a Technical Review Committee that will be made up of representatives from DPNR and other Government Agencies to review major development projects.
- Purchase computer software program for the Division of Environmental Enforcement (DEE) to enhance data collection.
- DEE will reinstate the Boating Safety educational program throughout public and private schools. This will be achieved by the hiring of an additional Admin/ Boating Safety Coordinator who will be tasked with providing this vital service to the community.
- DEE will provide certified Boating Safety training to the officers, funded through the Boating Safety grant. This training will include Boating under the Influence, Plotting and Navigation and Advanced Boarding Procedures.
- Commence 2nd phase of the Gustave Quetel Fish House which will include individual water meters, replacement of the galvanized brackets for the wooden posts around the exterior of the building, and painting entire facility.
- The Division of Environmental Enforcement will work with Coastal Zone Management in creating an Ad-Hoc Community Committee for each designated mooring and anchoring area. This will provide valuable information by way of the mariners input in identifying locations for dingy docks, trash disposal and pump-out services. This gives an opportunity for continued dialogue and communication between the Division and the boating community.
- For FY'17, CZM intends to partner with the Division of Environmental Enforcement and create three marine use plans, one on each island. This will involve the creation of "Ad-Hoc" committees, comprised of community members from those specific locations, to provide insight on the specific areas being planned for. CZM intends that through this planning process, locations for public landing sites, areas for pump-out facilities, emergency mooring locations, and others will be properly cited for the orderly and balanced utilization of the coastal areas.
- Re-establish the United States Geological Survey (USGS) monitoring network as part of the global warming initiative for drought prediction.
- DFW will conduct a parrotfish study, looking at reproduction of four parrotfish species.
- DFW will also conduct a population abundance and biodiversity study on reef fish species and on deep-water snapper species. It is anticipated that these studies will be completed by March 31, 2017.

5. FISCAL YEAR 2016 ACCOMPLISHMENTS

- Due to recent events surrounding conflicts between swimmers and those on vessels, CZM is currently in discussions with its federal grantor agency to provide funding to the Department of Sports, Parks and Recreation (SP&R) to install swimming buoys and channel markers at certain beaches managed by SP&R. We hope to receive approval and complete installation by November 2016.
- In July, work commenced for the installation of electrical meters in each stall at the Gustave Quetel Fish House. The Division of Environmental Enforcement is overseeing the project and it is expected to be completed in 4 to 6 weeks. Each tenant will be responsible for usage and will result in a cost savings of approximately \$90,000 annually. The Division is also in the process of vetting plumbers for the plumbing portion of the facility. Once completed this will add another \$70,000 annual savings to the Division's budget.
- DEP served enforcement orders to Oliver Exterminating, Real Tech and WIC - pest control companies that were found either in possession of or with documents indicating the purchase of Methyl Bromide. DPNR is currently awaiting a response to the enforcement actions.
- DEP implemented a new application process for purchasing Restricted Use Pesticide (RUP). The new process requires all pest companies or applicators to obtain a permit from DPNR prior to the purchase of a RUP. This process allows DPNR to closely monitor the type of RUP being purchased and the location where it is being applied in the territory.
- Air Quality Management program submitted a grant application to secure approximately \$75,000.00 to purchase three (3) new air monitors. These would replace existing monitors that are approximately 10-15 years old.
- DFW monitored offshore cays to assess the status of the indigenous wildlife populations. Invasive and introduced species are being removed to minimize the threats to our indigenous populations.
- The Division of Fish and Wildlife staff continues to respond to calls from the public and 911 to capture and remove red tailed boas on St. Croix. Since January 2012 twenty-six snakes have been captured and removed from the west end of St. Croix. The Department of Agriculture and DFW are working closely to monitor and mitigate the snake population.

- The DFW continues its Aquatic Education (AE) and Hunter Education (HE) outreach programs. The AE program focusses on conservation of paired fin sport fish and their habitats, and the HE program concentrates on archery and safe hunting. Both programs identify the close ties with our local cultural values, responsible resource use, and the stewardship of our natural resources.
- The Division of Libraries, Archives and Museums participates in the Library of Congress' Free Surplus Books program. Approximately 1,300 brand new hard-cover books were selected for the Territory valued between \$26,000 - \$33,000. The pallet of books arrived in the Virgin Islands in October. The free surplus books are acquired at no cost to the Virgin Islands Government, except for shipping.
- The Elaine Sprauve Library on St. John is collaborating with the public schools' Summer Enrichment Program by participating at various story time with students ages 3 and 4 years old, and welcomes students and campers visiting the library for storytelling. The storytelling is led by volunteer readers from the community. The librarian reported over 900 persons in one month.
- The Division of Libraries, Archives and Museums in partnership with the Office of the Governor and the Department of Education kicked off the 8th Annual Governor's Summer Reading Challenge territory-wide. As part of its ongoing service to the public, the Division also provides eBooks for children on its website at www.virginislandspubliclibraries.org. The eBooks are available online for all grades.
- The Regional Library for the Blind and Physically Handicapped in Golden Rock on St. Croix upgraded services to people who are blind, visually impaired or have a physical disability. Once registered, the impaired may now download audio and braille books to their iPhone, iPad or iPod touch, through the free service provided by the Library of Congress' National Library Service for the Blind and Physically Handicapped (NLS).
- The Territorial Archivist continues to work on several projects some of which include: records management and records emergency planning and response training to DPNR, working with Legislature on the digitization project, inventorying microfilm collection holdings, digitization of early land records for the Office of the Lt. Governor, partnering with UVI and the Digital Library of the Caribbean to digitize and provide online access to issues of "The Herald" newspaper pursuant to Act 7771, a weekly publication featuring archived images from the Territorial Archives in preparation for the Centennial, and Enid M. Baa Building renovation.
- SHPO under its archaeological program is updating the Virgin Islands Site files Collection and Artifacts Collection. The Collections are being assessed and digitized. The databases are updated and known site locations are placed onto a Google Earth platform for quick reference. All St. Croix sites are complete and we are working on St. Thomas, which is about half way completed.

- The VI SHPO through the assistance of the Department of Public Works' Capital Improvement Program was able to get the DPNR Archaeological Lab and Office Project back online for receiving contractor bids. The Department hopes to have this project out for contractor solicitations by the end of the fiscal year.

6. CONCLUSION

In conclusion, I would like to express my gratitude to the employees of the Department. They are hardworking and dedicated. I would also like to acknowledge DPNR's two employees of the year, Siong Hansen of the Division of Business and Administrative Services and Henry Sobratti of the Division of Library Archives & Museum for their outstanding leadership. Finally, thanks to Governor Mapp for his support. We remain available to answer any questions.