

Operating		2022 Supplemental Budget Request 9/13/2021				
		FTE	GF-State	MTCA ¹	Other	Total
9/13/2021 \$ in thousands - Biennialized FTEs						
2021-23 Enacted Base Budget		1,856.7	88,581	289,201	288,886	666,668
Maintenance Level Changes						
1	NWRO Furniture COP Reduction		(39)	(192)	(97)	(328)
2	Clean Air Rule Reduction	(20.1)		(4,518)		(4,518)
Policy Level Changes						
Reduce and Prepare for Climate Impacts						
3	Implement Climate Commitment Act	7.2	856		1,450	2,306
4	GHG Assessment for Projects	1.1		538		538
Prevent and Reduce Toxic Threats and Pollution						
5	Affordable Housing Cleanup Program	1.2		330		330
6	Laboratory Accreditation Auditors	1.8		513		513
7	Illegal Drug Ops Hazardous Waste	4.4		1,583		1,583
8	Land Use and Groundwater	1.3		407		407
9	UST/LUST Inspection/Cleanup Backlog	4.1		1,757		1,757
10	Prioritize and Complete Cleanups	3.5		916		916
11	Reduce Food Waste & Prevent Litter				1,800	1,800
12	Pollution Prevention Assistance	1.2		684		684
13	Legacy Pesticide Pollution	1.2		290		290
14	Hazardous Waste & Toxics IT Systems	0.6		204		204
15	Support Brownfields Cleanup			500		500
16	Abandoned Mine Lands	1.2		352		352
17	Hanford Dangerous Waste Inspections	0.6			145	145
Protect and Manage Our State's Waters						
18	Reduce Nutrients in Puget Sound	1.8		550	439	989
19	Water Banking Pilot Budget Shift ²		(9,000)			(9,000)
20	Protect State Waters from Toxics	2.9		714		714
21	Improved Stream Mapping	2.3	901			901
22	Certifying Financial Responsibility	0.9		201	86	287
23	Oil Spill Contingency Planning	1.2		233	100	333
24	Fix & Modernize WQ Permit Systems				500	500
25	Spill Response Vehicles & Equipment			662		662
26	Shoreline Aerial Photography			200		200
Other						
27	WCC Community Support			738		738
Total Changes		17.8	(7,282)	6,662	4,423	3,803
Total Operating Budget		1,874.4	81,299	295,863	293,309	670,471

Notes:

¹ Model Toxics Control Operating Account (23P-1, 23P-7).

² Budget shift of grant program funding from the operating budget to the capital budget. General Fund-State revenue will be transferred to a new account created in the 2022 supplemental operating budget through Decision Package PL LB - Water Banking Pilot Budget Shift. Funding will then be appropriated in a new section of the 2022 supplemental capital budget through Capital Project Request 40000469 - Water Banking Pilot Grant Program Budget Shift.

To request an ADA accommodation, contact Ecology by phone at 360-407-6985 or email at valerie.pearson@ecy.wa.gov, or visit <https://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877-833-6341.

Protecting the Environment | Ensuring Public Health | Supporting Economic Growth & Jobs

As the state's lead environmental agency, Ecology's mission is to protect, preserve, and enhance the environment for current and future generations, while valuing and supporting Washington's economic success. We're tackling challenges that are unique to our times and require us to take a broad and holistic approach to our work that focuses on not only *what* we do, but also *how* we do it.

Ecology's strategic goals are to:

- Support and engage our communities, customers, and employees.
- Reduce and prepare for climate change impacts.
- Prevent and reduce toxic threats and pollution.
- Protect and manage our state's waters.
- Protect and restore Puget Sound.

Our agency's deep commitment to environmental justice is tied to each of our strategic goals and guides the ways in which we work to accomplish those goals.

Ecology's 2022 supplemental operating budget request totals \$3.8 million. It balances a recovering economy with the understanding that the COVID-19 pandemic is still very much a part of our daily lives, and aims to help support our communities during this time, while continuing to protect environmental and public health through a focus on equity and environmental justice. These requests are needed to:

- Effectively implement enacted legislation, budget provisos, and directives from the 2020 and 2021 legislative sessions aimed at reducing carbon pollution to achieve greenhouse gas limits, ensuring companies have sufficient financial resources to cover the costs of oil spills to Washington waters, and developing water banks to preserve the state's agricultural water supply and protect environmental interests.
- Support our communities by providing expanded pollution prevention assistance and Washington Conservation Corps services to help meet the state's environmental justice goals; reduce contaminants in drinking water; and redevelop contaminated sites for reuse as affordable housing, commercial property, or recreational facilities.
- Support recommendations from the State/Tribal Riparian Protection & Restoration Workgroup needed to better monitor the health of our riparian buffers and protect salmon.
- Improve water quality by implementing nutrient controls in Puget Sound and addressing toxic chemicals in stormwater runoff from industrial and contaminated sites.
- Address the backlog of contaminated sites that need to be cleaned up across the state, including former orchard lands and abandoned mine sites.
- Meet federal and state inspection/audit requirements for underground storage tanks, drinking water laboratories, and Hanford dangerous waste facilities.
- Fund key information technology enhancements needed to improve collection and reporting of data on water quality permits, generated hazardous waste, and toxic chemicals in consumer products.

- Ensure we have the resources needed to safely and effectively respond to spills of oil or other hazardous materials across the state.

These requests are supported primarily by dedicated environmental funds and direct charges to customers for services provided.

Implementing the Climate Commitment Act

Changes in climate pose serious threats to Washington's economy, public health, natural resources, and environment. In response to these threats, and supported by the Governor's commitment to achieving bold, science-based limits on the state's greenhouse gas (GHG) emissions, the 2021 Legislature passed Engrossed Second Substitute Senate Bill (E2SSB PL) 5126 – Climate Commitment Act (CCA), which establishes a comprehensive program to reduce carbon pollution and achieve the GHG limits set in state law. This new law caps and reduces GHG emissions from the state's largest emitting sources and industries, allowing businesses to find the most efficient path to lower carbon emissions.

The CCA directs Ecology to develop rules to implement a cap on carbon emissions, including mechanisms for the sale and tracking of tradable emissions allowances, along with compliance and accountability measures. Ecology is also required to design and adopt rules to allow for linking the program with similar programs in other jurisdictions.

Under the new law, Ecology will create a cap-and-invest program, starting January 1, 2023, by setting emissions allowance budgets that meet the GHG limits in RCW 70A.45.020. Initially, the cap-and-invest program will cover industrial facilities, certain fuel suppliers, in-state electricity generators, electricity importers, and natural gas distributors with annual GHG emissions above 25,000 metric tons of carbon dioxide equivalent. The program will expand to add waste-to-energy facilities on January 1, 2027, and certain landfills and railroad companies on January 1, 2031.

Covered entities must either reduce their emissions or obtain allowances to cover any remaining emissions. Some utilities and industries will be issued free allowances, while other allowances will be auctioned. Proceeds from the auction of allowances must be used for clean energy transition and assistance; clean transportation; and climate resiliency projects that promote climate justice, including dedicating a minimum of 35 percent of funds toward overburdened communities, and a minimum of 10 percent toward Tribal projects.

The CCA puts environmental justice and equity at the center of climate policy, ensuring communities that bear the greatest burdens from air pollution today see cleaner, healthier air as the state cuts emissions of GHGs and criteria pollutants. Funds from the auction of emission allowances will support new investments in climate resiliency programs, clean transportation, and addressing health disparities across the state.

Ecology is requesting the funding and FTE authority needed to fully begin implementing this new law in 2021-23, consistent with our final fiscal note for the version of the bill that was passed by the Legislature.

State/Tribal Riparian Protection & Restoration

Riparian zones (the areas along streams, rivers, and other waterbodies) play a significant role in supporting water quality, along with the health and diversity of aquatic and terrestrial species throughout

Washington. Transforming the state's riparian protection and restoration policies is essential to our rivers, streams, and shorelines, as well as to sustain salmon and orcas, Tribal treaty rights, and our quality of life.

As acknowledged by Governor Inslee and Tribal leaders at the November 2019 Annual Centennial Accord Meeting, growing and protecting trees along the lengths of the state's rivers and streams safeguards our water and builds resilience for our communities. Coming out of the Centennial Accord, the Governor directed his office to convene state agencies before the end of 2019, and then work with the Tribes to establish a State/Tribal Riparian Protection & Restoration Workgroup to develop recommendations for leadership before the next Centennial Accord meeting.

This state and tribal partnership is currently working to identify the challenges and opportunities around riparian protection and restoration, while also developing recommendations on bold actions that can result in fully functioning riparian ecosystems statewide.

However, to better monitor the health of our riparian buffers, the state must first significantly improve the accuracy of how our streams are mapped. Ecology is requesting funding in the 2022 Supplemental Operating Budget to support a two-year pilot project to identify the technologies, methodologies, datasets, and resources needed to refine and maintain the accuracy of the National Hydrography Dataset for Washington. This need was identified by the Workgroup's Monitoring and Adaptive Management Team as a top priority for addressing stream-mapping inaccuracies that currently prohibit a statewide riparian assessment and monitoring program.

2021 Drought Declaration

A historically dry spring, followed by a record-breaking heat wave in late June, affected water supplies across Washington this summer. Farmers and ranchers without irrigation in Eastern Washington were among the first to feel the effects of the drought, with some reporting up to a 50 percent loss of wheat crops and difficulty finding feed for livestock. Rising water temperatures in the lower Yakima, Okanogan, and Snake rivers also reached levels lethal to some fish, including threatened salmon species.

In early July, the state's Executive Water Emergency Committee recommended to Governor Inslee that a full emergency drought declaration be issued for the vast majority of the state, and Ecology issued that drought emergency order on July 14, 2021. The order declared drought conditions under Chapter 43.83B RCW and authorized Ecology to expedite emergency water permits and pass-through funds to public bodies to alleviate drought hardships. The drought emergency order remains in effect until June 1, 2022.

Due to the late and rapid onset of drought conditions this year, Ecology was not able to request funding from the Legislature during the 2021 session to support needed drought response, as we normally would have, and have done so in the past, when drought conditions have manifested earlier in the year. Consequently, Ecology does not have dedicated funding within its base operating or capital budgets to respond to this year's drought.

However, in response to this emergency need, Ecology was able to identify and repurpose, temporarily, a limited amount of funding within our current budgets to help alleviate the impacts on our communities and natural resources. Total funding available for this year's drought response is \$750,000 (\$204,000 operating and \$546,000 capital) from the Drought Preparedness and Response Account, and roughly \$410,000 in General Fund-State funding from anticipated vacancy savings within the Water Resources Program during fiscal year 2022.

On July 28, 2021, Ecology adopted an emergency rule—Chapter 173-167 WAC – Emergency Drought Funding—which makes the limited funding we have available to respond to emergencies caused by drought conditions. Emergency rules are limited to 120 days duration, and this emergency drought-funding rule expires November 25, 2021.

To respond as efficiently and effectively as possible, all currently available funds are being distributed to other state agencies best equipped to respond to emergency drought situations involving human health, fish health, and agriculture emergencies. Funding is being provided to the Washington State Department of Health (drinking water emergencies), the Washington State Department of Fish and Wildlife (fish health and streamflow impacts to fish), and the State Conservation Commission (loss of crops and/or livestock issues) for projects such as trucking water to local entities that have lost supply; moisture sensors to monitor soil water content for crops; and temporary pools to lower water temperature to protect fish instream.

Ecology anticipates being able to provide an estimate on any backfill or additional funding needs related to this drought response by November 30, 2021, so those can be considered for the Governor’s supplemental budget proposals. Ecology will then provide an update on those needs to the Legislature in January 2022.

Please note, of equal concern to this year’s drought, is the possibility that drought conditions may continue through the spring and summer of 2022. Oftentimes, drought can be a multi-year event, where the second year has equal or worse impacts on the state. Ecology will continue to convene the Washington Water Supply Availability Committee to monitor conditions through the winter to assess snow pack, climate forecasts, and other conditions to determine the likelihood of a back-to-back drought occurring in 2022.

Ecology will be able to provide an initial assessment of such conditions and forecasts by January 2022. However, the water year begins November 1 of each year, and conditions can change rapidly throughout the winter and spring, which means a decision on drought, and its severity, may not be made until early April.

Ecology anticipates the Drought Preparedness and Response Account will be depleted after meeting the 2021 drought needs, and funding drought response with staff vacancies is not sustainable. If a drought is projected again, Ecology will submit a request for funding during the 2022 legislative session to address those needs. This potential need is normally highlighted in Ecology’s budget submittal, as, again, no base appropriations exist in our budget to implement drought response activities.

The following summarizes each request for Ecology. The numbers for each item correspond with the numbers in the spreadsheet at the beginning of this section.

Maintenance Level

- 1. NWRO Furniture COP Reduction. (\$328,000).** Ecology relocated its Northwest Regional Office from Bellevue to a facility in Shoreline in July 2021, co-locating with the Washington State Department of Transportation. In support of that move, Ecology requested, and received appropriation authority in the 2021-23 operating budget, to fund a Certificate of Participation (COP) to finance the costs of new furniture needed at the new facility. However, Ecology was able to pay for the furniture in full at the end of the 2019-21 biennium, using one-time positive

variance. Ecology is now requesting an associated appropriation reduction for the COP funding that is no longer needed. (Multiple Funds)

- 2. Clean Air Rule Reduction. (\$4,518,000), (20.1 FTEs).** In 2021, the Legislature passed Engrossed Second Substitute Senate Bill 5126.PL – Climate Commitment Act, which establishes a comprehensive program to reduce carbon pollution and achieve the greenhouse gas (GHG) limits set in state law. Section 23 of the Act preempts the provisions of Chapter 173-442 WAC – Clean Air Rule, and directs that no state agency may adopt or enforce a program that regulates GHG emissions for a stationary source, except as provided under the Act. As a result, Ecology is now requesting a reduction in our appropriation and FTE authority for the funding to implement the Clean Air Rule, which is no longer needed, beginning in fiscal year 2022. (Model Toxics Control Operating Account)

Policy Level Changes

Reduce and Prepare for Climate Impacts

- 3. Implement Climate Commitment Act. \$2,306,000, 7.2 FTEs.** In 2021, the Legislature passed Engrossed Second Substitute Senate Bill 5126.PL – Climate Commitment Act, which establishes a comprehensive program to reduce carbon pollution and achieve the greenhouse gas limits set in state law. The new law directs Ecology to develop rules to implement a cap on carbon emissions, including mechanisms for the sale and tracking of tradable emissions allowances, along with compliance and accountability measures. While Ecology received funding in the 2021-23 operating budget to begin implementation, there were considerable changes to the bill late in session, and these caused Ecology to be underfunded in the current biennium, compared to the cost estimates included in our final fiscal note for the bill that passed. Ecology is now requesting that funding difference to ensure we can begin fully implementing this new law in 2021-23. (General Fund-State, Climate Investment Account)
- 4. GHG Assessment for Projects. \$538,000, 1.1 FTEs.** In 2019, the Governor directed Ecology to adopt rules by September 1, 2021, for assessing greenhouse gas (GHG) emissions from fossil fuel and industrial projects. One-time funding was provided in the 2020 supplemental operating budget to complete this work, but complications resulting from the COVID-19 pandemic delayed the process and, in March, Governor Inslee extended the deadline for rulemaking to December 31, 2021. However, because the original funding provided only went through August 2021, Ecology needs additional funding to cover the staff time and associated contractor work that was shifted to this biennium because of those delays. This request also supports ongoing funding needed to implement the rule after adoption and provide technical assistance to SEPA-lead agencies and projects that will be subject to the new rule. (Model Toxics Control Operating Account)

Reduce and Prepare for Climate Impacts

- 5. Affordable Housing Cleanup Program. \$330,000, 1.2 FTEs.** Washington is in dire need of affordable housing across the state. The 2019 Annual Report of the Affordable Housing Advisory Board found that, in 2019, "...affordability worsened throughout the state by 10 percent." One of the report's recommendations is to help local governments reach appropriate housing goals by identifying strategies that will help housing developers make investments. Whether in an urban or rural setting, contamination, or suspicion of contamination, drives up the costs of housing

development. Ecology's Affordable Housing Cleanup Grant Program offers funding through the capital budget for public, nonprofit, and private entities intending to remediate contaminated property to develop affordable housing. This request will support the transition of this program to a permanent, forward-facing, competitive grant program, and provide permanent technical assistance and formal oversight for affordable housing related cleanups moving forward. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

- 6. Laboratory Accreditation Auditors. \$513,000, 1.8 FTEs.** Ecology accredits drinking water laboratories through a memorandum of agreement with the Department of Health. It is a requirement of the federal Safe Drinking Water Act that these laboratories be audited every three years, which is a critical element to ensuring municipal drinking water is safe for consumption. A 2021 audit of Ecology's accreditation program by the Environmental Protection Agency found a number of laboratories have not been audited in accordance with this requirement. Ecology does not currently have sufficient staff to conduct the needed audits within the required timeframe. This request will provide additional auditors for two years as a stopgap solution to bring all of Washington's drinking water laboratories up to date on accreditation. (Model Toxics Control Operating Account)
- 7. Illegal Drug Ops Hazardous Waste. \$1,583,000, 4.4 FTEs.** Ecology supports law enforcement agencies by helping manage the dangerous waste found at illegal drug operations. Ecology's spill responders regularly participate alongside law enforcement personnel in these responses and collect the dangerous waste from these sites, arranging for its proper storage and eventual disposal. The number of these responses has increased significantly over the last five years, and as a result, so too has the amount of dangerous waste having to be temporarily stored at Ecology facilities. Ecology needs additional staffing resources so we can continue to support our law enforcement partners in these situations, while still being able to complete required follow-up actions for all responses that occur throughout the state. Staff are also needed to ensure Ecology can meet the dangerous waste requirements for a large quantity waste generator under Chapter 173-303 WAC. (Model Toxics Control Operating Account)
- 8. Land Use and Groundwater. \$407,000, 1.3 FTEs.** Groundwater in the Lower Yakima Valley aquifer is contaminated with elevated concentrations of nitrate and is the principal drinking water source for over 56,000 residents in the area. In 2012, the Lower Yakima Valley developed a groundwater management area and, in 2019, finalized an implementation plan with recommendations for reducing groundwater nitrate contamination in the area. To further implementation of several recommendations from that plan, Ecology requests ongoing funding and staff resources needed to analyze deep soil samples being collected; develop and implement pilot projects to determine effective land-use best management practices; and provide outreach and education to area residents regarding changes needed to reduce nitrate contamination. (Model Toxics Control Operating Account)
- 9. UST/LUST Inspection/Cleanup Backlog. \$1,757,000, 4.1 FTEs.** Ecology regulates almost 9,000 operating underground storage tanks that store over three billion gallons of fuel each year. Releases from properly operated and maintained tanks are rare, but when they do occur, they can contaminate soil, groundwater, and remain in the environment for decades if not cleaned up. The Environmental Protection Agency requires these tank sites be inspected every three years, and Ecology needs additional staff to address a 2019 audit finding and ensure we can meet this requirement moving forward. This request will also support additional cleanup project managers needed to oversee the cleanup of more than 2,600 known contaminated leaking underground

storage tank sites throughout Washington. Petroleum contamination from these sites can impact human health and the environment, while also depressing property values and preventing redevelopment. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

- 10. Prioritize and Complete Cleanups. \$916,000, 3.5 FTEs.** Contaminated site cleanups continue to outweigh and outpace current cleanup resources. Between 200 and 300 new contaminated sites are reported to Ecology each year, exceeding the number of sites we can clean up, and increasing the backlog of cleanups that need to occur. More than 6,000 existing contaminated sites need further cleanup action, and hazards at over 4,200 of these have not been ranked or assessed for threats to human health and the environment. This request will support implementation of Ecology's new Site Hazard Assessment and Ranking Process, designed to more quickly and accurately assess and rank the potential hazards at a reported site. This request will also provide additional engineering and contracting staff needed to expedite our state-directed cleanup projects. Related to Puget Sound Action Agenda Implementation (Model Toxics Control Operating Account)
- 11. Reduce Food Waste & Prevent Litter. \$1,800,000.** Food waste and litter are two of the biggest challenges currently facing communities across Washington, with significant social, environmental, and economic impacts. To help address these issues, the Legislature passed a number of bills in recent years, including the Food Waste Reduction Act of 2019. This Act established a statewide food waste reduction goal and required the development of a food waste reduction plan to reach those targets. The draft plan, which will be completed by the end of 2021, includes 30 specific recommendations for reducing food waste in Washington. This request will implement an initial recommendation to develop a series of food waste reduction campaigns. Funding will also be used to support the expansion of litter prevention campaigns needed across the state. Related to Puget Sound Action Agenda implementation. (Waste Reduction, Recycling, and Litter Control Account)
- 12. Pollution Prevention Assistance. \$684,000, 1.2 FTEs.** Through the Pollution Prevention Partnership, Ecology currently provides funding to 26 local government partners that provide hands-on technical and regulatory assistance to small businesses across the state. Specialists in these jurisdictions show businesses how to manage their waste properly and help diagnose and fix stormwater-related issues. These specialists are also key implementers of the new Product Replacement Program, which provides funding through the capital budget so businesses can remove toxic chemicals from their facilities and work processes. Currently, the vast majority of technical and financial assistance provided through the partnership occurs in Western Washington. This request will provide funding to expand the partnership to three new health districts in Eastern Washington and provide the staff needed to continue effectively managing the partnership as it expands. (Model Toxics Control Operating Account)
- 13. Legacy Pesticide Pollution. \$290,000, 1.2 FTEs.** A pesticide called lead arsenate was widely used throughout Central Washington in the early half of the 20th century (between 1900 and 1950) to control codling moth infestations on fruit trees. This resulted in widespread lead and arsenic contamination on historic orchard lands, with nearly 115,000 acres of land in Central Washington potentially contaminated. In 2019, Ecology convened the Legacy Pesticide Working Group to find better ways of addressing the challenges faced by communities as contaminated orchard lands are transitioned to new uses like housing developments, schools, and other business ventures. The workgroup's final report in January 2021 included a set of recommendation to help

developers, landowners, and community members address lead and arsenic contamination on historic orchard lands in Central Washington. Ecology is now requesting funding for the additional staff needed to implement these recommendations. (Model Toxics Control Operating Account)

- 14. Hazardous Waste & Toxics IT Systems. \$204,000, 0.6 FTE.** State and federal regulations require generators of hazardous waste and manufactures of consumer products that may contain toxic chemicals to report information and data to Ecology. This data is collected and managed through two existing IT systems. TurboWaste is used to collect information from more than 4,000 hazardous waste generators every year on the on quantity, concentrations, and characteristics of waste generated. The High Priorities Chemical Data System collects manufacturer information on toxic chemicals in consumer products, as required by Washington’s Children’s Safer Products Act. Ecology is requesting funding for additional IT staff and contracting resources to enhance and maintain these two systems so we can continue to meet increasingly complicated federal reporting requirements, ensure compliance with state laws, and provide technical assistance to our business partners. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)
- 15. Support Brownfields Cleanup. \$500,000.** There are over 13,700 sites on Ecology’s Confirmed and Suspected Contaminated Sites List, and about 6,000 of these are awaiting further investigation and cleanup. A portion of these sites are located in underserved, small, rural, and/or disadvantaged communities. To facilitate cleanup and encourage reuse of properties in these communities, Ecology requests ongoing funding to offer assessment or limited cleanup of selected properties with high redevelopment potential. Ecology will collaborate with local governments in small, rural communities, along with overburdened or underserved communities in urban areas, to identify publicly owned properties or ones where private owners will allow site access and investigation. (Model Toxics Control Operating Account)
- 16. Abandoned Mine Lands. \$352,000, 1.2 FTEs.** Washington has a legacy of mining activity, and that history has led to hundreds of abandoned mines across the state. Since 2007, Ecology has worked to create an inventory of mines with known contamination. From an original list of over 500 potential sites, our field assessments have identified approximately 200 abandoned mine sites that currently require cleanup, while many others are likely awaiting discovery. Mine sites have unique aspects and challenges; most are in remote areas, are contaminated with heavy metals, pollute nearby surface water, and lack viable financial resources to support cleanup. To make real progress in cleaning up these sites, staff resources are needed to develop and implement strategies to reduce the backlog of orphan sites. (Model Toxics Control Operating Account)
- 17. Hanford Dangerous Waste Inspections. \$145,000, 0.6 FTE.** Ecology is required to complete annual inspections of the mixed-waste facilities located at Hanford, in accordance with our Performance Partnership Agreement with the Environmental Protection Agency. Ecology staff currently inspect 29 operating and closure/post-closure facilities each year. However, beginning in 2022, the U.S. Department of Energy will activate six new mixed-waste facilities at Hanford, including the new waste treatment plant designed to treat 56 million gallons of mixed radioactive/hazardous waste. Ecology is requesting funding for additional staff to complete the required inspections for these new facilities. (Radioactive Mixed Waste Account and Water Quality Permit Account)

Protect and Manage Our State's Waters

- 18. Reduce Nutrients in Puget Sound. \$989,000, 1.8 FTEs.** The health of Puget Sound is significantly degraded by human sources of excess nutrients that cause low dissolved oxygen, disrupt the food chain, and imperil our orca and salmon populations. With one-time funding provided in fiscal year 2020, Ecology developed a Nutrients General Permit for Puget Sound wastewater treatment plants to reduce nutrient pollution using a coordinated, transparent, public process. The final permit will be issued by the end of 2021, and Ecology requires staff to administer the permit and provide technical assistance to permittees. This request supports orca and salmon recovery and protection, the Puget Sound Action Agenda's Marine Implementation Strategy, and the Puget Sound Nutrient Source Reduction Project. Related to Puget Sound Action Agenda Implementation. (Water Quality Permit Account and Model Toxics Control Operating Account)
- 19. Water Banking Pilot Budget Shift. (\$9,000,000).** In 2021, the Legislature appropriated funding in both the operating and capital budgets for Ecology to administer the pilot grant program for water banking strategies to preserve the state's agricultural water supply, maintain productive agricultural lands, protect environmental interests, and support the rural economy. However, because grant funding was appropriated in both budgets, it creates some challenges in being able to effectively use this funding to meet local water needs. To address these challenges and ensure we can effectively and efficiently administer grants during this pilot, Ecology is requesting a technical adjustment to move the operating budget portion of pass through funding to the capital budget so it can be used in combination with the existing capital budget appropriation for the pilot grant program. (General Fund-State)
- 20. Protect State Waters from Toxics. \$714,000, 2.9 FTEs.** Managing toxic pollutants in discharges from contaminated sites is important to protect human health and Washington waters. Using a system of water quality permits and water cleanup plans, Ecology helps prevent toxic chemicals from entering the environment. But toxic chemicals, including those of emerging concern, may become mobilized during site remediation activities and threaten our ability to achieve state and national goals for fishable waters, salmon recovery, and healthy watersheds. This request will help provide the support needed to address toxics in stormwater runoff from industrial and contaminated sites. This will get contaminated properties back into use sooner for affordable housing, economic redevelopment, public access, and overall economic vitality in the community. Related to Puget Sound Action Agenda implementation. (Model Toxics Control Operating Account)
- 21. Improved Stream Mapping. \$901,000, 2.3 FTEs.** Riparian zones play a significant role in supporting water quality, along with the health and diversity of aquatic and terrestrial species throughout Washington. As acknowledged by Governor Inslee and Tribal leaders at the November 2019 Annual Centennial Accord Meeting, growing and protecting trees along the lengths of the state's rivers and streams safeguards our water and builds resilience for our communities. However, to better monitor the health of our riparian buffers, the state must significantly improve the accuracy of how our streams are mapped. This request supports a two-year pilot project to identify the technologies, methodologies, datasets, and resources needed to refine and maintain the accuracy of the National Hydrography Dataset for Washington. The State/Tribal Riparian Protection & Restoration Workgroup's Monitoring and Adaptive Management Team identified this request as a top priority for addressing stream-mapping

inaccuracies that currently prohibit a statewide riparian assessment and monitoring program. Related to Puget Sound Action Agenda Implementation. (General Fund-State)

- 22. Certifying Financial Responsibility. \$287,000, 0.9 FTE.** Chapter 88.40 RCW requires certain vessels and facilities transporting, storing, handling, or transferring oil and hazardous substances in Washington to demonstrate a defined level of financial responsibility for the costs of a spill. In 2021, the Legislature included a proviso in section 302 (3) of the 2021-23 enacted operating budget that requires Ecology to adopt rules to implement the provisions of RCW 88.40.025 for oil handling facilities. However, funding was not provided to complete the rulemaking process, so Ecology is now requesting the funding needed to adopt those rules and establish a Certificate of Financial Responsibility program to ensure compliance with these requirements for both facilities and vessels moving forward. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account and Oil Spill Prevention Account)
- 23. Oil Spill Contingency Planning. \$333,000, 1.2 FTEs.** The Northwest Area Contingency Plan is Washington State's master spill contingency plan for emergency response and has served as the Northwest region's portion of the National Contingency Plan for over 20 years. On October 27, 2020, the U.S. Coast Guard announced it will no longer recognize that plan as their coastal Area Contingency Plan for Sector Columbia River and Sector Puget Sound, and directed the Captains of the Port for these two sectors to exclusively recognize USCG-developed, sector-specific plans moving forward. In response to the Coast Guard's decision, Ecology is requesting funding to support additional staff needed to develop new state emergency response plans for these two areas, integrate them with those now being used by our federal partners, and update them annually per requirements in RCW 90.56.060. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account and Oil Spill Prevention Account)
- 24. Fix & Modernize WQ Permit Systems. \$500,000.** Ecology's complex information technology systems that support water quality permit coverage and monitoring reports are antiquated and inefficient. Permittees are frustrated by the poor user system interface, and compliance data is not flowing to the Environmental Protection Agency properly, making permitted facilities appear out of compliance at an alarming rate. Ecology staff are currently struggling to maintain existing functionality and are unable to resolve or improve many long-standing system challenges. This request for one-time resources will use dedicated water quality permit funding to hire a contractor to make critical improvements to the usability and reporting accuracy of Ecology's water quality permitting systems. (Water Quality Permit Account)
- 25. Spill Response Vehicles & Equipment. \$662,000.** Ecology has the primary responsibility under Chapter 90.56 RCW to respond to and contain spills of oil, petroleum products, and other hazardous substances to waters of the state. Ecology spill responders provide year-round, statewide, 24-hour-a-day response to these incidents, but require specialized vehicles and equipment to safely and effectively do so. Ecology does not have an adequate dedicated equipment budget for periodic replacement or acquisition of responder equipment, nor a sufficient base budget to ensure timely replacement of our response vehicles. To ensure our spill responders are outfitted with the vehicles and equipment needed to safely and effectively respond and do their jobs, Ecology is requesting funding to establish a response vehicle replacement program and acquire safety equipment that is needed this biennium. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

26. Shoreline Aerial Photography. \$200,000. Shoreline aerial photographs are an important tool for managing thousands of miles of marine and freshwater shorelines across Washington. Resource managers across the state use Ecology's current collection of shoreline aerial photography as a unique source of information for documenting shoreline change over time. The photos provide important data points for ongoing implementation, evaluation, and improvement of local shoreline master programs and allow resource managers to better understand development patterns, locations of critical habitats, and ecosystem changes over time. The last set of photos was taken in 2016, and Ecology's goal is to update these photos every five years. This request will support collection of 15,000-20,000 new aerial photos of Washington's 3,300 miles of marine shorelines and around 1,000 miles of large river and lake shorelines throughout the state. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

Other

27. WCC Community Support. \$738,000. Washington Conservation Corps (WCC) collaborates with organizations to complete environmental stewardship projects statewide. WCC's cost-share requires partners fund 75 percent of crew costs, while WCC funds the remaining 25 percent with state appropriations and an AmeriCorps grant. While this cost-share is the best approach for funding the core WCC program in a marketplace of similar programs, it presents barriers for organizations in under-resourced areas. To further the state's goals around environmental justice, Ecology requests funding for a two-year pilot project to provide five WCC crews with no partner-provided cost-share for projects in areas of the state where assistance is most needed. (Model Toxics Control Operating Account)

Capital 9/13/2021 \$ in thousands		2022 Supplemental Budget Request 9/13/2021			
		SBCA	MTCA ¹	Other	Total
Prevent and Reduce Toxic Threats and Pollution					
1	Cleanup Toxic Sites - Puget Sound - Eatonville Landfill		4,000		4,000
2	Pacific Wood Treating Site Cleanup			2,326	2,326
Protect and Manage Our State's Waters					
3	Water Banking Pilot Grant Program Budget Shift ²			9,000	9,000
Facility Related					
4	Failing Main Electrical Service Panel	663			663
5	Lacey HQ Parking Garage Preservation Project Financing ³				-
Total Proposed Capital Budget Request		663	4,000	11,326	15,989

Notes:

¹ Model Toxics Control Capital (23N-1) and Stormwater (23R-1) Accounts.

² Budget shift of grant program funding from the operating budget to the capital budget. General Fund-State revenue will be transferred to a new account created in the 2022 supplemental operating budget through Decision Package PL LB - Water Banking Pilot Budget Shift. Funding will then be appropriated in a new section of the 2022 supplemental capital budget through Capital Project Request 40000469 - Water Banking Pilot Grant Program Budget Shift.

³ Section 7002(7) of the 2021-23 capital budget directed Ecology to submit a financing contract proposal to fully fund this project, including financing expenses and required reserves pursuant to Chapter 39.94 RCW, as part our 2022 supplemental capital budget request. Appropriation authority to support the Certificate of Participation (COP) payments will be requested as part of Ecology's 2023-25 operating budget request.

Protecting the Environment | Ensuring Public Health | Supporting Economic Growth & Jobs

Ecology's 2022 supplemental capital budget request totals \$16 million. These requests are supported primarily by dedicated environmental funds or state bonds for projects that:

- Promote local economic development through the cleanup of contaminated sites for redevelopment.
- Improve water quality.
- Deliver water for fish, farms, and people.
- Address local environmental and public health priorities.
- Protect and restore state owned facilities.
- Create jobs.

The following summarizes each request for Ecology. The numbers for each item correspond with the numbers in the spreadsheet at the beginning of this section.

New Capital Projects

Prevent and Reduce Toxic Threats and Pollution

1. **Clean Up Toxic Sites – Puget Sound – Eatonville Landfill. \$4,000,000.** A significant source of pollution to Puget Sound is contaminated sites around the basin and its shorelines. Ecology has been identifying and cleaning up contaminated sites in the Puget Sound basin for many years. This emphasis on bay-wide cleanup in Puget Sound and surrounding areas has highlighted a valuable link between toxic site cleanup and habitat restoration. This request will support a new project at the Eatonville Landfill that integrates river protection and recreation opportunities with the cleanup to protect public and environmental health, create jobs, and promote economic

development. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Capital Account)

- 2. Pacific Wood Treating Site Cleanup. \$2,326,000.** This request will provide appropriation authority for a settlement deposited by Union Pacific Railroad Company into the Cleanup Settlement Account for the Pacific Wood Treating site in October 2020. Ecology plans to hire contractors to remove dioxin-impacted soil from residential properties and road right-of-ways in Ridgefield. This request will require Ecology to pay for transport and landfill disposal costs for the excavated soil; purchase replacement soil and its transport; and contractor costs for yard and right-of-way restoration layout, materials, and labor. Yard soil removal is required on 15 residential properties and 36 right-of-ways. This work will complete the cleanup of the off-property portion of the site. The other parts of the site have already been cleaned up. (Cleanup Settlement Account)

Protect and Manage Our State's Waters

- 3. Water Banking Pilot Grant Program Budget Shift. \$9,000,000.** In 2021, the Legislature appropriated funding in both the operating and capital budgets for Ecology to administer the pilot grant program for water banking strategies to preserve the state's agricultural water supply, maintain productive agricultural lands, protect environmental interests, and support the rural economy. However, because grant funding was appropriated in both budgets, it creates some challenges in being able to effectively use this funding to meet local water needs. To address these challenges and ensure we can effectively and efficiently administer grants during this pilot, Ecology is requesting a technical adjustment to move the operating budget portion of pass-through funding to the capital budget so it can be used in combination with the existing capital budget appropriation for the pilot grant program. (NEW-Water Banking Account)

Facility Related

- 4. Failing Main Electrical Service Panel. \$663,000.** The main electrical service panel is failing at the Department of Ecology's Eastern Regional Office in Spokane. This building is owned by the state of Washington, and its electrical service panel is over 45 years old and is experiencing increasing rates of component failure. There have been multiple main breaker failures in the last several years, leaving elevators and areas of the regional office out of service for weeks at a time. Ecology contracted with an engineering firm to assess the equipment's continuing reliability, and the report, completed in 2021, indicates that it should be replaced in the next 12-18 months. This request will fund the required panel replacement. In addition to the age and lack of available parts for the panel, it is out of compliance with the National Electrical Code, which poses significant risks to 1) Ecology operations; 2) danger from electrical fires; and 3) maintenance workers. The electrical main switchgear is a single point of failure and without it, we would be forced to suspend operations in Spokane. (State Building Construction Account)
- 5. Lacey HQ Parking Garage Preservation Project Financing. \$0.** In 2021, Ecology requested funding to complete a parking garage restoration project at the Lacey headquarters building. That request was ultimately not funded in the 2021-23 capital budget, but in section 7002(7) of that budget bill, the Legislature directed Ecology to submit a financing contract proposal to fully fund the project, including financing expenses and required reserves pursuant to Chapter 39.94 RCW, as part our 2022 supplemental capital budget request. This capital project request is intended to fulfill that directive. Per Office of Financial Management budget instructions (chapter 4), and

guidelines from the Office of the State Treasurer, state law (RCW 39.94.040) requires prior legislative approval of real property financing contracts, typically in the capital budget. Based on feedback from legislative fiscal staff this summer, confirming that the language in section 7002(7) did not provide this required legislative approval to finance the costs of this project through a Certificate of Participation. Ecology is now seeking that explicit approval through this request.

To request an ADA accommodation, contact Ecology by phone at 360-407-6985 or email at valerie.pearson@ecy.wa.gov or visit <https://ecology.wa.gov/accessibility>. For Relay Service or TTY call 711 or 877-833-6341.