

Date: September 20, 2012

To: Adam M. Horst, Director
Indiana State Budget Agency

From: Robert E. Carter, Jr., Director
Indiana Department of Natural Resources

Subject: FY2014 - FY2015 Capital Transmittal

It is my pleasure to submit our capital budget request for fiscal years 2014 and 2015 for consideration by the Indiana General Assembly and the State Budget Committee. The Indiana Department of Natural Resources (IDNR) is requesting \$33.7 million in Capital, Repair and Rehabilitation (CR&R) and Preventive Maintenance (PM) appropriations for the biennium.

Most of IDNR's larger facilities have an original master plan document that has been updated over time with assistance from IDNR's Engineering Division, IDOA's Public Works Division, or the Indiana Finance Authority. In addition, a complete facility assessment of all of IDNR's structures was conducted during 2012. Each of our properties now has an updated Facility Master Plan that coincides with the Department's land management and strategic plans. IDNR has relied heavily on the Capital Projects and Engineering Teams for the most up to date material in our master planning documents.

Rehabilitation and repair of our aging infrastructure and facilities continues to be a challenge. In an effort to stretch CR&R and PM dollars further, IDNR has continued to collaborate with IDOC to utilize offender labor where possible. Many of our state parks and forestry properties use inmate labor for routine maintenance activities, such as for mowing, trimming, and cleaning. Offenders have also assisted in jobs requiring the use of mechanic and specialized carpentry skills. Our properties will continue using offender labor in the upcoming biennium, when feasible.

We appreciate the opportunity to submit this request and look forward to providing any additional information that may be requested. Following is a discussion of criteria used to prioritize capital projects, and a list of prioritized projects by division.

Setting Priorities for Capital Projects

During 2012, a comprehensive facility assessment of each DNR property was completed by the Divisions of Facilities, Fleet and Asset Management and Engineering. This assessment will serve as a rule and guide for the IDNR for both Preventive Maintenance and Capital projects for years to come. Project details are located and available in the Facility Master Plans. Based on those assessments, current master plans and IDNR programs, the majority of the CR&R projects submitted for the new biennium are those for which there is an immediate health and safety component (for an existing structure/facility) that needs to be addressed. Requests for construction of new facilities or structures

that are not part of a greater consolidation plan are not included in IDNR’s submission. In addition, all projects were selected based on the ability to complete the project within fiscal year 2014 or 2015. Other CR&R projects without an immediate health and safety aspect were included in IDNR’s request either because they are referenced in an updated master plan document or because the capital project is part of a larger grant opportunity, for which no other dedicated resources are available. Below is a list of CR&R projects included in IDNR’s biennial submission.

Dams / Engineering

The Indiana Department of Natural Resources owns 77 dams which are large enough to be considered regulated dams, plus numerous smaller dams. When funds first became available in 1999 to repair and upgrade IDNR’s dams, 34 dams were identified as having obvious deficiencies. While remedial work was immediately begun on dams known to have major deficiencies, geotechnical and hydraulic studies were performed on many of the others to aid in prioritizing the remaining work. Problems were discovered on additional dams that were not initially known to have been issues. Therefore, priorities were established based on a combination of the hazard level of the dams and the severity of the problems.

A master plan for completion of the upgrade of IDNR’s dams has been developed, with work tentatively planned through 2021. Included in the CR&R request for Engineering in 2014 and 2015 are the dams listed below:

Priority	Project Name	Amount	Type of Contract
1	White Oak Lake Dam #1 and #2	\$886,000	Construction, Decommission and Rehab
2	Crosley Lake Dam	\$280,000	Construction, Upgrade

Entomology

The Division of Entomology uses capital dollars to protect the State’s natural resources. Specifically, capital funds are needed to manage and address ongoing and new invasive/exotic species that adversely affect IDNR properties and private lands, waters and plant resources. Capital dollars are utilized to provide control, management, survey or federal match required to access federal funds for management programs for Gypsy Moth, Hydrilla, Emerald Ash Borer, P. ramorum blight, Brazilian elodea, Sirex Wood Wasp, Ralstonia, exotic snail species, and other species that may be identified and detected within Indiana.

In the current biennium, capital dollars have continued to slow the spread of gypsy moth and prevent tree defoliation and forest damage (tree mortality) throughout the state. Capital dollars are also used to match federal funds, obtained through the gypsy moth Slow the Spread (STS) program at a ratio of 70% (federal) - 30% (state). In the new biennium, project funds are requested to continue to address gypsy moth and slow its spread.

Entomology establishes priorities within their long range plan of invasive species control based on the priority of invasive/exotic species impact and risk to Indiana’s plant and natural resources and the

ability to achieve the established goals. Each invasive/exotic species program below meets the priorities of health and safety, state or federal mandates and preservation. They are prioritized based on the ability to achieve their goal, the availability of methods to achieve the goal, the ability to obtain federal assistance and the present need to address a problem. Included in the CR&R request for Entomology in 2014 and 2015 are the projects listed below:

Priority	Project Name	Amount
1	Gypsy Moth	\$125,000
2	Kudzu	\$75,000

Fish & Wildlife

The Division of Fish and Wildlife (DFW) operates more than 30 fish and wildlife management areas, state fish hatcheries and other field facilities. Many of the properties and their physical plants are 50 years old and are in need of continued maintenance. Fish & Wildlife does not have any leased facilities through capital project allotments. State fish hatcheries and State Fish and Wildlife Areas have master plans that detail how all DFW facilities fit into the division's current and long term plans. State fish hatcheries have master plans for all of their hatcheries combined into one document. State Fish and Wildlife Areas have separate plans for each facility, which outlines projects, timing and estimates costs for completion. Included in the CR&R request for the Division of Fish & Wildlife in 2014 and 2015 is the following project, listed below:

Priority	Project Name	Amount	Brief Description
1	Sugar Ridge F&W Area Shooting Range	\$1,000,000	25% State Share of Federal Match

Forestry

Division of Forestry properties consist of eleven State Forests, two State Recreation Areas, Fire Headquarters and Central Garage Operations, and two State Tree Nurseries. The state forests and recreation areas range in size from 352 acres to 25,000 acres for a total of 153,000 acres. These are multi-use properties managed for primitive camping, day hiking, backpacking trails and horse trails, shelter houses and picnic areas, public beaches, nature centers and naturalist programs, hunting, fishing, and special event and conservation education programs. In addition, state forests maintain extensive resource management programs including timber management, reforestation, forest improvement, cultural resources, watershed protection, wildlife habitat improvement, nature preserves and enhancement of "old forest" values. Most of the buildings on state forests are 30 to 80 years old (many constructed by the Civilian Conservation Corps).

Great strides have been made during the current biennium utilizing the Department of Correction labor crews to offset many years of deferred maintenance. In addition to the over 400 operational and recreational structures managed by the Division of Forestry, numerous non-structural recreational facilities are managed, such as more than 20 lakes and dams, 2 beaches, 190 miles of hiking trails, 290 miles of multi-use trails, 538 miles of fire lanes and service roads, picnic areas, hunter/user parking areas, and boat ramps. Much of the division's infrastructure is aged and remains in need of continued preventive maintenance.

The Division of Forestry leases no major facilities. Some office space is rented for District Foresters, and plans are to move these offices onto state properties. Forestry’s Strategic Plan for State Forests provides for the long term goal of providing the public with multiple uses of our state forest properties, which include: timber production, soil and watershed protection, recreational opportunities, and forest stewardship education. Division of Forestry facilities are accurately focused on this strategic direction.

The Division of Forestry has a Strategic Plan which provides goals and objectives for each program area, including state forests. State Forests have developed strategic directions for each of their seven major program areas, and have developed long term plans based on their strategic directions. Their “10 Year Financial Management Plans” are updated every two years prior to developing the biennial budget request. Their CR&R project requests are based on structural, facility and program needs.

Priority	Project Name	Amount	Brief Description
1	State Forest Restoration – TSI	\$650,000	Invasive Species, Timber Stand Improvement
2	Forest Certification	\$400,000	American Tree Farm System certification for classified forest and wildlands
3	Essential Facility Repair – Various Properties	\$515,000	Various Facility & Resource R&R

General Administration/ADA/UST

Included within the General Administration CR&R request for IDNR is \$97,500 for the remediation of underground storage tanks (UST), and \$500,000 for various American with Disabilities Act (ADA) projects. IDNR is required by federal and state law to continue to make progress toward remediating UST sites, and to make progress towards having our facilities become compliant under the 1990 ADA law.

The UST remediation process often takes many years, being a combination of quarterly testing to ensure that contamination is not spreading, or in some cases abated over time by a natural process of lessening. Our CR&R project is a continuation of the efforts needed to finalize the remediation and obtain a “No further action required” ruling from the Indiana Department of Environmental Management.

Included within the ADA CR&R requests are projects that will bring several properties one step closer to meeting federal compliance guidelines. Several DNR properties continue to work towards compliance for our visitor’s needs. Because of the outdoor environment or the age and condition of structures and ADA barriers, several properties will require ongoing repair and replacement projects.

Priority	Project Name	Amount	Brief Description
1	Brown County Nature Center ADA Restroom Compliance	\$200,000	Removal of Access Barriers and Facility R&R
2	ADA Restroom and Access Improvements	\$250,000	ADA Fixture Compliance and Restroom Access
3	Essential Facility Signage Compliance	\$50,000	Various Facilities

Law Enforcement

Law Enforcement's top two CR&R priorities for the biennium are to consolidate the District Six Headquarters with the Atturbury Fish and Wildlife Area Office and construct a storage facility for Quartermaster. The Fish and Wildlife Office consolidation is part of the Memorandum of Understanding with the Indiana National Guard while the Quartermaster facility will be completed with the cooperation of IDOC Construction Services and Offender Labor where possible. The estimated cost for both of these projects is \$800,000. The division has master plans for all 10 district offices and the completion of these projects will move the overall status of their facilities to good condition.

Priority	Project Name	Amount	Brief Description
1	District Six Headquarters Relocation	\$500,000	Office Consolidation
2	Quartermaster Office and Storage Complex	\$300,000	Storage Facility

Nature Preserves

The Division of Nature Preserves is responsible for 102 properties totaling more than 19,000 acres. Only 6 of these properties have houses and associated outbuildings. Since Nature Preserve properties, by statute, are required to be kept in a minimally developed, natural condition, typical facility development consists of a parking lot and an interpretive trail. Signs, boardwalks, fire lanes, access roads, and protective fencing are also sometimes installed. These developments, and necessary management and restoration activities, are guided by a Master Plan. As required by IC 14-31-1, when all nature preserves are dedicated, a Master Plan is developed and made a part of the Articles of Dedication.

The long term plans for all Nature Preserve properties are to have the properties in a land management condition such that the natural features for which they have been protected (old growth forest, rare species habitat, etc) are secure and viable, and to have safe and accessible opportunities for public visitation (parking lot, trail, interpretive facilities).

Management, restoration, and development activities on all Division properties are prioritized and tracked on a dynamic Division Project Planner. The highest priority projects are based on threats to the significant natural resources (high quality prairies, rare species habitats, etc), and hazardous conditions and/or unsafe conditions to the visiting public and/or neighbors of the property.

Funding from Federal and other grants is used whenever possible to enhance the Division’s restoration/rehabilitation activities. The Division’s Project Planner currently schedules nearly \$100,000 in Federal grant matches in the first year of the biennium, and we anticipate similar needs for match in the second year as well, to keep up with established contract priorities in the Northwest Indiana area alone. We seek other available grant funds and depend on Nature Preserves CR&R allotments to provide match for these funds, enabling the Division to accomplish nearly double the work that could be done solely by State funds. Nature Preserves’ CR&R request for 2014 and 2015 is listed below:

Priority	Project Name	Amount	Brief Description
1	Resource Management	\$547,863	Invasive Management and Tree Removal
2	Visitor Safety/Public Access	\$108,890	Rehab of trails, boardwalks, and safety remediation in parking areas
3	Wildfire Risk Reduction/Prescribed Burn	\$152,411	Fire lane installation; prescribed burns

Outdoor Recreation

The Division of Outdoor Recreation manages the Redbird State Riding Area, the Interlake multi-use trail property, State snowmobile trails, and the Knobstone Trail. The division has submitted only one CR&R request for the biennium, and that is for the Redbird State Riding Area, for \$243,455. This project will improve a high priority railroad crossing improvements at the 3,500 acre Redbird State Riding Area, located in Green and Sullivan Counties. The CR&R project is identified as a high priority item in the Redbird master plan to help achieve the agency and division goals of safety, security, economic development, as well as continued customer satisfaction. The total project cost of this CR&R project is estimated at \$523,455 based on 2011 cost estimates in the master plan. A partnership with INDOT, Green County Commissioners and an Indiana Rail Safety Project will be used to make this project possible.

State Parks & Reservoirs

The Division of State Parks and Reservoirs currently administers 24 state parks, 8 reservoirs (7 developed by the U.S. Army Corps of Engineers and 1 developed as a state water project), 1 state forest and 1 state riding area. Indiana State Parks and Reservoirs maintains over 180,000 acres of land with 2,355 permanent buildings (2 million+ square feet) & seven lodges with 612 guest rooms, 7,400 campsites, 800 trail structures, 400+ miles of trails, 700 miles of roads, 164 rental cabins, 7 large group camps, 400 water and wastewater plants, 104 comfort stations, 368 vault toilets, 600 boat slips, and other related facilities for approximately 19 million visitors annually.

The Indiana State Park and Reservoirs CR&R budget is comprised of eight (8) project categories, and two line item appropriations. Each one of the specific project categories is designed to insure the health and safety as well as enhance the overall experience of the Division's internal and external customers. The two line items consist of the Falls of the Ohio lease payment, which is \$182,000 for the final payment in 2014, and an appropriation backed line item for bond and insurance payments for Charlestown, Harmonie and Whitewater cabins, which is \$841,028 for the biennium. Below is a listing of CR&R projects included in State Parks and Reservoirs biennial request:

Category	Project Name & Priority	Amount	Brief Description
Drinking Water and Wastewater 1	Water/Wastewater Projects	\$1,400,000 \$ 700,000	<\$75,000 Repairs Various Properties 20 Vault Toilets
	Vault Toilet Replacement	\$ 700,000	
Campground and Cabin Rehab 2	Upgrade Class B Campsites	\$2,225,000 \$105,000	Clifty Falls Lincoln Potato Creek Spring Mill Turkey Run Lieber Monroe Various <\$75,000
	Upgrade 57 Electrical Sites	\$210,000	
	Upgrade Electric Pedestals	\$645,000	
	Upgrade to AA Sites	\$216,000	
	Upgrade Electric Service	\$456,000	
	Upgrade 30 Sites to AA	\$180,000	
	Upgrade to Class A Sites	\$225,000	
Small Electric Repairs	\$188,000		
General Rehab Health and Safety 3	General Rehab	\$4,351,506 \$3,076,506	<75,000 R&R Health and Safety Projects All Properties
	Recreation Equipment	\$726,300	
	Playground Safety Surface	\$548,700	
Inns and Concessions Rehab 4	Fort Harrison Slate Roof	\$458,972 \$200,000	Fort Golf & Garrison Various Inn Properties
	Various <\$75,000 Projects	\$258,972	
Trail Rehab 5	Regional Trail Crews	\$500,000 \$290,000	Regional CRR Labor Various Properties
	Trail Rehabilitation Projects	\$210,000	
Outdoor Education and Stewardship 6	Prophetstown Nature Center	\$625,000 \$125,000	Design CR&R Projects Commemoration
	Resource Management	\$385,000	
	2016 Centennial Projects	\$115,000	
Lake and River Rehab 7	40 Slip Dock	\$600,000 \$320,000	Monroe Rental Dock Potato Creek Various Properties
	7 Courtesy Docks	\$150,000	
	Dock and Seawall Repairs	\$130,000	
Beach and Pool Rehab 8	Pool Equipment	\$300,000	Park Pool Properties Group Order

Water

The Division of Water's capital assets are in relatively good condition. The Division of Water is responsible for State-owned public freshwater lake level control structures which maintain court established legal lake levels. In previous biennia's CR&R money was utilized to build new replacement control structures and to repair existing structures as well as hire engineering professionals to design complex structures. CR&R money for the Division of Water is also used to evaluate complex earthen dams and make emergency dam repairs, update and develop floodplain maps. Below is a list of CR&R projects for the Division of Water:

Priority	Project Name	Amount	Brief Description
1	Floodplain mapping in support of Risk MAP	\$287,300	Floodplain mapping, hydraulic modeling and related support materials for DFIRMs
2	Little Chapman Lake Control Structure	\$148,900	Feasibility, design, and construction
3	Little Turkey Lake Control Structure	\$263,000	Feasibility, design, and construction
4	Manitou Lake Dam	\$714,500	Feasibility, design, and construction

2014 – 2015 Preventive Maintenance

	Division	2014-2015 Funding Request
1	Enforcement	589,600
2	Entomology	0
3	Fish & Wildlife	3,279,158
4	Forestry	2,870,000
5	General Admin	100,000
6	Nature Preserves	639,750
7	Oil & Gas	0
8	Outdoor Recreation	60,000
9	Parks & Reservoirs	6,765,350*
10	Water	155,000
TOTAL PM		\$14,458,858.00

* Includes \$3.6 million from the Cigarette Tax Fund.

I want to thank you for the opportunity to share the 2014-2015 CR&R and PM needs of the Indiana Department of Natural Resources. I look forward to working with you in the future as we work towards finalizing this request.

Respectfully,

Robert E. Carter Jr., Director
Indiana Department of Natural Resources

