



# **DEPARTMENT OF ECOLOGY**

**2021 – 2023**

**Operating Budget**

**SEPTEMBER 2020**

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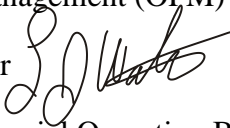


STATE OF WASHINGTON  
DEPARTMENT OF ECOLOGY

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September 14, 2020

TO: David Schumacher, Director  
Office of Financial Management (OFM)

FROM: Laura Watson, Director 

SUBJECT: Ecology's 2021-23 Biennial Operating Budget Request

As the state's lead environmental agency, the mission of the Washington State Department of Ecology (Ecology) is to protect and preserve 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 planning 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 one of our strategic goals and guides the ways in which we work to accomplish those goals.

Attached is Ecology's 2021-23 Biennial Operating Budget request. It recognizes the significant impacts of the COVID-19 pandemic, and aims to help stimulate economic recovery, while continuing to protect environmental and public health, through a focus on equity and environmental justice. We are requesting funding to address federal rollbacks affecting water quality and critical state industries, continue implementation of recently enacted legislation, and assist communities dealing with environmental and public health problems.

Ecology's 2021-23 Biennial Operating Budget request totals \$37 million. These requests are supported primarily by dedicated environmental funds, federal funds, and direct charges to customers for services that:

- Address federal rollbacks affecting state water quality and Washington's \$270 million commercial shellfish industry.

- Continue implementation of enacted legislation from the 2019 and 2020 sessions aimed at greenhouse gas emission reductions, safer consumer products, and sustainable recycling.
- Support our communities through expanded product testing, water right adjudications, and new grant funding to prevent violations of federal clean air standards, reduce flood risks and improve long-term planning for such risks, and address solid waste planning and cleanup.
- Improve water quality.
- Support legal costs incurred by the Attorney General's Office related to current and pending litigation involving Ecology.
- Fund key facility and information technology needs that were funded, either partially, or on a one-time basis, in the 2019-21 Operating Budget.
- Help meet permit and cleanup obligations with the U.S. Department of Energy related to Hanford.
- Implement fund and budget shifts needed to better align ongoing work with best fund source and budget options available.

### **Projected General Fund-State Shortfall and 15 Percent Submittal Requirement**

The impacts of the COVID-19 pandemic on Washington's economy have been widespread and significant. Nearly every sector of the state's economy has been affected, and revenue collections are now projected to be down significantly over the next three fiscal years. In June, the state reduced its Near General Fund-State (GF-S) revenue forecast by nearly \$4.5 billion for the remainder of the 2019-21 Biennium, and by more than \$4.3 billion for the 2021-23 Biennium.

At the direction of OFM, Ecology's 2021-23 Biennial Operating Budget request includes budget reduction options equal to 15 percent of our 2021-23 GF-S Maintenance Level budget. For Ecology, this equates to a reduction target of \$8.876 million. GF-S represents only about 10 percent of Ecology's 2021-23 Biennial Operating Budget, with nearly 80 percent of that funding in the Water Resources Program. The remainder of Ecology's operating budget comes from dedicated environmental funds, federal and private/local funds, and interagency agreements.

To achieve the majority of its reduction target, Ecology is proposing a combination of one-time and ongoing fund shifts for specific operating budget activities from GF-S to the Model Toxics Control Operating Account, totaling \$8.781 million (\$4.296 million is ongoing and \$4.485 million is one-time). The majority of these shifts are consistent with ones proposed, but not enacted, in the Governor's 2020 Supplemental Operating Budget. These proposed fund shifts provide real dollar-for-dollar GF-S savings for the state, while maintaining important environmental and public health work done across the state. The remainder of our reduction would be achieved through vacancy savings in the Water Resources Program.



We understand that these are difficult times, and we appreciate the effort that OFM and the Governor are taking to allow agencies to help identify options for savings during this period of economic downturn caused by the COVID crisis.

### **Impacts of Recent Federal Government Rollbacks and Court Decisions Affecting the Clean Water Act**

Enacted by Congress in 1972, the federal Clean Water Act is one of the nation's capstone environmental regulations. The Clean Water Act establishes the basic structure for regulating pollution discharges to waters of the United States, and setting water quality standards for U.S. surface waters. Under Section 401, proponents seeking permission from a federal agency (permit or license) to undertake a project, action, or activity that could result in a discharge to U.S. waters must request a Section 401 Water Quality certification from the state or tribal government where the discharge would occur.

The Clean Water Act gives states and tribal governments the authority to grant, grant with conditions, deny, or waive requests for certifications. A federal agency, such as the U.S. Army Corps of Engineers or the Federal Energy Regulatory Commission, cannot issue a license or permit before the state takes action on a certification request.

A June 2020 ruling by the U.S. District Court for Western Washington vacated the Army Corps' Nationwide Permit 48 for shellfish aquaculture. This ruling places a significant burden on Washington's shellfish industry, requiring shellfish farmers to submit applications to the Corps for individual permits and to Ecology for individual 401 certifications. Over the next two to four years, Ecology anticipates receiving approximately 900 new requests for Section 401 Water Quality certifications and Coastal Zone Management federal consistency determinations as a result of the Court's decision. At the same time, the federal Environmental Protection Agency (EPA) has amended its rules for 401 certifications, giving states much less time to make decisions on certification applications.

Also in June, the federal government revised the Clean Water Act, narrowing the definition of "Waters of the United States" to exclude many Washington wetlands, and other waters, from federal protection. However, the state Water Pollution Control Act still provides protection for all Washington wetlands and waters. Prior to the definitional change, the Army Corps issued permits for projects that could impact these waters. However, now that federal permits are no longer available for certain waters, the state will have to provide a state permit or authorization before projects can proceed.

Ecology is requesting funding for additional staff to support these new workloads, and ensure we are responsive to the needs of both the state's shellfish industry, and other project proponents looking to conduct work in state waters that are no longer eligible for federal permits.

## **Placeholders**

### ***2021 Drought Declaration***

Each year, Ecology assesses the need for emergency drought funding to assist local governments. While the water year begins November 1 of each year, 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. If a drought is projected, Ecology will submit a request during the 2021 legislative session. This potential need is normally highlighted in Ecology's budget submittal, as no base appropriations exist in the agency budget to implement drought response activities.

### ***One Washington Project***

While not a placeholder, please note that, per the 2021-23 OFM Budget Instructions, Ecology did submit required information to One Washington on August 14, 2020, outlining our resource needs for the 2021-23 Biennial Operating Budget, so that they could be integrated into a single consolidated enterprise-wide decision package.

Thank you for considering Ecology's 2021-23 Biennial Operating Budget request. We will work with our assigned OFM operating budget analysts as they review this request in detail. Please let us know if you have questions.

Attachment

### **Distribution to:**

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**Department of Ecology  
2021-2023 Operating Budget**

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# Department of Ecology – Executive Leadership













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# 2021-2023 Strategic Plan



## Vision

Our innovative partnerships protect and sustain healthy land, air, and water in harmony with a strong economy.

## Mission

To protect, preserve, and enhance Washington's environment for current and future generations.

## Values

- Environmental stewardship
- Environmental justice
- Public health, safety, and welfare
- Diversity, equity, and inclusion
- Problem solving and innovation
- Continuous improvement
- Collaborative and respectful relations

## Goals



Support and engage our communities, customers, and employees



Reduce and prepare for climate impacts



Prevent and reduce toxic threats and pollution



Protect and manage our state's waters



Protect and restore Puget Sound



## Principles of our work

Work in partnerships with communities, businesses, interest groups, and local, state, and federal agencies to protect the environment.

Engage in meaningful tribal consultation.

Communicate clearly, strengthen engagement, and eliminate public involvement barriers.

Strive to eliminate environmental and health disparities by prioritizing communities with environmental justice considerations.

Support our commitment to sustainability by understanding the results of our actions and acknowledging that people, economies, and all life depend on healthy, functioning ecosystems.

Award and manage grants and loans as financial partners to maximize environmental, public health, and economic benefits in local communities.

Recognize and value how every employee's work and expertise contributes to our mission.

Create and support opportunities for integrated cross-program work (One Ecology).

Make transparent, defensible decisions using accurate and reliable data with quality science.



## GOAL 1

# Support and engage our communities, customers, and employees

We strive to equitably deliver our services and resources, embrace innovation and new technology, and work to continually improve our performance. We foster a diverse, well-trained, and friendly workforce that operates with excellence and professionalism. Our leadership teams are committed to all employees, modeling our commitment to communities, customers, and one another.

## Strategies

**1.1** Integrate Title VI (Civil Rights Act) nondiscrimination compliance, Americans with Disabilities Act compliance, and support environmental justice work throughout Ecology's programs and activities to ensure equitable service delivery.

**1.2** Engage proactively with our customers and communities to seek and use feedback to improve our work and assess meaningful involvement.

**1.3** Foster a diverse, equitable, inclusive, and respectful workplace by:

- Seeking qualified candidates for employment.
- Paying equitably.
- Evaluating and reducing barriers to work-related opportunities advancement throughout Ecology.
- Providing a work environment that promotes appreciation, understanding, and respect for individual differences.

The Environmental Protection Agency (EPA) defines **environmental justice** as "the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies."

For Ecology this means:

- Evaluating and implementing service equity in our programs and decision-making, assessing and mitigating impacts to overburdened and underserved populations, and creating accountability measures to eliminate environmental and health disparities.
- Being mindful of inclusivity and access, planning for and engaging in meaningful public involvement, and ensuring potentially affected populations have an opportunity to learn about, participate in, and influence decisions and actions.

We view diversity, equity, inclusion, and respect through a broad lens including:

- |                      |                             |
|----------------------|-----------------------------|
| • Race               | • Military background       |
| • Ethnicity          | • Language                  |
| • Class              | • Education                 |
| • Age                | • Life experience           |
| • Religion           | • Physical disability       |
| • Sexual orientation | • Neurodiversity            |
| • Gender identity    | • Intersectional identities |
| • Immigration status |                             |

For Ecology this means a workplace that embraces humble inquiry, courage, cultural humility, and caring. A workplace where individuals are heard and honored in meaningful, substantive ways and guaranteed opportunity for advancement, access, and fair treatment. These principles are foundational to Ecology's work and guide our actions with purpose and intention.



## GOAL 1 CONTINUED

# Support and engage our communities, customers, and employees

### Strategies (continued)

#### 1.4 Commit our leaders and employees to:

- Initiating change.
- Actively listening.
- Fostering inclusive collaboration.
- Communicating frequently, consistently, and transparently.
- Encouraging the sharing of expertise.
- Providing opportunities for growth and development in our employees.

#### 1.5 Invest in our employees by:

- Hiring and retaining talented and diverse people.
- Recognizing their expertise.
- Sharing knowledge.
- Building their skills and leadership capacity through learning opportunities.
- Using effective mentoring and coaching.
- Integrating their feedback to improve our work.



#### 1.6 Leverage technology solutions that support a modern, mobile workforce to allow us to be more adaptive and responsive to communities, customers, and employees.

#### 1.7 Measure Ecology's success through a performance management system based on our goals and measures, using continuous improvement and risk management.

#### 1.8 Lead proactive, innovative communications to share Ecology's work and why it matters with our diverse audiences.

#### 1.9 Manage Ecology's financial resources responsibly and ensure our long-term financial health so we have funding to accomplish our mission.

#### 1.10 Provide secure and sustainable infrastructure, access to public records, and operational support to help Ecology conduct our work to protect, preserve, and enhance the environment.





## GOAL 2

# Reduce and prepare for climate impacts

Ecology is preparing for the future by understanding and reducing the effects of climate change on our communities, environment, and economy. We will reduce greenhouse gas emissions, promote community resilience, and prevent and remediate negative impacts with an emphasis on historically underserved and overburdened communities.

## Strategies

- 2.1 Understand and share information about climate change and the associated impacts, especially with communities that are disproportionately affected.
- 2.2 Reduce and prevent greenhouse gas emissions, keeping in mind communities that are most impacted by climate change.
- 2.3 Support communities and partners — prioritizing the most vulnerable and sensitive populations — in preparing for and adjusting to climate change.
- 2.4 Consider climate impacts throughout our decision-making while ensuring meaningful engagement with communities with environmental justice considerations.





### GOAL 3

## Prevent and reduce toxic threats and pollution

We work to prevent and reduce toxic threats and pollution and manage legacy contamination. We make strategic efforts to eliminate the disproportionate impacts on communities of color, indigenous communities, and low-income populations across Washington.



Toxic threats and pollution come from many sources, including consumer products and business processes, and can end up as pollution in the air, water, and land, or accumulate in our bodies.

Inappropriate management or disposal of chemicals or waste can result in long-lasting contamination and economic, social, and environmental impacts. To protect against ongoing toxic threats and pollution, we:

- Prevent and reduce use in the first place.
- Ensure recycling/reuse of appropriate materials.
- Regulate final disposal.
- Manage cleanup.

### Strategies

#### 3.1 Prevent toxic substances from becoming threats or pollution by:

- Identifying the most harmful chemicals or products.
- Measuring and understanding their impacts to the environment, public health, and communities with environmental justice concerns.
- Reducing their use by promoting safer alternatives and implementing restrictions or other requirements.

#### 3.2 Prevent and reduce the release and impacts of toxic chemicals and pollution by:

- Providing technical assistance.
- Promoting proper management.
- Gathering data.
- Implementing regulatory, permitting, and compliance work.

We prioritize this work in overburdened and underserved communities.

#### 3.3 Ensure that pollution and contaminated sites, including legacy environmental contamination, are managed and cleaned up while taking into consideration environmental justice, environmental and human health, community needs, and economic vitality.





## GOAL 4

# Protect and manage our state's waters

We provide a coordinated and collaborative approach to protecting and managing water. Ecology's work ensures Washington has high-quality water supplies that support thriving ecological systems, as well as meet current and future tribal, agricultural, and community needs.



## Strategies

- 4.1 Develop water resource solutions that consider legal and historical context, impacts of climate change, population growth, impacts to fish, and other resource constraints while balancing the needs of people and communities, contributing to a robust economy, and protecting the natural environment.
- 4.2 Use innovative solutions that align with regulatory requirements and environmental justice considerations to:
  - Address long-term water project investment, monitoring, and funding needs.
  - Develop and implement water quality and sediment cleanup plans.
  - Write and enforce permits.
  - Encourage the use of reclaimed water.
  - Restore and manage floodplains.
- 4.3 Support local government, communities, and businesses, while prioritizing underserved and underinvested areas or populations, to reduce the risks of surface and groundwater pollution by providing:
  - Waste, pollution, and toxics related technical assistance.
  - Product replacement opportunities.



## GOAL 5

# Protect and restore Puget Sound

Puget Sound requires our continued attention. We are building partnerships and making investments to restore, protect, and preserve the health of Puget Sound, now and for future generations. We commit to partnering and meaningful engagement with tribal governments and our customers, including communities with environmental justice considerations.

## Strategies

- 5.1 Monitor Puget Sound health and restoration to address environmental impacts, including those that affect tribes and underserved communities.
- 5.2 Accelerate innovative solutions for toxic reduction strategies to protect orca, salmon, and shellfish in Puget Sound waters, working in partnership with communities and consulting with tribes.
- 5.3 Support the recovery of salmon and shellfish and improve water quality by managing stormwater, reducing excess nutrients, preventing pollution, and cleaning up contaminated sites, while prioritizing environmentally overburdened and underinvested communities.
- 5.4 Prevent oil spills and enhance our oil and hazardous materials response capacity, focusing on areas underserved and at highest environmental risk.



### ADA Accessibility

The Department of Ecology is committed to providing people with disabilities access to information and services by meeting or exceeding the requirements of the Americans with Disabilities Act (ADA), Section 504 and 508 of the Rehabilitation Act, and Washington State Policy #188.



To request an ADA accommodation, contact Ecology by phone at 360-407-6831 or email at [ecyadacoordinator@ecy.wa.gov](mailto:ecyadacoordinator@ecy.wa.gov). For Washington Relay Service or TTY call 711 or 877-833-6341. Visit [Ecology's website](#) for more information.

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## Department of Ecology

### 2021-23 Agency Activity Inventory Descriptions

September 9, 2020

Activity	Activity Title	Description
A002	Administration	The administration activity supports agency functions by providing leadership, cross-program support, and staff presence throughout the state. Administration manages the agency's long-term financial health and provides information to support sound decision-making and resource management by managers. Communication, education, and outreach tools play a major role in protecting and improving the environment. Administration staff serve as liaisons to Congress, the state Legislature, local governments, businesses, Indian tribes, and environmental and citizen groups. Administration helps managers and employees create a safe, supportive, and diverse work environment by providing comprehensive human resource services. It also oversees information management (desktop and network services, application development, and data administration) and facility and vehicle management; maintains the agency's centralized records and library resources; responds to public records requests; and provides mail services.
A003	Implementing Integrated Solutions to Protect Instream Resources	<p>Ecology staff seeks to meet increasing water demands from population growth, while protecting limited instream resources and adapting to climate change. Actions include:</p> <ul style="list-style-type: none"> <li>• Instream flow rules - Work with local stakeholders to implement and update, as needed, instream flow rules for fish and wildlife, recreation, and other instream resources. Evaluate regions of the state that are experiencing conflict over water, as potential areas for adjudication.</li> <li>• Streamflow Restoration - Work with watershed groups to establish or revise a streamflow restoration plan to mitigate the impacts of new domestic water use.</li> <li>• Section 401 federal licensing of dams - Collaborate with local governments, tribes, and other stakeholders to develop permit conditions for hydropower facilities that ensure minimum instream flows are met and that stream flows are adjusted to adapt to water supply conditions during the 50 year license period.</li> <li>• Water acquisition - Acquire senior water rights to restore and protect stream flows. Review municipal and industrial reclaimed water projects and water system plans to ensure new uses of water do not impair senior rights. Monitor water supply conditions that may impact water rights and the environment, and respond when water supplies are impacted by drought.</li> </ul>
A005	Clean up the Most Contaminated Sites First (Upland and Aquatic)	Ecology protects public health and natural resources by cleaning up and managing contaminated upland sites and contaminated sediments in the aquatic environment. Resources are first focused on cleaning up contaminated sites that pose the greatest risk to public health and the environment. These include sites where contamination threatens drinking water, exists in a large quantity, is very toxic, may affect a waterbody or the environmental health of sediments, or may affect people that are living, working, or recreating near the site. Contamination may be in the soil, sediments, underground water, air, drinking water, or surface water. Ecology also manages multi-agency upland and sediment cleanup projects. Cleaning up these sites protects public health, safeguards the environment, and promotes local economic development by making land available for new Industries and other beneficial uses.

Activity	Activity Title	Description
A006	Clean Up Polluted Waters	The federal Clean Water Act requires the agency to develop water quality standards and to identify water bodies that fail to meet those standards. The agency does this by reviewing thousands of water quality data samples and publishing an integrated water quality assessment report. This report lists the water bodies that do not meet standards. Ecology then works with local interests to prepare water quality improvement reports to reduce pollution, establish conditions in discharge permits and nonpoint-source management plans, and monitor the effectiveness of the improvement report.
A007	Conduct Environmental Studies for Pollution Source Identification and Control	Ecology conducts pollution studies to address known or suspected problems at specific sites and across regional areas. These studies support our efforts under the federal Clean Water Act, as well as the state Water Pollution Control and Model Toxics Control Acts. Studies range from simple water quality sampling for bacteria or dissolved oxygen, to very complex projects measuring toxic contaminants in fish tissues or pesticides in groundwater. Many projects support development of water quality improvement plans or Total Maximum Daily Load (TMDL) to assess how much of a pollutant a waterbody can absorb without exceeding water quality standards.
A008	Control Stormwater Pollution	Ecology prepares tools, provides assistance, and offers compliance strategies to control the quantity and quality of stormwater runoff from development and industrial activities. The agency currently Provides training and assistance to communities and industries on stormwater manuals and the Western Washington hydrology model. Ecology works with local governments and other stakeholders to implement a municipal stormwater program and permitting system.
A009	Eliminate Waste and Promote Material Reuse	<p>The Department of Ecology:</p> <ul style="list-style-type: none"> <li>• Provides technical assistance to local governments for waste reduction, and recycling, including focus on reducing contamination, addressing plastic packaging, and developing marketing programs for recycled commodities.</li> <li>• Reduces wasted food through a state food waste reduction and diversion plan.</li> <li>• Provides technical assistance to promote reuse of organic materials.</li> <li>• Ensures an environmentally compliant biosolids program in the state.</li> <li>• Advises state and local governments on how to promote environmentally preferred purchasing.</li> <li>• Oversees producer managed recycling programs.</li> </ul>
A010	Prevent and Pick Up Litter	The Department of Ecology collaborates with residents, businesses, local governments and state agency partners, to maximize efforts to prevent and pick up litter to keep Washington clean for residents and visitors. Ecology also sponsors youth employment programs for litter pick up.

Activity	Activity Title	Description
A011	Ensure Dam Safety	This activity protects life, property, and the environment by overseeing the safety of Washington's dams. This includes inspecting the structural integrity and flood and earthquake safety of existing state dams not managed by the federal government; approving and inspecting new dam construction and repairs; and taking compliance and emergency actions.
A012	Ensure Environmental Laboratories Provide Quality Data	Ecology accredits environmental laboratories that submit data to the agency and to the Department of Health. The accreditation program covers analyses in all typical environmental matrices (air, water, soil, sediment, tissue), and drinking water. Accreditation ensures environmental laboratories have the demonstrated capability to provide accurate and defensible data. Ecology's laboratory accreditation program is the primary method of performance monitoring for over 400 laboratories in the accreditation program. Ecology will start accrediting cannabis laboratories in 2024. To prepare for this role, Ecology is leading the Cannabis Science Task Force to recommend lab quality standards for cannabis laboratories.
A013	Fund Local Efforts to Clean Up Toxic Sites and Manage or Reduce Waste	<p>The Department of Ecology provides planning assistance to local governments and financial assistance through three grant programs:</p> <ul style="list-style-type: none"> <li>• Local Solid Waste Financial Assistance grants to local governments for solid waste planning, waste reduction (including food waste), recycling (including contamination reduction), household hazardous waste, and enforcement.</li> <li>• Public Participation Grants (PPG) to interest groups for informing residents about cleanups in their local area and educating the public about waste reduction efforts.</li> <li>• Waste Reduction and Recycling Education grants to local governments and non profit organizations to educate the public about litter control, waste reduction (including food waste), recycling (including contamination reduction), and composting.</li> </ul>
A014	Restore the Air, Soil, and Water Contaminated from Past Activities at Hanford	The agency protects public health and natural resources by working to restore the public use of air, soil, and water at the Hanford Nuclear Reservation by cleaning up contaminated sites from past activities. Radioactive and hazardous contaminants are removed, residual contaminants are contained and monitored, and mitigation of natural resource damage on Hanford occurs.
A015	Clean Up and Remove Large, Complex, Contaminated Facilities throughout Hanford	The agency oversees the decommissioning of the large, complex, and high-risk facilities throughout the Hanford Nuclear Reservation, including nuclear reactors and chemical processing facilities used for nuclear weapons material production. Transition of these facilities to safe and stable conditions requires coordination of multiple regulatory and technical requirements. The agency is also responsible for regulatory oversight of waste management activities at four facilities not under the management of the U.S. Department of Energy (Energy Northwest, AREVA, Perma-Fix Northwest, and the U.S. Navy's Puget Sound Naval Shipyard).

Activity	Activity Title	Description
A016	Treat and Dispose of Hanford's High-Level Radioactive Tank Waste	The agency protects public health and natural resources by providing regulatory oversight for the treatment and removal of highly radioactive tank waste at the Hanford Nuclear Reservation. This activity is focused on the design, permitting, construction, and operation of the Hanford Waste Treatment Plant, the Integrated Disposal Facility (a mixed, low-level waste landfill), and immobilized high-level waste storage facility.
A017	Ensure Safe Tank Operations, Storage of Tank Wastes, & Closure of the Waste Storage Tanks at Hanford	The agency protects public health and natural resources by ensuring the safe storage and management of 53 million gallons of high-level radioactive tank waste at the Hanford Nuclear Reservation. The Hanford Tank Waste Project is focused on permitting the double-shelled tank waste storage system, removing liquid wastes from the single-shelled tanks, and beginning to close portions of the tank waste storage system. In coordination with the Hanford Tank Waste Disposal Project, the tank waste will be removed and treated, leading to eventual closure of all 177 Hanford tanks by 2028.
A018	Ensure the Safe Management of Radioactive Mixed Waste at Hanford	The agency provides regulatory oversight for the safe storage, treatment, and disposal of liquid and solid dangerous and radioactive mixed wastes at the Hanford Nuclear Reservation, as well as at radioactive mixed-waste sites throughout the state. This activity regulates the management of this historic and ongoing waste stream, and ensures the retrieval, treatment, and safe disposal of high-risk transuranic and high activity wastes currently buried in shallow, unlined trenches.
A019	Improve Community Access to Hazardous Substance and Waste Information	<p>Ecology provides the public and local governments with information about the type, location, and source of hazardous substances in local communities. Ecology uses automated data systems to:</p> <ul style="list-style-type: none"> <li>• Track compliance and technical assistance visits.</li> <li>• Measure pollution prevention and compliance progress.</li> <li>• Track amounts of dangerous waste generated each year as well as its transport, treatment, and/or disposal.</li> <li>• Identify toxic chemicals released and stored by businesses.</li> <li>• Track information on facilities that prepare pollution prevention plans.</li> <li>• Prepare informational publications, such as Shoptalk, a newsletter for hazardous waste generators.</li> </ul> <p>According to federal and state community right-to-know laws, Ecology also responds to public inquiries about toxic chemicals and provides a web site for this purpose.</p>
A020	Improve Quality of Data Used for Environmental Decision Making	<p>To ensure the reliability and integrity of data Ecology generates, agency staff:</p> <ul style="list-style-type: none"> <li>• Provide guidance and training on developing quality assurance project plans.</li> <li>• Review project proposals.</li> <li>• Consult on sampling design requirements and interpretation of results. This quality assurance work is required by the Environmental Protection Agency for entities (including Ecology) that receive funding for work involving environmental data. In addition, Ecology scientists, modelers, statisticians, chemists, and other specialists:</li> <li>• Interpret technical data.</li> <li>• Review grantee monitoring plans.</li> <li>• Supply information for policy decisions to support agency mandates</li> </ul>

Activity	Activity Title	Description
A021	Increase Compliance and Act on Environmental Threats from Hazardous Waste	<p>The agency annually conducts formal compliance enforcement inspections at large and medium quantity generators and hazardous waste management facilities to ensure compliance with state and federal regulations. A credible, formal enforcement capability is essential to preserving the effectiveness of technical assistance and informal enforcement efforts. While staff undertake formal enforcement infrequently, repeated refusal or inability of a facility to correct violations and comply with the regulations will escalate to formal enforcement actions. When possible, a streamlined enforcement and settlement approach is used. This frees up inspectors to do more inspections instead of spending excess time with legal proceedings. The state also periodically amends the Dangerous Waste Regulations to keep our rules current with the federal program and maintain state authorization.</p>
A022	Increase Safe Hazardous Waste Management	<p>Ecology provides education and technical assistance to thousands of businesses on safe hazardous waste management. Safe management of hazardous waste protects the public and the environment, and enables the state to avoid significant clean-up costs. Although formal enforcement work is essential to maintaining compliance with hazardous waste regulations, training and technical assistance visits also can help bring facilities into regulatory compliance using fewer resources. Even small amounts of mismanaged toxic chemicals can create contaminated sites and pollute stormwater. To address environmental threats from small businesses, Ecology also oversees performance contracts with 9 Puget Sound counties (in addition to Spokane County). These contracts provide for Local Source Control Specialists to conduct technical assistance visits to small businesses.</p>
A023	Manage Underground Storage Tanks to Minimize Releases	<p>Ecology currently regulates over 10,000 active tanks on over 3,600 different properties, including gas stations, industries, commercial properties, and governmental entities. We ensure tanks are installed, managed, and monitored according to federal standards and in a way that prevents releases into the environment. This is done through compliance inspections and providing technical assistance to tank owners and operators. Properly managing such tanks saves millions of dollars in cleanup costs and prevents contamination of limited drinking water and other groundwater resources.</p>
A024	Manage Water Rights	<p>The agency allocates surface and ground water to meet the state's many water supply needs. Ecology staff makes decisions on applications for new water rights, changes to existing water rights, and by participating in water rights adjudications in areas where additional certainty is needed.</p>

Activity	Activity Title	Description
A025	Measure Air Pollution Levels and Emissions	<p>To make sound air quality management decisions, Ecology needs reliable information on the amount and sources of pollution and how it moves in the air. We do three primary activities to collect data:</p> <ul style="list-style-type: none"> <li>• Monitor air quality to assess trends; focus on compliance; and assess control strategies, health effects, and environmental damage.</li> <li>• Develop emission inventories to quantify pollution released by air pollution sources.</li> <li>• Meteorological and dispersion modeling to forecast movement and concentration of air pollutants, carrying capacity of airsheds, interactions of pollutants, and point of maximum impact of pollution.</li> </ul>
A026	Measure Contaminants in the Environment by Performing Laboratory Analyses	<p>The Manchester Environmental Laboratory is a full service environmental laboratory. The lab provides technical, analytical, and sampling support for chemistry and microbiology for multiple Ecology programs, and supports work conducted under the federal Clean Water Act, as well as the state Water Pollution Control, Puget Sound Water Quality Protection, Children's Safe Products and Model Toxics Control Acts.</p>
A027	Monitor the Quality of State Waters and Measure Stream Flows Statewide	<p>Ecology operates a statewide environmental monitoring network to:</p> <ul style="list-style-type: none"> <li>• Assess the status of major waterbodies.</li> <li>• Identify threatened or impaired waters.</li> <li>• Evaluate changes and trends in water quality over time. This network includes sampling stations in rivers, streams, and marine waters (Puget Sound and the major coastal estuaries).</li> </ul> <p>Ecology measures statewide biological, chemical, and habitat conditions to provide information on the health of watersheds on a regional scale. Ecology also measures stream flows in salmon critical basins and key watersheds statewide.</p>
A028	Improve Environmental Compliance at State's Largest Industrial Facilities	<p>The Department of Ecology provides a single point of contact for compliance reviews and technical assistance for petroleum refineries, pulp and paper mills, and aluminum smelters so they have consistent regulatory oversight.</p>
A030	Prepare for Aggressive Response to Oil and Hazardous Material Incidents	<p>This activity ensures large commercial vessels, oil handling facilities, and railroad operators that transport oil by rail maintain state-approved oil spill contingency plans so they can rapidly and effectively respond to major oil spills. State planning standards ensure response equipment and personnel are strategically staged throughout the state. This work is carried out through staff review and approval of contingency plans, drills that test contingency plans, development of geographic response plans, and maintenance of a regional contingency plan in partnership with other agencies.</p>

Activity	Activity Title	Description
A031	Prevent Hazardous Waste Pollution Through Permitting, Closure, and Corrective Action	Facilities that treat, store or dispose of large volumes of dangerous waste must obtain a permit to ensure that their design, construction, maintenance, and operating procedures protect public health and the environment. Washington currently has 14 active facilities that are either in "interim status" or have a final permit. Because these facilities handle such a large volume of dangerous waste they are inspected annually. They are required to have closure plans to effectively deal with the end of their waste management activities. Ecology is currently working on 20 high-priority corrective action clean-up sites. Ecology also ensures that proper financial assurance requirements are in place at all used oil processors and recyclers and facilities treating, storing, or disposing of dangerous wastes.
A032	Prevent Point Source Water Pollution	Ecology protects Washington's water by regulating point source discharges of pollutants to surface and ground waters. This is done with a wastewater permit program for sewage treatment plants and an industrial discharge program for other industries. A permit is a rigorous set of limits, monitoring requirements, or management practices, usually specific to a discharge, designed to ensure a facility can meet treatment standards and water quality limits. The permit is followed by regular inspections and site visits. Technical assistance and follow-up on permit violations also are provided through various means.
A033	Prevent Oil Spills from Vessels and Oil Handling Facilities	Ecology works with communities and regulated entities to prevent spills from vessels and oil handling facilities through inspections, review and approval of plans and manuals, technical assistance, incident investigation, and risk assessment work.
A034	Prevent Unhealthy Air and Violations of Air Quality Standards	To ensure federal air quality standards are met and people have healthier air to breathe, Ecology: <ul style="list-style-type: none"> <li>• Continuously measures air pollution levels and trends.</li> <li>• Develops and implements area-specific cleanup plans.</li> <li>• Designs and implements strategies to prevent violations.</li> <li>• Cleans up areas that violate standards as quickly as possible.</li> </ul>
A035	Promote Compliance with Water Laws	The agency helps ensure that water users comply with the state's water laws so that other legal water users are not impaired; water use remains sustainable over the long term; and the environment is protected for the benefit of people and nature. Activities include water metering and reporting 80 percent of water use in 16 fish critical basins, along with education, technical assistance, and strategic enforcement in egregious cases.

Activity	Activity Title	Description
A036	Protect and Manage Shorelines in Partnership with Local Governments	<p>The Shoreline Management Act establishes a cooperative program between local and state governments, in which local governments develop and administer local Shoreline Master Programs, and the Department of Ecology provides support and oversight. The agency is involved in shoreline management in four primary ways: developing guidelines for local shoreline programs; providing technical assistance to local governments and applicants on shoreline planning and permitting activities; reviewing and approving amendments to local shoreline master programs; and reviewing permits to ensure resource protection and implementation of the law. The agency works with local governments on permit compliance by responding to public inquiries and complaints, making field visits, providing compliance-related technical assistance, and issuing notices of correction, orders, and penalties. Properly managed shorelines provide habitat for fish and wildlife, minimize flooding and property damage, and provide land-use certainty to local landowners.</p>
A037	Protect Water Quality by Reviewing and Conditioning Construction Projects	<p>The Department of Ecology issues water quality certifications and Coastal Zone Management Act consistency determinations for water-related construction projects. Staff provide early review on projects whenever possible (e.g., through State Environmental Policy Act review and pre-application meetings) and provide project guidance and technical assistance through phone calls, e-mails, site visits, and workshops. Projects are approved, denied, or conditioned to protect water quality, sediment quality, and fish and shellfish habitat. This activity allows the state to actively participate in federal permitting activities to ensure that state interests are adequately represented and considered.</p>
A038	Protect, Restore, and Manage Wetlands	<p>The Department of Ecology has the lead responsibility in implementing the state Water Pollution Control Act, which requires the protection of wetlands. The agency provides technical assistance to local governments, helping them implement requirements in the Shoreline Management and Growth Management acts. Staff also provide technical assistance to non-government entities on wetlands conservation and stewardship programs. The agency provides leadership on wetlands issues, coordinating statewide policy issues, and developing new approaches for managing and restoring wetlands. Properly functioning wetlands protect water quality, reduce flooding, provide aquifer recharge for drinking water and other uses, and provide critical habitat for fish and wildlife.</p>
A040	Provide Technical and Financial Assistance to Local Governments to Reduce Flood Hazards	<p>The Department of Ecology administers the Flood Control Assistance Account Program, providing grants and technical assistance to local governments for flood damage reduction projects and comprehensive flood hazard management planning. Staff review and approve local Comprehensive Flood Hazard Management Plans and inspect construction of flood damage reduction projects. The Department of Ecology is also the state's coordinating agency for the National Flood Insurance Program (NFIP) and receives an annual Community Assistance Program grant to provide technical assistance and support to 286 communities enrolled in the NFIP. In this role, staff make regularly scheduled technical assistance visits to communities, assess local regulatory programs for compliance with state and federal requirements, and provide workshops and other outreach on flood hazard recognition and reduction. Proper flood control planning and projects protect both private and public property, as well as natural resources and fish and wildlife habitat.</p>



Activity	Activity Title	Description
A041	Provide Technical Assistance on State Environmental Policy Act (SEPA) Review	SEPA was adopted in 1971 to ensure that state and local decision makers consider the environmental impacts of their actions. The SEPA law provides an opportunity for local citizen involvement in the environmental review process and provides developers an opportunity to identify mitigation opportunities that facilitate overall project approval and minimize development costs. The agency provides training and assistance to local governments and the public, and manages the SEPA register.
A042	Provide Technical Training, Education, and Research through Padilla Bay Estuarine Reserve	The Padilla Bay National Estuarine Research Reserve is one of 25 national reserves established to protect estuaries for research and education. The Padilla Bay Reserve in Skagit County conducts a broad array of public education programs, technical and professional training, coastal restoration, and scientific research and monitoring. The reserve, managed in partnership with the National Oceanic and Atmospheric Administration (NOAA), includes over 11,000 acres of tidelands and uplands; the Breazeale Interpretive Center; a research laboratory; residential quarters; trails; and support facilities. The reserve also provides funding and technical support to local Marine Resource Committees as part of the Northwest Straits Initiative, and administers the Northwest Straits Marine Commission as established by Senator Murray in 1998.
A043	Provide Water Quality Financial Assistance	Ecology provides grants, low-interest loans, and technical assistance to local governments, state agencies, and tribes to enable them to build, upgrade, repair, or replace facilities to improve and protect water quality. This includes meeting the state's obligation to manage the Water Pollution Control Revolving Fund in perpetuity. Ecology also funds nonpoint-source control projects such as watershed planning, stormwater management, freshwater aquatic weed management, education, and agricultural best management practices. Grants are targeted to nonpoint-source problems and communities where needed wastewater facilities projects would be a financial hardship for taxpayers. Local governments use loans for both point and nonpoint-source water pollution prevention and correction projects. Ecology coordinates grant and loan assistance with other state and federal funding agencies.
A044	Provide Water Resources Data and Information	The collection, management, and sharing of data and information is critical to modern water management. It is essential to local watershed groups, conservancy boards, businesses, local governments, nonprofit groups, the Legislature, other agencies, and the media. It supports daily agency operations, including making water allocation decisions; setting and achieving stream flows; identifying the location and characteristics of wells, dams, and water diversions; supporting compliance actions; metering; tracking progress; communicating with constituents; and serving other water resource functions.
A045	Reduce Air Pollution from Industrial and Commercial Sources	Ecology issues permits, conducts inspections, and assures compliance with state and federal air quality requirements for new and existing industrial and commercial facilities that emit significant levels of air pollution. The agency also provides permit application assistance, technical assistance, rule interpretation, and permit review.

Activity	Activity Title	Description
A047	Reduce Health and Environmental Threats from Motor Vehicle Emissions	<p>Cars, trucks, construction equipment, locomotives, and marine vessels are responsible for over 60 percent of Washington's air pollution. More than half of Washington's residents have at least one medical condition that is made worse by air pollution. To protect public health and the environment from motor vehicle pollution, Ecology:</p> <ul style="list-style-type: none"> <li>• Implements Washington's Clean Car standards.</li> <li>• Promotes transportation alternatives and cleaner motor vehicles and fuels through voluntary, regulatory, and incentive programs.</li> <li>• Replaces or retrofits school buses and other diesel engines to reduce exposure to toxic diesel emissions.</li> </ul>
A048	Reduce Health and Environmental Threats from Smoke	<p>The two leading sources of smoke during the non-wildfire season (October – May) in Washington communities are outdoor burning and wood-burning for residential heat. To address smoke from outdoor burning, Ecology:</p> <ul style="list-style-type: none"> <li>• Issues conditioned permits for agricultural, land clearing, fire training, and other outdoor burning, where required by law.</li> <li>• Produces daily burn forecasts; responds to and resolves complaints related to smoke.</li> <li>• Provides technical assistance to manage and prevent outdoor burning impacts.</li> <li>• Through technical assistance, research, and demonstration projects, promotes development and use of practical alternatives to burning. To address smoke from residential wood heating, Ecology:</li> <li>• Coordinates burn curtailments.</li> <li>• Conducts wood stove change out programs.</li> <li>• Sets strict emission limits for new stoves.</li> <li>• Promotes development of clean burning technologies.</li> <li>• Coordinates with the Environmental Protection Agency on standards for residential home heating appliances.</li> <li>• Assists communities, local health organizations, and fire suppression agencies with health impact messaging and recommendations during large-scale wildfire events.</li> </ul>
A049	Reduce Nonpoint-Source Water Pollution	<p>Nonpoint-source pollution (polluted runoff) is the leading cause of water pollution and poses a major health and economic threat. Types of nonpoint pollution include fecal coliform bacteria, elevated water temperature, pesticides, sediments, and nutrients. Sources of pollution include agriculture, forestry, urban and rural runoff, recreation, hydrologic modification, and loss of aquatic ecosystems. Ecology addresses these problems through raising awareness; encouraging community action; providing funding; and supporting local decision makers. The agency also coordinates with other stakeholders through the Washington State Nonpoint Workgroup, the Forest Practices Technical Assistance group, and the Agricultural Technical Assistance group.</p>

Activity	Activity Title	Description
A052	Reduce the Generation of Hazardous Waste and the Use of Toxic Substances through Technical Assistance	<p>The state Hazardous Waste Reduction Act calls for the reduction of hazardous waste generation and the use of toxic substances and requires certain businesses to prepare plans for voluntary reduction. Staff provide on-site assistance through innovative programs designed to reduce the use of source and waste generation reduction. In addition, the agency focuses on improvements in industries that have the highest rate of waste generation and non-compliance to help them achieve energy savings, water conservation, and reduced hazardous waste production. Reducing the use of toxic chemicals in commerce reduces the generation of hazardous waste, minimizes disposal costs, reduces the need for clean-up, minimizes public exposure, and saves businesses money.</p>
A053	Regulate Well Construction	<p>The agency protects consumers, well drillers, and the environment by licensing and regulating well drillers, investigating complaints, approving variances from construction standards, and providing continuing education to well drillers. The work is accomplished in partnership with delegated counties. It delivers technical assistance to homeowners, well drillers, tribes, and local governments.</p>
A054	Rapidly Respond to and Clean Up Oil and Hazardous Material Spills	<p>This activity ensures Ecology and its partners respond to spills in a rapid, aggressive, and well-coordinated manner to ensure impacts to the environment are minimized. Spill response capability is maintained 24 hours a day and seven days a week statewide. This includes ensuring the safety of the public and emergency responders, performing cleanup and oversight of cleanup activities, coordinating wildlife rescue and rehabilitation activities, providing timely information to the public and stakeholders about response activities, and implementing protection strategies to minimize impacts to Washington's environmental, cultural and economic resources. Enforcement actions are issued based on results of incident investigations.</p>
A055	Restore Public Natural Resources Damaged by Oil Spills	<p>When spills occur, Ecology provides incident notification to natural resource trustees and responds to the incident to assess impacts, collect samples, and determine the extent of injury to state publicly owned resources. Ecology then leads the interagency Resource Damage Assessment (RDA) Committee to assess damages and seek fair compensation for damages to Washington resources. Ecology works with the RDA Committee and responsible parties in funding, planning, and implementing effective restoration projects to restore impacted resources. Ecology manages the Coastal Protection Fund Grant process for restoration work, and performs follow-up restoration site visits to ensure they were effective.</p>
A056	Restore Watersheds by Supporting Community-Based Projects with the Washington Conservation Corps	<p>The Washington Conservation Corps (WCC) was established in 1983 to conserve, rehabilitate, and enhance the state's natural and environmental resources, while providing educational opportunities and meaningful work experiences for young adults (ages 18-25). The WCC creates partnerships with federal, state, and local agencies, private entities, and nonprofit groups to complete a variety of conservation-related projects. These include stream and riparian restoration, wetlands restoration and enhancement, soil stabilization, and other forest restoration activities, fencing, and trail work. The WCC also provides emergency response and hazard mitigation services to local communities.</p>

Activity	Activity Title	Description
A057	Services to Site Owners that Volunteer to Clean Up their Contaminated Sites	Ecology provides services to site owners or operators who initiate clean up of their contaminated sites. Voluntary cleanups can be done in a variety of ways: Completely independent of the agency; independent with some agency assistance or review; or with agency oversight under a signed legal agreement (an agreed order or consent decree). They may be done through consultations, prepayment agreements, prospective purchaser agreements, and brownfields redevelopment. The voluntary cleanup program minimizes the need for public funding used for such cleanup and promotes local economic development through new industries and other beneficial uses of cleaned properties.
A063	Climate Change Mitigation and Adaptation	State law sets limits on greenhouse gas emissions and establishes a portfolio of policies to reduce energy use and build a clean energy economy. It also sets requirements to prepare for and respond to climate changes that are already underway and unavoidable. To better understand the volume and sources of greenhouse gas emissions in the state, Ecology conducts a biennial emissions inventory and administers a program for mandatory greenhouse gas reporting. To help the state achieve its greenhouse gas targets, Ecology will continue to provide technical and analytical support to state decision makers, design and implement emission reduction strategies, and monitor and influence federal initiatives that reduce greenhouse gas emissions. Ecology helps local governments and state agencies identify and report their greenhouse gas emissions and develop strategies to reduce those emissions. Ecology makes information about the climate available to decision makers in the public and private sectors, as well as the public.
A064	Manage Solid Waste Safely	<p>To ensure that solid waste handling and disposal facilities are in compliance with environmental requirements, Ecology:</p> <ul style="list-style-type: none"> <li>• Sets standards for the proper handling and disposal of solid waste.</li> <li>• Negotiates and implements cleanup orders under the Model Toxics Control Act, and oversees cleanup actions at solid waste facilities.</li> <li>• Provides technical assistance, permit review, and regulatory, engineering and hydrogeology expertise to local health departments who permit solid waste handling and disposal facilities.</li> </ul>
A065	Reduce Toxic Chemicals in Products and Promote Safer Alternatives	<p>Ecology is implementing a long-term strategy designed to reduce persistent, bioaccumulative toxics in Washington's environment through:</p> <ul style="list-style-type: none"> <li>• Engaging key organizations and interest groups, especially Department of Health, in reviewing science and developing action plans to reduce presence of these toxics in the environment.</li> <li>• Providing for public education and information on reducing toxics in the environment. Toxic chemicals in some types of consumer products pollute the environment and have the potential to harm humans and wildlife. Reducing toxic chemicals in consumer and other products over time will lower the risks to people and the environment. Ecology uses several strategies to achieve this goal, including: <ul style="list-style-type: none"> <li>• Identifying chemicals of concern in consumer products and promoting safer alternatives to identified chemicals.</li> <li>• Promoting environmentally preferred purchasing.</li> <li>• Sampling and enforcing statutory reporting requirements and limits in specific products.</li> </ul> </li> </ul>



*Dollars in Thousands*

**ABS033 Performance Measure Incremental Estimates**  
**461 Department of Ecology**  
**2021-23 Regular Budget Session**  
**BI - Biennial 2021-23 Initial**

**Activity:**

CB	TOPL	No measures linked to activity
CB	TOPL	No measures linked to decision package
CL	5116	No measures linked to activity
CL	5116	No measures linked to decision package
CL	5397	No measures linked to activity
CL	5397	No measures linked to decision package
CL	AD	No measures linked to activity
CL	AD	No measures linked to decision package
CL	AG01	No measures linked to activity
CL	AG01	No measures linked to decision package
CL	AX	No measures linked to activity
CL	AX	No measures linked to decision package
CL	BC	No measures linked to activity
CL	BC	No measures linked to decision package
CL	CC	No measures linked to activity
CL	CC	No measures linked to decision package
CL	CD01	No measures linked to activity
CL	CD01	No measures linked to decision package
CL	CE	No measures linked to activity
CL	CE	No measures linked to decision package
CL	CF	No measures linked to activity
CL	CF	No measures linked to decision package
CL	CJ	No measures linked to activity
CL	CJ	No measures linked to decision package
CL	CK	No measures linked to activity
CL	CK	No measures linked to decision package
CL	CQ	No measures linked to activity
CL	CQ	No measures linked to decision package
CL	CR01	No measures linked to activity
CL	CR01	No measures linked to decision package
CL	CS01	No measures linked to activity
CL	CS01	No measures linked to decision package
CL	CX01	No measures linked to activity

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CL	CX01	No measures linked to decision package
CL	CY01	No measures linked to activity
CL	CY01	No measures linked to decision package
CL	FDWS	No measures linked to activity
CL	FDWS	No measures linked to decision package
CL	G65	No measures linked to activity
CL	G65	No measures linked to decision package
CL	G891	No measures linked to activity
CL	G891	No measures linked to decision package
CL	GC2	No measures linked to activity
CL	GC2	No measures linked to decision package
CL	GC4	No measures linked to activity
CL	GC4	No measures linked to decision package
CL	MARI	No measures linked to activity
CL	MARI	No measures linked to decision package
CL	MG	No measures linked to activity
CL	MG	No measures linked to decision package
CL	PAIN	No measures linked to activity
CL	PAIN	No measures linked to decision package
ML	MD	No measures linked to activity
ML	MD	No measures linked to decision package
PL	DB	No measures linked to activity
PL	DB	No measures linked to decision package
PL	DC	No measures linked to activity
PL	DC	No measures linked to decision package
PL	DD	No measures linked to activity
PL	DD	No measures linked to decision package
PL	DE	No measures linked to activity
PL	DE	No measures linked to decision package
PL	DF	No measures linked to activity
PL	DF	No measures linked to decision package
PL	DG	No measures linked to activity
PL	DG	No measures linked to decision package
PL	DI	No measures linked to activity
PL	DJ	No measures linked to activity
PL	DJ	No measures linked to decision package
PL	DK	No measures linked to activity
PL	DK	No measures linked to decision package
PL	DL	No measures linked to activity

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PL	DL	No measures linked to decision package
PL	DR	No measures linked to activity
PL	DR	No measures linked to decision package
PL	DS	No measures linked to activity
PL	DS	No measures linked to decision package
PL	DT	No measures linked to activity
PL	DT	No measures linked to decision package
PL	DW	No measures linked to activity
PL	DW	No measures linked to decision package
PL	DY	No measures linked to activity
PL	DZ	No measures linked to activity
PL	DZ	No measures linked to decision package
PL	EA	No measures linked to activity
PL	EA	No measures linked to decision package
PL	EB	No measures linked to activity
PL	EB	No measures linked to decision package

**Outcome Measures**      **000998**    **Number of areas measuring air quality levels that are not in compliance with federal standards**

		<u><b>FY 2022</b></u>	<u><b>FY 2023</b></u>	<u><b>FY 2024</b></u>	<u><b>FY 2025</b></u>
PL	DI	0	0	0	0
		Preventing Federal Nonattainment			

**Output Measures**      **001165**    **Number of polluted waters assessed to identify pollution sources or cleanup success**

		<u><b>FY 2022</b></u>	<u><b>FY 2023</b></u>	<u><b>FY 2024</b></u>	<u><b>FY 2025</b></u>
PL	DY	22	22	22	22
		Increase Water Cleanup Plans			

**Activity: A001 Clarifying Water Rights**

PL	DZ	No measures linked to decision package			
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*Dollars in Thousands*

**Activity: A002 Administration**

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package
PL	DB	No measures linked to decision package
PL	DC	No measures linked to decision package
PL	DD	No measures linked to decision package
PL	DE	No measures linked to decision package
PL	DF	No measures linked to decision package
PL	DG	No measures linked to decision package
PL	DJ	No measures linked to decision package
PL	DK	No measures linked to decision package
PL	DL	No measures linked to decision package
PL	DR	No measures linked to decision package
PL	DS	No measures linked to decision package
PL	DT	No measures linked to decision package
PL	DW	No measures linked to decision package
PL	DZ	No measures linked to decision package
PL	EA	No measures linked to decision package
PL	EB	No measures linked to decision package

**Outcome Measures**      **000998**    **Number of areas measuring air quality levels that are not in compliance with federal standards**

		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
PL	DI	0	0	0	0
		Preventing Federal Nonattainment			

**Output Measures**      **001165**    **Number of polluted waters assessed to identify pollution sources or cleanup success**

		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
PL	DY	22	22	22	22
		Increase Water Cleanup Plans			



**ABS033 Performance Measure Incremental Estimates**  
**461 Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**Activity: A003 Implementing Integrated Solutions to Protect Instream Resources**

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package
PL	DL	No measures linked to decision package

**Activity: A005 Clean up the Most Contaminated Sites First (Upland and Aquatic)**

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package

**Activity: A006 Clean Up Polluted Waters**

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package

**Activity: A007 Conduct Environmental Studies for Pollution Source Identification and Control**

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package
PL	DK	No measures linked to decision package

**Output Measures**      **001165**    **Number of polluted waters assessed to identify pollution sources or cleanup success**

		<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>
PL	DY	Increase Water Cleanup Plans	22	22	22

**Activity: A008 Control Stormwater Pollution**

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package

ABS033 Performance Measure Incremental Estimates  
461 Department of Ecology  
BI - Biennial 2021-23 Initial  
*Dollars in Thousands*

Activity: A009 Eliminate Waste and Promote Material Reuse

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package
PL	DE	No measures linked to decision package
PL	DF	No measures linked to decision package

Activity: A010 Prevent and Pick Up Litter

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package

Activity: A011 Ensure Dam Safety

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package

Activity: A012 Ensure Environmental Laboratories Provide Quality Data

ML	9Z	No measures linked to decision package
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Activity: A013 Provide Planning and Financial Assistance to Manage and Reduce Waste

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package

Activity: A014 Restore the Air, Soil, and Water Contaminated from Past Activities at Hanford

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package

**ABS033 Performance Measure Incremental Estimates**  
**461 Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**Activity:** A015 Clean Up and Remove Large, Complex, Contaminated Facilities throughout Hanford

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

**Activity:** A016 Treat and Dispose of Hanford's High-Level Radioactive Tank Waste

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

**Activity:** A017 Ensure Safe Tank Operations, Storage of Tank Wastes, & Closure of the Waste Storage Tanks

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

**Activity:** A018 Ensure the Safe Management of Radioactive Mixed Waste at Hanford

ML 9Z  
ML MD  
PL DS  
PL DT

No measures linked to decision package  
No measures linked to decision package  
No measures linked to decision package  
No measures linked to decision package

**Activity:** A019 Improve Community Access to Hazardous Substance and Waste Information

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

**Activity:** A020 Improve Quality of Data Used for Environmental Decision Making

ML 9Z

No measures linked to decision package

ABS033 Performance Measure Incremental Estimates  
461 Department of Ecology  
BI - Biennial 2021-23 Initial  
*Dollars in Thousands*

Activity: A021 Increase Compliance and Act on Environmental Threats from Hazardous Waste

ML 9Z

No measures linked to decision package

Activity: A022 Increase Safe Hazardous Waste Management

ML 9Z  
PL DJ

No measures linked to decision package  
No measures linked to decision package

Activity: A023 Manage Underground Storage Tanks to Minimize Releases

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

Activity: A024 Manage Water Rights

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

Activity: A025 Measure Air Pollution Levels and Emissions

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

Activity: A026 Measure Contaminants in the Environment by Performing Laboratory Analyses

ML 9Z

No measures linked to decision package

Activity: A027 Monitor the Quality of State Waters and Measure Stream Flows Statewide

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package
PL	DR	No measures linked to decision package

Activity: A028 Improve Environmental Compliance at State's Largest Industrial Facilities

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package
PL	DD	No measures linked to decision package

Activity: A030 Prepare for Aggressive Response to Oil and Hazardous Material Incidents

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package

Activity: A031 Prevent Hazardous Waste Pollution Through Permitting, Closure, and Corrective Action

ML	9Z	No measures linked to decision package
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Activity: A032 Prevent Point Source Water Pollution

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package
PL	DB	No measures linked to decision package

Activity: A033 Prevent Oil Spills from Vessels and Oil Handling Facilities

ML	9Z	No measures linked to decision package
ML	MD	No measures linked to decision package

**ABS033 Performance Measure Incremental Estimates**  
**461 Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**Activity: A034 Prevent Unhealthy Air and Violations of Air Quality Standards**

ML	9Z	No measures linked to decision package			
ML	MD				

**Outcome Measures 000998 Number of areas measuring air quality levels that are not in compliance with federal standards**

			<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>
PL	DI	Preventing Federal Nonattainment	0	0	0	0

**Activity: A035 Promote Compliance with Water Laws**

ML	9Z	No measures linked to decision package			
ML	MD				

**Activity: A036 Protect and Manage Shorelines in Partnership with Local Governments**

ML	9Z	No measures linked to decision package			
ML	MD				

**Activity: A037 Protect Water Quality by Reviewing and Conditioning Construction Projects**

ML	9Z	No measures linked to decision package			
PL	EA				
PL	EB				

**Activity: A038 Protect, Restore, and Manage Wetlands**

ML	9Z	No measures linked to decision package			
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ABS033 Performance Measure Incremental Estimates  
461 Department of Ecology  
BI - Biennial 2021-23 Initial  
*Dollars in Thousands*

Activity: A040 Provide Technical and Financial Assistance to Local Governments to Reduce Flood Hazards

ML 9Z No measures linked to decision package

Activity: A041 Provide Technical Assistance on State Environmental Policy Act (SEPA) Review

ML 9Z No measures linked to decision package

Activity: A042 Provide Technical Training, Education, and Research through Padilla Bay Estuarine Reserve

ML 9Z No measures linked to decision package

Activity: A043 Provide Water Quality Financial Assistance

ML 9Z No measures linked to decision package  
ML MD No measures linked to decision package  
PL DR No measures linked to decision package

Activity: A044 Provide Water Resources Data and Information

ML 9Z No measures linked to decision package  
ML MD No measures linked to decision package

Activity: A045 Reduce Air Pollution from Industrial and Commercial Sources

ML 9Z No measures linked to decision package  
ML MD No measures linked to decision package

**ABS033 Performance Measure Incremental Estimates**  
**461 Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**Activity: A047 Reduce Health and Environmental Threats from Motor Vehicle Emissions**

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

**Activity: A048 Reduce Health and Environmental Threats from Smoke**

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

**Activity: A049 Reduce Nonpoint-Source Water Pollution**

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

**Activity: A052 Reduce the Generation of Hazardous Waste and the Use of Toxic Substances through Technica**

ML 9Z

No measures linked to decision package

**Activity: A053 Regulate Well Construction**

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

**Activity: A054 Rapidly Respond to and Clean Up Oil and Hazardous Material Spills**

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package



ABS033 Performance Measure Incremental Estimates  
461 Department of Ecology  
BI - Biennial 2021-23 Initial  
*Dollars in Thousands*

Activity: A055 Restore Public Natural Resources Damaged by Oil Spills

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

Activity: A056 Restore Watersheds by Supporting Community-Based Projects with the Washington Conserva

ML 9Z

No measures linked to decision package

Activity: A057 Services to Site Owners that Volunteer to Clean Up their Contaminated Sites

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

Activity: A063 Climate Change Mitigation and Adaptation

ML 9Z  
ML MD  
PL DC

No measures linked to decision package  
No measures linked to decision package  
No measures linked to decision package

Activity: A064 Manage Solid Waste Safely

ML 9Z  
ML MD

No measures linked to decision package  
No measures linked to decision package

Activity: A065 Reduce Toxic Chemicals in Products and Promote Safer Alternatives

ML 9Z  
PL DJ  
PL DK  
PL DW

No measures linked to decision package  
No measures linked to decision package  
No measures linked to decision package  
No measures linked to decision package

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2021-23 ACTIVITY INVENTORY INDIRECT COST ALLOCATION

Act. #	Prog	Activity Title	Bien % Allocation Received	FY22			FY23			Total Indirect	Total Allocated
				Program Admin	Agency Overhead	Total Indirect	Program Admin	Agency Overhead	Total Indirect		
A002	A00	Administration	9.74%	538,399	3,942,757	4,481,156	538,399	4,103,686	4,642,085	9,123,241	
A003	H00	Implementing Integrated Solutions to Protect Instream Resources	2.23%	126,363	898,614	1,024,977	129,980	935,292	1,065,272	2,090,249	
A005	J00	Clean up the Most Contaminated Sites First (Upland and Aquatic)	8.75%	366,177	3,657,151	4,023,328	366,177	3,806,423	4,172,600	8,195,928	
A006	F00	Clean Up Polluted Waters	1.93%	86,738	799,929	886,667	86,738	832,579	919,317	1,805,984	
A007	D00	Conduct Environmental Studies for Pollution Source Identification and Control	3.92%	155,916	1,643,977	1,799,893	155,916	1,711,078	1,866,994	3,666,887	
A008	F00	Control Stormwater Pollution	3.19%	143,514	1,323,540	1,467,054	143,514	1,377,562	1,521,076	2,988,130	
A009	N00	Eliminate Waste and Promote Material Reuse	2.34%	145,875	931,122	1,076,997	146,935	969,127	1,116,062	2,193,059	
A010	N00	Prevent and Pick Up Litter	1.44%	89,671	572,373	662,044	90,323	595,735	686,058	1,348,102	
A011	H00	Ensure Dam Safety	0.78%	44,080	313,470	357,550	45,342	326,265	371,607	729,157	
A012	D00	Ensure Environmental Laboratories Provide Quality Data	0.44%	17,397	183,438	200,835	17,397	190,925	208,322	409,157	
A013	N00	Fund Local Efforts to Clean Up Toxic Sites and Manage or Reduce Waste	0.64%	39,652	253,098	292,750	39,940	263,429	303,369	596,119	
A014	K00	Restore the Air, Soil, and Water Contaminated from Past Activities at Hanford	1.07%	103,845	390,096	493,941	104,883	406,018	510,901	1,004,842	
A015	K00	Clean Up and Remove Large, Complex, Contaminated Facilities throughout Hanford	0.82%	79,429	298,377	377,806	80,223	310,556	390,779	768,585	
A016	K00	Treat and Dispose of Hanford's High-level Radioactive Tank Waste	2.14%	206,763	776,709	983,472	208,830	808,412	1,017,242	2,000,714	
A017	K00	Ensure Safe Tank Operations, Storage of Tank Wastes, and Closure of the Waste Storage Tanks at Hanford	1.17%	113,117	424,926	538,043	114,248	442,270	556,518	1,094,561	
A018	K00	Ensure the Safe Management of Radioactive Mixed Waste at Hanford	1.23%	118,680	445,824	564,504	119,867	464,021	583,888	1,148,392	
A019	M00	Improve Community Access to Hazardous Substance and Waste Information	1.29%	72,999	518,967	591,966	72,999	540,150	613,149	1,205,115	
A020	D00	Improve Quality of Data Used for Environmental Decision Making	0.25%	10,130	106,812	116,942	10,130	111,172	121,302	238,244	
A021	M00	Increase Compliance and Act on Environmental Threats from Hazardous Waste	2.22%	125,912	895,131	1,021,043	125,912	931,667	1,057,579	2,078,622	
A022	M00	Increase Safe Hazardous Waste Management	0.70%	39,847	283,284	323,131	39,847	294,847	334,694	657,825	
A023	J00	Manage Underground Storage Tanks to Minimize Releases	1.31%	54,868	547,992	602,860	54,868	570,359	625,227	1,228,087	
A024	H00	Manage Water Rights	3.31%	187,585	1,333,989	1,521,574	192,954	1,388,438	1,581,392	3,102,966	
A025	B00	Measure Air Pollution Levels and Emissions	1.48%	109,194	573,534	682,728	109,194	596,944	706,138	1,388,866	
A026	D00	Measure Contaminants in the Environment by Performing Laboratory Analyses	1.69%	67,387	710,532	777,919	67,387	739,534	806,921	1,584,840	
A027	D00	Monitor the Quality of State Waters and Measure Stream Flows Statewide	3.19%	126,957	1,338,633	1,465,590	126,957	1,393,272	1,520,229	2,985,819	
A028	N00	Improve Environmental Compliance at State's Largest Industrial Facilities	1.20%	74,756	477,171	551,927	75,299	496,648	571,947	1,123,874	
A030	P00	Prepare for Aggressive Response to Oil and Hazardous Material Incidents	1.41%	116,946	531,738	648,684	116,946	553,442	670,388	1,319,072	
A031	M00	Prevent Hazardous Waste Pollution Through Permitting, Closure, and Corrective Action	1.16%	65,977	469,044	535,021	65,977	488,189	554,166	1,089,187	
A032	F00	Prevent Point Source Water Pollution	5.14%	231,007	2,130,436	2,361,443	231,007	2,217,392	2,448,399	4,809,842	
A033	P00	Prevent Oil Spills from Vessels and Oil Handling Facilities	1.58%	131,501	597,915	729,416	131,501	622,320	753,821	1,483,237	
A034	B00	Prevent Unhealthy Air and Violations of Air Quality Standards	1.87%	137,708	723,303	861,011	137,708	752,826	890,534	1,751,545	
A035	H00	Promote Compliance with Water Laws	0.83%	47,182	335,529	382,711	48,532	349,224	397,756	780,467	
A036	E00	Protect and Manage Shorelines in Partnership with Local Governments	2.07%	81,560	869,589	951,149	84,007	905,083	989,090	1,940,239	
A037	E00	Protect Water Quality by Reviewing and Conditioning Construction Projects	1.05%	41,379	441,180	482,559	42,620	459,187	501,807	984,366	
A038	E00	Protect, Restore, and Manage Wetlands	1.61%	63,484	676,863	740,347	65,389	704,490	769,879	1,510,226	
A040	E00	Provide Technical and Financial Assistance to Local Governments to Reduce Flood Hazards	0.44%	17,423	185,760	203,183	17,945	193,342	211,287	414,470	
A041	E00	Provide Technical Assistance on State Environmental Policy Act (SEPA) Review	0.36%	14,265	152,091	166,356	14,693	158,299	172,992	339,348	
A042	E00	Provide Technical Training, Education, and Research through Padilla Bay	0.97%	38,003	405,189	443,192	39,143	421,727	460,870	904,062	
A043	F00	Provide Water Quality Financial Assistance	2.82%	126,645	1,167,966	1,294,611	126,645	1,215,638	1,342,283	2,636,894	

# 2021-23 ACTIVITY INVENTORY INDIRECT COST ALLOCATION

DEPARTMENT OF ECOLOGY

8/17/2020

Act. #	Prog	Activity Title	Allocation Received %	FY22			FY23			Bien
				Program Admin	Agency Overhead	Total Indirect	Program Admin	Agency Overhead	Total Indirect	
A044	H00	Provide Water Resources Data and Information	1.89%	106,772	759,294	866,066	109,828	790,286	900,114	1,766,180
A045	B00	Reduce Air Pollution from Industrial and Commercial Sources	1.19%	87,753	460,917	548,670	87,753	479,730	567,483	1,116,153
A047	B00	Reduce Health and Environmental Threats from Motor Vehicle Emissions	0.56%	41,555	218,268	259,823	41,555	227,177	268,732	528,555
A048	B00	Reduce Health and Environmental Threats from Smoke	0.95%	70,291	369,198	439,489	70,291	384,267	454,558	894,047
A049	F00	Reduce Nonpoint Source Water Pollution	1.86%	83,842	773,226	857,068	83,842	804,787	888,629	1,745,697
A052	M00	Reduce the Generation of Hazardous Waste and the Use of Toxic Substances	1.19%	67,610	480,654	548,264	67,610	500,273	567,883	1,116,147
A053	H00	Regulate Well Construction	0.39%	22,203	157,896	180,099	22,839	164,341	187,180	367,279
A054	P00	Rapidly Respond to and Clean Up Oil and Hazardous Material Spills	2.44%	202,230	919,512	1,121,742	202,230	957,043	1,159,273	2,281,015
A055	P00	Restore Public Natural Resources Damaged by Oil Spills	0.17%	14,299	65,016	79,315	14,299	67,670	81,969	161,284
A056	E00	Restore Watersheds by Supporting Community-Based Projects with the WCC	3.59%	141,233	1,505,817	1,647,050	145,470	1,567,279	1,712,749	3,359,799
A057	J00	Services to Site Owners that Volunteer to Clean Up their Contaminated Sites	1.48%	61,843	617,652	679,495	61,843	642,862	704,705	1,384,200
A063	B00	Climate Change Mitigation and Adaptation	1.87%	137,708	723,303	861,011	137,708	752,826	890,534	1,751,545
A064	N00	Manage Solid Waste Safely	1.40%	87,307	557,280	644,587	87,941	580,026	667,967	1,312,554
A065	M00	Reduce Persistent, Bioaccumulative, Toxic Chemicals and Promote Safer Consumer Products	1.21%	68,427	486,459	554,886	68,427	506,315	574,742	1,129,628
		<b>Total</b>	<b>100.00%</b>	<b>5,551,404</b>	<b>40,422,541</b>	<b>45,973,945</b>	<b>5,588,008</b>	<b>42,072,450</b>	<b>47,660,458</b>	<b>93,634,403</b>

## Allocation Method Description

Under OFM definitions, "administrative" costs are made up of two components, indirect costs and overhead costs.

1. "Indirect" costs, the subject of this table, are costs that tend to vary with activity level or size. These costs are assigned to activities and are included in the cost of each activity. For Ecology, these include program administration costs, and agency level cost allocated costs. Program administration costs are incurred within the environmental programs and are assigned to the activities within each program based on FTEs. Agency level cost allocated costs are allocated to environmental programs according to various allocation bases (e.g. facility costs are allocated based on square footage) and then assigned to activities within each program based on FTEs.
2. "Overhead" costs are costs that usually support the entire organization, and tend to be relatively fixed and not readily affected by fluctuations in activity levels. These costs are not assigned to activities. They make up the one "administration" activity. In Ecology these costs are in program A00.

Department of Ecology  
2021-2023 Operating Budget

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Dollars in Thousands

# **ABS024 Recommendation Summary** **Department of Ecology** **2021-23 Regular Budget Session** **BI - Biennial 2021-23 Initial**

	Average Annual FTEs	General Fund State	Other Funds	Total Funds
CB T0PL Current Biennium Base	1,764.8	61,620	550,202	611,822
<b>2019-21 Current Biennium Total</b>	<b>1,764.8</b>	<b>61,620</b>	<b>550,202</b>	<b>611,822</b>
<b>Total Carry Forward Level</b>	<b>1,743.2</b>	<b>59,788</b>	<b>539,829</b>	<b>599,617</b>
Percent Change from Current Biennium	(1.2)%	(3.0)%	(1.9)%	(2.0)%
<b>Maintenance – Other Changes</b>				
ML 8L Lease Adjustments	0.0	2	12	14
ML MA NWRO Relocation Furniture Costs	0.0	47	346	393
ML MC eHub System Support & Licensing	0.0	104	894	998
ML MD Data Center Migration Reduction	(2.3)	(342)	(2,594)	(2,936)
ML ME Public Participation Grants	0.0	0	1,289	1,289
ML MF NWRO Lease Rate Increase	0.0	146	1,064	1,210
ML MH Hanford Cleanup Litigation	0.0	0	1,600	1,600
ML MI Teck Metals Litigation Support	0.0	0	1,334	1,334
ML MJ WCC Member Wages and Benefits	0.0	0	491	491
<b>Maintenance – Other Total</b>	<b>(2.3)</b>	<b>(43)</b>	<b>4,436</b>	<b>4,393</b>
<b>Total Maintenance Level</b>	<b>1,740.9</b>	<b>59,745</b>	<b>544,265</b>	<b>604,010</b>
Percent Change from Current Biennium	(1.4)%	(3.0)%	(1.1)%	(1.3)%
<b>Policy – Other Changes</b>				
PL DB OpCert Program Fund Shift	0.0	0	0	0
PL DC Implementing GHG Limits Program	0.9	0	243	243
PL DD Meeting Air Operating Permit Needs	0.7	0	218	218
PL DE Biosolids Permitting Efficiencies	1.2	0	268	268
PL DF Sustainable Recycling	0.6	0	620	620
PL DG Advancing EJ & Title VI Compliance	1.2	0	328	328
PL DI Preventing Federal Nonattainment	1.7	0	2,062	2,062
PL DJ Antifouling Paint Technical Review	1.5	0	377	377
PL DK Expand Product Testing	7.5	0	2,305	2,305
PL DL Water Resources GF-S Reduction	(1.2)	(178)	0	(178)
PL DN Equipment Cache Grant Delay	0.0	0	242	242
PL DP Floodplain Management Grants	0.0	0	3,200	3,200
PL DQ 15% Reduction: Shift GF-S to MTCA	0.0	(8,781)	8,781	0
PL DR Move Aquatic Grants to Capital	(2.4)	0	(2,034)	(2,034)
PL DS Hanford SEPA Evaluation Support	1.2	0	268	268
PL DT Hanford Unauthorized Unit Closures	1.2	0	338	338
PL DU Shift to Voluntary Cleanup Account	0.0	0	0	0
PL DV Local Solid Waste Financial Assist.	0.0	0	15,000	15,000
PL DW Safer Products for Washington	3.6	0	1,554	1,554
PL DY Increase Water Cleanup Plans	9.8	0	3,897	3,897
PL DZ Water Right Adjudications	2.3	1,000	0	1,000

**ABS024 Recommendation Summary**  
**Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

	Average Annual FTEs	General Fund State	Other Funds	Total Funds
PL EA Federal Waters of the U.S. Rollback	6.9	0	1,482	1,482
PL EB Aquaculture Section 401 Permitting	5.8	0	1,432	1,432
<b>Policy – Other Total</b>	<b>42.5</b>	<b>(7,959)</b>	<b>40,581</b>	<b>32,622</b>
 <b>Subtotal - Policy Level Changes</b>	 <b>42.5</b>	 <b>(7,959)</b>	 <b>40,581</b>	 <b>32,622</b>
 <b>2021-23 Total Policy Level</b>	 <b>1,783.3</b>	 <b>51,786</b>	 <b>584,846</b>	 <b>636,632</b>
Percent Change from Current Biennium	1.1%	(16.0)%	6.3%	4.1%



**ABS024 Recommendation Summary**  
**Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**ML 8L Lease Adjustments**

This request is for a maintenance level lease increase for the Department of Ecology's Bellingham Field Office in Whatcom County. This lease increase was negotiated by Department of Enterprise Services Real Estate Services on behalf of Ecology as part of the initial lease. The work done at this facility benefits the public, other state agencies, tribes, local partners, and helps protect, preserve, and enhance Washington's environment for current and future generations. (Multiple Funds)

**ML MA NWRO Relocation Furniture Costs**

Ecology's Northwest Regional Office (NWRO) is relocating from Bellevue to Shoreline and will co-locate with the Washington State Department of Transportation (WSDOT). Ecology is requesting funding for a Certificate of Participation (COP) to finance the replacement of decades-old furniture, its current cubicle system, and a high-density filing system as we relocate. This relocation was approved by the Legislature in the 2019-21 Operating Budget and a lease has been executed between WSDOT and Ecology with an anticipated move-in date on or before June 30, 2021. The furniture located at Ecology's current NWRO facility in Bellevue is antiquated Steelcase office furniture from the early 1990s and cannot fit in the new office environment. (Multiple Funds)

**ML MC eHub System Support & Licensing**

Ecology's ability to fulfill its mission depends on our ability to efficiently and effectively manage federal grant receivables, recover costs associated with cleanup activities, and administer over \$900 million in pass through funding to local partners for work in local communities throughout the state. Ecology received one-time funding in the 2019-21 Operating Budget to complete a financial systems replacement project designed to modernize and integrate a number of the agency's outdated and failing financial systems into a single application. However, because the funding provided in 2019-21 was placed into the state's Information Technology Pool, the ongoing costs needed to maintain and license the new system were not funded. Ecology is now requesting the spending authority needed to support these ongoing costs. (Multiple Funds)

**ML MD Data Center Migration Reduction**

Ecology is required by RCW 43.105.375 and Office of the Chief Information Officer Policy 184 to migrate out of its agency data center. In the 2018 Supplemental Operating Budget, Ecology received funding to modernize and migrate the agency's business applications into the State Data Center and/or a cloud environment by June 2021. This project is on schedule to be completed by June 30, 2021, so Ecology is requesting a maintenance level reduction from multiple fund sources for the associated one-time costs of this project. (Multiple Funds)

**ML ME Public Participation Grants**

The Public Participation Grant Program is a competitive grant program that provides funding to help individuals and not-for-profit public interest organizations facilitate public participation in the investigation and remediation of contaminated sites, carry out waste management education projects, and promote or improve state or local solid waste or hazardous waste management plans. Ecology is requesting a maintenance level adjustment of \$1,289,000 to keep grant funding aligned with the mandated level of one percent of moneys collected under RCW 82.21.030, Hazardous Substance Tax. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

**ABS024 Recommendation Summary**  
**Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**ML MF NWRO Lease Rate Increase**

Ecology received authorization and funding in the 2019-21 Operating Budget to relocate its Northwest Regional Office from its current location in Bellevue to Shoreline, and co-locate with the Washington State Department of Transportation. As part of this relocation project, Ecology worked with the Office of Financial Management's Facilities Oversight Program and the Department of Transportation to negotiate a 20-year lease for its space within the Shoreline facility. This request is for an ongoing maintenance level adjustment to cover the increased lease costs of Ecology's new office location at the Shoreline facility. (Multiple Funds)

**ML MH Hanford Cleanup Litigation**

The Attorney General's Office (AGO) is requesting funding to compel the U.S. Department of Energy (USDOE) to meet its Hanford cleanup deadlines that USDOE has failed to meet. Specifically, USDOE has failed to meet deadlines in the Washington v. Brouillette (formerly Washington v. Perry) consent decree. Additionally, Ecology may issue a determination requiring USDOE to design new storage tanks as a contingency measure. If so, USDOE will likely appeal that determination. Legal service needs in both situations will entail substantial AGO staff resources and a need to hire specialized experts, which the AGO will then bill Ecology for the costs. Ecology is requesting appropriation, consistent with the AGO's budget request, to cover these increased legal costs. (Radioactive Mixed Waste Account)

**ML MI Teck Metals Litigation Support**

This request aligns with the Office of the Attorney General's (AGO) budget request for Phase 3 of the Pakootas v. Teck Metals, Ltd. (Teck) litigation, in which Washington and the Confederated Tribes of the Colville Reservation are co-plaintiffs in federal district court. Phases 1 and 2 of the litigation previously established Teck's liability for releases of metals and other chemicals into the Columbia River from its smelting complex in Canada. Phase 3 of the litigation is needed to recover natural resource injuries and damages as a result of pollution from the smelter operations. This request is to support expert and AGO resources needed for Phase 3 of the litigation, which Ecology will then be billed for. Ecology is requesting appropriation, consistent with the AGO's budget request, to cover these increased legal costs. (Model Toxics Control Operating Account)

**ML MJ WCC Member Wages and Benefits**

The Washington Conservation Corps (WCC) collaborates with organizations to complete environmental restoration and recreation enhancement projects statewide. As the state minimum wage continues to increase, WCC must increase the living allowance and benefits package for its AmeriCorps members to remain competitive with other opportunities, retain members for their full terms, and allow anyone eligible the opportunity to serve, regardless of socio-economic background. This is an equity adjustment in the living allowance to ensure it is comparable to, and consistent with, the state minimum wage law. Ecology requests state funding to maintain 388.5 members and staff with WCC's cost-share model, where partners provide 75 percent and Ecology provides a 25 percent match through a mix of AmeriCorps grant funds and state appropriation. (Model Toxics Control Operating Account, General Fund-Federal, General Fund-Private/Local)

**PL DB OpCert Program Fund Shift**

Wastewater treatment plants are critical infrastructure in cities and towns across the state, and they require trained operators to manage them so that public health and the environment are protected. This request will provide sustainable funding for Ecology's role of certifying plant operators, consistent with recent legislative direction, by moving the fund source for the Wastewater Treatment Plant Operator Certification Program from the Water Quality Permit Account to the newly established Wastewater Treatment Plant Operator Certification Account. This request is sustained by existing revenue and fund balance, and helps ensure we continue to protect water quality into the future. (Water Quality Permit Account / Wastewater Treatment Plant Operator Certification Account)

**ABS024 Recommendation Summary**  
**Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**PL DC Implementing GHG Limits Program**

In 2020, the Legislature passed Engrossed Second Substitute House Bill 2311, updating greenhouse gas (GHG) limits and amending Ecology's reporting requirements. This legislation also created new technical support work for Ecology by changing reporting requirements for all state agencies. This bill was not funded by the Legislature in the 2020 Supplemental Operating Budget because there were only minimal costs identified for Fiscal Year 2021, but Ecology does not have current funding capacity to complete the required work beginning in 2021-23 without additional resources. This legislation amends GHG emission limits for consistency with the most recent assessment of climate change science and includes specific actions required of Ecology to meet the new directives. Ecology is requesting funding, consistent with our final fiscal note, to complete the work required under this new law. (Model Toxics Control Operating Account)

**PL DD Meeting Air Operating Permit Needs**

Federal and state laws define the scope and content of the Air Operating Permit Program. Under these laws, industrial facilities that emit large amounts of air pollution are required to comply with and pay the full costs of the program. State law requires Ecology to use a workload analysis model to determine the budget necessary to administer the program each biennium. In June 2020, Ecology published its final workload analysis, projecting an increased workload for the 2021-23 Biennium, based on current costs and workload projections. Ecology is requesting additional spending authority to match the revenue levels already set by the 2021-23 workload analysis. (Air Operating Permit Account).

**PL DE Biosolids Permitting Efficiencies**

The Biosolids Program provides oversight, permitting, and technical assistance for 375 sewage treatment plants, septage management facilities, and beneficial use (land application) facilities that generate, treat, and sell or give biosolids away, or apply them directly to land. Biosolids are a product of wastewater treatment and septic tanks comprised primarily of organic material that may be beneficially used to condition soil and enhance plant growth. This request will continue to protect public and environmental health through efficient biosolids permitting and increased technical assistance, outreach, and education to permittees and other stakeholders. Related to Puget Sound Action Agenda Implementation. (Biosolids Permit Account)

**PL DF Sustainable Recycling**

The Sustainable Recycling Act, passed in 2019, created a Recycling Development Center to research, develop, expand, and incentivize markets for recycled commodities. Partial funding was provided in the 2019-21 Operating Budget to implement this Act, but consistent with Ecology's final fiscal note for this bill, additional funding is needed, beginning in 2021-23, to continue implementation. Ecology is requesting the funding needed to conduct research and development, marketing, and policy analysis in order to further the development of revitalized markets for recycled products in Washington as required by law. (Waste Reduction/Recycling/Litter Control Account)

**PL DG Advancing EJ & Title VI Compliance**

Ecology is unable to meet growing federal compliance obligations under Title VI of the Civil Rights Act. Lack of compliance exposes Ecology to legal liability, financial risk, and project delays. Gaps in compliance can also create barriers to public access, fair treatment, and meaningful involvement in Ecology's programs. This is particularly true for communities of color and limited English speaking populations. Additional staff resources are required to address requirements for disability access, language coordination, grievance procedures, and sub-recipient accountability. This work is critical to advancing nondiscrimination, equity, and environmental justice. Ecology is requesting funding for additional staff resources to advance environmental justice and Title VI compliance. (Model Toxics Control Operating Account)

**ABS024 Recommendation Summary**  
**Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**PL     DI     Preventing Federal Nonattainment**

When national air quality standards are violated, both public health and the economy suffer. Under federal law, costly and demanding regulatory interventions are needed to return communities to clean air status. Currently, 17 communities in Washington are at risk of violating federal air quality standards, especially for fine particle pollution. It is far cheaper to prevent such violations than to deal with their consequences. Ecology conducts community level air quality assessments and works closely with local governments and communities in the state's highest risk areas to help them design and implement preventive air pollution solutions. This request will provide increased grant funding and technical assistance to those communities for projects that reduce air pollution in areas at risk of nonattainment. Related to Puget Sound Action Agenda implementation. (Model Toxics Control Operating Account)

**PL     DJ     Antifouling Paint Technical Review**

In 2020, the Legislature passed Substitute Senate Bill 6210, postponing the implementation of a ban on copper used in boat paints. To protect boats left in the water, antifouling paints or coatings are applied to vessel hulls. These paints contain toxic chemicals that are released into the water, and while the long-term environmental effects of these chemicals are still unclear, some can have negative effects on critical aquatic species, including salmon. SSB 6210 postponed the ban on copper restrictions for five years, and required Ecology to conduct a technical review of antifouling products starting in Fiscal Year 2022. It also requires the agency to determine if new regulatory restrictions on paint ingredients are needed, and identify any safer alternatives. Ecology is requesting funding, consistent with our final fiscal note for this bill, to complete the work required under this new law. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

**PL     DK     Expand Product Testing**

Washington State is a national leader in consumer protection. Ecology's Product Testing Team uses cutting edge science to test for toxics in consumer products available for retail or online sale. This science helps support regulatory actions against products and manufacturers not in compliance with state laws. However, there are currently tens of thousands of toxic chemicals in everyday products, such as heavy metals in children's products, and chemicals in packaging, and Ecology's Product Testing Team can currently address only a fraction of the projects needing to be completed. Ecology is requesting funding for additional staff and lab resources needed to increase testing capacity for toxics in children's products and other general consumer goods. (Model Toxics Control Operating Account)

**PL     DL     Water Resources GF-S Reduction**

This request is in response to the Office of Financial Management's instructions to identify and submit budget reduction options equal to 15 percent of Ecology's Near-General Fund Maintenance Level budget for the 2021-23 Biennium. The COVID-19 pandemic has had a significant impact on Washington's economy, and state revenues are projected to be down significantly through at least the 2021-23 Biennium. As part of meeting the reduction target, Ecology would hold a 1.0 FTE vacancy within its Water Resources Program for the 2021-23 Biennium. Ecology's Water Resources Program is responsible for water resource management activities statewide, which includes making decisions on applications for water rights, establishing instream flows, and enforcing the water code. This reduction would reduce administrative and secretarial support within Ecology's Eastern Regional Office next biennium. (General Fund State)

**ABS024 Recommendation Summary**  
**Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**PL     DN     Equipment Cache Grant Delay**

The Equipment Cache Grant program supports a statewide local response network by providing equipment to respond to oil and hazardous materials spills and fires. To help cover exceptional costs related to the Olympia Brewery Transformer Spill in 2019, Ecology had to redirect \$1 million of its biennial equipment cache grant funding, and hold on this issuance of grants this biennium, pending the outcome of Ecology's 2020 supplemental budget request related to the brewery spill. The 2020 Supplemental Operating Budget provided the requested replacement grant funding, and Ecology began awards this past spring. However, due to the delayed issuance of grants this biennium, the possibility exists that a grant issued to the Jamestown S'klallam Tribe, for a new response vessel, may not be able to be spent by the end of 2019-21. This request provides one-time contingency funding in the 2021-23 Biennium in case the vessel purchase cannot be completed by the end of this biennium. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

**PL     DP     Floodplain Management Grants**

State law (Chapter 86.26 RCW) established the Flood Control Assistance Account Program, and created the Flood Control Assistance Account (FCAA). The statute requires that \$4 million be transferred from the state general fund to the FCAA each biennium to pay for flood-risk reduction activities, including grants to local government to prepare comprehensive flood control management plans. The FCAA appropriation was reduced by half at carry-forward level for the 2019-21 Biennium. This request would restore the FCAA Program appropriation so that Ecology and our local partners can use the existing FCAA capacity as intended by state law. Related to Puget Sound Action Agenda Implementation. (Flood Control Assistance Account)

**PL     DQ     15% Reduction: Shift GF-S to MTCA**

This request is in response to the Office of Financial Management's instructions to identify and submit budget reduction options equal to 15 percent of Ecology's Near-General Fund Maintenance Level budget for the 2021-23 Biennium. The COVID-19 pandemic has had a significant impact on Washington's economy, and state revenues are projected to be down significantly through at least the 2021-23 Biennium. As part of meeting the reduction target, Ecology is requesting a mix of one-time and ongoing fund shifts for specific operating budget activities from General Fund-State to the Model Toxics Control Operating Account. These shifts, many of which were proposed in the Governor's 2020 Supplemental Operating Budget, will reduce the demand on GF-S, while maintaining funding needed for critical environmental and public health work done throughout the state. Many of the activities identified support state environmental priorities, such Southern Resident orca recovery and protection, and climate change. Related to Puget Sound Action Agenda Implementation. (General Fund-State, Model Toxics Control Operating Account)

**PL     DR     Move Aquatic Grants to Capital**

This request is a technical adjustment to move funding for the Freshwater Algae and Freshwater Aquatic Invasive Plants Grant programs from the operating budget to the capital budget, similar to many other pass-through funding programs. Doing so will allow communities more predictable and durable funding for their local projects. A more efficient and effective program will mean fewer toxic algae blooms and aquatic weeds affecting the lakes and streams in our communities. (Aquatic Algae Control Account, Freshwater Aquatic Weeds Account)

**PL     DS     Hanford SEPA Evaluation Support**

The State Environmental Policy Act (SEPA) process identifies and analyzes environmental impacts associated with regulatory actions and permit decisions. SEPA evaluations are required for both dangerous waste and air quality regulatory and permitting actions taken by Ecology's Nuclear Waste Program at Hanford. Numerous modifications are required each year to Hanford's Dangerous Waste Permit, and the program does not currently have the staffing resources or expertise needed to handle the volume of technically complex SEPA evaluations it must complete. This request will provide a dedicated position to support the completion of complex, high-quality SEPA determinations, which will support timely, responsible permit decisions. (Radioactive Mixed Waste Account)

**ABS024 Recommendation Summary**  
**Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**PL     DT     Hanford Unauthorized Unit Closures**

Ecology's Nuclear Waste Program is working with the U.S. Department of Energy to develop and issue closure plans for 13 closing units at the Hanford site. The majority of closing units are container storage areas, but also include some tank systems. Nine of those units were storing waste without a permit and as a result, are unauthorized. The remaining four units in the Solid Waste Operations Complex project were authorized, but have not received waste in more than one year, and the permittees wish to close them because they have no future need for them. Closing the unauthorized units will resolve an outstanding Environmental Protection Agency enforcement action, and an Ecology agreed order. Ecology is requesting to add a project Environmental Specialist 4 position for the 2021-23 Biennium to provide sufficient staffing resources for the closure unit project that will close all 13 units. (Radioactive Mixed Waste Account)

**PL     DU     Shift to Voluntary Cleanup Account**

Washington's cleanup law, the Model Toxics Control Act, allows owners of contaminated properties to perform cleanups and achieve regulatory closure, either independently or under Ecology's supervision. Through its Voluntary Cleanup Program (VCP), Ecology provides owners of contaminated sites with technical assistance and opinions on the sufficiency of independent cleanups. Over the last several years, VCP funding has not kept pace with the demand for services, which has delayed or discouraged many voluntary cleanups. In 2019, Substitute House Bill 1290 passed, authorizing an expedited VCP program, and creating a new dedicated fee and account to support it. Ecology is now requesting a fund shift of the dollars needed to implement the expedited VCP from the Model Toxics Control Operating Account to the new Voluntary Cleanup Account. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account, Voluntary Cleanup Account)

**PL     DV     Local Solid Waste Financial Assist.**

The Local Solid Waste Financial Assistance Program supports essential activities that implement required local solid and hazardous waste management plans and resource conservation through waste reduction, recycling, and reuse programs. It also provides enforcement grants for permitting and compliance at solid waste facilities to help ensure protection of human health and the environment. Ecology requests funding to provide one-time financial assistance grants to local governments to help clean up solid, hazardous, and infectious waste generated by homeless encampments; implement local recycling Contamination Reduction and Outreach Plans; and support other solid waste management and enforcement activities directed by law. (Model Toxics Control Operating Account)

**PL     DW     Safer Products for Washington**

In 2019, the Legislature passed Substitute Senate Bill 5135 to protect people and the environment from harmful toxic chemicals in consumer products. The law requires Ecology to identify consumer products that are significant sources or uses of hazardous chemicals, determine whether there are safer alternatives, and implement restrictions and reporting requirements as necessary. The long-term human health, environmental, and economic impacts of toxic chemicals are substantial, and in Washington, millions of dollars have been spent cleaning up toxic contamination in the environment. Removing toxics from products is significantly more efficient than cleanup after use. Ecology implements SSB 5135, one of the nation's strongest state laws for regulating toxic chemicals in products, through its Safer Products for Washington Program. Ecology is requesting funding to implement the next phases of the law's five-year regulatory cycle, which includes the evaluations of safer alternatives to priority toxic chemicals in products, and if needed, developing regulations to restrict their use. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

**ABS024 Recommendation Summary**  
**Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

**PL     DY     Increase Water Cleanup Plans**

Washington State has a growing list of polluted waterbodies and is required under federal law to restore water quality to our rivers and lakes. The major barrier to progress is a lack of resources for the technical work needed to identify sources of pollution. Being able to identify these sources will allow Ecology to reduce water quality discharge permit limits, where needed, to improve water quality for humans and wildlife. This request will provide technical staff and resources to create scientifically and legally defensible Water Cleanup Plans that set limits to clean up toxic pollution sources across the state and meet regulatory obligations. Currently, Washington is making limited progress on this front; and this request would increase resources and allow us to resolve today's known water pollution issues over the next 50 years. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

**PL     DZ     Water Right Adjudications**

The Department of Ecology is proposing an adjudication of water rights in the Nooksack (Water Resource Inventory Area 1) and Lake Roosevelt and Middle Tributaries (Water Resource Inventory Area 58) watersheds. A general adjudication of surface and groundwater rights will determine who has a legal right to use water and the volume of each right. Water is critical for both fish and wildlife and economies in these basins, but uncertainties about tribal senior water rights, unquantified claims, and the validity of water uses pose ongoing impediments to effective water management to support the state's environment and economy. Adjudication of these basins will provide urgently-needed resolution of water rights disputes. (General Fund-State)

**PL     EA     Federal Waters of the U.S. Rollback**

Effective June 22, 2020, the federal government revised the federal Clean Water Act, narrowing the definition of "Waters of the United States" (WOTUS) to exclude many Washington wetlands, and other waters, from federal protection. However, the state Water Pollution Control Act still provides protection for all Washington wetlands and waters. Prior to the change in the WOTUS definition, the U.S. Army Corps of Engineers issued permits for projects that could impact these waters. Now that federal permits are no longer available for certain waters, the state will have to provide a state permit or authorization before such projects can proceed. This will result in substantial new workload for the state, and Ecology is requesting funding for additional staff to the address the increase in state authorizations that will needed. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

**PL     EB     Aquaculture Section 401 Permitting**

A June 2020 ruling by the U.S. District Court for Western Washington vacated the U.S. Army Corps of Engineers' Nationwide Permit 48 for the Washington shellfish industry. This ruling significantly affects shellfish farmers' regulatory certainty, while increasing the workload for Ecology staff. Over the next two to four years, Ecology anticipates receiving approximately 900 new requests for Section 401 Water Quality certifications and Coastal Zone Management federal consistency determinations for Washington's shellfish operations. Ecology is requesting funding for additional staff to support this new workload, and ensure we are responsive to the needs of this important state industry. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

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**Department of Ecology  
2021-2023 Operating Budget**

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## Operating

9/14/2020 \$ in thousands - Biennialized FTEs

### 2021-23 Carryforward Base Budget

### 2021-23 Biennium Budget Request

	FTE	GF-State	MTCA <sup>1</sup>	Other	Total
	1,743.2	59,788	248,384	291,445	599,617
<b>Maintenance Level Changes</b>					
1 NWRO Lease Rate Increase		146	710	354	1,210
2 NWRO Relocation Furniture Costs		47	232	114	393
3 eHub System Support & Licensing		104	514	380	998
4 Public Participation Grants			1,289		1,289
5 WCC Member Wages and Benefits			163	328	491
6 Teck Metals Litigation Support			1,334		1,334
7 Hanford Cleanup Litigation				1,600	1,600
8 Lease Adjustments		2	9	3	14
9 Data Center Migration Reduction	(2.3)	(342)	(1,654)	(940)	(2,936)
<b>Policy Level Changes</b>					
<b>General Fund-State Reduction Options</b>					
10 15% Reduction: Shift GF-S to MTCA		(8,781)	8,781		-
11 Water Resources GF-S Reduction	(1.2)	(178)			(178)
<b>Reduce and Prepare for Climate Impacts</b>					
12 Implementing GHG Limits Program	0.9		243		243
<b>Prevent and Reduce Toxic Threats and Pollution</b>					
13 Safer Products for Washington	3.6		1,554		1,554
14 Preventing Federal Nonattainment	1.7		2,062		2,062
15 Expand Product Testing	7.5		2,305		2,305
16 Sustainable Recycling	0.6			620	620
17 Antifouling Paint Technical Review	1.5			377	377
18 Local Solid Waste Financial Assistance			15,000		15,000
19 Biosolids Permitting Efficiencies	1.2			268	268
20 Hanford SEPA Evaluation Support	1.2			268	268
21 Hanford Unauthorized Unit Closures	1.2			338	338
22 Meeting Air Operating Permit Needs	0.7			218	218
23 Shift to Voluntary Cleanup Account			(344)	344	-
<b>Protect and Manage Our State's Waters</b>					
24 Aquaculture Section 401 Permitting	5.8		1,432		1,432
25 Federal Waters of the U.S. Rollback	6.9		1,482		1,482
26 Water Right Adjudications	2.3	1,000			1,000
27 Increase Water Cleanup Plans	9.8		3,897		3,897
28 Floodplain Management Grants				3,200	3,200
29 Equipment Cache Grant Delay			242		242
30 OpCert Program Fund Shift <sup>2</sup>					-
31 Move Aquatic Grants to Capital <sup>3</sup>	(2.4)			(2,034)	(2,034)
<b>Other</b>					
32 Advancing EJ and Title VI Compliance	1.2		328		328

## Operating

9/14/2020 \$ in thousands - Biennialized FTEs

	2021-23 Biennium Budget Request				
	FTE	GF-State	MTCA <sup>1</sup>	Other	Total
<b>Total Changes</b>	40.2	(8,002)	39,579	5,438	<b>37,015</b>
<b>Total Proposed Operating Budget Request</b>	<b>1,783.3</b>	<b>51,786</b>	<b>287,963</b>	<b>296,883</b>	<b>636,632</b>

### Notes

<sup>1</sup> Model Toxics Control Operating Account (23P-1, 23P-7).

<sup>2</sup> Fund shift from Water Quality Permit Account (Fund 176-1) to Wastewater Treatment Plant Operator Certification Account (Fund 21H).

<sup>3</sup> Budget shift of grant program from the Operating to Capital Budget.



Dollars in Thousands

**ABS031 Agency DP Priority (PL)**  
**(List only the program Policy Level budget decision packages, in priority order)**  
**461 - Department of Ecology**  
**2021-23 Regular Budget Session**  
**BI - Biennial 2021-23 Initial**

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PL-EB	Aquaculture Section 401 Permitting
PL-EA	Federal Waters of the U.S. Rollback
PL-DZ	Water Right Adjudications
PL-DY	Increase Water Cleanup Plans
PL-DW	Safer Products for Washington
PL-DI	Preventing Federal Nonattainment
PL-DG	Advancing EJ & Title VI Compliance
PL-DK	Expand Product Testing
PL-DP	Floodplain Management Grants
PL-DF	Sustainable Recycling
PL-DC	Implementing GHG Limits Program
PL-DJ	Antifouling Paint Technical Review
PL-DV	Local Solid Waste Financial Assist.
PL-DE	Biosolids Permitting Efficiencies
PL-DS	Hanford SEPA Evaluation Support
PL-DT	Hanford Unauthorized Unit Closures
PL-DN	Equipment Cache Grant Delay
PL-DB	OpCert Program Fund Shift
PL-DD	Meeting Air Operating Permit Needs
PL-DU	Shift to Voluntary Cleanup Account
PL-DR	Move Aquatic Grants to Capital
PL-DQ	15% Reduction: Shift GF-S to MTCA
PL-DL	Water Resources GF-S Reduction
PL-RA	New or Increased Fee Requests

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# **Policy Level Decision Package Prioritization** **Policy Reductions Prioritized**

<b>Code</b>	<b>Title</b>
461	Department of Ecology

AGENCY

Priority	DP Code	DP Title	2021-23 Biennium				2023-25 Biennium				
			FY-22		FY-23		FY-24		FY-25		
			NGFS	Other	Total	NGFS	Other	Total	NGFS	Other	Total
1	DR	Move Aquatic Grants to Capital <sup>1</sup>		(1,017,000)	(1,017,000)		(1,017,000)	(1,017,000)		(1,017,000)	(1,017,000)
2	DQ	15% Reduction Shift GF-S to MTCA	(4,573,000)	4,573,000	0	(4,208,000)	4,208,000	0	(2,148,000)	2,148,000	0
3	DL	Water Resources GF-S Reduction	(89,000)		(89,000)	(89,000)					
			(4,662,000)	3,556,000	(1,106,000)	(4,297,000)	3,191,000	(1,106,000)	(2,148,000)	1,131,000	(1,017,000)
<sup>1</sup> Budget shift of grant program from the Operating to Capital Budget.											

# Policy Level Decision Package Prioritization

## Policy Enhancements Prioritized

Code	Title
461	Department of Ecology

AGENCY

Priority	DP Code	DP Title	2021-23 Biennium				2023-25 Biennium			
			FY-22		FY-23		FY-24		FY-25	
			NGFS	Other	Total	NGFS	Other	Total	NGFS	Other
1	EB	Aquaculture Section 401 Permitting		716,000	716,000			716,000		0
2	EA	Federal Waters of the U.S. Rollback		741,000	741,000			741,000		0
3	DZ	Water Right Adjudications	463,000		463,000	537,000		779,000	779,000	
4	DY	Increase Water Cleanup Plans		2,075,000	2,075,000			1,822,000		1,822,000
5	DW	Safer Products for Washington		804,000	804,000			750,000		777,000
6	DI	Preventing Federal Nonattainment		1,031,000	1,031,000			1,031,000		1,031,000
7	DG	Advancing EJ & Title VI Compliance		164,000	164,000			164,000		164,000
8	DK	Expand Product Testing		1,170,000	1,170,000			1,135,000		1,135,000
9	DP	Floodplain Management Grants		1,600,000	1,600,000			700,000		700,000
10	DF	Sustainable Recycling		318,000	318,000			310,000		310,000
11	DC	Implementing GHG Limits Program		61,000	61,000			29,000		182,000
12	DJ	Antifouling Paint Technical Review		200,000	200,000			121,000		41,000
13	DV	Local Solid Waste Financial Assist.		7,500,000	7,500,000			7,500,000		0
14	DE	Biosolids Permitting Efficiencies		134,000	134,000			134,000		134,000
15	DS	Hanford SEPA Evaluation Support		134,000	134,000			134,000		134,000
16	DT	Hanford Unauthorized Unit Closures		169,000	169,000			169,000		0
17	DN	Equipment Cache Grant Delay		242,000	242,000			0		0
18	DB	OpCert Program Fund Shift		0	0			0		0
19	DD	Meeting Air Operating Permit Needs		109,000	109,000			109,000		109,000
20	DU	Shift to Voluntary Cleanup Account		0	0			0		0
			463,000	17,168,000	17,631,000	537,000	16,666,000	17,203,000	779,000	6,539,000
								8,702,000		7,318,000



# Policy Level Decision Package Prioritization

All Policy Item Prioritized

Code	Title
461	Department of Ecology

AGENCY

Priority	DP Code	DP Title	2021-23 Biennium				2023-25 Biennium			
			FY-22		FY-23		FY-24		FY-25	
			NGFS	Other	Total	NGFS	Other	Total	NGFS	Other
1	EB	Aquaculture Section 401 Permitting		716,000	716,000		716,000	716,000		0
2	EA	Federal Waters of the U.S. Rollback		741,000	741,000		741,000	741,000		0
3	DZ	Water Right Adjudications	463,000		463,000	537,000	779,000	779,000	779,000	
4	DY	Increase Water Cleanup Plans		2,075,000	2,075,000		1,822,000	1,822,000		1,822,000
5	DW	Safer Products for Washington		804,000	804,000		750,000	777,000		777,000
6	DI	Preventing Federal Nonattainment		1,031,000	1,031,000		1,031,000	1,031,000		1,031,000
7	DG	Advancing EJ & Title VI Compliance		164,000	164,000		164,000	164,000		164,000
8	DK	Expand Product Testing		1,170,000	1,170,000		1,135,000	1,135,000		1,135,000
9	DP	Floodplain Management Grants		1,600,000	1,600,000		1,600,000	700,000		700,000
10	DF	Sustainable Recycling		318,000	318,000		302,000	310,000		310,000
11	DC	Implementing GHG Limits Program		61,000	61,000		182,000	29,000		182,000
12	DJ	Antifouling Paint Technical Review		200,000	200,000		177,000	121,000		41,000
13	DV	Local Solid Waste Financial Assist.		7,500,000	7,500,000		7,500,000	0		0
14	DE	Biosolids Permitting Efficiencies		134,000	134,000		134,000	134,000		134,000
15	DS	Hanford SEPA Evaluation Support		134,000	134,000		134,000	134,000		134,000
16	DT	Hanford Unauthorized Unit Closures		169,000	169,000		169,000	0		0
17	DN	Equipment Cache Grant Delay		242,000	242,000		0	0		0
18	DB	OpCert Program Fund Shift		0	0		0	0		0
19	DD	Meeting Air Operating Permit Needs		109,000	109,000		109,000	109,000		109,000
20	DU	Shift to Voluntary Cleanup Account		0	0		0	0		0
21	DR	Move Aquatic Grants to Capital <sup>1</sup>		(1,017,000)	0		(1,017,000)	0		(1,017,000)
22	DQ	15% Reduction Shift GF-S to MITCA	(4,573,000)	4,573,000	0	(4,208,000)	(2,148,000)	2,148,000	(2,148,000)	2,148,000
23	DL	Water Resources GF-S Reduction	(89,000)		0	(89,000)				
			(4,199,000)	20,724,000	17,631,000	(3,760,000)	(1,369,000)	9,054,000	(1,369,000)	7,670,000
								8,702,000		7,318,000

<sup>1</sup> Budget shift of grant program from the Operating to Capital Budget.

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**Department of Ecology  
2021-2023 Operating Budget**

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Department of Ecology  
2021-23 Regular Budget Session  
Maintenance Level - MF - NWRO Lease Rate Increase

### Agency Recommendation Summary

Ecology received authorization and funding in the 2019-21 Operating Budget to relocate its Northwest Regional Office from its current location in Bellevue to Shoreline, and co-locate with the Washington State Department of Transportation. As part of this relocation project, Ecology worked with the Office of Financial Management's Facilities Oversight Program and the Department of Transportation to negotiate a 20-year lease for its space within the Shoreline facility. This request is for an ongoing maintenance level adjustment to cover the increased lease costs of Ecology's new office location at the Shoreline facility. (Multiple Funds)

### Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 001 - 1	\$73	\$73	<b>\$146</b>	\$73	\$73	<b>\$146</b>
Fund 027 - 1	\$6	\$6	<b>\$12</b>	\$6	\$6	<b>\$12</b>
Fund 02P - 1	\$6	\$6	<b>\$12</b>	\$6	\$6	<b>\$12</b>
Fund 044 - 1	\$22	\$22	<b>\$44</b>	\$22	\$22	<b>\$44</b>
Fund 163 - 1	\$3	\$3	<b>\$6</b>	\$3	\$3	<b>\$6</b>
Fund 176 - 1	\$83	\$83	<b>\$166</b>	\$83	\$83	<b>\$166</b>
Fund 182 - 1	\$7	\$7	<b>\$14</b>	\$7	\$7	<b>\$14</b>
Fund 199 - 1	\$4	\$4	<b>\$8</b>	\$4	\$4	<b>\$8</b>
Fund 207 - 1	\$12	\$12	<b>\$24</b>	\$12	\$12	<b>\$24</b>
Fund 216 - 1	\$7	\$7	<b>\$14</b>	\$7	\$7	<b>\$14</b>
Fund 217 - 1	\$13	\$13	<b>\$26</b>	\$13	\$13	<b>\$26</b>
Fund 219 - 1	\$7	\$7	<b>\$14</b>	\$7	\$7	<b>\$14</b>
Fund 23P - 1	\$355	\$355	<b>\$710</b>	\$355	\$355	<b>\$710</b>
Fund 564 - 1	\$7	\$7	<b>\$14</b>	\$7	\$7	<b>\$14</b>
Total Expenditures	<b>\$605</b>	<b>\$605</b>	<b>\$1,210</b>	<b>\$605</b>	<b>\$605</b>	<b>\$1,210</b>

## Decision Package Description

Ecology's regional and field offices primarily serve an implementation role for business areas such as spill response, permitting, technical assistance, site inspection, sampling, investigation, and enforcement. Ecology locates regional and field offices to minimize travel time and expenses related to providing the necessary field presence to accomplish the agency's mission.

Ecology is relocating its Northwest Regional Office (NWRO) from its current leased facility in Bellevue to a facility in Shoreline, where Ecology will co-locate with the Washington State Department of Transportation (WSDOT). This co-location is identified in the Office of Financial Management's (OFM) current Six-Year Facility Plan, and Ecology and WSDOT have finalized the business requirements and space needs required to implement this co-location. Ecology received one-time funding in the 2019-21 Operating Budget for this project, and have proceeded with the design and construction needed to finalize the relocation.

Ecology has occupied the current leased facility in Bellevue since 1992, and that lease expires June 30, 2021. The COVID-19 pandemic resulted in construction delays at the Shoreline facility, but barring any additional unforeseen delays Ecology anticipates meeting our deadline for moving into the new Shoreline facility by the end of the 2019-21 Biennium.

Ecology has worked with the OFM Facilities Oversight Program and WSDOT to negotiate a 20-year lease for the Shoreline facility. This request is for a maintenance level increase, beginning July 1, 2021, to cover the cost differences between Ecology's current NWRO lease in Bellevue, and its new lease costs at the Shoreline facility.

### **Impacts on Population Served:**

The Shoreline facility will better allow Ecology's highly skilled workforce to carry out field assignments, including inspections, enforcement, and emergency response to hazardous waste spills. This facility is more centrally located in the region, and staff activities can take place within urban communities, remote areas, farmlands, Puget Sound, lakes, and rivers throughout the region. This request will help maintain and improve the current level of environmental services provided at the NWRO.

### **Alternatives Explored:**

Ecology worked closely with OFM and the Department of Enterprise Services (DES) Real Estate Services to ensure moving to the Shoreline facility is the best alternative for Ecology and the state. This lease has been approved as acceptable in the current OFM Six-Year Facilities Plan, and the new cost adjustment has been approved by DES Real Estate Services. The only other alternative to fund this cost increase would be to redirect existing resources from core environmental work. This is not a viable option for Ecology.

### **Consequences of Not Funding This Request:**

If Ecology does not receive an appropriation for this cost increase, core environmental work would have to be cut to absorb these costs, which would negatively impact other priority environmental work at Ecology. Specific consequences include reduced business operations, resulting in a reduced level of service to communities and residents throughout the state.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

This request will help maintain the current level of environmental services provided at the facility in Shoreline.

### **Detailed Assumptions and Calculations:**

Beginning July 1, 2021, Ecology requires \$605,423 per year from multiple fund sources to cover the increased lease costs for its new NWRO in Shoreline. Expenditure calculations are based on the difference between Ecology's current lease in Bellevue and the negotiated lease costs for the NWRO in Shoreline.

Expenditure calculations: Ecology's current biennial lease in Bellevue of \$3,287,040, and associated facility costs for energy, janitorial, and utilities of \$595,970 per biennia (based on the attached Modified Pre-Design for the project), runs through June 30, 2021 (total is \$3,883,010). Based on current negotiations with the WSDOT, the biennial lease rate planned to begin in July 2021 at the Shoreline facility is expected to be \$5,093,856. This new lease includes energy, janitorial, and utility services, which Ecology is accounting for in these calculations. The calculation is \$5,093,856 - \$3,883,010 = \$1,210,846 (\$605,423 per year).

The attached original lease, signed March 7<sup>th</sup>, 2019, was based off of conceptual floor designs, and indicated that square footage would be recalculated once final designs were complete (see Lease, Section 2.1). The final square footage being leased to Ecology will be 61,520, at \$41.40 per sq. ft. DES Real Estate Services is preparing an amendment to the current lease to update the leased square footage from the original 58,646 sq. ft. to the final 61,520 sq. ft. Ecology will provide a copy of the amended lease to OFM as soon as it is available.

The negotiated rate compares favorably with current full service market rates for commercial storage/shop spaces being roughly \$40.32/square foot nationally (BOMA: <https://www.boma.org/BOMA/Research-Resources/3-BOMA-Spaces/Newsroom/PR91818.aspx>).

### **Workforce Assumptions:**

Expenditures by Object			<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
E	Goods and Services		605,422	605,423	605,423	605,423	605,423	605,423
	<b>Total Objects</b>		<b>605,422</b>	<b>605,423</b>	<b>605,423</b>	<b>605,423</b>	<b>605,423</b>	<b>605,423</b>
<b>Staffing</b>								
Job Class		Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<b>Total FTEs</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### **Explanation of costs by object:**

All costs are Goods and Services (Object E)

### **How is your proposal impacting equity in the state?**

Field and Regional offices allow Ecology to better serve all Washington State citizens and help create a more equitable experience for the public in that geographical area.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to meeting all the goals in Ecology's strategic plan.

- Goal 1: Support and engage our communities, customers, and employees.
- Goal 2: Reduce and prepare for climate impacts.
- Goal 3: Prevent and reduce toxic threats and pollution.
- Goal 4: Protect and manage our state's waters.
- Goal 5: Protect and Restore Puget Sound.

This request provides essential support to the Governor's Results Washington Goal 3: Sustainable Energy and Clean Environment. By better matching Ecology facilities with our current needs and goals, Ecology will be in a better position to assist the different regional and county entities in the Puget Sound region that partner with us to implement Ecology's mission to protect, preserve, and enhance Washington's environment for current and future generations.

**Performance Outcomes:**

The outcome of this request will be maintaining the current level of environmental operations that Ecology provides in our Northwest Region.

**Other Collateral Connections**

**State Workforce Impacts:**

N/A

**Intergovernmental:**

The NWRO supports not only Ecology programs, but also provides technical and analytical support to state agencies, local governments, and tribes.

**State Facilities Impacts:**

N/A

**Changes from Current Law:**

N/A

**Puget Sound Recovery:**

N/A

**Legal or Administrative Mandates:**

N/A

**Stakeholder Response:**

N/A

**Reference Documents**

[NWRO Lease Rate Increase-Original NWRO Lease Agreement Attachment.pdf](#)

[NWRO Lease Rate Increase-Relocation Proj Modified Predesign from OFM Attachment.pdf](#)

**IT Addendum**

**Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

**Objects of Expenditure**

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. E	\$605	\$605	\$1,210	\$605	\$605	\$1,210

**Agency Contact Information**

Fran Huntington  
(360) 407-7028  
fhun461@ecy.wa.gov



AFTER RECORDING RETURN TO:

Department of Enterprise Services  
Real Estate Services  
P. O. Box 41468  
Olympia, Washington 98504-1468

Lease No. SRL 19-0004  
SR 18-08-170

(Shoreline) AAJ/cns  
Page 1 of 10  
Date: February 25, 2019

#### LEASE

1. THIS LEASE is made and entered into by and between the STATE OF WASHINGTON, Department of Transportation, on behalf of its executors, administrators, successors, and assigns, hereinafter referred to as the Lessor, whose address is 310 Maple Park Avenue, Olympia, Washington 98504-7358 and the STATE OF WASHINGTON, Department of Ecology, hereinafter referred to as the Lessee, collectively referred to herein as the "Parties" and individually as a "Party." This Lease is dated for reference purposes only as of the date shortly preceding the execution hereof.

WHEREAS, the Department of Enterprise Services is granted authority to Lease property on behalf of the Department of Ecology under RCW 43.82.010;

WHEREAS, the Interagency Agreement GCB-3122 between Lessor and Lessee executed February 1, 2019, hereto after referred to as Exhibit 'A' and incorporated herein by reference further outlines the understanding of all Parties with respect to operation of the facility.

WHEREAS, the Interagency Agreement GCB-3127 between Lessor and Lessee dated February 1, 2019, hereto after referred to as Exhibit 'B' and incorporated herein provides for short-term housing arrangements related to the Premises to be constructed, prior to the commencement date of this Lease.

WHEREAS, the Lessor and Lessee deem it to be in the best public interest to enter into this Lease;

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, IT IS MUTUALLY AGREED AS FOLLOWS:

#### PREMISES

2. The Lessor hereby Leases to the Lessee the following described Premises:

Tax Parcel Number: 182604-9013

Common Street Address: 15700 Dayton Ave N, Shoreline, Washington 98133

Approximately 58,646 Building Owners and Managers Association (BOMA) Rentable square feet, comprised of 52,646 BOMA Rentable square feet of office and common shared space in the building located at 15700 Dayton Ave N, Shoreline, Washington and 6,000 BOMA square feet of ancillary space next to said building, together with on-site parking stalls to be shared by staff and clients of Lessor and Lessee on the site legally described as follows:  
POR OF S 1/2 OF NW 1/4 DAF BEG NXN S MGN OF N 160 ST & E MGN DAYTON AVEN TH N 89-39-04 E 407.95 FT TH S 0-20-56 E 95 FT TH S 27-54-06 W 31.69 FT TH CURVE LFT RAD 320 FT C/A 52-31-05 DIST

291.64 FT TH S 52-34-01 E 168.87 FT TH S 37-25-59 W 462.18 FT TH S 0-50-21 E 225.96 FT TH SELY ALG CURVE OF 140 FT RADIAL CTR WCH BEARS S 0-50-21 E 140 FT DIST 221.16 FT C/A 90-30-38 TAP OF TANGENCY TH S 0-19-43 E TO N LN N 155 ST TH S 89-00-46 W TO E LN DAYTON AVE N TH N 0-50-21 W ALG SD E LN TO BEG LESS POR THOF CONVEYED TO KING CO BY DEED REC NO 9512011251; TGW LOT 8 PLAT OF AURORA SQUARE.

2.1 The actual BOMA Rentable square foot measurement may change with final plans and construction. Upon completion of the Remodel/Construction under section 16, this Lease will be amended to reflect the actual Rentable square foot measurement and the recalculated rent, which shall be recalculated using the new Rentable square feet and the rental rate of \$41.40 per square foot per year.

#### USE

3. The Premises shall be used by the Lessee and/or other state agencies for the following purpose(s): office space and all operations (including storage) needed to support Lessee's mission and regional operations. Office use includes associated office activities, such as trainings, conferences, retreats, open public meetings, health and wellness activities, and office related parties and social events.

3.1 Lessee may use the Premises only for the permitted uses unless it obtains the prior written approval of the Lessor for additional uses. Said approval shall not be unreasonably withheld or delayed. Furthermore, in using these Premises, Lessee shall comply with all applicable federal, state, and local regulations respecting hazardous waste and substances.

3.2 Lessee shall use best efforts to maintain the Premises in a clean and sanitary condition as is customary for a commercial tenant, and shall be responsible for damage caused by its negligence or that of persons for whom it is vicarious liable. Upon termination or expiration of the Lease, Lessee shall leave the Premises in a clean condition subject to ordinary wear and tear.

#### TERM

4. TO HAVE AND TO HOLD the Premises with their appurtenances for a twenty year term commencing July 1, 2021 (Commencement date) and ending June 30, 2041 (End Date) provided the Remodel/Construction under section 16 is complete by the Commencement Date and the conditions of section 4.1 are met. Both Parties must give written approval of the completion of the Remodel/Construction before they are considered complete; minor cosmetic items that do not materially interfere with work performance excepted.

4.1 If Lessor fails to, or is unable to, complete the Remodel/Construction by July 1, 2021, or if Lessor is unable to provide the Lessee at least 45 days of interim housing for Lessee's operations under Interagency Agreement GCB-3127 prior to the Commencement Date, the Commencement date shall be extended to the date of completion or the date 45 days is reached, whichever is later. In such case, the Lease shall be amended to reflect the new Commencement Date and End Date of the twenty year term.

#### RENT

5. Lessee shall pay Rent to the Lessor for the Premises as follows:

Two Hundred and Two Thousand Three Hundred Twenty-eight Dollars and Seventy Cents

\$202,328.70 per month

Payment shall be made at the end of each month upon Lessee's submission to Lessor of properly executed vouchers. If occupancy under the Lease is less than a full calendar month, rent shall be pro-rated for the days of occupancy.



**RENEWAL/CANCELLATION**

6. The Lessee shall have the right to extend the lease for up to two (2) ten (10) year terms by giving notice at least 180 days prior to the expiration of the current term; provided if the notice date is missed by inadvertence, the Lessee may have an additional 30 days to provide notice. The terms of renewal shall be negotiated. Provided, the rent shall be based on the current Fair Market Rent of the Premises, taking into account all factors customarily used to determine Fair Market Rent.

6.1 If the Parties do not agree on a Fair Market Rent within 45 days after notice is provided, each Party shall designate one MAI appraiser and the two appraisers so appointed shall jointly appoint one additional MAI appraiser and the three appraisers shall determine the Fair Market Rent. If the two appraisers are unable to agree upon a third appraiser, the Parties shall determine the third appraiser through the dispute resolution process. If the three appraisers are unable to agree upon the Fair Market Rent, it shall be based on the average of the three appraisals. The costs of the third appraiser shall be shared equally by the Parties.

**HOLDING OVER**

7. If Lessee remains in possession of the Premises after the expiration or termination of this Lease, or any extension thereof, such possession by Lessee shall be deemed to be a month-to-month tenancy, terminable as provided by law. During such month-to-month tenancy, Lessee shall pay all Rent provided in this Lease or such other Rent as the Parties mutually agree in writing and all provisions of this Lease shall apply to the month-to-month tenancy, except those pertaining to term and option to extend the term. In the event Lessee holds over and the hold over period ends with an extension of this Lease under Section 6, the Rent for the extension term shall be applied retroactively to the beginning of the month-to-month tenancy described in this Section 7 and the Parties shall make the necessary transfer payment so that the total Rent paid by Lessee during the month-to-month tenancy equals that that Lessee would have paid had the extension term under Section 6 commenced immediately following the expiration or termination of this Lease, or any extension thereof.

**ASSIGNMENT/SUBLEASE**

8. The Lessee may assign this Lease or sublet the Premises, providing it first obtains the written consent of the Lessor, which Lessor shall not unreasonably withhold or delay. Lessee shall not permit the use of the Premises by anyone other than the Lessee, such assignee or sublessee, and the employees, agents, clients, invitees, contractors, and servants of the Lessee.

8.1 A Leasehold Excise Tax under chapter RCW 82.29A generally applies to leases of state-owned property to non-government tenants. Any public entity that assigns, leases, or subleases to a tenant to whom this Leasehold Excise Tax applies shall collect the tax from the tenant and pay it to the Department of Revenue.

8.2 The Lessor and Lessee acknowledge that the building and improvements housing the Lessee that constitute the Premises under this Lease were financed with proceeds of tax-exempt Certificates of Participation (COPs) issued by the State of Washington to the Lessor, and that under federal tax rules no more than 10% of the proceeds of any issue of tax-exempt COPs is permitted to be used for any private business use. Lessee and Lessor shall comply with these requirements. For this purpose, a use of proceeds includes use of buildings and improvements that have been financed with COP proceeds, and under the federal tax rules private business use means use under any arrangement that provides special legal entitlements for use, such as use under a Lease, to any person or entity other than the State and its departments and agencies or a local government unit of the State.

**EXPENSES**

9. During the term of this Lease, Lessor shall pay all real estate taxes and property assessments, if applicable; and provide the following utilities and services:



- a. Natural gas
- b. Electricity
- c. Water, sewage and storm water
- d. Solid waste disposal, including recycle
- e. Building maintenance labor, materials, equipment and supplies
- f. Custodial labor, equipment, and supplies
- g. Grounds labor, equipment and supplies

Lessee can, upon mutual agreement with Lessor, request and receive additional services or levels of services with additional costs thereof. Such additional costs shall be paid with the monthly rent payments.

#### MAINTENANCE AND REPAIR

10. The Lessor shall maintain the Premises in good repair and tenantable condition during the continuance of this Lease, except in case of damage arising from the negligence of the Lessee's clients, agents or employees. For the purposes of maintaining and repairing the Premises, the Lessor reserves the right at reasonable times to enter and inspect the Premises and to make any necessary repairs to the building. Lessor's maintenance and repair obligations shall include, but not be limited to, the mechanical, electrical, interior lighting (including replacement of ballasts, starters, lamps and bulbs as required), plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; elevators (including communications systems); inside and outside walls (including windows and entrance and exit doors); all structural portions of the building (including the roof and the watertight integrity of same); porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements generally applicable to similar office buildings in the area (example: fire, building, energy codes, indoor air quality and requirements to provide architecturally barrier free Premises for persons with disabilities, etc.).

10.1 Lessor shall as part of maintenance provide de-icing and snow and debris removal service. At a minimum, Lessor shall treat or remove, before normal business hours and at other times as soon as practical thereafter, debris, snow and/or ice from the parking lot and all sidewalks and entrances. Without prior notice, Lessor shall apply de-icer and/or sand as necessary to any sidewalks and entrances to avoid unsafe conditions. Snow removal in parking lots to take place when an excess of 2 inches of snow occurs; provided, any icy or dangerous conditions must be addressed. This provision does not create any third parties beneficiary rights, including but not limited to rights in any member of the public to enforce this provision, rely upon it, or to reference it in any legal action.

#### DUTY TO CURE

11. Upon receiving notice of a condition requiring a cure, the Party obligated to effect the cure shall initiate and complete cure or repair of such condition within a reasonable time. A condition requiring cure includes, without limitation: (1) a condition for which the Lease requires either Party to undertake repair/ replacement and/or other maintenance of the Premises, (2) a condition where either has failed to maintain a service or utility account in good standing as required by the Lease, and (3) any other condition resulting from a Party's failure to carry out any obligation under the Lease, including without limitation obligations for rent, charges, improvements, alterations, and/or deferred maintenance, and remediation of damages for which a Party is responsible under the Lease. Premises include all fixtures and equipment provided within the Premises by the Lessor unless otherwise provided under the Lease or in an approval related to those fixtures and equipment

The term "reasonable time" as used within this paragraph of the Lease shall mean as soon as reasonably possible but no longer than thirty (30) days, unless either (1) an emergency condition exists requiring an immediate cure to promptly begin without delay, usually within hours and to be complete within 24 hours to the extent reasonably possible in light of the nature of the condition and circumstances, or (2) a non-emergency condition exists that is not reasonably possible to cure within 30 days with due diligence and the breaching Party provides the level of cure or preparation for cure that is reasonably possible to do with due diligence within 30 days.



If an emergency or non-emergency condition exists that is not reasonably possible to completely cure within 24 hours or 30 days, respectively, the Party obligated to cure shall so notify the other Party within 24 hours or 30 days, respectively. Such notice shall explain why the cure is not reasonably possible with due diligence to complete within 24 hours (if an emergency) or 30 days (if a non-emergency) and provide the earliest date that the work can be completed as soon as reasonably possible. It is not a justifiable ground for delay that the Party obligated to effect the cure does not have available funding to accomplish the cure or that a preferred contractor has limited availability if other contractors can satisfactorily perform the work sooner at reasonable cost.

The term "emergency condition" shall mean a condition requiring a cure that (i) prevents or substantially disrupts the Lessee from using all or a substantial part of the premises, or (ii) causes or substantially threatens to cause injury to persons or damage to property or raises a substantial danger to the health or safety of any persons on or using the premises. Notice under this paragraph may be by the means allowed in the Notice paragraph, but in addition includes actual notice/awareness that Lessor or Lessee has of a condition independent of any such notice.

#### SELF HELP

12. If the Party obligated to effect the cure does not cure within the time required by this Lease, the other Party may cure all or part of the default after providing notice to the Party obligated to effect the cure of its intent to perform such cure, and, if applicable, recover the costs incurred in curing the default. If the nonbreaching Party is the Lessee, the Lessee may deduct all reasonable costs incurred from rent or other charges owed to Lessor. If the nonbreaching Party is the Lessor, Lessor will submit properly executed vouchers and proof of payment to Lessee and Lessee shall remit payment to Lessor within thirty (30) days or as soon as is practicable. A Party's costs incurred to cure include, but are not limited to, all reasonable out-of-pocket expenses, payment of unpaid utility or services charges for which the other Party is responsible, and all administrative costs the non-breaching Party reasonably incurs and documents in performing or arranging for performance of the cure.

The nonbreaching Party is under no obligation to cure some or all of the default of the breaching Party. To the extent that the nonbreaching Party does not cure the default, the nonbreaching Party may pursue its legal and contractual remedies against the breaching Party. The nonbreaching Party's failure to cure the breaching Party's default does not waive the nonbreaching Party's rights to relief. Nothing herein removes or lessens either Party's obligation to mitigate damages.

If the Lessee elects to cure using self-help in part or whole, the Lessor shall defend, save, and hold harmless the Lessee, its authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever arising out of or in connection with such cure, except where RCW 4.24.115 is applicable and injuries and/or damages are caused by the sole negligence of the Lessee, its agents, or employees. If RCW 4.24.115 is applicable and liability for damages arises out of bodily injury to persons or damages to property and is caused by or results from the concurrent negligence of the Lessee, its agents, or employees, Lessor's liability, including the duty and cost to defend, hereunder shall apply only to the extent of the negligence of Lessor, its agents, or employees.

#### DISPUTE RESOLUTION PROCESS

13. In the event the Lessor and the Lessee are not able to resolve a dispute, the Party disputing the outcome may invoke the dispute resolution process by sending a Dispute Notice to the Lessor or the Lessee, as appropriate, in writing within thirty (30) calendar days of receipt of the other Party's determination which it disputes. The Dispute Notice will include a summary of each Party's position, including any relevant documentation.

13.1 Within thirty (30) calendar days of receipt of the Dispute Notice, the Lessor or the Lessee, as appropriate will arrange a Dispute Meeting to discuss and resolve the Parties concerns. In the event the Parties resolve the dispute, the activities as agreed upon by the Parties shall be memorialized in writing prior to the close of the meeting. In the event the resolution includes the payment of funds, such payment shall be made within thirty (30) calendar days of the Dispute Meeting. In the event the Parties do not come to resolution at the Dispute Meeting, either Party may elevate the dispute to the Dispute Representatives as provided in Section 13.2 below.



13.2 In the event the Lessor and the Lessee are unable to resolve the issue, the Designated Representatives identified and provided to the opposite Party and updated throughout the Term of this Agreement, will confer to resolve the issue. The Designated Representatives will use their best efforts and exercise good faith to resolve such issues.

13.3 In the event the Designated Representatives are unable to resolve the issue, the Lessor and Lessee will confer and exercise good faith to resolve the issue.

13.4 In the event the Lessor and Lessee are unable to resolve the issue, the Secretary of Transportation for the Lessor and the Director for the Lessee will confer and exercise good faith to resolve the issue. If the Secretary and Director are unable to resolve the issue, either Party may institute an interagency dispute resolution process under RCW 43.17.330.

#### **ALTERATIONS**

14. During the term of this Lease, Lessee shall have the right to make alterations and construct or install improvements, additions and structures in or upon the Premises (the "alterations") subject to Lessor's prior written approval, which shall not be unreasonably withheld or delayed. Lessee shall cause plans and specifications to be developed at its sole cost and expense for Lessor's prior written approval, which shall not be unreasonably withheld. Said alterations shall generally be limited by the building's utility systems' capacity and structural capability and shall also be limited to uses authorized under this Lease. The Lessor shall have the first right to provide such services. If the Lessee considers Lessor's proposed costs for alterations/ improvements excessive, Lessee shall have the right, but not the obligation, to request and receive at least two independent bids; and the Lessee shall have the right at its option to select one alternative contractor whom the Lessor shall allow to provide such services for the Lessee in compliance with the Lessor's building standards and operation procedures. Unless Lessor so stipulates in writing at the time of providing prior written approval, Lessee shall not have any obligation to remove or pay for the removal of said alterations upon expiration or earlier termination of this Lease.

If required by state law, the Lessee shall pay the prevailing rate of wage to all workers, laborers or mechanics employed to perform such services as well as comply with the rules and regulations of the Department of Labor and Industries. In providing said alterations, Lessee agrees to comply with all applicable local, state, and federal regulations including but not limited to, compliance with building codes, public works requirements and obtaining appropriate permits and inspections.

#### **FIXTURES**

15. The Lessee shall have the right during the existence of this Lease, with the written approval of the Lessor (such permission shall not be unreasonably withheld or delayed), to attach fixtures, equipment, structures or signs (collectively "fixtures"), in or upon the Premises. Not including exterior signs or signs in common areas that serve multiple tenants, fixtures that involve only a minor or cosmetic alteration that can be easily repaired do not require the Lessor's approval. Performance of any of the rights authorized above shall be conducted in compliance with all applicable governmental regulations, and building codes, including obtaining any necessary permits. Any fixtures so placed in, or upon or attached to the premises shall be and remain the property of the Lessee and may, in the sole discretion of the Lessee, be removed therefrom by the Lessee upon the expiration or termination of this Lease, unless otherwise provided in Lessor's written approval. Any damage caused by Lessee's removal of any fixtures shall be repaired by the Lessee. Unless otherwise provided in Lessor's approval, any fixtures that the Lessee does not remove within 30 days after the termination of the Lease shall become the property of the Lessor, and the Lessee shall have no responsibility to remove them or repair any damage caused by their removal by another. This provision shall survive termination of the Lease.

**REMODEL/CONSTRUCTION**

16. The Lessor shall, at Lessor's sole cost and expense, on or before June 30, 2021, complete in a good and workmanlike manner alterations as noted on the final plans, scope and specifications established in an agreed upon Design and Build process.

**SIGNAGE**

17. Lessee hereby agrees that all signs and other advertising desired to be placed by Lessee upon or in front of the Premises or visible to persons who are exterior to the Premises, Premises are subject to the prior written approval of Lessor and shall conform with the ordinances of the City of Shoreline, if applicable, and to the Signage Standards and Posting Procedures established for the Premises.

**DISASTER**

18. Lessor reserves the right to limit Lessee's access to the Premises during natural disasters, fire, or other emergencies as necessary for Lessee's health and safety. In the event that the Premises are destroyed or damaged by fire, earthquake or other casualty so as to render the Premises unfit for occupancy, and the Lessor neglects and/or refuses to restore said Premises to their former condition, then the Lessee may terminate this Lease and shall be reimbursed for any unearned Rent that has been paid. In the event said Premises are partially destroyed by any of the aforesaid means, the rent herein agreed to be paid shall be abated from the time of occurrence of such destruction or injury until the Premises are again restored to their former condition, and any Rent paid by the Lessee during the period of abatement shall be credited upon the next installment(s) of Rent to be paid. It is understood that the terms "abated" and "abatement" mean a pro-rata reduction of area unsuitable for occupancy due to casualty loss in relation to the total area of the Premises.

18.1 Washington State agencies are self-insured.

**REIMBURSEMENT FOR DAMAGE TO PREMISES**

19. The Lessee hereby agrees to reimburse the Lessor for damages caused by its employees, agents, and persons for whom it is vicariously liable, but in no event shall this paragraph be construed as diminishing the Lessor's duty to make repairs as set forth in the preceding paragraphs of this Lease, or as making Lessee responsible for the repair of normal wear and tear.

**ENERGY**

20. The Lessor, or authorized representative has conducted an energy audit of this facility, identified energy conservation maintenance and operation procedures, undertaken technical assistance studies and/or subsequent acquisition and installation of energy conservation measures identified as cost effective, and further complied with RCW 19.27A, and RCW 70.235.050. The Lessee agrees to comply with reasonable conservation measures to reduce or conserve energy usage in the facility, including compliance with Executive Order 18-01.

**HAZARDOUS SUBSTANCES**

21. Except insofar as is reasonably required for Lessee to perform its official duties or responsibilities, Lessee shall not keep on or about the Premises, for use, disposal, treatment, generation, or sale any substances which are hazardous, toxic, harmful or dangerous, and/or which are subject to regulation as hazardous or toxic, dangerous, or as a pollutant by any federal, state, or local law, regulation, statute, or ordinance (collectively referred to herein as "hazardous substances"). Lessee shall be fully liable to the Lessor, and shall to the extent permitted by law indemnify, defend and save harmless the Lessor and its officials and employees, with respect to any and all damages, costs, fees (including attorneys' fees and costs), civil and criminal penalties, or clean-up costs assessed against or imposed as a result of Lessee's use, disposal, generation, storage, or sale of hazardous substances or that of Lessee's employees,



agents, persons for whom it is vicariously liable or as a result of the negligence of the above employees, agents, and persons related to hazardous substances. In addition to the above exception, this provision shall not apply to properly stored cleaning supplies such as ammonia-based cleaners nor to office supplies such as copy machine toner.

Any hazardous substances the Lessee is reasonably required to store, handle, or process to perform its official duties or responsibilities will be done in accordance with all applicable laws and regulations.

#### ADDITIONAL LEASE PROVISIONS

22. **ADA Compliance.** The Lessor shall address the American's with Disabilities Act (ADA) in common areas. If at any time during the Term of this Lease, Lessee reasonably determines that barriers to the disabled existing in the Premises must be eliminated, Lessee shall so notify the Lessor in writing. Lessor and Lessee shall endeavor to arrive at a mutually satisfactory agreement for accomplishing necessary alterations.

23. **Vacating the Premises.** Upon vacating the Premises, the Lessee hereby agrees to leave the Premises in a clean and good condition without damage caused by Lessee's negligence, or that of its employees, agents, or persons for whom it is vicariously liable, subject to normal wear and tear. The Lessee also agrees to a joint inspection of the Premises by Lessor and Lessee upon vacating the Premises. Lessee shall return all keys, card-keys and other access devices to Lessor upon vacating the Premises. Upon vacating the Premises, the Lessee also agrees to remove all phone and data wiring installed by Lessee during its tenancy, leaving the Premises in as good condition as when entered upon.

24. **Severability.** If any provisions of this Lease or its application to any person or circumstance are held invalid, such invalidity shall not affect the remainder of the Lease.

#### LEGAL RELATIONS

25. A state agency does not have authority to enter into a contract that agrees to hold another Party harmless and to indemnify the other Party for its loss. No Party shall be liable for damage or claims which arise from or relate to the performance or non-performance of this agreement by any other Party. Each Party shall be responsible only for the negligent acts and omissions of its own officers, employees, and agents, and no Party shall be considered the agent of the other.

#### NO GUARANTEES

26. It is understood that no guarantees, representations, promises or statements, express or implied, have been made by the Lessor unless endorsed herein in writing. The Parties further agree that this Lease shall not be valid and binding upon Lessor, unless it has been approved by the Director of the Department of Enterprise Services of the State of Washington, or his or her designee, and approved as to form by the Office of the Attorney General. Any amendment or modification of this Lease must be in writing and signed by both Parties.

#### INTERPRETATION

27. Each of the provisions of this Lease has been reviewed and negotiated and represents the combined work product of both Parties hereto. No presumption or other rules of construction which would interpret the provisions of this Lease in favor of or against the parties preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Lease.

#### NOTICES

28. . Wherever in this Lease written notices are to be given or made, they will be sent by certified mail to the address listed below unless a different address shall be designated in writing and delivered to the other Party.



LESSOR: STATE OF WASHINGTON  
Department of Transportation  
310 Maple Park Drive  
Olympia, Washington 98504-7358

LESSEE: STATE OF WASHINGTON  
Department of Ecology  
Acting through the Department of Enterprise Services  
Post Office Box 41015  
Olympia, Washington 98504-1015

**CAPTIONS**

29. The captions and paragraph headings herein are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any paragraph.

**EFFECTIVE DATE**

30. The effective date of this Agreement is the date it is executed by all Parties.

IN WITNESS WHEREOF, the Parties hereto have subscribed their names.

**STATE OF WASHINGTON**

Department of Transportation

By:   
Pasco Bakotich III  
Director, Maintenance Operations

Date: March 7, 2019

**STATE OF WASHINGTON**

Department of Ecology

Acting through the Department of  
Enterprise Services

  
Seth E. Wallace, Assistant Director  
Real Estate Services

Date: 3/27/19

**RECOMMENDED FOR APPROVAL:**

  
Andrew Jenkins, Leasing Manager  
Real Estate Services

Date: 3/8/2019

**APPROVED AS TO FORM:**

By:   
Assistant Attorney General

Date: 3/21/19

STATE OF WASHINGTON

County of Thurston ) ss.

On this 7 day of March, 2019 before me personally appeared Pasco Bakotich III and said person(s) acknowledged that he signed this instrument, and on oath stated that he was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of \_\_\_\_\_ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.

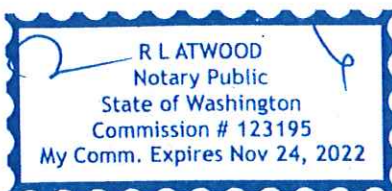
Angela M Risher  
 Notary Public in and for the State of Washington,  
 Residing at Olympia, WA  
 My commission expires 9/9/20



STATE OF WASHINGTON )  
 ) ss.  
 County of Thurston )

I, the undersigned, a Notary Public, do hereby certify that on this 27th day of March, 2019, personally appeared before me SETH E. WALLACE, Assistant Director, Real Estate Services Department of Enterprise Services, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as the free and voluntary act and deed of the Department, for the purposes and uses therein mentioned, and on oath stated that he was duly authorized to execute said document.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Ben  
 Notary Public in and for the State of Washington,  
 Residing at Thurston County  
 My commission expires 11/24/22



INTERAGENCY AGREEMENT (IAA) GCB - 3122  
BETWEEN  
STATE OF WASHINGTON  
DEPARTMENT OF ECOLOGY  
AND  
STATE OF WASHINGTON  
DEPARTMENT OF TRANSPORTATION

SRL 19-0004  
Exhibit A



**THIS INTERAGENCY AGREEMENT** is made and entered into by and between the STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY, hereinafter referred to as ECY and the STATE OF WASHINGTON, DEPARTMENT OF TRANSPORTATION, hereinafter referred to as WSDOT pursuant to the authority granted by Chapter 39.34 RCW.

**IT IS THE PURPOSE OF THIS AGREEMENT** to provide guidance to both ECY and WSDOT in the common use of shared collocation facility located at 15700 Dayton Avenue North, Shoreline, Washington 98133.

**STATEMENT OF WORK**

To maintain effective business operations for both ECY and WSDOT during the collocation in the WSDOT owned, Shoreline facility referenced above, each agency shall furnish the necessary personnel, office space, equipment, material and/or services and otherwise do all things necessary for or incidental to the performance of work as set forth below;

**NOW, THEREFORE, IS MUTUALLY AGREED THAT:**

**Building Committee:**

It is mutually agreed that a joint committee be formed, and comprised of staff from both ECY and WSDOT. The purpose of this committee is to mutually define business and operational needs, and to develop new or refine current processes and procedures to enable productive and efficient operations consistent with each agency's mission. The ECY and WSDOT Regional Director shall serve as a committee co-chair, and they or their designated representative shall be present at all committee meetings. ECY and WSDOT Regional Directors will ensure that the committee meets no less than once per quarter to review current operational policies and procedures and shall ensure this agreement is amended as needed to maintain each agencies operational needs for the State of Washington.

**Reception Area Operations:**

Each agency will provide their own receptionist and will be responsible to provide coverage for lunch periods, vacations, sick leave and break period exceeding 15 minutes. Each reception desk will be equipped with panic buttons that at a minimum sends notification to key personnel in both agencies.

**Mail Room Operations:**

Each agency shall be responsible to provide the necessary staff and resources required to receive, sort, distribute and send mail. In the event an agency representative is not available for either agency to receive or sort mail, it is acceptable for the other agency to perform these duties. Each agency is responsible for distribution of mail to their own staff.

**Shared Conference Rooms:**

Each agency shall have key personnel trained to safely and sufficiently operate partition walls and be responsible to set-up of shared conference rooms and meeting spaces scheduled for their use. Each agency will be responsible to return the room to its static configuration as determined through the design build process. Both agencies agree to collectively determine and implement a mutually agreeable conference room reservation and scheduling system that does not hinder either agency's operations and allows for case-by case adjustments.

**Video Conferencing Equipment in Shared Conference Rooms:**

As the building owner, WSDOT will supply the initial equipment and provide routine maintenance of the equipment for the shared conference rooms. Replacement of the equipment may need to be a shared expense. Both agencies agree to work together to determine the best solution and terms for future replacement of the equipment. It is also agreed,

that both agencies will evaluate current inventory and determine if any existing equipment can be repurposed and be used in the initial furnishing of the conference rooms.

**Building and Site Security:**

Both agencies agree to form a joint committee to develop agreed upon procedures and protocols for building and site security to include at a minimum the following items: key card and space restriction access, a joint safety plan, written badge policy, visitor sign in and badging, contracted security options and after hour security escorts or policy for alternative parking, mass notifications including effective, efficient, and consistent form of notification in the case of an emergency.

**Defined and Common Area Janitorial Services:**

WSDOT and ECY mutually agree industry standards of care for labor and equipment supporting custodial maintenance of the Dayton Ave facility is necessary to achieve a well-kept, healthy and desirable workplace of choice for both agencies. Both agencies agree to actively participate in contract development and maintenance to insure this goal is achieved.

**Site Parking and Electric Vehicle Charger Use:**

Both agencies agree that site parking will be shared and not separately defined other than by state vehicle parking, visitor parking, motor pool parking, and employee parking. Both agencies agree to pursue the possibility of a shared motor pool through the Department of Enterprise Services as a potential cost savings, parking area efficiency. It is mutually agreed both agencies will work together to determine what the right size of the motor pool would be and come up with a method for reserving vehicles.

**Printing Services:**

Each agency will be responsible for providing and maintaining their own printers. Both agencies agree to look into the possibility of a building wide print contract funded by both agencies, with the possibility of a joint copy center housing plotters, printers, and scanners in common conference room area. It is mutually agreed that the reception area should have the ability to copy and print by reception staff.

**Tobacco Use Area:**

It is mutually agreed there is a minimum of one designated Tobacco use area on site.

**PERIOD OF PERFORMANCE**

Subject to its other provisions, the period of performance for this IAA begins on January 29, 2019 and ends on June 30, 2041 unless terminated sooner or extended as provided herein.

**COMPENSATION**

ECY and WSDOT agree there shall be no fees associated with this agreement.

**ALTERATIONS AND AMENDMENTS**

This Agreement may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties. Any amendment to this agreement shall be attached to State Lease SRL 19-0004 held by the Department of Enterprise Services Real Estate Services Division within ten (10) days. Each agency representative shall maintain a copy of the most current version of this IAA.

**RECORDS MAINTENANCE**

The parties to this IAA shall each maintain books, records, documents, and other evidence that sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject to inspection, review, or audit by personnel of both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expirations and the Office of the State Auditor, federal auditors, and any persons duly authorized by the parties shall have full access and the right to examine any of these materials during this period.

Records and other documents, in any medium, furnished by one party to this IAA to the other party, will remain the property of the furnishing party, unless otherwise agreed. The receiving party will not disclose or make available this



material to any third parties without first giving notice to the furnishing party and giving it reasonable opportunity to respond. Each party will utilize reasonable security procedures and protections to assure that records and documents provided by the other party are not erroneously disclosed to third parties.

#### **AGREEMENT MANAGEMENT**

The representative for each of the parties shall be responsible for and shall be the contact person for all communications and decision making regarding the performance of this agreement.

##### The ECY Representative is:

**Tom Buroker**  
Regional Director  
DEPARTMENT OF ECOLOGY  
(425) 649-7010  
[thbu461@ecy.wa.gov](mailto:thbu461@ecy.wa.gov)

##### The WSDOT Representative is:

**Mike Cotten**  
Regional Administrator  
DEPARTMENT OF TRANSPORTATION  
(206) 440-4693  
[CotteMi@wsdot.wa.gov](mailto:CotteMi@wsdot.wa.gov)

#### **GOVERNANCE**

This Agreement is entered into pursuant to and under the authority granted by the laws of the state of Washington and any applicable federal laws. The provisions of this Agreement shall be construed to conform to those laws. This Agreement shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

#### **INDEPENDENT CAPACITY**

The employees or agents of each party who are engaged in the performance of this Agreement shall continue to be employees or agents of that party and shall not be considered for any purpose to be employees or agents of the other party.

#### **ORDER OF PRECEDENCE**

In the event of an inconsistency in the terms of this Agreement, or between its terms and any applicable statute or rule, the inconsistency shall be resolved by giving precedence in the following order:

- a. Applicable federal and state of Washington statutes, regulations, and rules.
- b. State Lease SRL 19-0004
- c. Mutually agreed written amendments to this Agreement.
- d. This Agreement.
- e. Statement of Work and Budget.
- f. Any other provisions of this Agreement, including materials incorporated by reference.

#### **ASSIGNMENT**

The work to be provided under this Agreement, and any claim arising thereunder, is not assignable or delegable by either party in whole or in part, without the express prior written consent of the other party, which consent shall not be unreasonably withheld.

#### **DISPUTES**

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner. Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, agreement terms, and applicable statutes and rules, and then make a determination of the dispute. The determination of the Dispute Board shall be final and binding on the parties hereto. The cost of resolution will be borne by each party paying its own cost. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

#### **TERMINATION FOR CAUSE**

If for any cause, either party does not fulfill in a timely and proper manner its obligations under this Agreement, or if either party violates any of these terms and conditions, the aggrieved party will give the other party written notice of such failure or violation. The responsible party will be given the opportunity to correct the violation or failure within 15 working days. If failure or violation is not corrected, this Agreement may be terminated immediately by written notice of the aggrieved party to the other.

#### TERMINATION FOR CONVENIENCE

Either party may terminate this Agreement upon thirty (30) days' prior written notification to the other party. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

#### SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this agreement, and to this end the provisions of this Agreement are declared to be severable.

#### WAIVER

A failure by either party to exercise its rights under this Agreement shall not preclude that party from subsequent exercise of such rights and shall not constitute a waiver of any other rights under this Agreement unless stated to be such in a writing signed by an authorized representative of the party and attached to the original Agreement.

#### ALL WRITINGS


This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

The signatories to this Agreement represent that they have the authority to bind their respective organizations to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement.

State of Washington

DEPARTMENT of ECOLOGY

 2/21/19  
Signature Date

Tom Buroker  
Regional Director

State of Washington

DEPARTMENT OF TRANSPORTATION

 1-29-19  
Signature Date

Mike Cotten  
Regional Administrator

State of Washington

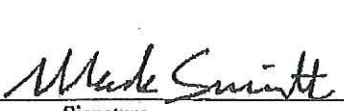
DEPARTMENT of ECOLOGY

 2/1/19  
Signature Date

Jason Norberg  
Director of Administrative Services

State of Washington

DEPARTMENT OF TRANSPORTATION

 1-29-19  
Signature Date

Mark Smith  
State Facilities Administrator



GCB - 3127

SRL 19-0004  
Exhibit B

INTERAGENCY AGREEMENT  
BETWEEN  
STATE OF WASHINGTON  
DEPARTMENT OF ECOLOGY  
AND  
STATE OF WASHINGTON  
DEPARTMENT OF TRANSPORTATION

SN 

This Interagency Agreement is made and entered into by and between the Washington State Department of Ecology (hereinafter called "ECY") and the Washington State Department of Transportation (hereinafter called "WSDOT"). Pursuant to the authority granted by Chapter 39.34 RCW.

PURPOSE

It is the purpose of this Agreement to outline terms for ECY to occupy facility space in a building located at 15700 Dayton Ave N, Shoreline, WA 98133, which is owned by WSDOT and will be substantially remodeled to accommodate ECY as a future tenant under Lease SRL 19-0004. The area to be occupied by ECY is referred to as the ECY Premises.

In consideration of the terms and conditions contained herein or attached and incorporated hereto, the parties agree as follows:

SPECIAL TERMS AND CONDITIONS

STATEMENT OF WORK

WSDOT shall:

1. Provide ECY early access and use to the ECY Premises in advance of State Lease SRL 19-0004 commencing on March 16, 2021 to allow ECY to construct improvements, to install equipment (including telecommunications and data wiring), to move in and set up furniture and materials. The term "access and use" means that the WSDOT has completed the work necessary for ECY to perform the above functions and the Premises are ready for Lessee to do so, even though it remains for the WSDOT to complete other work.
2. Provide interim housing supporting ECY's Northwest Regional Office business operations migration on May 1, 2021, into the ECY Premises in advance of State Lease SRL 19-0004, which collocates ECY with WSDOT at 15700 Dayton Ave N, Shoreline, WA 98133. Areas occupied under this agreement shall be approximately equal to State Lease SRL 19-0004. Such interim housing shall be substantially completed so that ECY is able to move in its employees and equipment and they are able to perform their normal work functions without substantial disruption due to construction activities.
3. Provide janitorial services and supplies in addition to utilities including electricity, water, sewer and garbage. WSDOT assumes no obligation to furnish utilities beyond that level currently furnished to the premises, which ensures the existence of environmental conditions necessary for the health, safety and welfare of the ECY staff occupying the premises.

ECY shall:

1. Abide by all published rules and regulations of WSDOT pertaining to the use of the assigned space.
2. Obtain prior approval from WSDOT before making any alterations to the premises, space use, or

furnishings.

3. Pay for any and all requested and approved alterations to the premises and/or furnishings.
4. Ensure that any and all alterations to the premises comply with pertinent ordinances, directives, rules and regulations of the WSDOT Dayton office, Fire Marshall, Building Inspector or other regulatory official, if applicable.

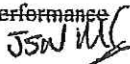
#### COMPENSATION

ECY shall compensate WSDOT for interim housing beginning May 1, 2021, in the sum of \$18,620 (Eighteen Thousand Six Hundred Twenty Dollars and Zero Cents) per month for the use of WSDOT's facility at 15700 Dayton Ave in accordance with the terms of this Agreement until ECY is entitled to full occupancy of the facility under the terms of State Lease SRL 19-0004. The compensation to be paid by ECY is intended to offset normal energy consumption and other operational services for those areas housing ECY business functions at the 15700 Dayton Ave facility. Provided, the compensation to WSDOT from ECY shall be adjusted if and to the extent a portion of the ECY Premises is unavailable because of construction activity to complete the Remodel/Construction under State Lease SRL 19-0004

#### PERIOD OF PERFORMANCE

This Agreement shall begin on March 16, 2021 and end at the date and time that Lease SRL 19-0004 commences.

#### RATIFICATION

The execution of this Agreement shall constitute a ratification of that earlier verbal agreement between the parties hereto, the terms and conditions of which are contained herein. Accordingly, the dates of performance under this Agreement shall be May 1, 2021 to June 30, 2021, regardless of the date of execution. JSW 

#### NON-DISCRIMINATION

In the performance of this Agreement, the parties shall comply with all federal and state laws and regulations. These include, but are not limited to the provisions of Title VII of the Civil Rights Act of 1964 (42 USC 2000, et seq), the Rehabilitation Act of 1973 (29 USC 794, et seq), The Americans with Disabilities Act of 1990 (28 USC 1201 et. seq), and Chapter 49.06 RCW, as now or hereafter amended. The parties shall not discriminate on the grounds of race, color, creed, marital status, religion, sex, sexual orientation, national origin, Vietnam era or disabled veteran's status, age, the presence of any sensory, mental or physical disability in:

- a. Any terms or conditions of employment to include taking affirmative action necessary to accomplish the objective of this part; and
- b. Denying any individual the opportunity to participate in any program provided by this Agreement through the provision of services, or otherwise afforded others.

In the event that one of the parties hereto refuses to comply with the above provision, this Agreement may be canceled, terminated, or suspended in whole or in part by the other party.

#### RECORDS MAINTENANCE

Each party shall maintain books, records, documents and other evidence, which sufficiently and properly reflect all direct and indirect costs expended by either party in the performance of the services described herein. These records shall be subject at all reasonable times for inspection, review, or audit by personnel of



both parties, other personnel duly authorized by either party, the Office of the State Auditor, and federal officials so authorized by law. The parties will retain all books, records, documents, officials so authorized by law. The parties will retain all books, records, documents, and other material relevant to this Agreement for six years after settlement. The Office of the State Auditor, federal auditors, and any persons duly authorize by the agencies shall have full access to and the right to examine any of these materials during this period.

#### CONTRACT MANAGEMENT

The contract manager for each of the parties is responsible for and shall be the contact person for all communications and billings regarding the performance of this Agreement.

The Contract Manager for ECY is:

Fran Huntington  
Facilities Operations Manager  
Department of Ecology  
P.O. Box 47600  
Olympia, WA 98504-7600  
(360) 407-7028  
[fhun461@WSDOT.wa.gov](mailto:fhun461@WSDOT.wa.gov)

The Contract Manager for WSDOT is:

Andy Blomberg  
NWR Facilities Manager  
PO Box 330310  
Seattle, WA 98133  
Office: (206) 440-4977  
Cell: (206) 510-8420  
[Blomberg@wsdot.wa.gov](mailto:Blomberg@wsdot.wa.gov)

#### DISPUTES

In the event that a dispute arises under this Agreement, it shall be determined in the following manner: WSDOT shall appoint a member to the dispute panel. ECY shall appoint a member to the dispute panel. WSDOT and ECY shall jointly appoint a third member to the dispute panel, who is not an employee nor affiliated in anyway with either agency. All cost for the third member shall be equally shared between the parties of this Agreement. The dispute panel shall evaluate the facts and make a determination of the dispute with the majority prevailing. The determination of the dispute shall be final and binding on the parties hereto.

#### TERMINATION

In the event funding from state, federal, or other sources is withdrawn, reduced or limited in any way after the effective date of this Agreement and prior to normal completion, WSDOT or ECY may unilaterally terminate this Agreement. WSDOT or ECY shall mail the written notification of termination return receipt requested.

ASSURANCES

The parties agree that all activity pursuant to this Agreement will be in accordance with all the applicable current or future federal, state and local laws, rules, and regulations.

WAIVER

Any waiver by any party hereto with regard to any of its rights hereunder shall be in writing and shall not constitute a waiver to any future rights such party might have hereunder.

CHANGES, MODIFICATIONS AND AMENDMENTS

This Agreement may be waived, changed, modified, or amended only by written agreement executed by both of the parties hereto. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind WSDOT and ECY.

ASSIGNMENT

Neither WSDOT nor ECY shall assign this Interagency Agreement in whole or in part.

SEVERABILITY

If any provision of this Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision, and to this end the provisions of this Agreement are declared to be severable.

ALL WRITINGS CONTAINED HEREIN

This Agreement sets forth in full the entire Agreement of the parties, and any other agreement, representation, or understanding, verbal or otherwise, is hereby deemed to be null and void and of no force and effect whatsoever.

The persons signing below warrant that they have the authority to execute this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement.

State of Washington  
Department of Transportation

State of Washington  
Department of Ecology

  
Mark Smith Date 1-29-19  
State Facilities Administrator

  
Jason Norberg Date 2-1-19  
Administrative Services Director



State of Washington  
**MODIFIED PRE-DESIGN**  
Last updated: May 2016

**For Administrative Use:**  
DES Project Number:

This form is to be completed for state agency, community college, board and commission requests for new leases, purchases, relocations or expansions. Complete all areas of this form as thoroughly as possible. For more information, see the modified pre-design instructions located at [OFM | Modified pre-design](#). To check spelling and grammar select CTRL-S.

## SECTION ONE - PROJECT SUMMARY

### CONTACT INFORMATION

<b>Agency Name:</b> Department of Ecology	<b>Agency Number:</b> 461	<b>Contact Person:</b> Fran Huntington
<b>Phone Number:</b> 360-407-7028	<b>E-Mail Address:</b> fhun461@ecy.wa.gov	

### REQUESTED PROJECT INFORMATION

**Project Title (example: Relocation of Agency X Headquarters):**

Relocation of Ecology's Northwest Regional Office

**Type of Action Requested:** ☒ Obtain New Space ☐ Relocate Program ☐ Expand Existing Space ☐ Other

**If other, specify:**

**Primary Space Type:** 310 Office-General **Secondary Space Type:** 730 Storage/Warehouses

**Type of Operation:** ☐ Headquarters ☒ Regional ☒ Field ☐ Other

**If other, specify:**

**Location Requested (City/County):** King County **Estimated Rentable Square Feet:** 58,646

**Projected Annual Ongoing Cost:** \$2,364,340 **Estimated One-Time Cost:** \$4,648,000

**Requested Occupancy Date:** 5/1/2021 **Lease term in years:** 10 years

**Is a cancellation clause necessary?** ☐ Yes ☒ No

**If the agency requires a cancellation clause, describe terms and reason for cancellation clause:**

### CURRENT SITE INFORMATION

Street Address	City	Square Feet	Lease Number	Lease End Date	Ownership/Lease Status
3190--160 <sup>th</sup> Ave. SE	Bellevue	60,423	SRL 15-0071	6/30/2021	Lease/Sublease from Private
1805 NW Mall Street	Issaquah	720	DEL 16-0081	1/31/2022	Lease/Sublease from Private
					Choose One
					Choose One

**If ownership/lease status is other, specify:**



## SECTION TWO - PROJECT REQUEST AND BUSINESS NEED

### PROJECT REQUEST AND BUSINESS NEED

#### **Describe the circumstances that created the need for this facilities project.**

The Department of Ecology's Northwest Regional Office (NWRO) has leased a large facility in Bellevue since 1992 together with small storage facilities nearby. The NWRO is the largest of Ecology's four regional offices and provides services to King, Snohomish, Skagit, Whatcom, San Juan and Island Counties. With the exception of Nuclear Waste and Office of Columbia River, all other agency programs are implemented out of the NWRO in order to be closer to the geographic area served.

The current NWRO facility was originally used for manufacturing and was retrofitted for office space. It does not meet the current WA State Lease Space Requirements and is inefficient in its energy use due in part to an outdated system of small HVAC units supporting more than 30 separate zones. The current interior wall layout makes the space inflexible and inefficient. A structural evaluation performed by Putnam Collins Scott Associates in 2005 suggests the seismic structural integrity is outdated by today's building codes.

#### **Provide a brief description of the preferred facilities solution.**

Ecology's Northwest Regional Office must be setup to efficiently allow a highly skilled workforce to carry out field assignments including; inspections, enforcement and emergency response to hazardous waste spills. These activities can take place within urban communities, remote areas, farmlands, Puget Sound, lakes and rivers throughout the region. Due to Ecology's diverse activities, equipment requirements and at times distances to unique sites, it's critical to develop a facility that will allow employees to safely and efficiently load and offload vehicles and boats on-site. Adjacencies of emergency response equipment, vehicles, boats, laboratories and field gear are paramount to achieve optimum success for an Ecology regional facility.

Field work often begins in the early morning hours loading equipment into vehicles. Because of the geographic size of the region it is very common to have staff return from field work well after the close of business. After hours site security is extremely important for employee safety. In addition to after-hour employee safety, site security for fleet vehicles, specialized trucks and boats is also important. A stolen or vandalized vehicle or boat prevents timely emergency response for hazardous waste spills and cleanups.

#### **Describe how the proposed project will affect agency operations. Include positive and negative impacts and any anticipated efficiencies gained.**

Ideally the relocation of Ecology's NWRO to a different facility will include consolidating all regional business operations into one property. Having all necessary spill response equipment and supplies located on-site with response personnel will help to reduce or minimize toxic threats to the environment.

#### **List the programs affected.**

Ecology Programs represented within the Northwest Regional Office include; Administration, Air Quality, Environmental Assessment, Hazardous Waste and Toxics Reduction, Shorelands and Environmental Assistance, Spill Response, Toxics Cleanup, Solid Waste Management, Water Resources and Water Quality.

#### **Describe the functions of the agency in the proposed space.**

The Department of Ecology divides the State into four separate regions. The focus of this project is Ecology's Northwest Regional Office located in Bellevue. The Northwest Regional Office territory is roughly defined from the crest of the Cascade Mountains on the east to Puget Sound on the west. The north boundary is the Canadian border and the southern boundary is the King / Pierce County line. Essentially this office is responsible for the entire northwest portion of the State including the San Juan Islands.

Ecology's Regional Offices primarily serve an implementation role including; permitting, inspection, and enforcement. With the exception of the Nuclear Waste and Office of Columbia River Programs, all other Ecology Programs are represented in the Northwest Regional Office including; Administration, Air Quality, Environmental Assessment, Hazardous Waste and Toxics Reduction, Shorelands and Environmental Assistance, Spill Response, Toxics Cleanup, Solid Waste Management, Water Quality, and Water Resources.

As an Ecology Regional Office, the Northwest Regional Office facility must be setup to efficiently allow highly skilled employees to carry out field work assignments including; inspections, enforcement, and emergency responses to



hazardous waste spills. These activities can take place within urban communities, remote areas, farmlands, Puget Sound, lakes and rivers throughout the region. Because of the diverse activities, equipment requirements, distances to unique locations; it's critical to develop a facility that will allow employees to safely and efficiently load and offload vehicles and boats on-site. Adjacencies of emergency response equipment, vehicles, boats, laboratories and field gear are paramount to achieve optimum success for a regional facility.

Field work and related activities often begin in the very early morning hours with staff loading and/or off-loading equipment and field samples from vehicles. It is very common because of the physical size of the region for field staff to return from their work in the field well after the close of business. Because employees are deployed during non business hours for field work activities, critical attention to site security is extremely important for their safety.

**If the requested space is an expansion or relocation, describe how the proposed space differs from the current space.**

As earlier mentioned, a primary objective in relocating the NWRO is to consolidate all agency business functions into the same site. Due to the current NWRO facility configuration and use constraints, specialized response equipment and supplies are stored separately off site approximately 5 miles away. Housing equipment and supplies with the program personnel greatly enhances effectiveness and efficiency in spill response and other agency programmatic operations.

**WORKPLACE STRATEGY**

**Describe how this request accommodates the user's assigned work including the on-site and off-site location(s) where work is performed.**

The current NWRO is fitted with non-modular furnishings dating to the 60's and 70's. Relocation to a different facility will provide the opportunity to procure new systems furniture that will increase space efficiency, allow greater flexibility to space use and achieve much improved occupant ergonomic comfort. While the user's assigned work will not likely change, the user's experience and environmental comfort will greatly improve with updated furnishings, collaborative spaces, and mobile technology.

**Describe the workplace strategies reflected in this agency request (i.e. telework, remote work, recruitment and retention goals, shared workspace, drop-in space, etc.).**

The relocation of the NWRO will incorporate workplace strategies that comply with OFM's Space Use Guidelines and Statewide Space Use Policy. Those strategies will include telework opportunities, remote work, as well as field work assignments. The facility layout will also include shared workspace, drop-in and huddle spaces. The overall space design for a new facility will focus on flexibility allowing the facility to be suitable not just from initial occupancy, but for years into the future.

**Describe how the agency will optimize the use of available technology related to this request (i.e. use of laptops, improved server technology, use of other mobile technology, etc.).**

The optimal technology solution for a flexible modern work environment must also be flexible. Ecology intends to achieve flexible solutions using technology through a robust wireless network within the new facility rather than a standard hardwired system configuration. This solution can provide significant flexibility to the end user by allowing anyone to perform work electronically throughout the facility rather than the limitation of individual hardwired workstations.

## SECTION THREE – FINANCIAL INFORMATION

### CURRENT AND PROJECTED ONGOING COSTS

Provide the agency's approximate total expenditures for the current space(s), if applicable, and provide the approximate annual costs anticipated for the new space for a five-year period.

Expenditure Type	Current Approximate Annual Costs in Dollars	Projected Approximate Annual Costs in Dollars
Rent or Debt Services	\$1,643,520	\$2,095,340
Energy (Electricity, Natural Gas)	\$95,500	\$93,500
Janitorial Services	\$167,160	\$145,000
Utilities (Water, Sewer, & Garbage)	\$16,825	\$12,000
Additional Parking		
Other	\$18,500	\$18,500
<i>Total of All Annual Expenditures</i>	\$1,941,505	\$2,364,340
<i>Annual Cost Per Square Foot</i>	\$31.76	\$40.32
<i>Approximate Annual Change</i>		\$8

If other ongoing costs are provided, specify:

Security patrol services, card key access system and maintenance, as well as IT connectivity.

### ONGOING FUNDING SOURCES

The ongoing project expenses will be funded through:

☒ Existing Facilities Funds    ☐ Other Operating Funds    ☐ Future Budget Request

What fund source(s) will be used for the on-going funding of this space?

Funding will come from agency overhead (Ecology's shared facility / cost allocation budgeting) which consists of a combination of multiple agency fund sources since this location will be staffed by multiple Ecology Programs.

If the expenses are expected to be absorbed, how?

If the ongoing project expenses are funded through efficiencies, how?

### ONE-TIME PROJECT COST ESTIMATE

DESCRIPTION	COST
DES Fees	\$460,000
Tenant Improvements (Construction)	\$790,000
IT Infrastructure	\$600,000
New Furniture Costs	\$1,680,000
Furniture Relocation Costs	\$260,000
Building Security and Access Systems	\$180,000
Moving Vendor and Supplies	\$100,000
Other	\$578,000
<b>Total</b>	<b>\$4,648,000</b>



**Define any relevant assumptions used to develop the one-time costs for this project request.**

DES Fees- based upon 2.5% of the first full service 5 year lease term and 1.25% of the second 5 year full service lease term, rounded.

Tenant Improvements- were calculated using \$15/RSF of the main office facility, rounded.

IT Infrastructure- covers IT project management, premise wiring, racks, UPS equipment, video conference room equipment, wireless network and access points installation and necessary consumables.

New Furniture- is priced at \$7,000 per workstation for 202 Residents and \$1,500 per 32 mobile users together with auto/electrical sit-stand station at approx \$700 per user, and \$30k for replacement conference room chairs.

Furniture Relocation Costs- supports dismantling existing furnishings, relocating and reassembling, hauling and recycling expense associated with existing furnishings, and specialized services to relocate the Hazardous Waste Container.

Building Security and Access Systems- supports relocating existing operating systems together with reinstallation at a different facility.

Moving Vendor and Supplies- is priced based upon previous experiences in Yakima, Vancouver and Bellingham relocations at \$395/FTE, rounded.

Other- is project contingency of 15%, rounded.

**ONE-TIME PROJECT FUNDING SOURCES**

**The one-time costs for this project will be funded through:**

☒ Existing Project Funds    ☐ Other Operating Funds    ☐ Future Budget Request

**What fund source(s) will be used for the one-time project costs?**

A blend of all agency funds in addition to COP financing of new furniture for the facility.

**If the expenses are expected to be absorbed, how?**

**If the one-time project expenses are funded through efficiencies, how?**

**SECTION FOUR - ALTERNATIVES CONSIDERED**

**Provide a complete description of other alternatives considered and a summary of the advantages and disadvantages of these alternatives.**

Ecology is actively engaged in evaluating multiple alternatives for the current Northwest Regional Office. Those alternatives include a collocation opportunity with WSDOT at their Shoreline facility, relocating to a new leased property elsewhere in King County, or renovating the current leased property in Bellevue. Each alternative has its advantages and disadvantages.

There is merit to collocate with WSDOT in their Shoreline facility if both agencies business needs can be met and each agency 'fits' into the facility space, and if the cost of the project works economically compared to other options. Ecology and WSDOT are actively working towards a functional understanding of the available Shoreline facility space at this time to determine if this alternative is practical. A disadvantage to the WSDOT collocation is the physical fit both short-term and for the long-term 20 year stay at the property. The other disadvantage is the uncertainty of the final cost of the major renovations needed to complete the project as well as the ability to complete the required renovations prior to May of 2021.

Relocating to a new leased property in northern King County or perhaps lower Snohomish County is identified as a second alternative. The anticipated advantage is again consolidating all of the regions business requirements at the same site. An advantage over the WSDOT collocation is a stronger likelihood of adequately fitting or sizing the physical facility to meet Ecology's needs. Because final cost projections are yet to be fully determined for the WSDOT collocation, it is assumed a new leased facility will be comparatively priced for a ten-year lease cycle. The disadvantages include sizable one-time expenses to relocate similar to the relocation to the WSDOT site, and limited available properties in the current market.

The third alternative is renewing the lease on the current property and renovating to improve business functionality. There are a number of advantages and disadvantages to this strategy. Staying put alleviates substantial relocation expenses to an alternative property. An estimated lease renewal projection for a ten-year period together with a sizable Tenant Improvement allowance is equal to or under the WSDOT project proposal. The current property is well within the size requirements of the projected needs of the regional office, it does however have to be retrofitted and space specifically reassigned to better align with programmatic functional needs. The disadvantages include remaining in a

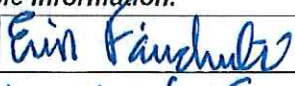
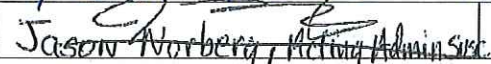
known older property with characteristic building challenges of its age. Most of which however can be addressed in both deferred maintenance and Tenant Improvement attention. Another disadvantage is without a different location to relocate to, renovation activities must take place while the agency occupies the space which can be disruptive.

If this project is not in the current Six-Year Facilities Plan or is not consistent with the Plan, explain.

This project is in the Six-Year Facilities Plan.

## SECTION FIVE – AUTHORIZATIONS

*I certify that the requested space is necessary, funds are available to implement this request and that all information is accurate based on the best available information.*

Agency Financial Manager Signature		Date: 7/26/18
Printed Name and Title	Erik Fairchild, Chief Financial officer	
Agency Director or Designee Signature		Date: 7/26/18
Printed Name and Title	Jason Norberg Acting Administrative Services director	





State of Washington

# SPACE PLANNING DATA SHEET

Last updated: June 2017

**Instructions:** This form should accompany the Modified Pre-Design and is to be completed for all new leases, purchases, relocations or expansions over 500 square feet. This tool is designed to provide an estimated rentable square footage. Refer to the State Facilities Workplace Strategies and Space Use Guidelines for more information.

Data supplied in this document will be used to:

- Evaluate the agency's request for space
- Develop the request for proposal or market search for space
- Evaluate qualifying proposals ability to meet the program needs
- Assist in developing a space plan

The following pages include summary instructions at the top of each page.

## Project Summary Information (compiled from the following tables)

**Project Title:** Ecology Northwest Regional Office **Date Submitted:** 7/31/2018

**Existing Facilities Total Square Feet:** 61,143 <==Inclusive of NWRO & nearby storage...

Facility Area Summary	Planned
Square Feet for Workspaces	15,076
Square Feet for Meeting & Focus Space	5,820
Square Feet for Office Support	6,520
Square Feet for Storage & Files	3,150
Square Feet for Program Special	3,620
<b>Occupant Area</b>	<b>34,186</b>
Base Building Circulation (40% of Total Occupant Area)	13,674
<b>Usable (Total Occupant Area + Base Building Circulation)</b>	<b>47,860</b>
Building Service and Amenity Areas (10% of Usable Square Feet)	4,786
<b>Total Rentable Square Feet</b>	<b>52,646</b>
Square Feet for Warehouse and Special Equipment (Not in Circulation Area)	6,000
<b>Total Project Square Feet</b>	<b>58,646</b>

User and Workspace Summary	Existing	Planned
Resident	237	198
Internally Mobile	0	4
Externally Mobile	0	38
Remote	0	0
Vacant	0	0
<b>Total Users</b>	<b>237</b>	<b>240</b>
Total Offices	10	11
Total Workstations	227	191
Total Mobile Benches	0	32
Total Touchdown Spaces	0	0
<b>Total Workspaces</b>	<b>237</b>	<b>234</b>
<b>Rentable Square Feet Per Users</b>	<b>258</b>	<b>219</b>
<b>Rentable Square Feet per Workspaces</b>	<b>258</b>	<b>225</b>

<b>Percent of Workspaces to Number of Users</b>	<b>100.0%</b>	<b>97.5%</b>
<b>Planned User Growth</b>		<b>1.3%</b>
<b>Planned Workspace Growth</b>		<b>-1.3%</b>

[illegible]

### Definitions

**User:** Any person who routinely works at a facility of any amount of time and may have an assigned workspace.

**Resident:** A user who typically spends at least 75% of his/her time in the facility (with more time spent at the workspace than away from it).

**Internally Mobile:** A user who is away from his/her workspace or somewhere else in the facility more than 50 percent of the time.

**Externally Mobile:** A user who spends at least 50 percent of his/her time outside the facility working in the field, from home or from other external locations.

**Remote / Visitor:** A user who is occasionally (one-four days per month) in the facility.



PROJECT TITLE: Ecology Northwest Regional Office

Instructions: Identify the position / user type, the current and planned work pattern type, workspace type and the space allocated for each workspace. Include the number of users and the workspace count for each space type. Definitions are below the table.

Date: 07/31/2018

ADDITIONAL USERS AND WORKSPACES

USER INFORMATION			WORKSPACE INFORMATION					NOTES		
POSITION / USER TYPE	CURRENT WORK PATTERN TYPE	PLANNED WORK PATTERN TYPE	EXISTING FACILITY USER COUNT	PLANNED USER COUNT	WORKSPACE TYPE	SPACE ALLOCATED FOR EACH WORKSPACE	EXISTING FACILITY WORK-SPACES	PLANNED WORK-SPACES	TOTAL PLANNED SQUARE FEET	NOTES
Northwest Regional Director	Resident	Resident	1	1	Office	200	1	1	200	Confidential conversations 60% of the time or more daily.
	Resident	Resident	1	1	Office	150	1	1	150	Confidential conversations 60% of the time or more daily.
	Resident	Resident	7	8	Office	150	7	8	1,200	Confidential conversations 60% of the time or more daily.
	Resident	Resident	9	8	Office	150	1	1	150	Confidential conversations 60% of the time or more daily.
	Resident	Externally Mobile	9	8	Workstation	64	9	8	512	
	Resident	Resident	4	4	Mobile Bench	36	1	1	36	
	Resident	Resident	4	4	Workstation	64	4	4	256	
	Resident	Internally Mobile							-	
	Resident	Resident	7	7	Workstation	64	7	7	448	
	Resident	Internally Mobile							-	
Administrative & Office Assistant	Resident	Resident	5	5	Workstation	64	5	5	320	
	Resident	Internally Mobile							-	
	Resident	Internally Mobile	14	13	Workstation	64	14	13	832	
	Resident	Externally Mobile	1	1	Mobile Bench	36	1	1	36	
	Resident	Resident	84	76	Workstation	64	84	76	4,864	
	Resident	Externally Mobile	8	8	Mobile Bench	36		8	288	
	Resident	Resident	36	34	Workstation	64	36	34	2,176	
	Resident	Internally Mobile							-	
	Resident	Externally Mobile		2	Mobile Bench	36		2	72	
	Resident	Internally Mobile			Workstation	64			-	Job class merged with Environmental Specialist Series
Environmental Scientist	Resident	Externally Mobile							-	Job class merged with Environmental Specialist Series
	Resident	Resident	22	21	Workstation	64	22	21	1,344	
	Resident	Internally Mobile							-	
	Resident	Externally Mobile	1	1	Mobile Bench	36		1	36	
	Resident	Resident	2	2	Workstation	64	2	2	128	
	Resident	Internally Mobile							-	
	Resident	Externally Mobile							-	
	Resident	Resident	6	5	Workstation	64	6	5	320	
	Resident	Internally Mobile							-	
	Resident	Externally Mobile							-	
Natural Resource Scientist	Natural Resource Scientist	Natural Resource Scientist								
	Natural Resource Scientist	Natural Resource Scientist								
	Natural Resource Scientist	Natural Resource Scientist								
TOTAL			199	200	Mobile Bench	36	199	200	43,404	

WORKSPACE TYPE	SQUARE FEET RANGE	DEFINITION
Office	100-150	An enclosed unassigned or assigned space used by a resident user with floor-to-ceiling walls.
Workstation	42-64	An open or partially enclosed, unassigned or assigned space used by a resident or internally mobile user.
Mobile Bench	24-36	A workstation in a bench format, unassigned or assigned, used by an internally or externally mobile user.
Touchdown Space	24	An unassigned space that provides open seating in varying forms to conduct work on an irregular basis or for short periods of time.

Definitions

User: Any person who routinely works at a facility of any amount of time and may have an assigned workspace.

Resident: A user who typically spends at least 75% of his/her time in the facility (with more time spent at the workspace than away from it).

Internally Mobile: A user who is away from his/her workspace or somewhere else in the facility more than 50 percent of the time.

Externally Mobile: A user who spends at least 50 percent of his/her time outside the facility working in the field, from home or from other external locations.

Remote / Visitor: A user who is occasionally (one-four days per month) in the facility.

**Instructions:** To determine the size of these spaces multiply the number of users by the square feet in the chart below. See the guide below the table for types of space to consider in this category.

## MEETING & FOCUS AREAS

[illegible]

SPACE TYPE	SQUARE FEET PER USER	DEFINITION
Conference Rooms	15	An enclosed space for meetings.
Collaboration Space	20	A nonreservable space that is open or semi-enclosed for informal meeting.
Focus Rooms	40	An enclosed space with limited visual and/or acoustical distractions for one to four users.
Focus Points	40	A nonreservable, semi-enclosed space with limited visual and acoustical distractions for a single user.
Training Rooms	25-35	An enclosed space for recurring specialized training.





**Instructions:** Identify the types of storage and file areas that are necessary for this facility. See the guide below the table for types of space to consider in this category.

[illegible]

SPACE TYPE
Supply-Workroom
Storage
Janitor Closet
Files
High Density Files





**Instructions:** Identify the types of space outside of the circulation areas that are necessary for this facility. See the guide below the table for types of space to consider in this category.

WAREHOUSE AND SPECIAL EQUIPMENT						
TYPE OF SPACE	CONDITIONED/ NOT CONDITIONED	SPACE CALCULATION				NOTES  (Include any floor loading information)
		SQUARE FEET PER SPACE	EXISTING QUANTITY	PLANNED QUANTITY	TOTAL PLANNED SQUARE FEET	
Covered Loading / Unloading Area	Not Conditioned	1,000	-	1	1,000	Covered area for loading / unloading + added storage.
Special Equip / Program Storage	Not Conditioned	2,000	1	1	2,000	Primarily Spill Response for equipment and consumables
Vehicle / Boat Storage	Not Conditioned	3,000	1	1	3,000	Primarily Spill Response, but includes all program use and requires sufficient height to provide mezzanine space.
					-	
Securely Fenced Vehicle Area	Not Conditioned				-	Approximately 40,000 square feet of securely fenced area to support 70+ fleet of vehicles.
					-	
					-	
					-	
					-	
					-	
					-	
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					-	
					-	
					-	
<b>TOTAL SQUARE FEET FOR WAREHOUSES AND SPECIAL EQUIPMENT</b>						<b>6,000</b>

SPACE TYPE	
Shop	Loading Dock
Special Equipment Storage	Secure Vehicle Storage
Emergency Generator System	Vehicle Storage



<b>LOCATION AND SITE REQUIREMENTS</b>	
Instructions: The information in this section will define the geographic location and site requirements for the proposed new space. The information will be used to develop the Request for Proposals or Market Searches.	
<b>Provide requested geographic boundaries:</b>	
TBD. Generally I-90 corridor north to I-5 / I-405 intersection.	
<b>Location restrictions, if any:</b>	
<b>Define the service area using zip codes, cities, counties, or regions:</b>	
King, Snohomish, Skagit, Whatcom, Island, San Juan and portions of Kitsap counties.	
<b>Describe any important adjacencies, such as proximity to a courthouse, a community partner, etc:</b>	
Proximity to major interstate routes to facilitate Spill Response deployment.	
<b>Define any public transportation requirements:</b>	
Near public transportation facilities is very desirable.	
<b>Define any access requirements to major routes of travel:</b>	
Proximity to major interstate routes to facilitate Spill Response deployment.	
<b>Describe preferences for access and storage for alternative transportation modes (bicycles, motorcycles, vanpools, charging stations for electric vehicles):</b>	
EV charging stations required, as well as vanpools and appropriate secure bicycle storage.	
<b>Describe any special site requirements (access, large turning radius, etc.):</b>	
ECY regional field operations require the use of large trucks and trailers for daily operations.	
<b>Describe any special pedestrian access requirements:</b>	
<b>Will this facility house public employees that may also serve the general public?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Describe any unique parking requirements:</b>	
Secure vehicle parking to support 70+ general fleet and special use vehicles.	
<i>Note: Generally, space is acquired with jurisdictional code parking. If the agency requires parking in excess of the jurisdictional code, information can be found on the DES website. Parking needs above code will be defined using the established DES policies and resulting number of stalls should be included in the request for proposals or market search.</i>	

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Department of Ecology  
2021-23 Regular Budget Session  
Maintenance Level - MA - NWRO Relocation Furniture Costs

## Agency Recommendation Summary

Ecology's Northwest Regional Office (NWRO) is relocating from Bellevue to Shoreline and will co-locate with the Washington State Department of Transportation (WSDOT). Ecology is requesting funding for a Certificate of Participation (COP) to finance the replacement of decades-old furniture, its current cubicle system, and a high-density filing system as we relocate. This relocation was approved by the Legislature in the 2019-21 Operating Budget and a lease has been executed between WSDOT and Ecology with an anticipated move-in date on or before June 30, 2021. The furniture located at Ecology's current NWRO facility in Bellevue is antiquated Steelcase office furniture from the early 1990s and cannot fit in the new office environment. (Multiple Funds)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 001 - 1	\$19	\$28	<b>\$47</b>	\$28	\$28	<b>\$56</b>
Fund 027 - 1	\$1	\$2	<b>\$3</b>	\$2	\$2	<b>\$4</b>
Fund 02P - 1	\$2	\$2	<b>\$4</b>	\$2	\$2	<b>\$4</b>
Fund 044 - 1	\$6	\$9	<b>\$15</b>	\$9	\$9	<b>\$18</b>
Fund 163 - 1	\$1	\$2	<b>\$3</b>	\$1	\$2	<b>\$3</b>
Fund 176 - 1	\$22	\$32	<b>\$54</b>	\$32	\$32	<b>\$64</b>
Fund 182 - 1	\$2	\$3	<b>\$5</b>	\$3	\$3	<b>\$6</b>
Fund 199 - 1	\$1	\$2	<b>\$3</b>	\$2	\$2	<b>\$4</b>
Fund 207 - 1	\$3	\$5	<b>\$8</b>	\$5	\$5	<b>\$10</b>
Fund 217 - 1	\$4	\$5	<b>\$9</b>	\$5	\$5	<b>\$10</b>
Fund 219 - 1	\$2	\$3	<b>\$5</b>	\$3	\$3	<b>\$6</b>
Fund 23P - 1	\$96	\$136	<b>\$232</b>	\$135	\$136	<b>\$271</b>
Fund 564 - 1	\$2	\$3	<b>\$5</b>	\$3	\$3	<b>\$6</b>
Total Expenditures	<b>\$161</b>	<b>\$232</b>	<b>\$393</b>	<b>\$230</b>	<b>\$232</b>	<b>\$462</b>

## Decision Package Description

Ecology will relocate our Northwest Regional Office (NWRO) from Bellevue to a facility in Shoreline, co-locating with the Washington State Department of Transportation (WSDOT). This request is for appropriation authority needed to fund the Certificate of Participation (COP) payments related to financing new furniture and a high-density filing system in the Shoreline facility. The furniture currently in use at Ecology's Bellevue facility has reached its end of life. It is 20 to 30 years old and is wholly inadequate to be reconfigured to comply with the efficiency and space-saving requirements of Executive Order 16-07, "Building a Modern Work Environment." Ecology intends to replace the current NWRO office furniture with a more modern and space-efficient set of cubical and office furniture. Modern office furniture design puts employee cubical space in a condensed and cost-saving footprint. This will also allow Ecology to maximize space and fit more staff within the Shoreline facility without compromising each employee's ability to have an individual workspace.

Ecology requested funding for the furniture costs associated with the move to the Shoreline Facility in both the 2019-21 biennial budget and 2020 supplemental budget, but those costs were not funded either time. Therefore, Ecology is now requesting the appropriation authority needed to finance the costs of the furniture over an extended period of time. Ecology has consulted with the Office of the State Treasurer and has approval to proceed with COP financing to replace the office furniture and high-density filing system. This request will provide appropriation authority from multiple fund sources that will be used to make the COP payments, which are expected to begin in the 2021-23 Biennium.

### **Impacts on Population Served:**

Ecology's NWRO serves residents and businesses in King, Kitsap, Snohomish, Skagit, Whatcom, San Juan, and Island Counties. Efficient and modern cubical design creates an environment that maximizes individual workspace and provides space for collaborative and team efforts. This request will help maintain and improve the current level of environmental services provided at the NWRO.

### **Alternatives Explored:**

The furniture currently in use at Ecology's Bellevue facility has reached its end of life; it is 20 to 30 years old. It is wholly inadequate to be reconfigured to comply with Executive Order 16-07, "Building a Modern Work Environment," and will not physically fit in the space provided at the Shoreline facility. The only other alternative to fund this cost increase would be to redirect existing resources from core environmental work. This is not a viable option for Ecology.

### **Consequences of Not Funding This Request:**

If this request is not funded, core environmental work would have to be cut to absorb these unavoidable costs, with impacts to Ecology programs and the environment. Specific consequences include reduced business operations, resulting in a reduced level of service to communities and residents throughout the state.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

This request is not an expansion or alternation of a current program or services. The request will help maintain the current level of services provided by Ecology's NWRO.

### **Detailed Assumptions and Calculations:**

Expenditure calculations: According to the proposed payment schedule from the Office of the State Treasurer, the debt service amount over a ten-year period amounts to approximately \$2.24 million over the next five biennia, or an average annual cost of \$224,000. The costs per year in this budget request match the attached draft Certificate of Participation (COP) payment schedule.

Please note: Ecology is still finalizing the official quote for furniture costs. Once finalized, Ecology will obtain a final COP payment schedule from the State Treasurer, and will provide the final quote and payment schedule to OFM by October 2020 for the Governor's budget proposal.

### **Workforce Assumptions:**

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
P	Debt Service	161,000	232,000	230,000	232,000	229,000	230,000
	<b>Total Objects</b>	<b>161,000</b>	<b>232,000</b>	<b>230,000</b>	<b>232,000</b>	<b>229,000</b>	<b>230,000</b>
<b>Staffing</b>							
Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<b>Total FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### **Explanation of costs by object:**

All costs are Debt Service (Object P)

### **How is your proposal impacting equity in the state?**

Field and Regional Offices allow Ecology to better serve all Washington State residents and help create a more equitable experience for the public in that geographical area.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing a goal in Ecology's strategic plan to support and engage our communities, customers, and employees, by maintaining a facility that increases productivity and streamlines logistics, particularly for environmental fieldwork operations.

This request provides essential support to the Governor's Results Washington Goal 3: Sustainable Energy and Clean Environment. By better matching our facilities with Ecology's current needs and goals, Ecology will be in a better position to assist the different regional and county entities in the Puget Sound region who partner with us to implement Ecology's mission to protect, preserve, and enhance Washington's environment for current and future generations.

### **Performance Outcomes:**

The outcome of this request will be maintaining a facility that increases productivity and streamlines logistics to enhance the level of environmental operations that Ecology provides in our Northwest Region.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Ecology has worked with the Office of Financial Management, Department of Enterprise Services Real Estate Services, and WSDOT to design a space that will functionally work for Ecology and help WDOT maximize their operations at the Shoreline facility. Both Ecology and WSDOT will benefit from this agreement. This furniture and high-density filing system is necessary for Ecology to fit within the space at the Shoreline location.

### **State Facilities Impacts:**

Adequate furniture, cubical and filing equipment is required to effectively use the new Shoreline facility, house our staff and clients/visitors and serve these communities.

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

N/A

## Reference Documents

[Estimated COP Schedule from Treasurer.xlsx](#)

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. P	\$161	\$232	\$393	\$230	\$232	\$462

## Agency Contact Information

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## Ecology Estimates - NWRO Office Furniture

Delivery Date	Oct-21	
Project Funds	\$2,000,000	
All-In Interest Cost	1.18%	2.13%

Payment Date	Debt Service - Current	Debt Service - Pessimistic Scenario
	Interest Rates	
12/1/2021	\$16,320	\$17,158
6/1/2022	\$136,375	\$143,500
12/1/2022	\$39,000	\$41,000
6/1/2023	\$179,000	\$191,000
12/1/2023	\$35,500	\$37,250
6/1/2024	\$185,500	\$192,250
12/1/2024	\$31,750	\$33,375
6/1/2025	\$186,750	\$198,375
12/1/2025	\$27,875	\$29,250
6/1/2026	\$192,875	\$199,250
12/1/2026	\$23,750	\$25,000
6/1/2027	\$193,750	\$205,000
12/1/2027	\$19,500	\$20,500
6/1/2028	\$199,500	\$210,500
12/1/2028	\$15,000	\$15,750
6/1/2029	\$205,000	\$215,750
12/1/2029	\$10,250	\$10,750
6/1/2030	\$210,250	\$220,750
12/1/2030	\$5,250	\$5,500
6/1/2031	\$215,250	\$225,500
<b>Total</b>	<b>\$2,128,445</b>	<b>\$2,237,408</b>

Note: All figures are estimates. Actual rates are determined on the day of sale.  
Source: WA State Office of the State Treasurer

6/18/2020

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Department of Ecology  
2021-23 Regular Budget Session  
Maintenance Level - MC - eHub System Support & Licensing

## Agency Recommendation Summary

Ecology's ability to fulfill its mission depends on our ability to efficiently and effectively manage federal grant receivables, recover costs associated with cleanup activities, and administer over \$900 million in pass through funding to local partners for work in local communities throughout the state. Ecology received one-time funding in the 2019-21 Operating Budget to complete a financial systems replacement project designed to modernize and integrate a number of the agency's outdated and failing financial systems into a single application. However, because the funding provided in 2019-21 was placed into the state's Information Technology Pool, the ongoing costs needed to maintain and license the new system were not funded. Ecology is now requesting the spending authority needed to support these ongoing costs. (Multiple Funds)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 001 - 1	\$52	\$52	<b>\$104</b>	\$51	\$51	<b>\$102</b>
Fund 027 - 1	\$4	\$4	<b>\$8</b>	\$4	\$4	<b>\$8</b>
Fund 02P - 1	\$4	\$4	<b>\$8</b>	\$4	\$4	<b>\$8</b>
Fund 044 - 1	\$16	\$16	<b>\$32</b>	\$15	\$15	<b>\$30</b>
Fund 163 - 1	\$2	\$2	<b>\$4</b>	\$2	\$2	<b>\$4</b>
Fund 176 - 1	\$60	\$60	<b>\$120</b>	\$58	\$58	<b>\$116</b>
Fund 182 - 1	\$5	\$5	<b>\$10</b>	\$5	\$5	<b>\$10</b>
Fund 199 - 1	\$3	\$3	<b>\$6</b>	\$3	\$3	<b>\$6</b>
Fund 207 - 1	\$9	\$9	<b>\$18</b>	\$9	\$9	<b>\$18</b>
Fund 20R - 1	\$26	\$26	<b>\$52</b>	\$26	\$26	<b>\$52</b>
Fund 216 - 1	\$5	\$5	<b>\$10</b>	\$5	\$5	<b>\$10</b>
Fund 217 - 1	\$10	\$10	<b>\$20</b>	\$10	\$10	<b>\$20</b>
Fund 219 - 1	\$6	\$6	<b>\$12</b>	\$5	\$5	<b>\$10</b>
Fund 23P - 1	\$257	\$257	<b>\$514</b>	\$251	\$251	<b>\$502</b>
Fund 564 - 1	\$40	\$40	<b>\$80</b>	\$40	\$40	<b>\$80</b>
Total Expenditures	<b>\$499</b>	<b>\$499</b>	<b>\$998</b>	<b>\$488</b>	<b>\$488</b>	<b>\$976</b>

## Decision Package Description

Ecology's ability to fulfill its mission of protecting, preserving, and enhancing Washington's environment depends on our ability to efficiently and effectively manage the agency's revenue and pass-through funding. In 2017, Ecology made the decision to invest in Microsoft Dynamics to integrate four failing revenue management systems into one robust business application (eHub). Then, in the 2019-21 Operating Budget, Ecology received one-time funding to leverage the technology investment in Microsoft Dynamics to replace and integrate two additional financial systems (Federal Grant and Receivable System and Toxics Cleanup Cost Recovery System) into the new eHub platform.

Ecology's eHub system provides many benefits to the agency and the state by:

- Complementing the work being done at the state level on the One Washington initiative by consolidating Ecology-specific IT systems, which reduced the number of interfaces that will integrate with One Washington.
- Consolidating and modernizing our portfolio IT systems.
- Replacing a mainframe legacy system that was at extreme risk of losing support.
- Increasing the ability to be good environmental stewards by supporting our environmental work.
- Decreasing cost of support. Information technology and business support of the legacy systems was very high.
- Meeting mandatory accessibility standards. It was cost prohibitive to make the legacy systems accessibility compliant.

Phase 2 of this project is currently underway, and is expected to be completed by the end of this biennium. However, because the funding provided in the 2019-21 Operating Budget to support its completion was placed into the state's Information Technology Investment Pool (IT Pool), the funding is by definition one-time. This means that the ongoing costs to maintain and license the new system have not been funded.

When the funding in the 2019-21 Operating Budget was placed into the IT Pool, making it one-time, the Official of Financial Management (OFM) instructed Ecology that we would have to submit a decision package for the 2021-23 Biennium to request the ongoing funding needed to maintain and operate the new system. The ongoing system support costs for eHub include:

- Microsoft Dynamics D365 Licenses
- Microsoft Power BI Licenses for Reporting
- Microsoft Dynamics 365 Testing and Development (Sandbox) Environments

- Vendor (AKA) Managed Services and Support Costs
- Azure Cloud Computing Service Costs

Managed Services and support costs cover application support services related to Microsoft Dynamics 365 for Finance and Operations application and loan management. This includes post go live support, issue resolution support, and on-going system updates.

Ecology's Dynamics 365 implementation leverages Microsoft Azure to support some components of the solution. Microsoft Azure is a cloud-computing platform that offers thousands of services such as databases, storage, and computing that are often found in traditional on premise data centers. Azure is attractive because it offers a secure, highly configurable, and often more cost effective alternative to investing, installing, and supporting an on premise data center. Most Azure services are subscription based, which allow them to start, stop, and scale easily with an organization's needs.

Ecology's D365 solution uses Microsoft Azure to host databases for Power BI reporting, manage integrations, and scale the number of Dynamics 365 developer or sandbox environments to meet the current needs of the agency. Azure has provided the agency with a cost effective alternative to installing many of these services within the agency's own datacenter or the state datacenter, which could require investment in additional hardware and software. Much of the day-to-day management of the Azure services used by Ecology are handled by Microsoft, which also alleviates some operational burden from Ecology's technicians.

**Impacts on Population Served:**

Ecology's eHub system indirectly impacts Washington residents, because the integrated financial system helps manage the funds for critical agency work that leads to a healthier environment. Without proper and timely management of these funds, toxics cleanup, water quality infrastructure, and waste management projects could be compromised or delayed.

Ecology's ability to effectively and efficiently manage federal grant receivables, recover costs spent on cleanup projects, and disburse hundreds of millions of dollars to local governments and communities has an indirect impact on every person in the state. Collecting federal revenue and being reimbursed for cleanup costs is crucial to our ability to perform environmental work. Disbursing grant and loan funds is vital to the environmental work done by a variety of Washington communities.

**Alternatives Explored:**

Maintenance and licensing costs are required for all IT systems, and Ecology will have to pay for them on an ongoing basis. The only other alternative to this request would be to fund these cost increases by redirecting existing resources from core environmental work. This is not a viable option for Ecology.

**Consequences of Not Funding This Request:**

If this request is not funded, core environmental work would have to be cut to absorb these unavoidable costs, with impacts to Ecology programs and the environment. Specific consequences include reduced business operations, resulting in a reduced level of service to communities and people throughout the state.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

This request is not an expansion or alteration of a current program or service. This request will fund the maintenance and operation of both current and in-development IT solutions.

### **Detailed Assumptions and Calculations:**

Beginning July 1, 2022, Ecology requires funding to support the ongoing maintenance and licensing costs associated with the eHub system. In 2021-23 Biennium, these costs are estimated at \$998,000, while costs in 2023-25 and ongoing are estimated at \$975,000 per biennia.

Estimated costs were determined based on formal quotes from our Dynamics and Power BI license reseller; contractually negotiated managed services costs with the implementation vendor; and our average annual usage for cloud computing services.

#### **Ongoing costs:**

Cost Element	FY2022	FY2023	FY2024 and beyond
Ongoing Annual license fee for system software (Obj E)	\$282,000	\$282,000	\$282,000
Ongoing Annual license fee for reporting software (Obj E)	\$8,000	\$8,000	\$8,000
Ongoing Annual Microsoft Dynamics D365 Development/Testing Environment (Sandbox) (Obj E)	\$52,500	\$52,500	\$52,500
Ongoing Azure Cloud Computing services (Obj E)	\$35,000	\$35,000	\$35,000
Vendor (AKA) – Managed Services (Obj E)	\$121,500	\$121,500	\$110,000
<b>Total</b>	<b>\$499,000</b>	<b>\$499,000</b>	<b>\$487,500</b>

### **Workforce Assumptions:**

<b>Expenditures by Object</b>		<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
E	Goods and Services	499,000	499,000	487,500	487,500	487,500	487,500
	<b>Total Objects</b>	<b>499,000</b>	<b>499,000</b>	<b>487,500</b>	<b>487,500</b>	<b>487,500</b>	<b>487,500</b>
<b>Staffing</b>							
<b>Job Class</b>	<b>Salary</b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
	<b>Total FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

#### **Explanation of costs by object:**

All costs are Goods and Services (Object E)

### **How is your proposal impacting equity in the state?**

Reliable financial systems allow Ecology to be better stewards of revenue received and monitoring of expenditures made. Good financial stewardship better serves all Washington State residents, local governments, tribes, and ports.



## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing all goals in Ecology's strategic plan:

- Goal 1: Support and engage our communities, customers, and employees.
- Goal 2: Reduce and prepare for climate impacts.
- Goal 3: Prevent and reduce toxic threats and pollution.
- Goal 4: Protect and manage our state's waters.
- Goal 5: Protect and restore Puget Sound.

Ongoing support for efficient and effective management of the agency's financial tracking systems improves Ecology's ability to meet our goals and fulfill our mission to protect, preserve, and enhance Washington's environment for future and current generations.

This request supports a high priority on Ecology's risk register "Financial Data System Integrity", and will allow Ecology to comply with Executive Order 16-06 – State Agency Enterprise Risk Management.

This request provides essential support to the Governor's Results Washington Goal 3: Sustainable Energy and Clean Environment, and Goal 4 – Healthy and Safe Communities by:

- Being good stewards of the state's Clean Water State Revolving Fund account that funds billions of dollars to local communities to protect the state's waters.
- Accurately and efficiently tracking and recovering costs associated with the cleanup of toxics sites.
- Effectively and efficiently managing federal funds used for a variety of environmental projects.

### **Performance Outcomes:**

The outcome of this request will be that Ecology can continue to use the efficiency and security of a system that the agency and the Legislature has supported and invested in. The eHub system provides the agency:

- A more secure system that is less prone to data loss.
- Better business process governance, standardization, and security.
- Simplified data recovery should a disaster occur.
- Faster automation of business process changes required by legislative mandate and policy and rule changes.
- Improved data accuracy by eliminating the error-prone, duplicative, manual data entry among the separate systems.
- Streamlined and faster information processing.
- A better transactional audit trail.
- Improved capability to:
  - Simplify management reporting used for effective, real-time, data-driven decision-making.
  - Conduct internal and external auditing.
  - Provide reports to state and federal funding partners that easily trace the funding sources to projects and business outcomes, increasing their level of confidence in Ecology's fund stewardship.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

The eHub system improves the timing and process for local governments, tribes, ports, and others receiving state grant or loan funds from Ecology. Being able to effectively maintain this system on an ongoing basis is critical to Ecology's ability to support all of our funding recipients and stakeholders.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

Ecology fully expects federal and local partners will support the continued operation and investment in the system.

## Reference Documents

[eHub IT Addendum.docx](#)

[eHub System Support and Licensing Attachment A.pdf](#)

[eHub System Support and Licensing Attachment B.pdf](#)

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

Yes

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. E	\$499	\$499	\$998	\$488	\$488	\$976

## Agency Contact Information

Lisa Damell

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# 2021-23 IT ADDENDUM

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**NOTE:** Only use this addendum if your decision package includes IT costs and DOES NOT relate to implementation of the One Washington project.

## Part 1: Itemized IT costs

Please access the 2021-23 IT Fiscal Estimate Workbook imbedded in this document below.

Agencies must itemize all IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. When itemizing costs, please consider the total cost of the combined level of effort which includes: the associated costs, from planning through closeout, of state, vendor, or both, in order to purchase, acquire, gather and document requirements, design, develop or configure, plan or conduct testing, and complete implementation of enhancement(s) to an existing system.

Please itemize all IT cost associated with this request where you are not asking for additional funding. These costs are considered in-kind and provided through existing agency base. Detailed costs from existing agency base should be entered on the in-kind tab within the 2021-23 IT Fiscal Estimate Workbook.



## Part 2: Questions that support the reuse of existing state resources

To ensure effective reuse of existing state resources, all IT investments — including project IT expenditures — are expected to comply with IT statutes and policies. The answer to these questions will help OCIO and OFM determine if the decision package will be funded.

- A. Does this investment provide for acquisition of, or enhancement to, an administrative or financial system? ☐ Yes ☒ No
- B. If Yes, has this decision package gone through the Administrative and Financial System review as required in [\(SAAM\) section 80.30.88](#)? ☐ Yes ☐ No
- If Yes, attach the approval letter.
- If No, do not submit the decision package. Recommendation will be “Do Not Fund”.
- C. Does this decision package fund the acquisition or enhancement of equipment or facilities in any agency data centers? (See [OCIO Policy 184](#) for definition.) ☐ Yes ☒ No

- D. If yes, do you have an approved waiver to proceed with this proposed investment? ☒ Yes ☐ No

If Yes, attach a copy of the waiver approval.

If No, do not submit this decision package. Recommendation will be “Do Not Fund”.

- E. For Health and Human Services agencies (HHS Coalition) DCYF, DOH, DSHS, HCA and Washington Health Benefit Exchange, has this project been screened for inclusion in the HHS Coalition portfolio? ☐ Yes ☐ No

If Yes, this is part of the HHS Coalition portfolio, has this project received HHS Coalition project initiation approval? ☐ Yes ☐ No ☐ N/A

If answer to the first HHS Coalition question is Yes (or N/A for second question), attach approved HHS Coalition Project Initiation Form.

If No to either HHS question, do not submit the decision package. Recommendation will be “Do Not Fund”.

### Part 3: Maintenance and policy level decision packages

Answers to these questions will be used in part to determine if the decision package will be evaluated and ranked by the OCIO as required by RCW 43.88.092.

- A. Does this decision package fund the acquisition or expansion of computer hardware capacity? ☐ Yes ☒ No

If Yes, where will the hardware solution be hosted? ☐ State Data Center  
☐ External Cloud

- B. Does this decision package fund the development or acquisition of a new or enhanced software solution or service? ☒ Yes ☐ No

If Yes, where will the software solution be hosted? ☐ State Data Center  
☒ External Cloud

- C. If response to question B is Yes, do you expect this to solution to exchange information with the state financial system (AFRS) or the OneWA solution? ☒ Yes ☐ No

- D. If response to question B is Yes, will this investment renew or procure facial recognition service? ☐ Yes ☒ No

- E. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.) ☐ Yes ☒ No

If Yes, name the project:  
eHub Phase 1 / Phase 2

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(Project name published on the [IT Dashboard](#))

If your decision package is maintenance and you answered “yes” to any of the above questions in Part 3, you must answer the questions in Part 4 below to finish the IT Addendum. All policy decision packages must answer question in Part 4.

## Part 4: IT Investment Questions

Please provide a response to the following questions. Responses will be evaluated and ranked by the OCIO as required by [RCW 43.88.092](#). Chapter 10 of the operating budget instructions contains the criteria used to evaluate 2021-23 decision packages.

### AGENCY READINESS

#### Due diligence

1. Summarize the feasibility or due diligence work completed in support of this decision package. Attach a copy of the feasibility study or other documentation of due diligence to the decision package.

From market research activity to implementation and operational use, Ecology has nearly six years invested in the Dynamics 365 platform.

Ecology started market research in 2016 through a Request for Information (RFI) to better understand the current financial system marketplace. While the imitator failure of Ecology’s Billing and Revenue Tracking System and Loan Tracking System was the primary catalyst for this research, the need was far greater than these two systems. Many applications in Ecology’s portfolio of largely homegrown financial and administrative systems were facing frequent failures and well beyond end-of-life.

Around this same time, Ecology engaged with a vendor called Slalom Consulting to examine possible solutions specifically for Ecology’s failing loan tracking system.

Ecology’s RFI and the results of the engagement of Slalom Consulting largely supported the agency moving away from custom-built, siloed applications toward a more holistic financial management platform or ERP solution. Support for this direction was echoed through an agency lean initiative that also focused on Ecology’s Loan Tracking System and the management of the agency’s loan portfolio, which exceeds \$1.5 billion.

With a desire to move toward an integrated platform, Ecology started honing in on specific systems. At the top of the list from the RFI and discussions with consulting firms such as Gartner, Ecology started to dive deeply into Dynamics 365.

Ecology interviewed and arranged product demos from existing Dynamics 365 customers in Washington State, such as the City of Redmond. Ecology also had several meetings with the Department of Labor and Industries, which was working toward a Budget implementation within D365. Additionally, Ecology engaged with Microsoft’s Dynamics 365 resources to better-understand the capabilities of the platform.

While preparing for the implementation of Dynamics 365, Ecology sent two team members to a Microsoft Dynamics User Group Conference. This conference allowed Ecology to gain first-hand knowledge, tips, tricks and lessons learned directly from D365 Customers, as opposed to only sales or vendor staff.

From 2018 – 2020, Ecology took on one of the largest IT projects in the agency’s history to consolidate the functions of accounts receivable, loan management, cashiering, and most fee billing into the Dynamics 365 platform. As an outcome of this successful project, the agency was able to retire four



financial/administrative systems and streamline several business processes, especially in the area of loan management.

From July 2020 through June 2021, the agency is expanding upon the success of the eHub Phase 1 to consolidate two additional systems within Dynamics 365. Both the Grants Receivable System (GRS) and Toxics Cleanup Cost Recovery System (TCCRS) rely on mainframe technologies and extend great risk to the agency due to the age of the systems and limited availability of support. It is critical Ecology replace these systems as they manage millions of dollars in federal grant receivables due to the agency and the cost recovery of hundreds of contaminated cleanup sites across the state of Washington. Both of these systems are essential to delivering Ecology's mission of protecting, preserving, and enhancing the environment for current and future generations.

This decision package is intended to fund the ongoing costs associated with the solution that was originally implemented from 2018 – 2020 and expanded during 2020 – 2021.

### **Governance and management**

2. What governance processes will support this project? Examples of governance processes include appropriately placed executive sponsor, representative steering committee, resourced vendor/contract management, change control, and incorporating stakeholder feedback into decision making processes. Provide examples of how your proposed budget includes adequate funding and planning for governance processes, if applicable.

As part of the eHub Phase 1 and Phase 2 Projects, Ecology developed two internal Executive Steering Committees. The Phase 1 Steering Committee's oversight falls over accounts receivable, fee billing, loan management, and cashing. The Phase 2 Steering Committee has oversight over the federal grants receivable and cost recovery functions of the system. All Steering Committee members are Ecology FTEs that are already included in the agency's base budget.

The Phase 2 Steering Committee is currently regularly meeting as the Phase 2 project is actively in progress. The Phase 1 Steering Committee is assembled on an ad-hoc basis when issues or decisions arise that require their input.

Day-to-day operations of the Dynamics 365 platform is a shared responsibility between Ecology's IT Services Office (ITSO) and Fiscal Office. ITSO has a dedicated D365 Administrator position. The business aspects of the solution from an operational perspective is largely the responsibility of the Fiscal Office. Currently, the agency's Senior Financial Advisor and Fiscal Business Analyst are the primary business support positions. These roles will be maintained through most of the phase 2 project, but Ecology has dedicated funding to hire an ongoing Financial Systems Business Manager and Business Analyst. When those positions are successfully recruited, responsibilities will be transferred from those existing team members.

### **Planning and readiness**

3. Describe how your agency will resource the project management of this project. Will in-house resources be used, or will resources be acquired? How has organizational change management been factored into planning and approach? Has the project requested a project management approach to be used for this project? Describe whether project and organizational change management resources are included in this request or will be provided by in-kind resources. Describe whether the proposed budget includes costs associated with independent quality assurance.

This decision package is intended to fund the ongoing maintenance and operational costs associated with the solution that was originally implemented from 2018 – 2020 and expanded during 2020 – 2021. Project Managers were used during the initial implementations, but this role is not an anticipated need for ongoing maintenance and operation. Similarly, independent quality assurance was used during the implementation of the solution but are not part of the ongoing maintenance.

As described above, day-to-day operations of the Dynamics 365 platform is a shared responsibility between Ecology's IT Services Office and Fiscal Office. Ecology has three FTEs between these two offices within the agency's base budget.

From the eHub Phase 1 and Phase 2 implementation projects, organizational processes for ongoing needs such as training, bugs, decision making, and system enhancements has already been handled or will be addressed during the phase 2 project prior to the start of maintenance and operations.

Ecology leveraged an Organizational Change Management (OCM) Specialist during both Phase 1 and Phase 2. Ecology is confident that in working with this resource the appropriate tools, training, and reinforcement measures are in place to support the successful ongoing use of the platform.

## Technical alignment

### Strategic alignment

4. Using specific examples, describe how this investment aligns with strategic elements of the Enterprise Technology Strategic Plan. Examples of strategic principles that tie back to tenets of the strategic plan include, but are not limited to: buy don't build, solutions hosted on modern hosting solutions, solutions promoting accessibility, early value delivery of functionality throughout the project, and modular implementation of project features.

Ecology's implementation work around Dynamics 365 is an excellent example of alignment with the State's Enterprise Technology Strategic Plan in multiple ways. To begin, Ecology's investment in the D365 platform represents a significant departure from the agency's previous culture and preference for custom-built solutions. Dynamics 365 is one of several recent commercial off the shelf (COTS) / software as a service (SaaS) technology implementations the agency has made. This shift to SaaS ensures that Ecology's financial and administrative applications will be well supported and maintainable for the foreseeable future because of the benefits offered by the continuous delivery included with Dynamics 365.

During the phase 1 project, Ecology flexed project management methodologies to lean toward a more agile or iterative approach. This enabled user of the solution to more quickly see their designs come to life and better validate that the solution would ultimately satisfy the documented business needs.

Finally, Ecology successfully implemented accounts receivable, cashiering, loan management, and fee billing during the phase 1 project. In phase 2, Ecology will be taking advantage of additional modules within the Dynamics 365 platform, which demonstrates a solution with modular implementation capabilities. The agency is able to leverage more of the solution when the organization is ready to take it on, but at the same time business is not hampered by modules that are not implemented (the solution still feels complete even with a modular approach).

## Technical alignment

5. Using specific examples, describe how this investment aligns with technical elements of the Enterprise Technology Strategic Plan. Examples of technical principles that tie back to tenets of

the strategic plan include, but are not limited to: technology reuse, data minimization, incorporating security principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

Data integrity and minimization is one of the largest technical achievements that Ecology has realized from its work with Dynamics 365. Prior to the eHub Phase 1 project, a high degree of data duplication occurred between multiple financial and administrative systems. In some cases, this duplication was automated and in other cases, it was human-entered and prone to error.

These manual or incomplete handoffs between systems lead to the proliferation of “shadow systems” within the agency- Excel spreadsheets or Access databases that helped support day-to-day business.

These manual-handoffs and shadow systems resulted in audit findings, incorrect data in IT systems, rework, and frustration from internal and external stakeholders alike. From the work of eHub Phase 1 and with the work that will be continued in phase 2, Ecology has a single, authoritative source for nearly all financial management processes and data for business processes that the system currently supports.

### **Reuse and interoperability**

6. Does the proposed solution support interoperability and/or interfaces of existing systems within the state? Does this proposal reuse an existing solution or existing components of a solution already in use elsewhere in the state? If the solution is a new proposal, will it allow for such principles in the future? Provide specific examples.

This solution utilizes the work previously developed by the agency. During that initiative the interfaces were developed to establish a technology framework for automating processes between the Ecology system, the Office of the State Treasurer, and the state accounting system, AFRS.

The solution is configured to enable the exchange of data with the state’s AFRS financial system, Ecology’s eTime System, and the WaTech Enterprise Reporting Business Intelligence service.

The project also integrates data transfer with the agency’s internal revenue management applications. The combined data supports critical internal business processes and reporting.

This solution relies on the existing AFRS batch interface offered by the Office of Financial Management. Ecology’s investment in Dynamics 365 better prepares for the agency for the State’s One Washington Initiative and other enterprise IT efforts.

Ecology has a large portfolio of custom financial and administrative applications. Consolidation and streamlining of these internal systems would be a prerequisite before Ecology could successfully integrate with any enterprise solution. Otherwise, the enterprise solution would be required to support nearly a dozen integrations for just a single agency.

Ecology’s ability to perform its subsidiary business functions within a consolidated solution eliminates shadow systems and guarantees higher quality data, which benefits both the agency and enterprise.

If Ecology were to expand the solution in an additional phase, these principles would remain true in the future. Ecology has a high interest in consolidating and streamlining existing internal financial and administrative systems to ease the transition to any future enterprise solutions brought by One Washington or other initiatives.

## Business alignment

### Business driven technology

7. What are the business problems to be addressed by the proposed investment? These business problems should provide the basis for the outcome discussion below. Describe how end users (internal and external) will be involved in governance and implementation activities.

The primary business problems were most directly resolved as part of the implementation of the Phase 1 and Phase 2. This decision package is intended to fund the ongoing costs associated with the solution that was originally implemented from 2018 – 2020 and expanded during 2020 – 2021.

Ongoing funded is required to sustain the benefits that were realized from the phase 1 and additional benefits that will be delivered from the phase 2 project.

In Phase 1, the significant business drivers were outdated systems that were no longer meeting today's business needs, including new requirements mandated by the Legislature. The four systems were extremely difficult to modify, and use technology that is no longer standard or supported in most enterprise environments. Because these systems could not be modified to meet business needs, business needs had to be met outside the system. Manual data handoffs between the systems lead to duplicate data entry, errors, and audit concerns. The manual operations also lead to the proliferation of "shadow systems" – staff creating their own spreadsheets and desktop databases. These shadow systems only compounded risk to the agency, because these additional tools were built with little attention to security or disaster recovery functions.

Primary business drivers in Phase 2 include Ecology's heavy reliance on an external vendor and mainframe. The two systems Ecology seeks to replace during the active phase 2 project were built and are maintained by a retired contractor. Other resources with this skillset are expensive and become more difficult to obtain as time goes on. Due to the technical limitations of the current system, changes and enhancements to accommodate today's business needs very challenging, resulting in "shadow systems" and workarounds outside the system.

The Phase 2 Project is under OCIO Oversight and scheduled for completion on July 1, 2021. The project has an Executive Steering Committee that makes decisions, assists with the timely resolution of issues, and various other responsibilities. From a day-to-day operational perspective, the solution is co-managed between the IT Services Office and Fiscal Office. Ecology has role and responsibility documents used internally to delineate the responsibilities between the operational teams.

### Measurable business outcome

8. Strategic and Performance Outcomes (Chapter 2 - 2021-23 Budget Instructions) of the decision package response will be used to identify how this proposed IT investment improves business outcomes within your agency. The description in the decision package should provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology investment.

This decision package is intended to fund the ongoing costs associated with the solution that was originally implemented from 2018 – 2020 and expanded during 2020 – 2021. Funding for this decision package would ensure that benefits already realized from phase 1 and benefits soon to be realized from phase 2 would be sustained in the long term.

Specific business outcomes and benefits from phase 1 included:

- All revenue related general ledger accounting is consolidated and processed in one system

- All cash receipting is consolidated and processed in one system
- All general and loan receivables are consolidated and processed in one system
- Elimination of all duplicative data entry related to revenue management between systems within the scope of the project
- Elimination of all manually triggered revenue management system integrations
- Encryption of most revenue/receivable financial data while at rest and in-transit

Phase 2 will expand these previous outcomes and yield new business outcomes. The anticipated outcomes from phase 2 include:

- Ability to automatically produce electronic the Federal Financial Reports (FFR/SF424) report monthly, quarterly, or annually from the system, print and email to federal agency.
- Ability to automatically produce provide a budget status report at federal reporting level (project or sub project) comparing federal award (budget) to actual expenditures monthly, quarterly or as needed and a variance percentage.
- Ability to digitize and track many currently paper-based processes, including the sending of invoices, timesheets, and site logs electronically through the system for approval.
- Ability to automatically calculate different indirect rates based on object structure and the funding rules established for a contract.

### Decision Package Urgency

9. Address the urgency of implementing the technology investment in this cycle and impacts to business if technology effort doesn't proceed as planned?

Ecology has actively been using Dynamics 365 since the successful Phase 1 implementation in May of 2020. The operational costs for the fiscal year from July 1, 2020 – June 30, 2021 are covered within the eHub Phase 2 project's budget. After this fiscal year, the agency has not secured funding for the ongoing licensing, usage costs, and support contracts.

Due to the mission-critical nature of the business processes that Dynamics 365 runs for the agency, shutting the solution down or entirely defunding it is not possible. If this decision package is not funded, the agency will need to drastically reduce external support for the solution and redirect existing base budget to support the solution's ongoing costs.



JAY INSLEE  
Governor



STATE OF WASHINGTON

May 1, 2020

**TO:** Laura Watson, Director  
Department of Ecology

**FROM:** Sue Langen, Deputy Director of Strategy and Management  
Office of the Chief Information Officer

A handwritten signature in blue ink, reading "Sue Langen".

Vann Smiley, One Washington Executive Director  
Office of Financial Management

A handwritten signature in blue ink, reading "Vann Smiley".

**SUBJECT: Administrative and Financial Systems Approval – Integrated Grant and Revenue System (eHub Phase 2)**

Thank you for your recent request for Administrative and Financial Systems Approval [as required](#) in the Statewide Administrative and Accounting Manual.

The proposed investment will support the replacement of the Department of Ecology's (ECY) aging federal grant receivables system and the cost recovery and billing for cleanup sites. This investment is a continuation of the Integrated Revenue Management System, as part of the eHub program. Phase 1 completed Accounts receivable, Fee billing, Loan management, and Cashiering.

Phase 2 addresses federal grant accounting and cost recovery billing for cleanup activities that Ecology is involved with. Currently, these efforts are supported by the sister systems Grant Receivable System (GRS) and Toxics Cleanup Cost Recovery System (TCCRS). These systems allow ECY to collect, manage, and track revenue from federal grant receivables and cost recovery on cleanup activities.

- Federal grant accounting
- Cost recovery and billing for cleanup sites (an expansion of AR)

Phase 2 has been reviewed and is approved with the following conditions:

1. ECY will migrate to the One Washington Solution when available.
2. ECY is required to meet any new accounting standards and financial reporting requirements.
3. ECY must assign a representative to be on the financial advisory group led by Brian Tinney in support of condition 2 above.
4. The project must plan for the use of standard One Washington integrations.
5. ECY will notify the OCIO of any other major systems changes based on this rollout.

Laura Watson  
May 1, 2020  
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6. Additional review and approval must be requested if the scope of this effort changes to include other administrative or financial processes.
7. The agency must comply with other project assessment, review and oversight activities as outlined in technology policy and standards.

If you have additional questions or concerns, please contact [me](#) at (360) 407-8686.

cc: Brian Tinney, OFM  
Lisa Darnell, ECY  
Cristie Fredrickson, ECY



STATE OF WASHINGTON

WASHINGTON TECHNOLOGY SOLUTIONS

Office of the Chief Information Officer

1500 Jefferson Street SE ▪ Olympia, Washington 98504-1501

May 6, 2020

**TO:** Laura Watson, Director  
Department of Ecology

**FROM:** Sue Langen, Deputy Director for Strategy and Management  
Office of the Chief Information Officer

**SUBJECT: Waiver Request for Standard 183.20.10 – Identity Management and User Authentication**

The Office of the Chief Information Officer (OCIO) received your April 13, 2020 request for a waiver to [OCIO Technology Standard 183.20.10 – Identity Management and User Authentication](#). The Department of Ecology (Ecology) requested the waiver to meet timelines and contractual obligations for a successful May 1, 2020 deployment of the agency's new eHub financial management system.

Prior to Ecology's formal waiver request, staff from the OCIO and Ecology exchanged emails and phone calls to clarify the need for a waiver and discussed Ecology's plan to mitigate risk and achieve compliance. Based on these conversations, the OCIO sent an email to Christie Fredrickson, Ecology CIO, on April 23, 2020. The email confirmed informal approval of the waiver request and explained that this formal approval letter would follow.

Ecology's eHub applications are built on the cloud-based Microsoft Dynamics 365 platform and are currently operating in Ecology's own private Microsoft Tenant – known as WAEcology. The requested waiver will allow Ecology to establish and manage a minimal number of tenant administrator accounts using identity services native to the WAEcology tenant instead of the state's standard Enterprise Active Directory (EAD), as required by OCIO Standard 183.20.10.

Because of technical requirements inherent with the Microsoft tenant architecture, these non-EAD administrator accounts are required until such time as Ecology moves the eHub applications from the WAEcology tenant to the state's shared Enterprise Microsoft Tenant. After that, Ecology will have no need for global tenant administrator accounts because the Enterprise Tenant is secured and managed by WaTech (see [OCIO Policy 185.10- Enterprise Service: Enterprise Business Processes for Internal Identity Management](#)).

The requested waiver is APPROVED until June 30, 2022, with the following conditions:

1. Ecology will create a maximum of four (4) non-EAD managed administrator accounts in the WAEcology tenant and will ensure the accounts:
  - a. Are used only to perform necessary global administration functions for the WAEcology tenant and the Microsoft Dynamics 365 platform; and,

- b. Are secured and managed according to requirements defined in [OCIO Standard 141.10](#) and Ecology's risk mitigation plan submitted with the waiver request as Attachment A.
- 2. Except for allowances specified in condition #1, Ecology will fully comply with OCIO policies and standards [141.10](#), [183.20.10](#) and [185.10](#) for all identity management and user authentication functions, e.g. all regular eHub users will authenticate using the state's standard EAD.
- 3. Ecology will use the WAEcology tenant only for the purpose of hosting Microsoft Dynamics services directly required for the secure operation and optimal performance of the eHub financial management system. No other products may be licensed in the tenant without approval from the OCIO.
- 4. By June 30, 2022, Ecology will complete full migration of all eHub applications and data to the state's shared Enterprise Microsoft Tenant and will decommission the WAEcology tenant and associated administrator accounts. Ecology will notify the OCIO when decommissioning is complete.

If you have questions or concerns about the waiver disposition, please contact [Dan Mercer](#) at (360) 407-9056.

cc: Cristie Fredrickson, Ecology  
James Weaver, WaTech  
Vinod Brahmapuram, WaTech  
Scott Bream, WaTech  
Dan Mercer, WaTech  
Laura Parma, OCIO

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## Agency Recommendation Summary

The Public Participation Grant Program is a competitive grant program that provides funding to help individuals and not-for-profit public interest organizations facilitate public participation in the investigation and remediation of contaminated sites, carry out waste management education projects, and promote or improve state or local solid waste or hazardous waste management plans. Ecology is requesting a maintenance level adjustment of \$1,289,000 to keep grant funding aligned with the mandated level of one percent of moneys collected under RCW 82.21.030, Hazardous Substance Tax. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

## Fiscal Summary

<b>Fiscal Summary</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2022</b>	<b>2023</b>	<b>2021-23</b>	<b>2024</b>	<b>2025</b>	<b>2023-25</b>
<b>Operating Expenditures</b>						
Fund 23P - 1	\$644	\$645	<b>\$1,289</b>	\$644	\$645	<b>\$1,289</b>
Total Expenditures	<b>\$644</b>	<b>\$645</b>	<b>\$1,289</b>	<b>\$644</b>	<b>\$645</b>	<b>\$1,289</b>

## Decision Package Description

The Public Participation Grant (PPG) Program enables individuals and not-for-profit public interest organizations to conduct education and outreach work pertaining to the investigation and cleanup of contaminated sites and carry out waste management projects.

State law requires one percent of revenues collected from the Hazardous Substance Tax (HST) be allocated only for PPG (RCW 70A.305.180(4)). This is a maintenance level request to align PPG funding with the mandated level according to state law.

The PPG Program was enacted in 1988 when Washington voters passed Initiative 97, the Model Toxics Control Act. The PPG Program provides funding for the cost of technical experts to help Washington residents understand the contaminated site cleanup process and to help them develop waste reduction and recycling programs. The funding enables residents to make informed comments and be involved in the decision-making process for hazardous waste cleanup sites, and to develop programs that will prevent future contaminated sites. Outreach and education grants encourage public participation and environmental stewardship.

### Impacts on Population Served:

The adjusted 2021-23 PPG budget level of \$3.96 million will fund approximately 34 grants.

### Alternatives Explored:

Alternatives were not explored because this request fulfills a statutory requirement.

### Consequences of Not Funding This Request:

If this request is not funded, the state would be out of compliance with RCW 70A.305.180(4).

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

The 2021-23 estimated carryforward level (CFL) for the PPG Program is \$2.68 million. The base budget supports 1.0 direct FTE to write and administer grant agreements each year and provide grant funding to individuals and not-for-profit public interest organizations statewide. The PPG appropriation is from the Model Toxics Control Operating Account and is part of Activity A013 - Fund Local Efforts to Clean Up Toxic Sites and Manage or Reduce Waste. About one third of the funding is distributed in the first fiscal year of the biennium, and the rest in the second year, since the first year includes time spent initiating grant agreements and ramping up work. Administrative Overhead related to this activity is in the agency's Administration Activity A002.

### **Detailed Assumptions and Calculations:**

Historically, the PPG Program was funded with one percent of the money deposited into the State and Local Toxics Control Accounts. Starting in the 2013-15 Biennium, PPG funding comes from one percent of the moneys collected under RCW 82.21.030, Hazardous Substance Tax. (Second Engrossed Second Substitute Senate Bill 5296 Model Toxics Control Act, Laws of 2013 2nd Special Session, Section 9(7)).

The estimated 2021-23 CFL of \$2,676,583 is below the estimated one percent of HST revenue collections from the previous two years of \$3,965,616, based on Fiscal Year 2019 and Fiscal Year 2020 Phase 1 Generally Accepted Accounting Principles (GAAP) actuals.

Ecology is requesting a maintenance level increase of \$1,289,000 (\$644,500 for Fiscal Year 2022 and \$644,500 for Fiscal Year 2023) to keep PPG funding aligned with the mandated level of one percent of moneys collected under RCW 82.21.030.

ML Calculation: [2021-23 Biennium PPG ML Change] = [1 percent x Fiscal Year 2019 actuals + Fiscal Year 2020 actuals thru phase 1] - [2021-23 Biennium PPG CFL]  
1,289,000 = \$3,965,616 - \$2,676,583

### **Workforce Assumptions:**

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
N	Grants, Benefits, and Client Services	644,500	644,500	644,500	644,500	644,500	644,500
	<b>Total Objects</b>	<b>644,500</b>	<b>644,500</b>	<b>644,500</b>	<b>644,500</b>	<b>644,500</b>	<b>644,500</b>
<b>Staffing</b>							
Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<b>Total FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### **Explanation of costs by object:**

All costs are Grants (Object N).

### **How is your proposal impacting equity in the state?**

In the last two biennia, PPG criteria has been successfully revised to award more grants to projects with a strong environmental justice component. Examples include recycling and reuse information to African immigrant communities in King County and pesticide toxicity outreach to migrant farmworker communities in eastern Washington.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing three goals in Ecology's strategic plan:

- Goal 1: Support and engage our communities, customers, and employees – PPG is a pass through grant program that funds not-for-profit community groups to engage in the cleanup of contaminated sites or develop waste reduction, recycling programs. This grant program greatly enhances the ability of economically disadvantaged communities have sufficient resources to engage in cleanup decisions and recycling programs not readily available in their community.
- Goal 2: Reduce and prepare for climate impacts – Diversion of food from the waste stream prevents greenhouse gases. Repair café projects also prevent greenhouse gasses by providing the education and training to fix existing products, instead of buying new ones that must be manufactured.
- Goal 3: Prevent and reduce toxic threats and pollution – About half the grants in the PPG program fund contaminated site outreach, to encourage resident participation in the cleanup process (protecting communities from toxic threats).
- Goal 5: Protect and restore Puget Sound – Many of the contaminated site education grants are on (or in) Puget Sound.

This request provides essential support to the Governor's Results Washington Goals:

- Goal 2: Prosperous Economy – Partnering with residents and communities in the cleanup process allows for faster and more effective cleanups, resulting in more cleanup jobs and new economic development opportunities.
- Goal 3: Sustainable Energy and a Clean Environment – Encouraging individuals and not-for-profit public interest organizations to carry out environmental education projects will motivate people to change their behavior and be more responsible environmental stewards. Increasing public participation in solid and hazardous waste planning will improve those plans. These actions will create a cleaner environment now and in the future.
- Goal 4: Healthy and Safe Communities – Involving individuals and not-for-profit public interest organizations in environmental health issues in their communities will bring more resources and more action to address those issues.

### **Performance Outcomes:**

The outcome of this request will be an increase in PPG grant funding to individuals and not-for-profit public interest groups for informing residents about cleanups in their local area and educating the public about waste reduction efforts. All PPG projects must provide substantial and measurable public benefit and improve public participation through education and outreach. The projects have well-defined activities that show measurable behavior change related to the problems addressed.

Below are examples of PPG projects from the 2019-21 Biennium:

- Direct outreach to encourage public participation in contaminated site cleanups like Hanford, Tacoma smelter plume, and Duwamish River, to the most impacted communities, such as tribes and low-income neighborhoods.
- Programs in Whatcom, King, and Pierce Counties that coordinate food waste prevention by connecting food banks to restaurants and large events to redistribute uneaten food.
- Development and training on a mobile application related to the dangers of pesticides for the Hispanic farmworker community statewide.
- Education and outreach to the refugee and immigrant fishing community on reducing stormwater contamination.
- Food waste composting classes for the African immigrant community.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Some PPG projects support the goals of cities, counties, tribes, or agencies that are participating in cleanup activities in communities; for example, the Spokane River, Hanford, and Duwamish cleanups.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

This request supports the Puget Sound Action Agenda implementation through Ongoing Program OGP\_ECY45: Solid Waste Management - Public Participation Grants and is linked to the following Regional Priority Approaches:

- TIF1.1: Enhance pollutant reduction programs, corrective measures and increase authorities and programs to prevent toxic chemicals from entering Puget Sound.
- FUND1.2: Explore and utilize new sources of funding, and enhance existing sources of funding.

Excerpt from the 2018-2022 Puget Sound Action Agenda Implementation Plan: “*The magnitude of work to protect and recover Puget Sound that occurs through ongoing programs cannot be overstated—ongoing programs are recognized as the critical foundation for Puget Sound recovery.*”

### **Legal or Administrative Mandates:**

State law requires one percent of revenues collected from the Hazardous Substance Tax (HST) be allocated only for PPG (RCW 70A.305.180(4)).

### **Stakeholder Response:**

Ecology prioritizes projects that give diverse community groups a chance to learn about and help solve the state's environmental problems. These diverse groups include those who are economically disadvantaged or do not identify English as their first language. Ecology also gives priority to projects that meet an unmet demand, that facilitate public comment on Ecology activities, or are proposed by first-time applicants.

## Reference Documents

[ML Public Participation Grants Attachment.pdf](#)

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. N	\$644	\$645	\$1,289	\$644	\$645	\$1,289

## Agency Contact Information

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## DEPARTMENT OF ECOLOGY

### PUBLIC PARTICIPATION GRANTS 1% CALCULATION

Purpose: Provide calculation for public participation grant (PPG) biennial budget adjustments. RCW 70.105D.190(4) of the Model Toxics Control Act requires one percent of the moneys collected under RCW 82.21.030 Pollution tax (HST) to be allocated for PPG.

*FY2013-2019 HST Revenue from AFRS, FY 2020 actuals thru FM12 phase 1.*

**Updated 8/19/2020**

Biennium	Year	Actual Revenue	Two Yrs Actual Rev	1% of Previous 2 Yrs	PPG Approp	Difference	Enacted Budget Adjustment
2011-13	2013	\$ 200,760,791					
	2014	\$ 195,322,497					
2013-15	2015	\$ 147,625,708	\$ 396,083,288				
	2016	\$ 112,207,500		\$ 3,960,833	\$ 3,528,583	\$ 432,250	\$ 428,000
2015-17*	2017	\$ 123,516,117	\$ 259,833,208				
	2018	\$ 144,223,204		\$ 2,598,332	\$ 3,956,583	\$ (1,358,251)	\$ (1,359,000)
2017-19	2019	\$ 150,665,320	\$ 267,739,321				
	2020 (phase 1)	\$ 245,896,255		\$ 2,677,393	\$ 2,597,583	\$ 79,810	\$ 79,000
2019-21	2021		\$ 396,561,575				
	2022			\$ 3,965,616	\$ 2,676,583	\$ 1,289,033	
2021-23	2023						

\* The 2016 Supplemental cut PPG \$3.8 million for the 2015-17 Biennium leaving no funding for grants. The amount was restored at 2017-19 carryforward.



Department of Ecology  
2021-23 Regular Budget Session  
Maintenance Level - MJ - WCC Member Wages and Benefits

## Agency Recommendation Summary

The Washington Conservation Corps (WCC) collaborates with organizations to complete environmental restoration and recreation enhancement projects statewide. As the state minimum wage continues to increase, WCC must increase the living allowance and benefits package for its AmeriCorps members to remain competitive with other opportunities, retain members for their full terms, and allow anyone eligible the opportunity to serve, regardless of socio-economic background. This is an equity adjustment in the living allowance to ensure it is comparable to, and consistent with, the state minimum wage law. Ecology requests state funding to maintain 388.5 members and staff with WCC's cost-share model, where partners provide 75 percent and Ecology provides a 25 percent match through a mix of AmeriCorps grant funds and state appropriation. (Model Toxics Control Operating Account, General Fund-Federal, General Fund-Private/Local)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 001 - 2	\$18	\$41	\$59	\$41	\$41	\$82
Fund 001 - 7	\$83	\$186	\$269	\$186	\$186	\$372
Fund 23P - 1	\$50	\$113	\$163	\$113	\$113	\$226
Total Expenditures	\$151	\$340	\$491	\$340	\$340	\$680
<b>Revenue</b>						
001 - 0315	\$18	\$41	\$59	\$41	\$41	\$82
001 - 0597	\$83	\$186	\$269	\$186	\$186	\$372
Total Revenue	\$101	\$227	\$328	\$227	\$227	\$454

## Decision Package Description

The Washington Conservation Corps (WCC) is an AmeriCorps program that creates leaders in environmental and disaster services through robust training, community involvement, field skill development, hands-on experience, and mentoring of young adults, ages 18 to 25, and military veterans. There are 388.5 members and staff across the state who restore critical habitat, improve trails, reduce wildfire hazards, control erosion, and respond to local and national disasters.

### WCC Cost-Share Model

WCC completes projects in partnership with nearly 90 local and tribal governments, nonprofit entities, and state and federal agencies (see Attachment 1 for a list of 2019-21 partner organizations). These partners pay 75 percent of WCC's crew and intern costs. The remaining 25 percent cost-share is funded by a combination of state appropriation and the federal AmeriCorps grant. In addition to WCC crews, there are 20 interns placed as AmeriCorps Individual Placements funded on a 75/25 basis.

Please note that the 25 percent cost-share is different from the percentage of state funding supporting total WCC costs. State appropriation funds 100 percent of 8.5 FTEs headquarters staff who are not part of the 75/25 cost-share model. Instead, these FTEs provide management and program administration to support all 315 WCC members (315 members + 65 field staff + 8.5 headquarters staff = 388.5 total). In addition, federal funds support 100 percent of costs related to national disaster response deployments.

While the 75/25 cost-share model is not required, it is the best approach for funding WCC in a marketplace of other AmeriCorps programs. To determine the appropriate cost-share level, WCC reviewed federal funding opportunities for environmental restoration and recreational enhancements – and most require a minimum 25 percent cost-share. In addition, WCC performs an annual review of the amount of time crews dedicate to direct service. After accounting for crew time not in direct service (e.g., holidays, member recruitment, hiring, orientation, training, and evaluation), the partner organization receives about 75 percent of a crew member's available time. Youth Corps programs across the country replicate this cost-share model.

In the 2019-21 Biennium, Ecology submitted a budget request, and received additional state appropriation, to cover increasing costs in WCC, including minimum wage increases and corresponding benefit cost changes. This additional funding allowed Ecology to maintain the current 75/25 percent cost-share model through the current biennium. However, as costs related to minimum wage and benefits continue to increase, Ecology requires a maintenance level adjustment for the 2021-23 Biennium to maintain the WCC's 388.5 members, staff, and the 75/25 percent cost-share model.

### Living Allowance

Under RCW 49.46.020, the statewide minimum wage is set at \$13.50 per hour for calendar year 2020, and will increase each year based on the U.S. consumer price index for urban wage earners and clerical workers (CPI-W). In the western United States, the 12-month CPI-W has increased by an average of 2.6 percent annually since 2016 (see Attachment 2 for current CPI-W rates). Based on current data available, the statewide minimum wage is expected to increase by 2.6 percent each year, beginning January 1, 2021.

- Increase by \$0.35 in Calendar Year 2021 to \$13.85 per hour.
- Increase by \$0.36 in Calendar Year 2022 to \$14.21 per hour.
- Increase by \$0.37 in Calendar Year 2023 to \$14.58 per hour.

Ecology requests state appropriation in order to increase WCC members' living allowance to align with the upcoming changes to the state's minimum wage, and maintain the current cost-share model through the 2021-23 Biennium. WCC currently pays its members a semi-monthly living allowance in exchange for an 11.5-month commitment to complete environmental and disaster services. The living allowance is set at a rate equivalent to the state's minimum wage for each specific crew year, and distributed accordingly during a WCC member's service term.

WCC crew years run from October 1 to September 15 and align with the Federal Fiscal Year. This maintenance level budget request covers crew years 2021-2022 (October 1, 2021 through September 15, 2022) and 2022-23 (October 1, 2022 through September 2023). Based on the projected increases in the state's minimum wage in January 2021, 2022, and 2023, the WCC semi-monthly living allowance for these crew years will increase as follows:

Crew Year	Semi-Monthly Living Allowance	Avg. Monthly Min. Wage During That Crew Year
2020-2021*	\$1,100	\$13.76
2021-2022	\$1,128	\$14.12
2022-2023	\$1,158	\$14.49

\*Living allowance costs covered by budget add from 2019-21 Operating Budget.

These living allowance increases total \$601,015 in the 2021-23 Biennium, including associated increases in benefits and administration. Per RCW 43.220.231 a five percent administrative rate is applied to all costs in WCC as part of partner agreements. Twenty-five percent, or \$150,255, is requested in state appropriation from the Model Toxics Control Operating Account (MTCA-Operating). The remaining funding needed for the partner share of the increase is requested in General Fund-Federal and General Fund-Private/Local appropriation. Ecology is not requesting the portion of the increase that is expected to be funded by inter-agency agreements (IAAs) with state agency partners, as appropriation for those IAAs is not needed.

For additional details on the minimum wage and living allowance increases for each crew year, see Attachment 3: Equitable Living Allowance Calculation and Crosswalk. For a detailed breakdown of the cost increases associated with these living allowance adjustments, see Attachment 4: WCC Member Living Allowance Impact.

#### Medical Insurance

Under the terms of its federal AmeriCorps grant, Ecology must provide its WCC members Affordable Care Act-compliant medical insurance. These costs continue to increase at approximately nine percent per year, mirroring national trends. For the 2021-23 Biennium, these increases total \$51,277, including associated administration. Twenty-five percent, or \$12,819, is requested in state appropriation from MTCA-Operating. The remaining funding needed for the partner share of the increase is requested in federal and private/local appropriation. Ecology is not requesting the portion of the increase that is expected to be funded by IAAs with state agency partners, as appropriation for those IAAs is not needed. For more detail on these health insurance cost increases, see Attachment 5: WCC Health Insurance Impacts.

#### Request Summary

Providing a competitive living allowance (consistent with the state's minimum wage) and a competitive benefits package will ensure WCC can continue to support and retain its 315 members, and remain in compliance with the requirements of our federal grant funding. Ecology's AmeriCorps grant is reimbursed on a flat fee-per-member basis tied to enrollment and retention. Funding for these cost adjustments is essential to ensuring that Ecology can fully enroll and retain its members in order to make full use of our federal funding opportunities.

#### **Impacts on Population Served:**

##### WCC Members

WCC members are young adults, age 18 to 25, and military veterans. In addition to the living allowance and training provided by WCC, they earn an AmeriCorps educational award of \$6,195. Unemployment rates routinely run two to three times greater for young adults than all other age groups. Military veterans suffer from higher unemployment rates than their civilian counterparts. It is anticipated that the post-COVID-19 economy could have similar impacts for these two demographics. The WCC has demonstrated successful outcomes, including recent studies showing links between outdoor work, stress reduction, and personal resilience. Importantly, these studies affirmed the Legislature's "therapeutic and reintegration intent of the Veterans Conservation Corps for veterans involved in the Puget Sound corps" specified in WCC's authorizing legislation (Chapter 20, Laws of 2011).

##### WCC Partner Organizations

The health of the state's ecosystems directly affects the economies, health, and safety of our communities. Washington's natural resources support more than one-third of the state's economy. Improving and protecting at-risk ecosystems is vital to rural jobs and small businesses involved in forestry, farming, fishing, and recreation. Maintaining the 75/25 cost-share model will preserve the diverse portfolio of 90 partner organizations that currently include small non-profit entities and rural counties and cities that cannot otherwise afford to complete necessary

environmental restoration. The WCC provides job and education opportunities for youth and military veterans in these locations, and helps meet Ecology's mission to protect Washington's air, land, and water.

### **Alternatives Explored:**

#### Pass all increasing costs on to partners

Without additional state funding, the WCC could still increase the living allowance for its members, but it would have to shift those costs to our external partners. This shift would change the current 75/25 cost-share model, where partners pay 75 percent of crew costs and the remainder is supported by state appropriations and our federal AmeriCorps grant.

The 75/25 cost-share model is an eligibility requirement for state and federal grants and contracts that require a minimum 25 percent match. If WCC were to pass all these increased costs onto partners, the program would no longer be eligible for state and federal grants that require a minimum 25 percent match.

Reduced state support will reduce the pool of organizations that can serve as WCC partners. As WCC's costs rise, small nonprofits and governmental organizations from less-resourced areas of the state will be priced out, limiting WCC's statewide reach and reducing environmental restoration projects in some of the state's most critical areas such as the San Juan Islands, the Chehalis and Columbia River basins, and the Olympic Peninsula.

This alternative would also reduce WCC's capacity for disaster deployments and investments in training. Partner organizations currently agree to pause their project work (and payment) so crews can respond to disasters and participate in training. Partners would be less inclined to support these activities if they had to pay a higher amount for crew time.

#### Reduce WCC crews

WCC could close the \$163,074 shortfall in MTCA-Operating funding by reducing 2.23 WCC crews (\$36,703 MTCA-Operating funding x 2.23 crews x 2 years = \$163,695). However, cutting crews has a multi-layered, cumulative impact on WCC funding.

AmeriCorps funding would be turned away. The AmeriCorps grant is reimbursed based on enrollment and retention. If Ecology eliminates 2.23 crews, then commensurate AmeriCorps funding would be removed from the grant. There are five members on each crew. So, a reduction of 2.23 crews would result in a reduction of 12 crew members (2.23 crews x 5 crew members = 12 crew members each year). A reduction of 12 crew members would mean a \$160,200 reduction in AmeriCorps grant funding for the 2021-23 Biennium (\$6,675 per member x 12 members x 2 years). Since past enrollment and retention drives future AmeriCorps funding, funds will not increase after a reduction. This would be a permanent loss of funding to the program.

AmeriCorps also provides educational loan forbearance and a \$6,195 education award to each member completing WCC, so a loss of 12 crew members would also result in \$148,680 in lost educational benefits (12 crew members x \$6,195 x 2 years). These education awards are used in continuing higher education, and if cut, would translate to a loss of revenue for our state's higher education institutions.

Partner funding would be turned away. State and federal AmeriCorps funding makes up the 25 percent share of total crew costs. Without the 25 percent cost-share, Ecology would have nothing to offer partners who are ready to provide their 75 percent share. In Fiscal Year 2022, a crew will cost \$280,312. The partner share of these costs will be \$210,234. A reduction of 2.23 crews during the 2021-23 Biennium would result in \$937,644 in WCC partner funding having to be turned away (\$210,234 partner share per crew x 2.23 crews x 2 years = \$937,644).

This alternative would reduce the size of the WCC program and decrease capacity to respond to disaster deployments. When competing for federal AmeriCorps funding, WCC's leadership on deployments is a primary consideration. AmeriCorps grant application reviewers award higher points for disaster services (tier 1 priority) than for environmental services (tier 2 priority). WCC may cease to secure AmeriCorps funding entirely if our capacity to respond to disasters is curtailed.

Reducing WCC's size would lead to increased proliferation of invasive species and increased flood hazards from unabated erosion. There would also be less salmon recovery and decreased access to public lands. Job opportunities for young adults and military veterans would decrease, as would services to in-need communities following a disaster.

### **Consequences of Not Funding This Request:**

Without state funding to maintain the 75/25 cost-share model, WCC would be required to either change its cost-share model and increase our partners share, or cut crews. The consequences of these alternatives are noted in the Alternatives Explored section.

## **Assumptions and Calculations**

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

In 2011, legislation passed that folded the WCC programs previously housed at the Washington departments of Fish and Wildlife, Natural

Resources, and State Parks into the Ecology WCC program. That legislation specified the Legislature’s intent was “...to expand the conservation corps in all areas of the state” and “...to increase opportunities for meaningful work experience.” In the first year, the WCC grew to 65 crews and 27 interns – a total program made up of 430 members and staff. WCC has maintained a program size of 388.5 members and staff since 2013, with the exception of the 2017-19 and 2019-2021 biennia when seasonal crews were cut to make up for a funding shortfall and in response to a global pandemic.

Ecology is requesting state appropriation needed to cover projected increases in the statewide minimum wage, associated benefit costs, and medical insurance costs. This request will continue the 2013 level of service, including seasonal crews. It does not expand or alter the current WCC program or its services.

#### **Detailed Assumptions and Calculations:**

The total increased costs projected for the 2021-23 Biennium are \$652,297. Ecology requests the 25 percent state share of \$163,074 from MTCA-Operating to maintain the WCC program at 388.5 members and staff. In addition, Ecology requests \$58,707 in federal appropriation and \$269,074 in private/local appropriation for the partner share of federal and private/local costs. The remaining costs of \$161,442 are anticipated from IAAs, which will occur in object S and therefore are not included in this budget request.

Per RCW 43.220.231 a five-percent administrative rate is applied to all costs in WCC as part of partner agreements.

#### **Workforce Assumptions:**

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
B	Employee Benefits	24,304	43,056	43,056	43,056	43,056	43,056
N	Grants, Benefits, and Client Services	119,467	280,652	280,652	280,652	280,652	280,652
T	Intra-Agency Reimbursements	7,189	16,187	16,187	16,187	16,187	16,187
<b>Total Objects</b>		<b>150,960</b>	<b>339,895</b>	<b>339,895</b>	<b>339,895</b>	<b>339,895</b>	<b>339,895</b>

Staffing			<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Job Class	Salary							
<b>Total FTEs</b>			<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

#### **Explanation of costs by object:**

Living allowance increases are shown in object N at \$119,467 for FY 2022, \$280,652 in FY 2023, and ongoing.

Benefits associated with living allowance increases are calculated at 6.2% of salaries for Social Security and 1.45% of salaries for Medicare. These are \$9,139 in FY 2022, and \$21,471 in FY 2023, and ongoing. Member health insurance increases are also shown in object B at \$15,165 in FY 2022, and \$21,585 in FY 2023, and ongoing.

The five-percent agency administrative costs are shown in object T and are \$7,189 in FY 2022, and \$16,187 in FY 2023, and ongoing.

#### **How is your proposal impacting equity in the state?**

The WCC provides full-time positions for young adults and military veterans in 18 Washington counties. Of these counties, 15 have unemployment rates exceeding the national average, including nine counties designated as rural. In addition, five percent of WCC members are military veterans or active duty reservists, and nearly ten percent of WCC crew supervisors are military veterans.

If WCC is unable to increase its member’s living allowance to be equitable with the state’s minimum wage, the results would be highly inequitable. Only individuals with external resources would be able to accept a year or two of WCC participation at a wage lower than the state’s minimum. WCC membership would become an elite experience for only those with pre-existing privileges, while those with fewer resources will be priced out of participation.

Given that WCC membership frequently leads to careers in environmental restoration, this has long-term implications for the future because it will constrict the pipeline of diverse individuals prepared to take environmental leadership roles in Washington. It will be more challenging for all state agencies to find employees who have experience in environmental restoration. WCC membership opens doors to new generations of environmental leaders in our state. Failing to increase the living allowance would mean closing the door of opportunity for many young adults.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing the following goals in Ecology's strategic plan:

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

WCC crews engage in a wide range of environmental restoration projects including:

- Installing native plantings.
- Removing invasive species.
- Adding woody debris to streams to improve salmon habitat.
- Spreading salmon analogs to improve the health of streams and rivers.

WCC crews engage in the actual, boots-on-the-ground work of reducing and preparing for climate change. Last year, WCC crews improved or cleared 3,495 acres of land across the state. Crews spent 16,500 hours monitoring, surveying, and collecting data to improve our understanding of the environmental problems and outcomes of restoration projects.

WCC crews reduced toxic threats and protected the Puget Sound as well. WCC crews removed creosote-treated debris from beaches, marine and estuarine waters, immediately eliminating a source of pollution. Several WCC crews participated in the broad effort to clean up Polychlorinated Biphenyls (PCBs) after contaminated transformer oil spilled in Olympia's Capital Lake.

WCC also contributes to long-term environmental protection goals by making nature more accessible to the public. We know when people engage with nature by hiking, birdwatching, camping, and boating, it builds an environmental ethic, making the public more likely to be committed to protecting nature in the future. Last year, WCC crews installed or improved 306 miles of public trails and built or improved nearly 2,400 campsites.

This request supports the Governor's Results Washington Goal of Sustainable Energy and Clean Environment. WCC members are the on-the-ground resources who:

- Restore salmon and wildlife habitat.
- Plant trees and shrubs.
- Remove invasive species.
- Treat forested lands for forest health and fire reduction.

In Fiscal Year 2020, WCC crews planted more than 488,000 trees or shrubs to shade wetlands and streams to reduce water temperatures. By restoring wetlands and stabilizing stream banks, WCC is helping communities control erosion and reduce flood risks.

Additionally, this request supports the Governor's Goal of Healthy and Safe Communities and a Prosperous Economy by increasing access to living wage jobs. Every year, WCC provides real world job training to 315 members. This training readies our WCC members for employment in:

- Environmental restoration.
- Environmental monitoring.
- Environmental policy.
- Disaster planning and response.

About 50 percent of WCC members do not have college degrees so the AmeriCorps education award affords members the opportunity to pursue college coursework. For members with student loans, the education award helps them pay down these loans as they start their careers. This request supports the state-share of wages for members during their WCC participation. By continuing to support an equitable increase to the living allowance to match the minimum wage, the state is helping ensure continued participation in the program so members do not have to leave WCC service to earn the minimum wage. WCC provides opportunities for military veterans through its sub-program, the Veteran Conservation Corps. Currently, five percent of WCC members are military veterans or active duty reservists and nearly ten percent of WCC crew supervisors are military veterans.



**Performance Outcomes:**

The outcome of this request will be adequate funding to continue the legacy of a nationally-recognized Washington Conservation Corps. Continuing state support at its current size will help WCC meet our state and federal performance goals:

1. Remove invasive species and install native plants to improve habitat for fish and wildlife.
2. Increase public access and safety by constructing or improving trails.
3. Reduce the risk of floods and wildfires through forest health management.
4. Assist in disaster response.
5. Provide service opportunities for young adults and military veterans.

**Other Collateral Connections**

**State Workforce Impacts:**

N/A

**Intergovernmental:**

In Fiscal Year 2020, state agency partners, including the departments of Fish and Wildlife, Health, Military, Natural Resources, Transportation, and the State Parks and Recreation Commission, all relied on WCC for environmental and disaster services. These agencies request funding from their budgets and external sources to support the partner's 75 percent share of WCC crew costs. They invest in WCC because they know it provides hands-on experience for the next generation of environmental leaders who are the pipeline for recruitment into their agencies.

WCC also partnered with nine different federal agencies, including every national forest and park in Washington. Our federal partners track WCC's demographic data for crews serving on their projects as these agencies work to increase diversity, equity, and inclusion within their organizations. A complete list of WCC partners is available in Attachment 1.

All of these partners rely on WCC crews to install native plants, remove noxious weeds, build trails, reduce brush to mitigate fire risk, recover from floods, and a host of other restoration and disaster service activities. These partners rely on having WCC crews in every corner of the state fully staffed with members who can complete the projects. Our partners expect WCC to represent the communities where crews are serving. If WCC does not provide competitive pay and benefits, WCC risks insufficient crews to support partner needs, making it more difficult to staff those crews with diverse members that represent their communities.

These organizations rely on WCC's cost-share model as a cost-effective investment to complete restoration projects and develop new environmental leaders.

**State Facilities Impacts:**

N/A

**Changes from Current Law:**

N/A

**Puget Sound Recovery:**

N/A

**Legal or Administrative Mandates:**

This budget request is an effort to align the WCC member living allowance with state's minimum wage requirements under RCW 49.46.020.

Chapter 43.220.231 RCW sets limitations on use of funds (agency administrative costs, program support costs, and supervision of WCC members).

WCC is bound by agreements with:

- Corporation for National and Community Service (CNCS)/AmeriCorps, sub-grant provided through Office of Financial Management/Serve Washington (current award expires 09/30/2021). Scoring criteria include demonstrated need, intervention, logic model, evidence base, funding priority, member training and supervision, member experience, commitment to AmeriCorps, organizational capability, and cost effectiveness and budget adequacy. CNCS's legal authority to award these grants is found in the National and Community Service Act of 1990, as amended, (NCSA) (42 U.S.C. 12501 et seq.)

- Corps members (current service term expires 09/30/2021). Member agreement specifies term of service, living allowance equal to minimum wage, health insurance and childcare benefits, sick leave, member development, and responsibilities of the WCC.
- Project Partners (expiration dates vary, 48 agreements slated to end September 2021). Agreements specify number of WCC crews (1 crew supervisor and 5 AmeriCorps members), number of weeks purchased, weekly rate, and Ecology share.

#### **Stakeholder Response:**

In Fiscal Year 2020, WCC partnered with 22 cities and counties, 11 conservation districts, six regional fishery enhancement groups, 17 non-profit organizations, and six tribal governments to complete environmental restoration projects. These partners support this request for funds because it maintains the existing cost-share arrangement while also increasing member wages. The cost-share structure has also been communicated to partner organizations so they can plan their future budgets. Living allowance and education award funds are invested back into their communities and support recruiting and retaining members serving these organizations through WCC. Our partner organizations also want to help WCC build experienced environmental specialists who can move into leadership roles in cities, counties, tribes, and non-profit entities.

This budget request allows WCC to continue to offer cost-effective services within a marketplace of other AmeriCorps programs, and provide career opportunities to Washington's young adults and veterans. The 75/25 cost-share provides incentive for partner organizations to invest in WCC's development model for young adults and military veterans, while remaining flexible when state or federal emergency managers request WCC disaster assistance. Without this cost-share, or by increasing partners' share further, WCC will become a mere labor force for our partners, with production becoming the primary goal. If production becomes the primary goal, these partners may choose service providers that do not shift crew resources when disaster services are required.

#### **Reference Documents**

[WCC Member Wages and Benefits Attachment.xlsx](#)

#### **IT Addendum**

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

#### **Objects of Expenditure**

<b>Objects of Expenditure</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2022</b>	<b>2023</b>	<b>2021-23</b>	<b>2024</b>	<b>2025</b>	<b>2023-25</b>
Obj. B	\$24	\$43	<b>\$67</b>	\$43	\$43	<b>\$86</b>
Obj. N	\$120	\$281	<b>\$401</b>	\$281	\$281	<b>\$562</b>
Obj. T	\$7	\$16	<b>\$23</b>	\$16	\$16	<b>\$32</b>

#### **Agency Contact Information**

Bridget Talebi  
(360) 407-6946  
brim461@ecy.wa.gov

## Attachment 1: WCC 2019-21 Partner Organizations

As of 8/17/2020

### Federal

Bureau of Land Management  
Corporation for National and Community Service (AmeriCorps)  
Federal Emergency Management Agency (national disaster)  
Mount Rainier National Park  
North Cascades National Park  
Olympic National Park  
US Army Corps of Engineers  
US Fish and Wildlife - Nisqually  
US Forest Service/Colville National Forest  
US Forest Service/Gifford Pinchot National Forest  
US Forest Service/Okanogan-Wenatchee National Forest  
US Forest Service/Mount Baker-Snoqualmie National Forest  
US Forest Service/Olympic National Forest

### Tribal Governments

Confederated Tribes of the Umatilla Indian Reservation  
Nooksack Tribe  
Sauk-Suiattle Indian Tribe  
Snoqualmie Indian Tribe  
Tulalip Tribes  
Yakama Nation

### Private Organizations and Local Governments

Asotin Conservation District  
Back Country Horsemen of Washington  
Bainbridge Island Land Trust  
Cascade Columbia Fisheries Enhancement Group  
Cascadia Conservation District  
Chelan County  
City of Bellingham

### Private Organizations and Local Governments (cont.)

City of DuPont  
City of Issaquah  
City of Kirkland  
City of Mount Vernon  
City of Olympia  
City of Redmond  
City of Seattle  
City of Tacoma  
Clark County  
Conservation Northwest  
Forterra NW  
Grays Harbor Conservation District  
Hood Canal Salmon Enhancement Group  
Jefferson County Noxious Weed Control Board  
King County Conservation District  
King County  
Kitsap Conservation District  
Methow Conservancy  
Metro Parks Tacoma  
Mid-Columbia Fisheries Enhancement Group  
Mountaineers Foundation dba Keta Legacy Foundation  
Nisqually Land Trust  
Nooksack Salmon Enhancement Association  
North Olympic Salmon Coalition  
North Yakima Conservation District  
Olympia Coalition for Ecosystems Preservation  
Palouse Conservation District  
Pierce Conservation District  
Pierce County Parks  
Pierce County Public Works

## Attachment 1: WCC 2019-21 Partner Organizations

### Private Organizations and Local Governments (cont.)

Port of Seattle  
 Puget Sound Restoration Fund  
 San Juan County Land Bank  
 San Juan County Public Works  
 San Juan Preservation Trust  
 Seattle City Light  
 Skagit Fisheries Enhancement Group  
 Skagit Land Trust  
 Snohomish Conservation District  
 Snohomish County  
 Snoqualmie Valley Watershed Improvement District  
 Stevens County Conservation District  
 Vashon Maury Island Land Trust  
 Walla Walla County Conservation District  
 Washington Trails Association  
 Whatcom County Flood Control Zone District  
 Whatcom County Parks and Recreation  
 Whatcom Land Trust  
 Whidbey Camano Land Trust

### State Agencies

Washington Department of Fish and Wildlife  
 Washington Department of Health  
 Washington Department of Natural Resources  
 Washington Department of Transportation  
 Washington Military Department  
 Washington Military Department/Emergency Mgmt Division  
 Washington Office of Financial Management/Serve WA  
 Washington State Parks and Recreation

### Offices within Ecology & Flood Responses

Department of Ecology/Flume Removal  
 Department of Ecology/Maple Valley Flood Response  
 Department of Ecology/Nisqually flood response  
 Department of Ecology/Toxics Cleanup Program/Harper Estuary  
 Department of Ecology/Walla Walla Flood Response

## Attachment 2: CPI for Urban Wage Earners and Clerical Workers (CPI-W)

### 12-Month Percent Change

Purpose

Series Id: CWUR0400SA0

Series Title: All items in West urban, urban wage earners and clerical workers, not seasonally adjusted

Area: West

Item: All items

Years: 2016 to 2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2016	2.6	1.9	1.1	1.5	1.0	1.2	0.9	1.1	1.7	2.1	2.2	2.3	1.6	1.6	1.7
2017	2.3	3.0	3.0	2.8	2.6	2.4	2.5	2.8	3.0	3.0	3.2	3.3	2.8	2.7	3.0
2018	3.3	3.2	3.3	3.5	3.7	3.9	3.9	3.8	3.5	3.7	3.5	3.1	3.5	3.5	3.6
2019	2.6	2.3	2.4	2.8	2.9	2.6	2.5	2.4	2.5	2.7	2.7	2.7	2.6	2.6	2.6
2020	2.9	3.1	2.5	1.2	0.6	1.1	1.7							1.9	

West Annual Average, 2016 to Present

2.6

Source: August 17, 2020 data extract from:

<https://www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm>

### Attachment 3: Equitable Living Allowance Calculation and Crosswalk

Purpose: This attachment provides the calculation details and crosswalk between the projected statewide minimum wage each month, and the WCC living allowance for each crew year. September 2020

Month	Hours	2020-2021 Crew Year			2021-2022 Crew Year			2022-2023 Crew Year		
		Min. Wage	Monthly	Living Allowance	Hours	Min. Wage	Monthly	Living Allowance	Hours	Min. Wage
October	160	13.50	2,160.00	2,077.53	160	13.85	2,216.00	2,256.86	170	14.21
November	140	13.50	1,890.00	2,199.74	150	13.85	2,077.50	2,256.86	150	14.21
December	170	13.50	2,295.00	2,199.74	160	13.85	2,216.00	2,256.86	160	14.21
January	160	13.85	2,216.00	2,199.74	170	14.21	2,415.70	2,256.86	160	14.58
February	150	13.85	2,077.50	2,199.74	150	14.21	2,131.50	2,256.86	150	14.58
March	190	13.85	2,631.50	2,199.74	190	14.21	2,699.90	2,256.86	190	14.58
April	170	13.85	2,354.50	2,199.74	160	14.21	2,273.60	2,256.86	160	14.58
May	160	13.85	2,216.00	2,199.74	170	14.21	2,415.70	2,256.86	170	14.58
June	180	13.85	2,493.00	2,199.74	180	14.21	2,557.80	2,256.86	180	14.58
July	160	13.85	2,216.00	2,199.74	150	14.21	2,131.50	2,256.86	150	14.58
August	180	13.85	2,493.00	2,199.74	190	14.21	2,699.90	2,256.86	190	14.58
September	50	13.85	692.50	611.04	40	14.21	568.40	501.52	40	14.58
Subtotal	1,870		25,735		1,870		26,404		1,870	
Leave adjustment			(1,049)	N/A			(1,077)	N/A		
<b>Total</b>			<b>24,686</b>	<b>24,686</b>			<b>25,327</b>	<b>25,327</b>		
Semi-monthly living allowance:			<b>1,100</b>	<b>1,100</b>			<b>1,128</b>	<b>1,128</b>		
										<b>1,158</b>

Hourly Wage Leave Adjustment	
(120.00)	Estimated hours of leave/member, max allowed under WCC's AmeriCorps attendance policy
43.75	Hours of paid sick leave, accrue 1 hour of leave for every hour served when earning an hourly wage
(76.25)	Unpaid leave hours = difference between total permitted absences and paid sick leave hours



## Attachment 4: WCC Member Living Allowance Impact

Purpose: This attachment provides the calculation details for the funding requested to adjust WCC members' living allowance (with associated benefits/administration) for the 2021-23 Biennium.  
September 2020

					FY22		FY23		Total
	Semi-Monthly Living Allowance Per Member	Change/Semi-Monthly	# of Corps Members		7/1/2021 - 9/15/2021	10/1/2021 - 6/30/2022	7/1/2022 - 9/15/2022	10/1/2022 - 6/30/2023	
Crew Year 2020-2021 (10/1/20 - 9/15/21)	1,100								
Crew year 2021-2022 (10/1/21 - 9/15/22)	1,128	28.00	315			158,760	44,100	158,760	
Crew year 2022-2023 (10/1/22 - 9/15/23)	1,158	30.00	315					170,100	
<b>Biennial Living Allowance Total</b>						<b>158,760</b>	<b>44,100</b>	<b>328,860</b>	<b>531,720</b>
<b>Benefits Summary</b>									
		BA/OASI 6.2%				9,843	2,734	20,389	32,966
		BH/Medicare 1.45%				2,302	639	4,768	7,709
<b>Biennial Benefits Total</b>						<b>12,145</b>	<b>3,373</b>	<b>25,157</b>	<b>40,675</b>
<b>Biennial Admin Fee 5% Total</b>		Administration Fee 5%				<b>8,545</b>	<b>2,374</b>	<b>17,701</b>	<b>28,620</b>
<b>Total Request</b>						<b>179,450</b>	<b>49,847</b>	<b>371,718</b>	<b>601,015</b>
<b>Fund Source Breakdown</b>									
<b>25% State Share (23P-1)</b>						<b>44,863</b>	<b>12,462</b>	<b>92,930</b>	<b>150,255</b>
<b>75% Partner Share</b>						<b>134,588</b>	<b>37,385</b>	<b>278,789</b>	<b>450,762</b>
001-020						16,151	4,486	33,455	54,092
001-500						74,023	20,562	153,334	247,919
Inter-Agency Agreements (not shown in DP)						44,414	12,337	92,000	148,751
<b>Total Request (Shown in DP)</b>						<b>135,037</b>	<b>37,510</b>	<b>279,719</b>	<b>452,266</b>

Statewide: Minimum Wage to Living Allowance Calculation	Living Allowance	Avg. Min. Wage
2020-2021 Crew Year	1,100	13.76
2021-2022 Crew Year	1,128	14.12
2022-2023 Crew Year	1,158	14.49

**Notes:**

1. WCC Crew Year reflects the Federal Fiscal Year (October - September).
2. See Attachment 3 for minimum wage and living allowance calculations and crosswalk details.
3. Minimum wage reflects the current or projected statewide minimum wage for each month of the identified crew year. Projected minimum wage months assume increases each January of 2.6%, tied to the CPI for Urban Wage Earners and Clerical Workers (CPI-W) per RCW 49.46.020.

## Attachment 5: WCC Health Insurance Impacts

Purpose: This attachment provides the calculation details for the funding requested to cover increases in health care costs for WCC members during the 2021-23 Biennium.  
September 2020

	FY22		FY23		Total
	7/1/2021 - 9/30/2021	10/1/2021 - 6/30/2022	7/1/2022 - 9/30/2022	10/1/2022 - 6/30/2023	
<b>Benefits Summary</b>					
Member Health Insurance		20,152	6,717	21,966	48,835
<b>Biennial Benefits Total</b>		<b>20,152</b>	<b>6,717</b>	<b>21,966</b>	<b>48,835</b>
<b>Biennial Admin Fee 5% Total</b>		<b>1,008</b>	<b>336</b>	<b>1,098</b>	<b>2,442</b>
<b>Total Request</b>		<b>21,160</b>	<b>7,053</b>	<b>23,064</b>	<b>51,277</b>
<b>Fund Source Breakdown</b>					
25% State Share (23P-1)		<b>5,290</b>	<b>1,763</b>	<b>5,766</b>	<b>12,819</b>
75% Partner Share		<b>15,870</b>	<b>5,290</b>	<b>17,298</b>	<b>38,458</b>
001-020		1,904	635	2,076	4,615
001-500		8,731	2,910	9,514	21,155
Inter-Agency Agreements (not shown in DP)		5,237	1,746	5,708	12,691
<b>Total Request (Shown in DP)</b>		<b>15,925</b>	<b>5,308</b>	<b>17,356</b>	<b>38,589</b>

### Notes:

1. WCC uses a broker to negotiate the best available health insurance rate for members.
2. Brokerage estimates for statewide insurance trends assumes a 9% annual increase.
3. Calculation for FY22 & FY23 (QTR 1) insurance increase:  $9\% \times \$151.81$  (projected rate for 2020-2021) = \$13.67 monthly increase.  
\$13.67 x 12 months x 315 members x 52% enrollment rate for crew year Oct-Sept 2022.
4. Calculation for FY23 (Oct-Jun) insurance increase:  $9\% \times \$165.47$  (projected rate for 2020-2021) = \$14.90 monthly increase.  
\$14.90 x 9 months x 315 members x 52% enrollment rate for new crew year.

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Department of Ecology  
2021-23 Regular Budget Session  
Maintenance Level - MI - Teck Metals Litigation Support

## Agency Recommendation Summary

This request aligns with the Office of the Attorney General's (AGO) budget request for Phase 3 of the Pakootas v. Teck Metals, Ltd. (Teck) litigation, in which Washington and the Confederated Tribes of the Colville Reservation are co-plaintiffs in federal district court. Phases 1 and 2 of the litigation previously established Teck's liability for releases of metals and other chemicals into the Columbia River from its smelting complex in Canada. Phase 3 of the litigation is needed to recover natural resource injuries and damages as a result of pollution from the smelter operations. This request is to support expert and AGO resources needed for Phase 3 of the litigation, which Ecology will then be billed for. Ecology is requesting appropriation, consistent with the AGO's budget request, to cover these increased legal costs. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 23P - 1	\$763	\$571	\$1,334	\$0	\$0	\$0
Total Expenditures	<b>\$763</b>	<b>\$571</b>	<b>\$1,334</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Decision Package Description

The upper Columbia River / Lake Roosevelt Site is a very large toxic cleanup site, extending approximately 151 river miles of the Columbia River — from the U.S. / Canadian border, downstream to the Grand Coulee Dam. This includes uplands in the upper Columbia River Valley near the border impacted by smelter air pollution. Several metals, such as arsenic, zinc, cadmium, lead, copper, and mercury, dumped from the smelter during the last century, have affected upper Columbia River / Lake Roosevelt sediments and fundamental aquatic life and habitats. Pollution also includes widespread soil contamination from a century of metals smelting smokestack emissions affecting habitats of the upper Columbia River Valley near the U.S. / Canadian border of Stevens County. The primary source being the Teck Metals, Limited (Teck) metal ore smelting complex in Trail, British Columbia. Teck was previously known as Teck Cominco. (See details about the upper Columbia site at: <https://fortress.wa.gov/ecy/gsp/Sitepage.aspx?csid=12125>)

The smelter impacts affect two indigenous populations who live and share management of aquatic resources along the river—the Indians Confederated Tribes of the Colville Reservation and the Spokane Tribe of Indians. For both tribal nations, the river is a central focus of their culture and identity. The injury also impacts recreation, fishery management, wildlands, and habitats in northeast Washington. The economies of the area notably benefit from recreation centered on the river and Lake Roosevelt resources.

The Pakootas litigation began in 2004. Phase 1 resulted in a court finding that Teck is liable under the federal Superfund law for releases of hazardous substances in the United States. Phase 2 resulted in an \$8-plus million response costs judgment to the Colville Tribes (the state settled its response costs claim with Teck). Phase 3 of the litigation is currently on hold to allow Teck and the Upper Columbia River Natural Resources Trustee Council (Trustee Council) to engage in Natural Resource Damages (NRD) settlement discussions. The Trustee Council is comprised of designated statutory natural resource trustees, Ecology, and Colville Tribes' representatives. The Trustee Council presented Teck with a settlement proposal in September 2019. Negotiations between the Trustee Council and Teck have been unsuccessful to date, although the parties are now discussing engaging in mediation.

Remaining joint litigation by the Confederated Tribes of the Colville Reservation (Colville Tribes) and the State of Washington (State) seeks to recover statutory damages from the polluter for injuries to natural resources (known as natural resource damages, or NRD). Securing judgment for natural resource injuries due to smelter pollution is critical to achieving appropriate and full compensation for Washington residents and provides resource restoration that will mitigate losses in the upper Columbia River and Valley due to decades of environmental injury from the smelter.

As matters currently stand, the Office of the Attorney General (AGO) expects Phase 3 of this litigation to begin in early 2021. This budget request, which aligns with the AGO's budget request, will fund costs for AGO representation, independent scientific and economist expert witnesses, required research and supplemental data acquisition or analysis, and other litigation support activities that will be billed back to Ecology by the AGO. The request will support Ecology and the AGO's efforts to complete the litigation and prove Teck's NRD obligations in federal court.

Ecology, in consultation with the AGO, will provide updates on the funding needed to support litigation costs during the 2021-23 Biennium to OFM and the Legislature in November and February before budget proposals are finalized.

### Impacts on Population Served:

Ecology has developed extensive experience in the long-term costs and consequences to the community and environment from smelter pollution. Examples include the Tacoma ASARCO Smelter, Commencement Bay, and industrial cases like the Duwamish. Restoring habitats becomes a multi-year effort. By ensuring compensation for resource injuries caused by the liable party, the losses are restored, compensated, or mitigated

on behalf of Washington State residents. The magnitude of losses for the upper Columbia River / Lake Roosevelt site are estimated well into the tens of millions of dollars. Completing the litigation with the liable party, in this case for natural resource injuries, means millions of dollars in natural resource compensation claims will be pursued.

The area of impact is broad, directly influencing three counties (Lincoln, Ferry, and Stevens), with Stevens County the most affected. The pollution impacts a free-flowing reach of the Columbia River entering from Canada and the Lake Roosevelt National Recreation Area, a major eastern Washington recreation and fishery management area. While this request addresses natural resource injuries, the upper Columbia River Valley near Northport and the Canadian Border has thus far undergone numerous residential yard clean ups to remove smelter metals and reduce risks. Fish consumption advisories remain necessary.

#### **Alternatives Explored:**

Requesting additional funding is the only option Ecology considered. The litigation cannot be supported by reductions in other areas. Cleanup work is funded by the Model Toxics Control Act (MTCA) accounts. The state and the Colville Tribes have participated in a multi-party upper Columbia River Natural Resources Trustee Council that has dedicated over a decade to define and quantify natural resource injuries and NRD. Various 'cooperative agreements' with Teck Metals occurred over this period. High-level formal negotiations for out-of-court settlement with the company have been unsuccessful. Settlement continues to remain an alternative, but not at the severe cost of undermining adequate and justified public trust compensation; for this polluter, litigation may be mandatory to assure admission of guilt and adequate state compensation for losses.

This is a request for litigation support. The legal requirements and schedules are dictated by the courts. There are not process improvements or best practices that can be influenced by Ecology or the AGO.

#### **Consequences of Not Funding This Request:**

Without full NRD determinations made in federal court, Teck will not be obligated, nor compelled, to pay for past or future injuries to natural resources. They are the party responsible for the widespread pollution in the upper Columbia River and Valley. The State would not have the authority to require monetary compensation for restoration of lost natural resources. The final phase of this federal litigation for recovery of natural resource damages compensation is ripe. Not funding this budget request places over 16 years of litigation to this point, and the final multi-million dollar claim, in jeopardy.

## **Assumptions and Calculations**

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This request is not an expansion or alteration of a current program. There is no base budget for litigation support and expert witnesses.

### ***Detailed Assumptions and Calculations:***

The AGO and Ecology estimate one-time costs to be \$1,334,000 for aquatic, economic, and upland injury experts and studies, plus AGO costs, for litigating Phase 3 during the 2021-23 Biennium.

The estimate assumes the remaining scope of work includes completing additional discovery (factual and expert), assessing expert reports filed by Teck, producing expert reply reports, and other related tasks. It does not include preparing for and presenting the case at trial, which is not anticipated to occur within the 2021-23 Biennium. The AGO has provided input on this estimate based on experience litigating Phase 1 (including a review of Phase 1 tasks and costs).

The AGO anticipates the following costs and tasks will be required in litigating Phase 3:

Hiring specialized experts to support Ecology's position in the litigation was estimated by the AGO at a cost of \$960,000. Expert tasks will include:

1. Data gathering and assembly
2. Meetings with AAGs
3. Review of relevant trial-related materials
4. Preparation of expert report and possible rebuttal report
5. Helping to prepare AAGs for depositions and cross-examination of opposing experts

AGO will need to perform numerous tasks associated with the litigation including:

1. Researching, briefing, and arguing motions
2. Propounding and responding to discovery, including written discovery and depositions
3. Assisting expert witnesses in preparing their expert reports
4. Working with fact and expert witnesses to prepare them for depositions
5. Taking and defending depositions

Paralegal tasks include:

- 1. Document management associated with discovery
- 2. Compiling exhibit notebooks
- 3. Developing and arranging presentation of State’s electronic exhibits
- 4. Providing technical and other assistance to AAGs

To staff these functions, the AGO anticipates needing 0.75 AAG FTE, 0.2 LA3 FTE, and 0.2 Paralegal FTE through the biennium.

Ecology, in consultation with the AGO, will provide updates on the actual budget amount needed based on when litigation is initiated.

**Workforce Assumptions:**

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
E	Goods and Services	763,000	571,000				
	<b>Total Objects</b>	<b>763,000</b>	<b>571,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Staffing							
Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<b>Total FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Explanation of costs by object:**

Goods and Services (Object E) per Ecology and Office of Attorney General estimates of \$1,334,000.

**How is your proposal impacting equity in the state?**

The smelter impacts affect two indigenous populations who live and share management of aquatic resources along the river—the Confederated Tribes of the Colville Reservation and the Spokane Tribe of Indians. For both tribal nations, the river is a central focus of their culture, identity, and well-being. The injury also affects recreation, fishery management, wildlands, and habitats in northeast Washington. The economies of the area notably benefit from recreation centered on the river and Lake Roosevelt resources.

Stevens and Ferry Counties are faced with marked economic hardship. The percent of people who are low-income is much greater in both counties (38 percent and 43 percent, respectively), compared to the state (28 percent). Stevens and Ferry Counties are both designated by the Office of Financial Management (RCW 82.14.370) as meeting the “population density and land area criteria for rural area assistance and other programs.” And, both counties are on the Employment Security Department’s distressed areas list based on unemployment rates (RCW 43.168.020). Economic and health disparities will not be improved for these counties and their residents with delays in rehabilitation of the river and the economy it supports.

Thorough and timely legal proceedings are essential to uphold Washington State’s joint litigation obligations, and to ensure the mitigation of further economic, social, and environmental impacts to the upper Columbia River area of northeast Washington.



## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing a goal in Ecology's strategic plan to Prevent and Reduce Toxic Threats and Pollution and the Governor's Results Washington Goal 3: Sustainable Energy and a Clean Environment by investing funds to protect public health and natural resources.

Natural resource restoration, mitigation, or compensation are required when contaminants have historically injured natural resources or are at levels that are not safe for the environment. Examples include metals contamination in sediments that disrupt the aquatic food chain; effect habitat for fish species of concern, such as sturgeon native red band steelhead trout; or limit fish harvests.

This request would:

- Restore, mitigate, or secure compensation for high priority toxic pollutants or pollutant pathways by supporting continued litigation to establish NRD for all pathways of pollution. Securing claims for natural resource losses is fundamental to achieving compensation for injured natural resources.
- Allow Ecology to pursue ongoing State claims for terrestrial natural resource damages compensation.
- Support securing a judgment needed to partially restore lost natural resources due to smelter pollution.
- Avoid future resource management costs to citizens and future uncompensated losses of upper Columbia natural resources by ensuring the polluter pays for all cleanup and resource injuries, not Washington State residents.
- Produce key data and legal interpretations needed to inform site-specific and statewide cleanup and injury determination programs by paying for expert scientific and technical data to support the pollution litigation.

### **Performance Outcomes:**

The outcome of this request will be adequate funding to provide high quality, timely and efficient legal services to Ecology in support of this litigation. This will allow Ecology to focus on its core mission.

The outcome of the both the AGO and Ecology requests will provide dedicated resources for the State to pursue compensation and restoration for natural resource injuries in the Upper Columbia River region caused by Teck Metals smelter pollution.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

This smelter pollution is a long-standing issue in the affected areas and subject to several years of investigation, actions, and community awareness. The Confederated Tribes of the Colville Reservation are co-plaintiffs. The joint litigation, in no small way, has compelled the liable party to be held accountable.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

The request is part of ongoing federal court litigation.

### **Stakeholder Response:**

Ecology has the support of concerned residents, the greater Northport community, and environmental groups.

IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. E	\$763	\$571	\$1,334	\$0	\$0	\$0

Agency Contact Information

Angie Wirkkala  
(360) 688-3214  
angie.wirkkala@ecy.wa.gov

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## Agency Recommendation Summary

The Attorney General's Office (AGO) is requesting funding to compel the U.S. Department of Energy (USDOE) to meet its Hanford cleanup deadlines that USDOE has failed to meet. Specifically, USDOE has failed to meet deadlines in the *Washington v. Brouillette* (formerly *Washington v. Perry*) consent decree. Additionally, Ecology may issue a determination requiring USDOE to design new storage tanks as a contingency measure. If so, USDOE will likely appeal that determination. Legal service needs in both situations will entail substantial AGO staff resources and a need to hire specialized experts, which the AGO will then bill Ecology for the costs. Ecology is requesting appropriation, consistent with the AGO's budget request, to cover these increased legal costs. (Radioactive Mixed Waste Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 20R - 1	\$800	\$800	\$1,600	\$0	\$0	\$0
Total Expenditures	\$800	\$800	\$1,600	\$0	\$0	\$0
<b>Revenue</b>						
20R - 0294	\$800	\$800	\$1,600	\$0	\$0	\$0
Total Revenue	\$800	\$800	\$1,600	\$0	\$0	\$0

## Decision Package Description

The *Washington v. Brouillette* consent decree, originally entered in 2010, established deadlines for single-shell tank waste retrievals and start-up of the Waste Treatment and Vitrification Plant. Concurrent with the consent decree, Ecology and the U.S. Department of Energy (USDOE) added additional requirements to Hanford's Tri-Party Agreement, including the requirement for USDOE to issue a periodic System Plan to evaluate scenarios and identify actions to optimize tank waste retrievals and treatment. Based on the System Plan, Ecology and USDOE are required to negotiate certain milestones, including contingency actions to ensure retrieval deadlines are met. Installation of new storage tanks is an example of a contingency action.

After over a year of discussions, System Plan negotiations concluded in 2019 without full resolution. It became clear through these negotiations that USDOE does not expect to meet certain retrieval and treatment deadlines. Nonetheless, USDOE has been unwilling to implement Ecology's proposed contingency plan, including designing new storage tanks. In addition, in 2019 and 2020, USDOE provided the state with notices that it considers multiple deadlines under the *Washington v. Brouillette* consent decree to be at risk of being missed. In June 2020, the parties began mediated discussions in an attempt to reach a "holistic" resolution of these issues. If the parties do not reach agreement, Ecology's Director can resolve the System Plan dispute by issuing a unilateral order requiring USDOE to take certain measures, which USDOE would likely appeal. The AGO also anticipates federal court litigation to enforce the *Washington v. Brouillette* consent decree and seek other relief. The litigation under both scenarios would involve discovery, extensive motions practice, hiring of experts, and possibly a trial. The AGO needs funding for these legal services to support Ecology in these matters. This would result in AGO costs to Ecology above our budgeted amount for legal services.

Ecology and the AGO both submitted Decision Packages in 2020 and received one-time funding in the 2020 Supplemental Operating Budget for litigation costs this biennium (\$1.069 million). However, due to delays in discussions between the parties, the anticipated litigation has not yet begun. Ecology noted this possibility in our 2020 Decision Package, saying that, "If the timeframe and costs for this litigation extend past the 2019-21 Biennium, Ecology, in consultation with the AGO, would most likely pursue a 2021-23 budget request to cover the additional costs".

The AGO now anticipates that litigation could begin as soon as January 2021. In that case, Ecology would use a portion of the funding received in the supplemental budget to cover our increased legal costs over the last six months of this biennium. After consulting with the AGO, Ecology estimates that if litigation begins by January 2021, we could spend up to \$200,000 of the funding received in the supplemental budget by June 30, 2021.

However, funding will be needed to cover litigation costs during the 2021-23 Biennium. The AGO's estimates for the total cost and length of the litigation have not changed significantly from last year (a total of \$1.71 million needed over two years; now \$1.8 million need over two years). However, because litigation could start by January 2021, and Ecology could spend up to \$200,000 by the end of this biennium, both the AGO and Ecology budget requests for the 2021-23 Biennium have been adjusted accordingly.

### Summary of Needs and Costs for 2021-23 Biennium

2021-23 AGO FTE Costs	\$600,000
2021-23 Chemical Engineering and Heuristics Experts	\$1,000,000
<b>Total Need for 2021-23</b>	<b>\$1,600,000</b>
Funding Received in 2020 Supplemental	\$1,069,000
Anticipated Expenditures in Fiscal Year 2021	-\$200,000
Funding Expected to be Unspent in 2019-21 – Request to Move Funds to 2021-23	\$869,000
New Funding Requested for 2021-23	\$731,000
<b>Total Request for 2021-23</b>	<b>\$1,600,000</b>

Ecology, in consultation with the AGO, will provide updates on the funding needed to support litigation costs during the 2021-23 Biennium to OFM and the Legislature in November and February before budget proposals are finalized.

#### Impacts on Population Served:

This request will help continue to ensure that state agencies and state officers have the authority to enforce laws, protect, and enhance the lives to Washington residents.

#### Alternatives Explored:

This request aligns with the AGO's budget request. No alternatives were explored.

#### Consequences of Not Funding This Request:

If this request is not funded, Ecology would have to fund this litigation from its base budget. This would divert resources from critical environmental work and regulatory oversight activities at Hanford, which would significantly hamper Ecology's ability to carry out its mission.

#### JUSTIFICATION FOR NEW OR INCREASED FEE REQUEST:

1. Fee Name: Mixed Waste Management Fee

2. Current Tax or Fee Rate: 9,389,886 (FY20 Billing)

3. Proposed Rate:

FY 2022: 10,189,886

FY 2023: 10,189,886

4. Incremental Change for Each Year:

FY 2022: 800,000

FY 2023: 800,000

5. Expected Implementation Date: July 1, 2021

6. Estimated Additional Revenue Generated by Increase:

FY 2022: 800,000

FY 2023: 800,000

7. Justification: The Radioactive Mixed Waste Management Fee is intended to fund Ecology's implementation of the Hazardous Waste Management Act (Chapter 70A.300 RCW) at radioactive mixed waste facilities.

8. Changes in Who Pays: No changes, there are three radioactive mixed waste facilities. USDOE (Hanford), US Navy (PSNS), and Perma-Fix Northwest. USDOE will be billed for this increased fee.

9. Changes in Methodology: No changes in methodology.

10. RecSum Code: MH

11. Alternatives: No alternatives considered, increasing Mixed Waste Fees is appropriate for this.

12. Statutory Change Required? No

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

This request is not an expansion or alteration of any Ecology program or service. Expenditures are assumed to be one-time and occur during the 2021-23 Biennium.

### **Detailed Assumptions and Calculations:**

This request will provide Ecology one-time appropriation authority in the 2021-23 Biennium of \$800,000 in Fiscal Year 2022 and \$800,000 in Fiscal Year 2023. The AGO provided Ecology the cost estimate for this request, which includes:

Assistant Attorney General (AAG) Tasks:

1. Researching, briefing, and arguing motions.
2. Propounding and responding to discovery, including written discovery and depositions.
3. Assisting expert witnesses in preparing their expert reports.
4. Preparing trial briefs and written expert testimony.
5. Working with fact and expert witnesses to prepare them for trial.
6. Identifying trial exhibits.
7. Preparing opening statements, direct examinations, cross examinations, and closing arguments.
8. Presenting the State's case at trial.

Paralegal tasks:

1. Document management associated with discovery.
2. Compiling exhibit notebooks.
3. Developing and arranging presentation of State's electronic exhibits for trial.
4. Providing technical and other assistance to AAGs during trial.

To staff these functions, the AGO anticipates using 1.0 FTE of an AAG, 0.5 LA3 FTE, and 0.5 Paralegal FTE through the next biennium. This equates to a cost of \$600,000 for the 2021-23 Biennium.

The AGO anticipates hiring chemical engineering and heuristics experts to support Ecology's position in the litigation at an assumed cost of \$1,000,000. Expert tasks will include:

1. Meetings with AAGs.
2. Review of relevant materials.
3. Preparation of comments, expert report, and possible rebuttal report.
4. Preparing for and delivering live trial testimony.
5. Helping to prepare AAGs for depositions and cross-examination of opposing experts.

Ecology, in consultation with the AGO, will provide updates on the actual budget amount needed based on when litigation is initiated.

### **Workforce Assumptions:**

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
E	Goods and Services	800,000	800,000				
	<b>Total Objects</b>	<b>800,000</b>	<b>800,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Staffing</b>							
Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<b>Total FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### **Explanation of costs by object:**

Good and services, in Object E, are shown as \$800,000 in Fiscal Year 2022 and \$800,000 in Fiscal Year 2023 for AGO costs during the 2021-23 Biennium.

### **How is your proposal impacting equity in the state?**



The Hanford Site lies within the ceded lands of three tribal nations, who would like future access at Hanford to exercise treaty-assured rights. The treatment of large quantities of highly radioactive mixed waste is a necessary step towards tribal nations increasing their access to the Hanford site. Cleanup is planned with safety in mind to ensure safe cleanup and prevent potential releases which could impact low income, primarily Latinx populations downwind of the site. Public outreach and education efforts are frequently directed at the many Latinx students in our region to support and encourage the pursuit of STEM and educate the next generation of Hanford's skilled workforce.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing a goal in Ecology's strategic plan to Prevent and Reduce Toxic Threats and Pollution because it funds the resources needed for Ecology to provide effective oversight of the Hanford site cleanup. This request also supports the strategy to:

- Ensure that pollution and contaminated sites, including legacy environmental contamination, are managed and cleaned up, taking into consideration environmental justice, environmental and human health, community needs, and economic vitality.

This request provides essential support to the Governor's Results Washington Goals: Healthy and Safe Communities and Efficient, Effective and Accountable Government through proper legal defense.

### **Performance Outcomes:**

The outcome of this request will be adequate funding to provide high quality, timely, and efficient legal services to Ecology in meeting one of its core functions; oversight of the Hanford cleanup. This will allow Ecology to focus on its core mission.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Litigation will impact USDOE because the lawsuit will force USDOE to appropriately prioritize and dedicate sufficient funding to Hanford cleanup tasks. There are no direct impacts to any other governmental entities. The AGO supports this funding package and intends to submit a parallel package. It is anticipated that the Yakama Nation and the State of Oregon will likely support this lawsuit. It is uncertain whether local governmental entities in the Tri-City area will support or oppose the lawsuit.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

This request does not respond to litigation, but is intended to fund new litigation.

### **Stakeholder Response:**

There is no known stakeholder opposition to this request at this time. We anticipate that Hanford watchdog groups such as Hanford Challenge and Heart of America Northwest, along with conservation groups, such as Columbia Riverkeeper, will support the lawsuit.

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. E	\$800	\$800	\$1,600	\$0	\$0	\$0

Agency Contact Information

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akna461@ecy.wa.gov

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Department of Ecology  
2021-23 Regular Budget Session  
Maintenance Level - 8L - Lease Adjustments

## Agency Recommendation Summary

This request is for a maintenance level lease increase for the Department of Ecology's Bellingham Field Office in Whatcom County. This lease increase was negotiated by Department of Enterprise Services Real Estate Services on behalf of Ecology as part of the initial lease. The work done at this facility benefits the public, other state agencies, tribes, local partners, and helps protect, preserve, and enhance Washington's environment for current and future generations. (Multiple Funds)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 001 - 1	\$0	\$2	\$2	\$3	\$3	\$6
Fund 044 - 1	\$0	\$1	\$1	\$1	\$1	\$2
Fund 176 - 1	\$0	\$2	\$2	\$4	\$4	\$8
Fund 207 - 1	\$0	\$0	\$0	\$1	\$1	\$2
Fund 217 - 1	\$0	\$0	\$0	\$1	\$1	\$2
Fund 23P - 1	\$0	\$9	\$9	\$15	\$15	\$30
Total Expenditures	\$0	\$14	\$14	\$25	\$25	\$50

## Decision Package Description

Ecology leases approximately 9,997 square feet for the Bellingham Field Office (BFO) in Bellingham Washington. In 2017, Ecology worked with the Department of Enterprise Services (DES) Real Estate Services to finalize a new lease agreement for BFO. The effective term of the current agreement is December 1, 2017 through November 30, 2027. There is a scheduled lease increase starting in year six of this ten-year lease. This request is for a maintenance level increase to cover increased ongoing lease costs starting December 1, 2022.

Ecology's regional and field offices primarily serve an implementation role for business areas such as spill response, permitting, technical assistance, site inspection, sampling, investigation, and enforcement. Ecology locates regional and field offices to minimize travel time and expenses related to providing the necessary field presence to accomplish the agency's mission.

### Impacts on Population Served:

This request will help maintain the current level of environmental services provided at the BFO.

### Alternatives Explored:

When Ecology relocated the BFO to its current location in Bellingham, we worked closely with the Office of Financial Management (OFM) and DES Real Estate Services to ensure staying in this facility was the best alternative for Ecology and the state. This lease has been approved as acceptable in the current OFM Six-Year Facilities Plan and DES Real Estate Services approved the new cost adjustment when the current lease was signed in 2017. The only other alternative to fund this cost increase would be to redirect existing resources from core environmental work. This is not a viable option for Ecology.

### Consequences of Not Funding This Request:

If Ecology does not receive an appropriation for this cost increase, core environmental work would have to be cut to absorb these costs, which would negatively impact other priority environmental work at Ecology. Specific consequences include reduced business operations, resulting in a reduced level of service to communities and people throughout the state.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

This request will help maintain the current level of environmental services provided at this facility.

### **Detailed Assumptions and Calculations:**

For Fiscal Year 2023, Ecology requires \$14,560 from multiple funding sources to cover the increased lease costs for the BFO. Beginning in Fiscal Year 2024, and ongoing, Ecology will require \$24,960 per year from multiple fund sources to cover the increase lease costs for the BFO.

Expenditure calculations are based on the current lease agreement, which increases from \$16,639 per month, to \$18,719 per month, beginning December 1, 2022. The requested annual increases are calculated as follows:

Fiscal Year 2023: \$18,719 per month (new lease) - \$16,639 per month (old lease) = \$2,080 per month x 7 months = \$14,560.

Fiscal Year 2024 and ongoing: \$18,719 per month (new lease) - \$16,639 per month (old lease) = \$2,080 per month x 12 months = \$24,960.

The new lease costs work out to an annual rate of \$22.47 per square foot (\$224,628 / 9,997 square feet). This compares favorably with current market rates for commercial storage/shop spaces being roughly \$24.27/square foot nationally (BOMA:

<https://www.boma.org/BOMA/Research-Resources/3-BOMA-Spaces/Newsroom/PR91818.aspx>).

### **Workforce Assumptions:**

Expenditures by Object			<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
E	Goods and Services			14,560	24,960	24,960	24,960	24,960
	<b>Total Objects</b>		<b>0</b>	<b>14,560</b>	<b>24,960</b>	<b>24,960</b>	<b>24,960</b>	<b>24,960</b>

Staffing			<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
Job Class	Salary							
	<b>Total FTEs</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### **Explanation of costs by object:**

All costs are Goods and Services (Object E)

### **How is your proposal impacting equity in the state?**

Field and Regional offices allow Ecology to better serve all Washington State residents and help create a more equitable experience for the public in that geographical area.

## Strategic and Performance Outcomes

### **Strategic Framework:**

Maintaining the lease for the BFO streamlines logistics for our fieldwork operations, increases productivity, and is essential to meeting all the goals in Ecology's strategic plan:

- Goal 1: Support and engage our communities, customers, and employees.
- Goal 2: Reduce and prepare for climate impacts.
- Goal 3: Prevent and reduce toxic threats and pollution.
- Goal 4: Protect and manage our state's waters.
- Goal 5: Protect and Restore Puget Sound.

This request is consistent with the Administrative Services Division's strategic goal to maintain agency facilities that support our staff's ability to meet current and future business needs. This request provides essential support to the Governor's Results Washington Goal: Sustainable Energy and Clean Environment, by maintaining the lease of this facility.

### **Performance Outcomes:**

The outcome of this request will be maintaining the current level of service Ecology provides at this location.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

The BFO supports not only Ecology programs, but also provides technical and analytical support to state agencies, local governments, and tribes.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

N/A

## Reference Documents

[BFO Lease Amendment.pdf](#)

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. E	\$0	\$14	\$14	\$25	\$25	\$50

## Agency Contact Information

James Pendowski  
(360) 407-6829  
[jpen461@ecy.wa.gov](mailto:jpen461@ecy.wa.gov)



**AFTER RECORDING RETURN TO:**

Department of Enterprise Services  
Real Estate Services  
PO Box 41468  
Olympia, WA 98504-1468

Lease No. SRL 16-0135  
SR 332-10-15

(Bellingham) GAW/cns  
Page 1 of 4  
Date: May 1, 2017

**LEASE AMENDMENT NO. 1**

This Lease Amendment No. 1 modifies that certain Lease Number SRL 16-0135 dated December 20, 2016, and is entered into among Squalicum Lofts Development, Inc., whose address is c/o Allison, Inc., Post Office Box 23, Bellingham, Washington 98227-0023, hereinafter called the Lessor, and the State of Washington, Department of Ecology, acting through the Department of Enterprise Services, hereinafter called the Lessee,

Legal description of leased premises:

**LEASED PREMISES**

I. The Lessor hereby leases to the Lessee the following described premises:

Tax Parcel Number: 380224 115196 0000

Common Street Address: 913 Squalicum Parkway, Building C, Suite (X), Bellingham, Washington

Approximately 9,997 BOMA Rentable square feet of office and warehouse space consisting of approximately 1,775 BOMA Rentable square feet of Warehouse space and approximately 8,222 BOMA Rentable square feet of office space located at Squalicum Lofts, 913 Squalicum Parkway, Building C - Suite (X), Bellingham, Washington, together with on-site code parking and fourteen (14) secured/fenced exclusive on-site parking spaces as identified on the Floor plan (Exhibit A); on the site legally described as: A portion of a future phase of SQUALICUM LOFTS CONDOMINIUM, as per the Declaration recorded at Auditor's File Number 209 1100454, records of Whatcom County, Washington, consisting of that area subject to development rights set forth in Section 3.3.1 of said Declaration and depicted as "(DOE) TENANT SPACE" on map attached hereto as Exhibit A, together with the secure parking spaces depicted as "(DOE) SECURE PARKING" on said map, and on-site code parking.

By Agreement of the above parties, this Lease Amendment does the following:

- 1) Deletes paragraph 3, TERM, of the original Lease dated December 20, 2016 to adjust the Lease term and replaces with the following:



**TERM**

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning December 1, 2017 and ending November 30, 2022.

3.1 Lessor shall provide beneficial occupancy commencing on November 1, 2017 to allow Lessee to begin moving furniture and equipment into the Leased Premises. Said early occupancy shall be subject to the terms and conditions of this Lease except for the December 1, 2017 commencement date of the Term and obligation to pay rent as provided herein.

3.2 Should Lessor be unable to provided beneficial occupancy on November 1, 2017, Lessor shall credit to Lessee an amount of \$500.00 per day from such date until the remodel work in paragraph 3 below (Paragraph 12 of the Lease as amended) is satisfactorily completed, as approved in writing by the Lessee. Lessee may apply said credit, at Lessee's sole discretion, as a rent credit or towards tenant improvements for which the Lessor is not responsible to pay under the Lease.

- 2) Deletes paragraph 4, RENTAL RATE, of the original Lease dated December 20, 2016 to adjust the Lease term and replaces with the following:

**RENTAL RATE**

4. The Lessee shall pay rent to the Lessor for the premises at the following rate:

December 1, 2017 to October 31, 2018:

Sixteen Thousand Six Hundred Thirty-nine Dollars and Forty-two Cents

\$16,639.42 per month

November 1, 2018 to December 31, 2018:

Zero Dollars and No Cents

\$ 0.00 per month

January 1, 2019 to November 30, 2022:

Sixteen Thousand Six Hundred Thirty-nine Dollars and Forty-two Cents

\$16,639.42 per month

December 1, 2022 to November 30, 2027:

Eighteen Thousand Seven Hundred Nineteen Dollars and Thirty-three Cents

\$18,719.33 per month

Payment shall be made at the end of each month upon submission of properly executed vouchers.

4.1. Rent shall be prorated to the actual date of occupancy if a period of rent is not a complete month.

- 3) Deletes paragraph 12, REMODEL, if the original Lease dated December 20, 2016 to adjust the Lease term and replaces with the following:



**REMODEL**

12. The Lessor shall, at Lessor's sole cost and expense, on or before December 1, 2017, complete all work in a good and workmanlike manner in accordance with alterations as noted on the attached plan #332-10-15 (Exhibit "A"), approved by the Design Manager on December 2, 2016, also with attached specifications, and addenda, if any (Exhibit "A") approved by the Design Manager on December 2, 2016, initiated by both parties hereto and incorporated herein by reference.

Lessor shall be reimbursed \$117,000.00, which includes Washington State sales tax upon satisfactory completion of the above mentioned alterations, as verified by the Design Manager. Lessee shall make such payment in cash or state warrant, upon receipt of Authority to Pay from the Design Manager.

12.1 Should Lessor have provided beneficial occupancy by November 1, 2017 but not have completed the above-referenced alterations on or before December 1, 2017, Lessor shall credit to Lessee an amount of \$500.00 per day from December 1, 2017, until said work is satisfactorily completed. Lessee may apply said credit, at Lessee's sole discretion, as a rent credit or towards tenant improvements for which the Lessor is not obligated to pay under the Lease.

All other terms, conditions, covenants, and amendments to this Lease, unless altered, modified, overridden, or changed herein, remain in full force and effect.

The effective date of this Amendment is September 1, 2017.

IN WITNESS WHEREOF, the parties subscribe their names.

Squalicum Lofts Development, Inc.

STATE OF WASHINGTON

By: [Signature]  
 Printed Name: Michael G. Alsop  
 Title: Co-President  
 Date: May 8, 2017

Department of Ecology

Acting through the Department  
 of Enterprise Services

[Signature]  
 Seth Wallace, Assistant Director  
 Real Estate Services

Date: 5/17/17

RECOMMENDED FOR APPROVAL:

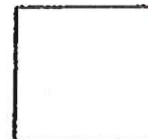
[Signature]  
 Guy Winkelman, Facilities Senior Planner,  
 Real Estate Services

Date: 5/17/17

APPROVED AS TO FORM:

By: [Signature]  
 Assistant Attorney General

Date: May 16, 2017





STATE OF Washington )  
 ) ss.  
County of Whatcom )

On this 8<sup>th</sup> day of May, A.D., 20 17, before me personally appeared Michael G. Allison to me known to be the Co-President of the corporation that executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed thereto is the corporate seal of said corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Linda Ann Pilon  
Notary Public in and for the State of Washington,  
Residing at Bellingham  
My commission expires 1/15/2018

STATE OF WASHINGTON )  
 ) ss.  
County of Thurston )

I, the undersigned, a Notary Public, do hereby certify that on this 17<sup>th</sup> day of May, 20 17, personally appeared before me SETH WALLACE, Assistant Director, Real Estate Services, Department of Enterprise Services, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as the free and voluntary act and deed of the Department, for the purposes and uses therein mentioned, and on oath stated that he was duly authorized to execute said document.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



R. Atwood  
Notary Public in and for the State of Washington,  
Residing at Thurston County  
My commission expires 11/24/18



AFTER RECORDING RETURN TO:

Department of Enterprise Services  
Real Estate Services  
P. O. Box 41468  
Olympia, Washington 98504-1468

Lease No. SRL 16-0135  
SR 332-10-15

(Bellingham)GAW/cns  
Page 1 of 9  
Date: December 20, 2016

LEASE

THIS LEASE is made and entered into between Squalicum Lofts Development, Inc., a Corporation whose address is c/o Allsop, Inc., Post Office Box 23, Bellingham, Washington 98227-0023, for its heirs, executors, administrators, successors, and assigns, hereinafter called the Lessor, and the STATE OF WASHINGTON, Department of Ecology, acting through the Department of Enterprise Services, hereinafter called the Lessee.

WHEREAS, the Department of Enterprise Services is granted authority to lease property under RCW 43.82.010;

WHEREAS, the Lessor and Lessee deem it to be in the best public interest to enter into this Lease;

NOW, THEREFORE, in consideration of the terms, conditions, covenants and performances contained herein, IT IS MUTUALLY AGREED AS FOLLOWS:

LEASED PREMISES

1. The Lessor hereby leases to the Lessee the following described premises:

Tax Parcel Number: 380224 115196 0000

Common Street Address: 913 Squalicum Parkway, Building C, Suite (X), Bellingham, Washington

Approximately 9,997 BOMA Rentable square feet of office and warehouse space consisting of approximately 1,775 BOMA Rentable square feet of Warehouse space and approximately 8,222 BOMA Rentable square feet of office space located at Squalicum Lofts, 913 Squalicum Parkway, Building C - Suite (X), Bellingham, Washington, together with on-site code parking and fourteen (14) secured/fenced exclusive on-site parking spaces as identified on the Floor plan (Exhibit A); on the site legally described as: A portion of a future phase of SQUALICUM LOFTS CONDOMINIUM, as per the Declaration recorded at Auditor's File Number 209 1100454, records of Whatcom County, Washington, consisting of that area subject to development rights set forth in Section 3.3.1 of said Declaration and depicted as "(DOE) TENANT SPACE" on map attached hereto as Exhibit A, together with the secure parking spaces depicted as "(DOE) SECURE PARKING" on said map, and on-site code parking,

USE

2. The premises shall be used by the Department of Ecology and/or other state agencies for the following purpose(s): Office and Warehouse space. Office use includes associated office activities, such as trainings, conferences, retreats, open public meetings, health and wellness activities, and office related parties and social events.





**TERM**

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning September 1, 2017 and ending August 31, 2027.

3.1 Lessor shall provide beneficial occupancy commencing on August 1, 2017 to allow Lessee to begin moving furniture and equipment into the Leased Premises. Said early occupancy shall be subject to the terms and conditions of this Lease except for the September 1, 2017 commencement date of the Term and obligation to pay rent as provided herein.

**RENTAL RATE**

4. The Lessee shall pay rent to the Lessor for the premises at the following rate:

September 1, 2017 to August 31, 2022:

Sixteen Thousand Six Hundred Thirty-nine Dollars and Forty-two Cents

\$16,639.42 per month

September 1, 2022 to August 31, 2027:

Eighteen Thousand Seven Hundred Nineteen Dollars and Thirty-three Cents

\$18,719.33 per month

Payment shall be made at the end of each month upon submission of properly executed vouchers.

4.1. Rent shall be prorated to the actual date of occupancy if a period of rent is not a complete month.

**EXPENSES**

5. During the term of this Lease, Lessor shall pay all real estate taxes, all property assessments, condominium fees, insurance, storm water, water, sewer, garbage collection, and maintenance and repair as described below, together with exterior window washing, landscape and irrigation water.

5.1 Lessee shall pay for only separately metered electricity, natural gas, janitorial service and restroom supplies.

**MAINTENANCE AND REPAIR**

6. The Lessor shall maintain the premises in good repair and tenantable condition during the continuance of this Lease, except in case of damage arising from the negligence of the Lessee's agents or employees. For the purposes of maintaining and repairing the premises, the Lessor reserves the right at reasonable times to enter and inspect the premises and to make any necessary repairs to the building. Lessor's maintenance and repair obligations shall include, but not be limited to, the mechanical, electrical, interior lighting (including replacement of ballasts, starters and fluorescent tubes as required), plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; elevators (including communications systems); inside and outside walls (including windows and entrance and exit doors); all structural portions of the building (including the roof and the watertight integrity of same); porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements generally applicable to similar office buildings in the area (example: fire, building, energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).





**ASSIGNMENT/SUBLEASE**

7. Except for sublet for use by other State agencies per Paragraph 2 (Use), the Lessee may not assign this Lease or sublet the premises without the prior written consent of the Lessor, which consent shall not be unreasonably withheld or delayed. Lessor shall respond to approve or disapprove a request for consent within thirty (30) days of receipt of the request. If such response is not received within thirty days, it will be considered approved and Lessee will proceed with sublease. Lessee shall not permit the use of the premises by anyone other than the Lessee, such assignee or sublessee, and the employees, agents and servants of the Lessee, assignee, or sublessee.

**RENEWAL/CANCELLATION**

8. The Lease may, at the option of the Lessee, be renegotiated for two (2) additional five (5) year terms.

**PAYMENT**

9. Any and all payments provided for herein when made to the Lessor by the Lessee shall release the Lessee from any obligation therefor to any other party or assignee.

**COMPLIANCE WITH STATE/FEDERAL LAWS**

10. Lessor is responsible for complying with all applicable provisions of the Americans With Disabilities Act of 1990, and all amendments and regulations thereto and the Washington State Law Against Discrimination, Chapter 49.60 RCW, as well as the regulations adopted thereunder, with respect to the Leased Premises.

**FIXTURES**

11. The Lessee, upon the written authorization of the Department of Enterprise Services, shall have the right during the existence of this Lease with the written permission of the Lessor (such permission shall not be unreasonably withheld), to make alterations, attach fixtures, and erect additions, structures or signs, in or upon the premises hereby leased. Such alterations, fixtures, additions, structures and signs shall be authorized only by the Department of Enterprise Services. Performance of any of the rights authorized above shall be conducted in compliance with all applicable governmental regulations, building codes, including obtaining any necessary permits. Any fixtures, additions, or structures so placed in or upon or attached to the premises shall be and remain the property of the Lessee and may be removed therefrom by the Lessee upon the termination of this Lease. Any damage caused by the removal of any of the above items shall be repaired by the Lessee.

**REMODEL**

12. The Lessor shall, at Lessor's sole cost and expense, on or before September 1, 2017, complete all work in a good and workmanlike manner in accordance with alterations as noted on the attached plan #332-10-15 (Exhibit "A"), approved by the Design Manager on December 2, 2016, also with attached specifications, and addenda, if any (Exhibit "A") approved by the Design Manager on December 2, 2016, initialed by both parties hereto and incorporated herein by reference.

Lessor shall be reimbursed \$117,000.00, which includes Washington State sales tax upon satisfactory completion of the above mentioned alterations, as verified by the Design Manager. Lessee shall make such payment in cash or state warrant, upon receipt of Authority to Pay from the Design Manager.



**ALTERATIONS/IMPROVEMENTS**

13. In the event the Lessee requires alterations/improvements during the term of this Lease, any renewals and/or modifications thereof, the Lessor shall have the right to provide such services. If required by state law, the Lessor shall pay prevailing rate of wage to all workers, laborers or mechanics employed to perform such work as well as comply with the rules and regulations of the Department of Labor & Industries. If the Lessee considers Lessor's proposed costs for alterations/ improvements excessive, Lessee shall have the right, but not the obligation, to request and receive at least two independent bids; and the Lessee shall have the right at its option to select one alternative contractor whom the Lessor shall allow to provide such services for the Lessee in compliance with the Lessor's building standards and operation procedures.

**PREVAILING WAGE**

14. Lessor agrees to pay the prevailing rate of wage to all workers, laborers, or mechanics employed in the performance of any part of this Lease when required by state law to do so, and to comply with the provisions of Chapter 39.12 RCW, as amended, and the rules and regulations of the Department of Labor and Industries and the schedule of prevailing wage rates for the locality or localities where this Lease will be performed as determined by the Industrial Statistician of the Department of Labor and Industries, are by reference made a part of this Lease as though fully set forth herein.

14.1 Pursuant to RCW 39.04.260, the prevailing rate of wage is statutorily required to be paid to workers on the project for all work, construction, alteration, repair, or improvement, other than ordinary maintenance, that the state causes to be performed by a private party through a contract to lease at least 50% of the project by a state agency. Lessor acknowledges and agrees that a contract to lease is only created by this mutually acceptable written Lease, and any written amendments thereto, being executed by Lessor, the Director of the Washington State Department of Enterprise Services or his or her designee, and approved as to form by the Office of the Attorney General.

**DISASTER**

15. In the event the leased premises are destroyed or injured by fire, earthquake or other casualty so as to render the premises unfit for occupancy, and the Lessor(s) neglects and/or refuses to restore said premises to their former condition, then the Lessee may terminate this Lease and shall be reimbursed for any unearned rent that has been paid. In the event said premises are partially destroyed by any of the aforesaid means, the rent herein agreed to be paid shall be abated from the time of occurrence of such destruction or injury until the premises are again restored to their former condition, and any rent paid by the Lessee during the period of abatement shall be credited upon the next installment(s) of rent to be paid. It is understood that the terms "abated" and "abatement" mean a pro rata reduction of area unsuitable for occupancy due to casualty loss in relation to the total rented area.

**NO GUARANTEES**

16. It is understood that no guarantees, express or implied, representations, promises or statements have been made by the Lessee unless endorsed herein in writing. And it is further understood that this Lease shall not be valid and binding upon the State of Washington, unless same has been approved by the Director of the Department of Enterprise Services of the State of Washington or his or her designee and approved as to form by the Office of the Attorney General. Any amendment or modification of this Lease must be in writing and signed by both parties.

**REIMBURSEMENT FOR DAMAGE TO PREMISES**

17. The Lessee hereby agrees to reimburse the Lessor for damages caused by the negligence of its employees and agents, but in no event shall this paragraph be construed as diminishing the Lessor's duty to make repairs as set forth in preceding paragraphs of this Lease, or as making Lessee responsible for the repair of normal wear and tear.





**HAZARDOUS SUBSTANCES**

18. Lessor warrants to his/her knowledge that no hazardous substance, toxic waste, or other toxic substance has been produced, disposed of, or is or has been kept on the premises hereby leased which if found on the property would subject the owner or user to any damages, penalty, or liability under any applicable local, state or federal law or regulation.

Lessor shall indemnify and hold harmless the Lessee with respect to any and all damages, costs, attorneys' fees, and penalties arising from the presence of any hazardous or toxic substances on the premises, except for such substances as may be placed on the premises by the Lessee.

**DUTY TO CURE**

19. Upon receiving notice of a condition requiring a cure, the party obligated to effect the cure shall initiate and complete cure or repair of such condition within a reasonable time. A condition requiring cure includes, without limitation: (1) a condition for which the Lease requires either party to undertake repair/ replacement and/or other maintenance of the Premises, (2) a condition where either has failed to maintain a service or utility account in good standing as required by the Lease, and (3) any other condition resulting from a party's failure to carry out any obligation under the Lease, including without limitation obligations for rent, charges, improvements, alterations, and/or deferred maintenance, and remediation of damages for which a party is responsible under the Lease. Premises include all fixtures and equipment provided within the Premises by the Lessor.

The term "reasonable time" as used within this paragraph of the Lease shall mean as soon as reasonably possible but no longer than thirty (30) days, unless either (1) an emergency condition exists requiring an immediate cure to promptly begin without delay, usually within hours and to be complete within 24 hours to the extent reasonably possible in light of the nature of the condition and circumstances, or (2) a non-emergency condition exists that is not reasonably possible to cure within 30 days with due diligence and the breaching party provides the level of cure or preparation for cure that is reasonably possible to do with due diligence within 30 days.

If an emergency or non-emergency condition exists that is not reasonably possible to completely cure within 24 hours or 30 days, respectively, the party obligated to cure shall so notify the other party within 24 hours or 30 days, respectively. Such notice shall explain why the cure is not reasonably possible with due diligence to complete within 24 hours (if an emergency) or 30 days (if a non-emergency) and provide the earliest date that the work can be completed as soon as reasonably possible. It is not a justifiable ground for delay that the party obligated to effect the cure does not have available funding to accomplish to cure or that a preferred contractor has limited availability if other contractors can satisfactorily perform the work sooner at reasonable cost.

The term "emergency condition" shall mean a condition requiring a cure that (i) prevents or substantially disrupts the Lessee from using all or a substantial part of the premises, or (ii) causes or substantially threatens to cause injury to persons or damage to property or raises a substantial danger to the health or safety of any persons on or using the premises. Notice under this paragraph may be by the means allowed in the Notice paragraph, but in addition includes actual notice/awareness that Lessor or Lessee has of a condition independent of any such notice.

**SELF HELP**

20. If the party obligated to effect the cure does not cure within the time required by this Lease, the other party may cure all or part of the default after providing notice to the party obligated to effect the cure of its intent to perform such cure, and, if applicable, recover the costs incurred in curing the default. If the nonbreaching party is the Lessee, the Lessee may deduct all reasonable costs incurred from rent or other charges owed to Lessor. If the nonbreaching party is the Lessor, Lessor will submit properly executed vouchers and proof of payment to Lessee and Lessee shall remit payment to Lessor within thirty (30) days or as soon as is practicable. A party's costs incurred to cure include, but are not limited to, all reasonable out-of-pocket expenses, payment of unpaid utility or services charges for which the other party is responsible, and all administrative costs the non-breaching party reasonably incurs and documents in performing or arranging for performance of the cure.





The nonbreaching party is under no obligation to cure some or all of the default of the breaching party. To the extent that the nonbreaching party does not cure the default, the nonbreaching party may pursue its legal and contractual remedies against the breaching party. The nonbreaching party's failure to cure the breaching party's default does not waive the nonbreaching party's rights to relief. Nothing herein removes or lessens either party's obligation to mitigate damages.

If the Lessee elects to cure using self-help in part or whole, the Lessor shall defend, save, and hold harmless the Lessee, its authorized agents and employees, from all claims, actions, costs, damages or expenses of any nature whatsoever arising out of or in connection with such cure, except where RCW 4.24.115 is applicable and injuries and/or damages are caused by the sole negligence of the Lessee, its agents, or employees. If RCW 4.24.115 is applicable and liability for damages arises out of bodily injury to persons or damages to property and is caused by or results from the concurrent negligence of the Lessee, its agents, or employees, Lessor's liability, including the duty and cost to defend, hereunder shall apply only to the extent of the negligence of Lessor, its agents, or employees.

#### **DEFAULT LEADING TO TERMINATION**

21. If either party fails to initiate and complete cure of a condition requiring cure within a reasonable time after receiving notice of such condition, the nonbreaching party may initiate a default leading to termination of the Lease by providing written notice to the breaching party of the continuing breach. If the breaching party does not complete the cure of the breach within 60 days after receiving such written notice initiating default leading to termination, the nonbreaching party may at such time, or at a later date if the cure has still not been completed, declare a termination by default by so notifying the breaching party. Cure of a condition after a valid notice of termination by default is provided, but before termination, shall void a valid notice of termination of the Lease.

If a termination by default is declared or a court so orders, the date of termination shall be determined based on the earliest reasonable date that the Lessee may move and relocate from premises or as agreed by the parties. The determination shall be made in light of available funding for the move, the date at which suitable replacement premises can be fully available, and the time reasonably needed to plan and complete the move.

#### **WITHHOLDING OF RENT PAYMENTS**

22. If the Lessor fails to maintain, repair and/or improve the premises as set forth herein, the Lessee may, if authorized by the Department of Enterprise Services, withhold ten percent (10%) of rent payments until such time as Lessor completes deficient maintenance, repair and/or improvements. Upon receipt of documentation of Lessor's noncompliance with maintenance, repair and/or improvement provisions and a written request to withhold rent payments from the Lessee, the Department of Enterprise Services shall provide Lessor with a list of deficient maintenance, repair and/or improvement items and notify Lessor that Lessee has been authorized to withhold rent payment until deficient maintenance, repair and/or improvements have been completed. Lessee shall place all withheld rent payments in an interest bearing account. Withheld rent payments plus accrued interest will be remitted to Lessor after the Department of Enterprise Services verifies that Lessor has satisfactorily completed all maintenance, repair and/or improvements and authorizes Lessee to remit the withheld rent. Nothing in this provision shall limit other remedies which may be available to Lessee under this Lease.

#### **CONDEMNATION**

23. If any of the premises or the Building, as may be required for the reasonable use of the premises, are taken by eminent domain, this Lease shall automatically terminate as of the date Lessee is required to vacate the premises and all rentals shall be paid to that date. In case of a taking of a part of the premises, or a portion of the Building not required for the reasonable use of the premises, at Lessee's determination, then the Lease shall continue in full force and effect and the rental shall be equitably reduced based on the proportion by which the floor area of the premises is reduced, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority. Lessor reserves all rights to damages and awards in connection therewith, except Lessee shall have the right to claim from the condemning authority the value of its leasehold interest and any relocation benefits.



**MONTH TO MONTH TENANCY**

24. If Lessee remains in possession of the premises after the expiration or termination of the Lease term, or any extension thereof, such possession by Lessee shall be deemed to be a month-to-month tenancy, terminable as provided by law. During such month-to-month tenancy, Lessee shall pay all rent provided in this Lease or such other rent as the parties mutually agree in writing and all provisions of this Lease shall apply to the month-to-month tenancy, except those pertaining to term and option to extend.

**SUBORDINATION**

25. So long as Lessor has fully performed under the terms of this Lease, Lessee agrees to execute, within ten (10) days of written request by Lessor, the state's standard Tenant Estoppel and Subordination Agreements which have been approved as to form by the Office of the Attorney General. A \$400.00 processing fee will be assessed for processing these documents.

**CAPTIONS**

26. The captions and paragraph headings hereof are inserted for convenience purposes only and shall not be deemed to limit or expand the meaning of any paragraph.

**INTEGRATED DOCUMENT**

27. This Lease and the exhibits hereto constitute the entire agreement between the parties with respect to the lease of Premises and supersedes all prior and contemporaneous agreements and understandings between the parties hereto relating to the subject matter hereof.

**NOTICES**

28. Wherever in this Lease written notices are to be given or made, they will be sent by certified mail to the address listed below unless a different address shall be designated in writing and delivered to the other party.

LESSOR: Squalicum Lofts Development, Inc.  
c/o Allsop, Inc.  
Post Office Box 23  
Bellingham, Washington 98227-0023

LESSEE: Department of Enterprise Services  
Real Estate Services  
1500 Jefferson Street S.E., 2<sup>nd</sup> Floor  
Post Office Box 41468  
Olympia, Washington 98504-1468

SRL 16-0135

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IN WITNESS WHEREOF, the parties subscribe their names.

Squalicum Lofts Development, Inc.

By: James D. Allsop  
 Printed Name: JAMES D. ALLSOP  
 Title: Co-President  
 Date: 1/19/17

STATE OF WASHINGTON

Department of Ecology

Acting through the Department  
 of Enterprise Services

Seth Wallace  
 Seth Wallace, Assistant Director  
 Real Estate Services

Date: 1/26/17

RECOMMENDED FOR APPROVAL:

Guy Winkelman  
 Guy Winkelman, Facilities Senior Planner,  
 Real Estate Services

Date: 1/26/17

APPROVED AS TO FORM:

By: Brian Hall  
 Assistant Attorney General

Date: 1/26/17

STATE OF Washington )  
 ) ss.  
 County of Whatcom )

On this 19<sup>th</sup> day of January, A.D., 20 17, before me personally  
 appeared James D. Allsop to me known to be the Co-President  
 of the corporation that executed the within and foregoing instrument and acknowledged the said instrument to be the  
 free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that  
he was authorized to execute said instrument and that the seal affixed thereto is the corporate seal of said  
 corporation.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above  
 written.



Linda Ann Pilon  
 Notary Public in and for the State of Washington,  
 Residing at Bellingham  
 My commission expires 1/15/2018





STATE OF WASHINGTON       )  
  ) ss.  
County of Thurston        )

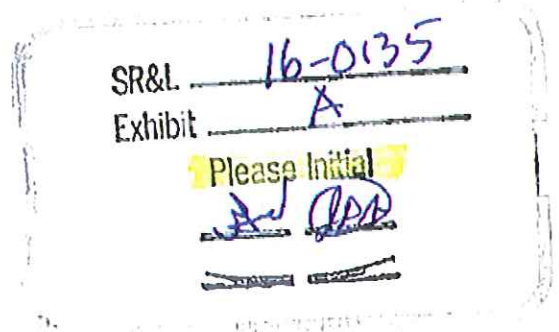
I, the undersigned, a Notary Public, do hereby certify that on this 26<sup>th</sup> day of January, 20 17, personally appeared before me SETH WALLACE, Assistant Director, Real Estate Services, Department of Enterprise Services, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as the free and voluntary act and deed of the Department, for the purposes and uses therein mentioned, and on oath stated that he was duly authorized to execute said document.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



R. Atwood  
Notary Public in and for the State of Washington,  
Residing at Thurston  
My commission expires 11/24/18





DATE: July 18, 2016

TO: Steve Griffin, DES

FROM: Jeff McClure

RE: Squallcum Lofts – Building C

Steve –

Following is a summary of the exceptions to the specifications we discussed at our meeting. These modifications have been incorporated into our construction pricing which forms the basis of the lease offering.

#### PART A – GENERAL INFORMATION

**A5.2 Building Interiors**

Delete enclosed vestibule at main entrance.

**A5.13 Floor Covering**

Substitute sheet vinyl for ceramic tile at all restrooms.

**A5.14 Ceilings**

Delete suspended ceiling system in favor of exposed structure throughout tenant space. Suspended ceilings may be installed in accessory spaces (like breakroom) to conceal some mechanical components.

**A5.17 Plumbing Accessories & Specify Hardware**

Delete drinking fountain.

#### PART B – ITEMIZED COST CALCULATIONS

No comment.

#### PART C – SPECIFICATIONS

**02500 Paving and Surfacing**

Parking stalls will be standard size per City of Bellingham 8.5'x17'.

**08700 Hardware and Specialties**

Provide light commercial grade door hardware. Deduct door operator and access control devices (rough-in only).

**09000 Finishes**

Restrooms/Shower Rooms – Slip resistant sheet flooring. Plastic laminate wainscot to 72" high.

Shower Stalls – Prefabricated fiber glass or acrylic pan and walls.

Ceilings – Painted exposed structure, ductwork and electrical boxes/conduit at office areas and conference rooms

**10280 Toilet Accessories**

Delete Dyson hand dryers. Tenant will supply and install paper towel dispensers. Owner to provide blocking.

**10350 Flagpoles**

Delete flagpole

**10400 Identifying Devices**

Provide one entrance door sign as well as interior accessibility signage required by code.

**12500 Window Treatments**

Delete vertical blinds.

**15440 Plumbing Fixtures**

Delete drinking fountains.

**15500 HVAC**

Modify HVAC specifications to be more consistent with quality commercial office standards in terms of number of temperature control zones, controls, and comfort.

**16000 Electrical**

- Delete EMT conduit for low voltage (except at rough-in locations).
- Revise light fixture type.
- Revise light controls to code minimum standard.
- Reconfigure service to IT Room
- Delete access control components

**OTHER ITEMS DISCUSSED AT 7/6/2016 MEETING**

- State will supply emergency shower for installation by contractor.
- State will provide and install all furniture systems, including cubicles.
- Delete bike enclosure.
- Owner will provide electrical feed to secure parking area for State supplied and installed charging stations.

End.

# Leased Space Requirements

Revised July 2005

SR&L 16-0135  
Exhibit A  
Please Initial  
[Signature] [Signature]

This document comprises the basic requirements and the minimum quality standards and performance criteria required for all State leased projects administered by the Department of Enterprise Services, Real Estate Services (RES).

Revisions to this document will be approved and issued by RES in the form of Addenda.

Department of Enterprise Services  
Real Estate Services

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Department of Ecology  
2021-23 Regular Budget Session  
Maintenance Level - MD - Data Center Migration Reduction

## Agency Recommendation Summary

Ecology is required by RCW 43.105.375 and Office of the Chief Information Officer Policy 184 to migrate out of its agency data center. In the 2018 Supplemental Operating Budget, Ecology received funding to modernize and migrate the agency's business applications into the State Data Center and/or a cloud environment by June 2021. This project is on schedule to be completed by June 30, 2021, so Ecology is requesting a maintenance level reduction from multiple fund sources for the associated one-time costs of this project. (Multiple Funds)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	-2.3	-2.3	-2.3	-2.3	-2.3	-2.3
<b>Operating Expenditures</b>						
Fund 001 - 1	(\$171)	(\$171)	(\$342)	(\$171)	(\$171)	(\$342)
Fund 044 - 1	(\$42)	(\$42)	(\$84)	(\$42)	(\$42)	(\$84)
Fund 176 - 1	(\$209)	(\$209)	(\$418)	(\$209)	(\$209)	(\$418)
Fund 182 - 1	(\$22)	(\$22)	(\$44)	(\$22)	(\$22)	(\$44)
Fund 207 - 1	(\$37)	(\$37)	(\$74)	(\$37)	(\$37)	(\$74)
Fund 20R - 1	(\$82)	(\$82)	(\$164)	(\$82)	(\$82)	(\$164)
Fund 216 - 1	(\$17)	(\$17)	(\$34)	(\$17)	(\$17)	(\$34)
Fund 217 - 1	(\$39)	(\$39)	(\$78)	(\$39)	(\$39)	(\$78)
Fund 219 - 1	(\$22)	(\$22)	(\$44)	(\$22)	(\$22)	(\$44)
Fund 23P - 1	(\$827)	(\$827)	(\$1,654)	(\$827)	(\$827)	(\$1,654)
Total Expenditures	(\$1,468)	(\$1,468)	(\$2,936)	(\$1,468)	(\$1,468)	(\$2,936)

## Decision Package Description

Ecology's business technology applications and data center equipment were required to be migrated out of Ecology's Data Center and into the State Data Center (SDC) and/or cloud environment by June 30, 2019. Ecology was not able to meet this deadline as required by RCW 43.105.375 and Office of the Chief Information Officer (OCIO) Policy 184. In September 2017, the OCIO approved Ecology's phased-in plan for data center migration to be completed by June 2021, and in the 2018 Supplemental Budget, Ecology received funding to support the three-year modernization and migration project.

The requirement to move into the SDC and/or a cloud environment created a unique opportunity for Ecology to modernize and standardize over 220+ business applications, as well as the computing, data storage, and backup capabilities needed to operate these applications. New computing and data storage environments were standardized on current operating and database systems, and business applications were updated to current standards and security requirements. Every business application has been tested to ensure it meets Ecology standards before being migrated to the new data center environments.

Ecology has completed three of the four phases of this project, and fully anticipates completing this three-year project by the end of the 2019-21 Biennium, thereby fulfilling our agency's requirements under state law and OCIO policy. Due to the completion of this project, Ecology is now requesting a reduction in our appropriation levels across multiple fund sources for the one-time costs associated with this project.

Consistent with the agency's original Decision Package for this funding (2018 Supplemental), the ongoing costs associated with this project (\$75,000 per year) to fund WaTech hosting services are not being reduced from Ecology's appropriation.

### Impacts on Population Served:

As this project is expected to be completed by June 30, 2021, the requested reduction in appropriation level will not have any negative impact on Washingtonians, our stakeholders, or local partners.

### Alternatives Explored:

Ecology did not explore any alternatives to this request. The project is expected to be completed by June 30, 2021, and therefore, the agency is requesting the associated reduction in our appropriation and FTE levels.

### Consequences of Not Funding This Request:

This proposal is for a reduction in appropriation authority for one-time costs and FTEs related to the completion of this project. This request does not require any additional funding.



## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

This is not an expansion or alteration of a current program or service. Ecology received funding in the 2018 Supplemental Budget to complete the modernization and migration of Ecology's data center to the SDC. This three-year project is expected to be completed by June 30, 2021, and therefore Ecology is requesting an associated reduction in our appropriation levels for the one-time costs.

### **Detailed Assumptions and Calculations:**

Consistent with Ecology's original Decision Package for this project (funded in the 2018 Supplemental), the one-time costs associated with this project (\$2,936,000) are being reduced from Ecology's appropriations. The remaining appropriations from the original request are for the ongoing costs (\$75,000 per year) to fund the WaTech hosting services. These costs are not being reduced as a part of this budget request. The calculation is as follows: \$3,086,000 (total appropriation) - \$150,000 (ongoing costs) = \$2,936,000 (ongoing reduction of one-time costs).

### **Workforce Assumptions:**

<b>Expenditures by Object</b>		<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
A	Salaries and Wages	(153,000)	(153,000)	(153,000)	(153,000)	(153,000)	(153,000)
B	Employee Benefits	(56,000)	(56,000)	(56,000)	(56,000)	(56,000)	(56,000)
	Personal Service						
C	Contract	(560,000)	(560,000)	(560,000)	(560,000)	(560,000)	(560,000)
E	Goods and Services	(535,300)	(535,300)	(535,300)	(535,300)	(535,300)	(535,300)
G	Travel	(4,700)	(4,700)	(4,700)	(4,700)	(4,700)	(4,700)
J	Capital Outlays	(102,000)	(102,000)	(102,000)	(102,000)	(102,000)	(102,000)
T	Intra-Agency Reimbursements	(57,000)	(57,000)	(57,000)	(57,000)	(57,000)	(57,000)
	<b>Total Objects</b>	<b>(1,468,000)</b>	<b>(1,468,000)</b>	<b>(1,468,000)</b>	<b>(1,468,000)</b>	<b>(1,468,000)</b>	<b>(1,468,000)</b>
<b>Staffing</b>							
<b>Job Class</b>	<b>Salary</b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
IT APP DEVELOPMENT-JOURNEY	76,160	(2.00)	(2.00)	(2.00)	(2.00)	(2.00)	(2.00)
FISCAL ANALYST 2		(0.20)	(0.20)	(0.20)	(0.20)	(0.20)	(0.20)
IT APP DEVELOPMENT-JOURNEY		(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)
	<b>Total FTEs</b>	<b>(2.3)</b>	<b>(2.3)</b>	<b>(2.3)</b>	<b>(2.3)</b>	<b>(2.3)</b>	<b>(2.3)</b>

### **Explanation of ongoing reductions for one-time project costs by object (per biennia):**

Salaries for 2.0 FTEs at the IT Application Development-Journey level (\$306,000).  
Benefits for 2.0 FTEs at the IT Application Development-Journey level (\$112,000).  
Personal Service Contracts (\$1,120,000)  
Goods and Services (\$1,070,600)  
Travel (\$9,400)  
Capital Outlays (\$204,000)  
Intra-agency Reimbursements (\$114,000)  
Total Requested Reduction: (\$2,936,000)

### **How is your proposal impacting equity in the state?**

N/A

## Strategic and Performance Outcomes

### **Strategic Framework:**

The completion of this project and the resulting reduction request was essential to implementing all goals in Ecology's strategic plan:

- Goal 1: Support and engage our communities, customers, and employees.
- Goal 2: Reduce and prepare for climate impacts.
- Goal 3: Prevent and reduce toxic threats and pollution.
- Goal 4: Protect and manage our state's waters.
- Goal 5: Protect and restore Puget Sound.

Storing Ecology data in the SDC ensures that the data we use to achieve our goals is secure and managed efficiently. Ecology's mission depends on the successful protection, preservation, and enhancement of the agency's business technology, data, and applications. Ecology relies on modern business technology solutions to execute our foundational principles of: a) collaboration and coordination; b) data-driven decision making; c) delivering data and information for the people of Washington; and d) effectiveness monitoring.

This request provides essential support to the Governor's Results Washington Goal 5 - Efficient, Effective, and Accountable Government, by requesting a reduction in appropriation levels for the one-time costs associated with this project now that it is near completion.

### **Performance Outcomes:**

The outcome of this request will be that state appropriations used to fund this modernization and migration project will now be freed up and available for other environmental and public health work. The outcome of the project itself is Ecology's compliance with OCIO Policy 184 and RCW 43.105.375.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Many intergovernmental agencies receive grants, loans, and permits from Ecology. The completion of this project enhances the systems that provide these services. Our intergovernmental partners have been involved and supportive of this project.

The requested reduction in appropriation level for the one-time costs associated with this project will have no negative impacts on our intergovernmental partners.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

Many non-governmental stakeholders rely on services provided through Ecology's IT and data systems. The completion of this project enhances the systems that provide these services. Our stakeholders have been involved and supportive of this project.

The requested reduction in appropriation level for the one-time costs associated with this project will have no negative impacts on our stakeholders.

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	(\$153)	(\$153)	(\$306)	(\$153)	(\$153)	(\$306)
Obj. B	(\$56)	(\$56)	(\$112)	(\$56)	(\$56)	(\$112)
Obj. C	(\$560)	(\$560)	(\$1,120)	(\$560)	(\$560)	(\$1,120)
Obj. E	(\$535)	(\$535)	(\$1,070)	(\$535)	(\$535)	(\$1,070)
Obj. G	(\$5)	(\$5)	(\$10)	(\$5)	(\$5)	(\$10)
Obj. J	(\$102)	(\$102)	(\$204)	(\$102)	(\$102)	(\$204)
Obj. T	(\$57)	(\$57)	(\$114)	(\$57)	(\$57)	(\$114)

## Agency Contact Information

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## Other Planned OFM Maintenance Level (ML) Adjustments for Ecology

Purpose: Provide a summary of planned Maintenance Level (ML) adjustments for Ecology that the Office of Financial Management (OFM) will include in the Governor's proposed 2021-23 Operating Budget. These planned adjustments have been discussed with both OFM and legislative fiscal staff.

*Dollars in Thousands*

September 2020

Rec Sum	Title	Fund	FY22	FY23	2021-23	Notes
<b>2019-21 Operating Budget</b>						
AR	Enhanced Product Testing	23P-1	199	199	398	Adjustment made to equal OFM proposed CFL base funding level for 2021-23. Funding provided in the 2019-21 Operating Budget (\$1 million) supported the ongoing portions of Ecology's 2019-21 budget request (\$2.9 million). This adjustment is needed to make the funding level received in 2019-21 ongoing.
BD	Support Voluntary Cleanup	23P-1	206	206	412	Adjustment made to equal OFM proposed CFL base funding level for 2021-23. Funding is needed to complete rulemaking and program development of the expedited review process for voluntary cleanups created by Substitute House Bill 1290.
ILTR	Oil Transportation	23P-1	225	363	588	Adjustment made to match the 2021-23 funding level identified in Ecology's final fiscal note for Engrossed Substitute House Bill 1578.
5323	Plastic Bags	044-1	(127)	(138)	(265)	Adjustment made to match the 2021-23 funding level identified in Ecology's final fiscal note for Substitute Senate Bill 5323.
<b>2018 Supplemental Operating Budget</b>						
6269	Oil Transportation Safety	217-1	(173)	(55)	(228)	Funding was provided to implement Engrossed Second Substitute Senate Bill 6269 in the 2018 Supplemental Operating Budget. Funding is adjusted to align with the 2021-23 funding level identified in Ecology's final fiscal note for the bill.
6413	Firefighting/Toxic Chemicals	23P-1	(39)	(39)	(78)	Funding was provided to implement Engrossed Substitute Senate Bill 6413 in the 2018 Supplemental Operating Budget. Funding is adjusted to align with the 2021-23 funding level identified in Ecology's final fiscal note for the bill.

Rec Sum	Title	Fund	FY22	FY23	2021-23	Notes
CE	Regulating Antifouling Paint	207-1	(25)	-	(25)	Pursuant to Substitute House Bill 2634, funding was provided in the 2018 Supplemental Operating Budget for Ecology to research safer alternatives to copper-based antifouling paint. Funding was provided only for Fiscal Years 2019 and 2020.
FINF	Nonnative Finfish	23P-1	(6)	-	(6)	Funding was provided to implement Engrossed House Bill 2957 in the 2018 Supplemental Operating Budget. Funding was provided only for Fiscal Years 2019 and 2020.
		176-1	(6)	-	(6)	
HWRC	Water Rights Compliance	001-1	(625)	-	(625)	Funding was provided in the 2018 Supplemental Operating Budget for staff to address unpermitted water use. Funding was provided only for Fiscal Years 2019 and 2020.
PFAS	PFAS Alternatives Assessment	23P-1	(19)	154	135	Pursuant to Engrossed Substitute House Bill 2658, funding was provided in the 2018 Supplemental Operating Budget for an alternatives assessment of PFAS use in food packaging. Funding is adjusted to align with the 2021-23 funding level identified in Ecology's final fiscal note for the bill.
<b>Other</b>						
	Federal Authority Reduction	001-2	(5,000)	(5,000)	(10,000)	A National Estuary Program Watershed Grant from the Environmental Protection Agency is ending in 2019-21. General Fund-Federal appropriation authority can be reduced in 2021-23 on an ongoing basis.
<b>Totals</b>			<b>(5,390)</b>	<b>(4,310)</b>	<b>(9,700)</b>	

**Department of Ecology  
2021-2023 Operating Budget**

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## Agency Recommendation Summary

This request is in response to the Office of Financial Management's instructions to identify and submit budget reduction options equal to 15 percent of Ecology's Near-General Fund Maintenance Level budget for the 2021-23 Biennium. The COVID-19 pandemic has had a significant impact on Washington's economy, and state revenues are projected to be down significantly through at least the 2021-23 Biennium. As part of meeting the reduction target, Ecology is requesting a mix of one-time and ongoing fund shifts for specific operating budget activities from General Fund-State to the Model Toxics Control Operating Account. These shifts, many of which were proposed in the Governor's 2020 Supplemental Operating Budget, will reduce the demand on GF-S, while maintaining funding needed for critical environmental and public health work done throughout the state. Many of the activities identified support state environmental priorities, such Southern Resident orca recovery and protection, and climate change. Related to Puget Sound Action Agenda Implementation. (General Fund-State, Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 001 - 1	(\$4,573)	(\$4,208)	(\$8,781)	(\$2,148)	(\$2,148)	(\$4,296)
Fund 23P - 1	\$4,573	\$4,208	\$8,781	\$2,148	\$2,148	\$4,296
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

## Decision Package Description

### Projected GF-S Shortfall and 15 Percent Submittal Requirement

The impacts of the COVID-19 pandemic on Washington's economy have been widespread and significant. Nearly every sector of the state's economy has been affected, and revenue collections are now projected to be down significantly over the next three fiscal years. Beginning in April, Governor Inslee and the Office of Financial Management (OFM) began taking steps to address the economic crisis. The Governor used his line-item veto authority to trim nearly \$445 million in General Fund-State (GF-S) spending over the next three fiscal years from the 2020 Supplemental Operating Budget. In May, cabinet agencies were directed to freeze hiring, personal services contracts, and equipment purchases, while also identifying options to reduce GF-S spending by 15 percent during Fiscal Year 2021. In June, general wage increases were rescinded for certain state employees, and furloughs began for most employees in July.

In June the state reduced its Near General Fund-State revenue forecast by nearly \$4.5 billion for the remainder of the 2019-21 Biennium, and by more than \$4.3 billion for the 2021-23 Biennium. As a result, as part of its operating budget instructions, OFM directed agencies to submit budget reduction options equal to 15 percent of their 2021-23 GF-S Maintenance Level budget. For Ecology, this equates to a reduction target of \$8,876,000. GF-S represents only about 10 percent of Ecology's biennial operating budget, with nearly 80 percent of that funding in the Water Resources Program. The remainder of Ecology's operating budget comes dedicated environmental funds, federal and private/local funds, and interagency agreements.

### Ecology 15 Percent Reduction Options

To achieve the majority of its reduction target, Ecology is proposing a combination of one-time and ongoing fund shifts for specific operating budget activities from GF-S to the Model Toxics Control Operating Account (MTCA-Operating), totaling \$8.781 million (\$4.296 million is ongoing and \$4.485 million is one-time). These proposed fund shifts provide real dollar for dollar GF-S savings for the state, while maintaining important environmental and public health work done across the state. The remainder of Ecology's reduction would be achieved through vacancy savings in the Water Resources Program, which is detailed in a separate Decision Package.

A total of 14 funded items across five of Ecology's environmental programs are proposed to be shifted in this request. The majority (9) of these shifts are consistent with ones proposed in the Governor's 2020 Supplemental Operating Budget, but not enacted. This subset of fund shifts total \$4.586 million and are summarized in *Attachment A: GF-S to MTCA Fund Shift Detail*. Ecology is requesting these shifts be ongoing, consistent with how they were proposed in the Governor's 2020 Supplemental Operating Budget.

The remaining five items (two of which are consistent with options already proposed as fund shifts in Ecology's GF-S FY21 Budget Savings Options submitted to OFM June 1, 2020) are proposed as one-time fund shifts in 2021-23. Two of these items end after Fiscal Year 2022, and while the other three climate-related items are eligible to be funded in MTCA-Operating, Ecology recommends that these items be funded from GF-S in the long-term. These one-time shifts are also detailed in *Attachment A: GF-S to MTCA Fund Shift Detail*.

The vast majority of the proposed fund shifts provide direct support to either Southern Resident orca protection and recovery, or recent legislation or rulemaking address climate change. These activities, and related connections, are summarized in *Attachment B: Orca Protection*

*and Climate Change Linkages.*

### **Model Toxics Control Operating Capacity for Fund Shift**

Based upon the June revenue forecast and fund balance sheet, capacity exists within MTCA-Operating to fully support these proposed funds shifts, as well as the handful of other MTCA-Operating supported decision packages Ecology has advanced for 2021-23. Approximately 40 percent of Ecology's biennial operating budget comes from the MTCA-Operating Account, which is funded by the Hazardous Substance Tax (HST). MTCA-Operating funds are used to support a broad range of toxics cleanup, pollution prevention, and water and environmental health protection and monitoring activities at both the state and local levels.

In 2019, Engrossed Substitute Senate Bill 5993 (ESSB 5993) made significant changes to both the MTCA accounts and the HST, including changing the tax structure for liquid petroleum products from a value-based tax to a volume-based tax. Since these changes, HST revenue collections through July 2020 have been generally above forecast for most months. For the June 2020 revenue forecast, the Department of Revenue (DOR) updated future-month revenue estimates for the first time since ESSB 5993 passed. These adjustments increased the revenue forecast for MTCA-Operating by approximately \$27 million through the 2021-23 Biennium.

However, it is important to note that like many revenue streams across the state, HST collections may be negatively impacted in the coming months due to the economic impacts of COVID-19. Sustained lower petroleum use in the state, or lower exports of refined crude oil, could have significant impacts on HST revenue in the coming months. If fund balance capacity declines as a result of future forecast changes, Ecology would need to identify other options for meeting the directed 15-percent reduction and/or reduce other MTCA-Operating supported budget requests.

### **Impacts on Population Served:**

This requested fund shift will deliver on GF-S savings and avoid having to make deep cuts to core environmental and public health work, which benefits all Washington residents, the state's natural resources, and our economy. By shifting the proposed activities from GF-S to MTCA-Operating, this request helps address the state's GF-S shortfall, while enabling Ecology to continue improving environmental and public health outcomes across the state.

### **Alternatives Explored:**

The alternative to this budget request would be additional cuts to Ecology's core environmental and public health work in order to meet the directed 15 percent GF-S reduction.

### **Consequences of Not Funding This Request:**

If the proposed activities were not shifted from GF-S to MTCA-Operating, and other GF-S specific reductions were required, deep cuts to core environmental and public health work across the state would be required. Ecology would have to identify and cut activities, including some currently proposed as shifts in this request, to meet the directed 15 percent reduction. Cutting these activities would significantly impact statewide efforts currently underway to protect and recover Southern Resident orcas, as well as mitigate the impacts of climate change in our state.

Ecology would also have to make additional reductions in the Water Resources Program, where the vast majority of the agency's GF-S is allocated. Through the Water Resources Program, Ecology is responsible for water resource management activities statewide. This includes making decisions on applications for water rights, establishing instream flows, and enforcing the water code. If the proposed funds shifts in this request were not supported, Ecology would have to identify Water Resources Program reductions, which would reduce capacity for instream flow work, water rights processing, and compliance. If that were required, Ecology expects more conflict among water users and reduced ability in certain basins to support adequate flow levels for fish and wildlife.

## Assumptions and Calculations

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This is not an expansion or alteration of a current program or service. This request shifts appropriation for existing work from GF-S to the MTCA Operating Account.

### ***Detailed Assumptions and Calculations:***

This request shifts GF-S appropriations to the MTCA Operating Account based on previous shift proposals in the Governor's proposed 2020 Supplemental Operating Budget and Ecology's Fiscal Year 2021 GF-S budget savings options submitted to OFM June 1, 2020. These shifts are summarized below and in *Attachment A: GF-S to MTCA Fund Shift Detail*.

#### **Shorelands Program**

- Northwest Straits Commission: \$455,000/year ongoing.
- Ocean Acidification: \$102,000/year ongoing.
- Shoreline Armor Assistance: \$319,000/year ongoing, including Agency Administrative Overhead.

#### **Air Quality Program**

- Clean Air Rule Carryforward Level: \$1,785,000/year in FY22 and FY23 one-time, including Agency Administrative Overhead.
- 5116 Clean Energy: \$83,000/year in FY22 and FY23 one-time, including Agency Administrative Overhead.
- Clean Energy: \$44,000 in FY22 and \$43,000 in FY23 one-time, including Agency Administrative Overhead.
- Zero Emission Vehicle Program: \$149,000/year in FY22 and FY23 one-time, including Agency Administrative Overhead.

#### **Environmental Assessment Program**

- Puget Sound Observation Network: \$435,000/year ongoing, including Agency Administrative Overhead.

#### **Water Quality Program**

- Puget Sound Nonpoint Specialists: \$354,000/year ongoing, including Agency Administrative Overhead.
- Water Quality Enforcement: \$245,000/year ongoing, including Agency Administrative Overhead.
- Pharmaceuticals & Wastewater: \$118,000/year ongoing, including Agency Administrative Overhead.
- Dissolved Gas Rulemaking: \$290,000 in FY22 one-time, including Agency Administrative Overhead.
- Nutrient Controls for Puget Sound: \$74,000 in FY22 one-time, including Agency Administrative Overhead.

#### **Solid Waste Management Program**

- Solid Waste Carryforward Level: \$120,000/year ongoing, including Agency Administrative Overhead.

### ***Workforce Assumptions:***

N/A

### ***How is your proposal impacting equity in the state?***

This budget request will avoid having to make deep cuts to Ecology's core environmental and public health work, which would negatively impact diverse communities across the state.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing each goal in Ecology's strategic plan because it enables the agency to continue core environmental and public health work across the state.

- Goal 1: Support and engage our communities, customers, and employees.
- Goal 2: Reduce and prepare for climate impacts.
- Goal 3: Prevent and reduce toxic threats and pollution.
- Goal 4: Protect and manage our state's waters.
- Goal 5: Protect and Restore Puget Sound.

This request provides essential support to the following Governor's Results Washington Goals by ensuring that funds are available for core environmental and public health work across Washington.

- Goal 2: Prosperous Economy.
- Goal 3: Sustainable Energy and a Clean Environment.
- Goal 4: Healthy and Safe Communities.

### **Performance Outcomes:**

The outcome of this request will be continuation of core environmental and public health work throughout the state. By shifting the proposed activities from GF-S to MTCA-Operating, this request will help address the state's GF-S revenue shortfall, while enabling Ecology to continue its important work.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Local governments, other state and federal agencies, and a number of non-governmental organizations all rely on the environmental and public health work done by Ecology. If the proposed fund shifts were not enacted, and Ecology had to make cuts in these, or other areas, such as water resources, the impacts would be felt across the entire state.

Work to protect our Southern Resident orcas is shared across a vast number of agencies, governmental, entities, and stakeholders. A reduction to Ecology's work in this area would have ramifications across much of the work currently underway.

Ecology partners with agencies, such as the Department of Commerce, the Environmental Protection Agency (EPA), as well as the state's local air authorities on curbing carbon pollution in trying to mitigate the impacts of climate change. Having to reduce funding needed to implement recent legislation and policy decisions in these areas would hinder progress in these areas, not just for Ecology, but for our partners as well.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

This request supports Puget Sound Action Agenda implementation through the following:

#### **Near Term Actions:**

- 2018-0812 – Nonpoint Water Quality Specialists to Protect, Re-open, and Upgrade Shellfish Growing Areas.
- 2018-0943 – Pursue Long-Term Funding for Nonpoint Water Quality Specialists to Protect and Improve Fresh and Marine Water Quality.
- 2018-0225 – King County Shoreline Armor Monitoring.
- 2018-0450 – Puget Sound Watershed Continuous Nitrogen Monitoring.
- 2018-0509 – Measurement of Pharmaceuticals, Personal Care Products, and Perfluoroalkyl Substances in Budd Inlet and Port Gardner



Bay sediments.

**Regional Priority Approaches:**

- CHIN4.2 – Improve monitoring of pollutants (such as metals, hydrocarbons, PAHs, PBDEs) associated with stormwater and other sources.
- CHIN2.5 – Address and manage water quality parameters, including: Excess nutrient loading (such as nitrogen) for all sources, and with specific attention to pathways associated with wastewater treatment outfalls; Elevated temperatures; Sediment; Toxics.
- CHIN 1.10 – Enforce and improve compliance with existing regulations.
- BIB3.1 – Facilitate the increased use or performance of best management practices in working/rural lands.
- SHELL 1.3 – Increase compliance with and enforcement of environmental laws, regulations, and permits.
- SHELL1.4 – Promote voluntary and incentive-based programs that help working farms contribute to Puget Sound recovery.
- TIF1.1 – Enhance pollutant reduction programs, corrective measures and increase authorities and programs to prevent toxic chemicals from entering Puget Sound.

**Ongoing Programs:**

- OGP\_ECY 8 – Shorelands – Wetland Mitigation Compliance Program.
- OGP\_ECY 36 – Water Quality - Clean Up Polluted Waters - standards and water quality improvement plans (TMDLs).

**Strategies and Sub-strategies:**

- Strategy 14 - Prevent, Reduce, and/or Eliminate Pollution from Centralized Wastewater Systems, specifically Sub-strategy 14.1 - Reduce the concentrations of contaminant sources of pollution conveyed to wastewater treatment plants through education and appropriate regulations, including improving pretreatment requirements.
- Sub-strategy 1.2: Support local governments to adopt and implement plans, regulations, and policies consistent with protection and recovery targets, and incorporate climate change forecasts.
- Sub-strategy 21.1: Complete total maximum daily load (TMDL) studies and other necessary water cleanup plans for Puget Sound to set pollution discharge limits and determine response strategies to address water quality impairments.
- Sub-strategy 10.4-1 – Promote source control and technical assistance programs at the local level.
- Sub-strategy 10.4-2 – Reduce pollutants from onsite sewage system sources, agriculture operations, and/or toxics from residential and commercial uses.
- Sub-strategy 10.4-3 – Promote enforcement and compliance related to pollution source control.

This request also supports the Puget Sound Nutrient Reduction Project (<https://ecology.wa.gov/Water-Shorelines/Puget-Sound/Helping-Puget-Sound/Reducing-Puget-Sound-nutrients/Puget-Sound-Nutrient-Reduction-Project>), and associated Marine Water Quality Implementation Strategy, to address human sources of nutrients impacting the Sound.

A number of the proposed fund shifts also provide direct support to recommendations from the Governor’s Southern Resident Orca Task Force in 2018 and 2019. Those connections are summarized in *Attachment B: Orca Protection and Climate Change Linkages*.

**Legal or Administrative Mandates:**

N/A

**Stakeholder Response:**

In general, Ecology anticipates stakeholders being supportive of this fund shift as it allows a broad range of core work to continue while delivering real GF-S savings. Some MTCA stakeholders will have concerns with the fund shift as they will prefer the capacity to be used for “new” investments.

**Reference Documents**

[AttachmentA\\_GFStoMTCAFundShiftDetail.pdf](#)

[AttachmentB\\_OrcaProtectionAndClimateChangeLinkages.pdf](#)

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Agency Contact Information

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## Attachment A: GF-S to MTCA Fund Shift Detail

Purpose: This document provides operating budget activity-level details for the proposed shift of Ecology activities from General Fund-State (GF-S) to the Model Toxics Control Operating Account in the 2021-23 Biennium. The proposed fund shifts in the table below are grouped as follows: items included in Ecology's base budget before the 2019-21 Biennium; items added to Ecology's budget in the 2019-21 Enacted Operating Budget; items added to Ecology's budget in the 2020 Supplemental Operating Budget. As detailed below, some shifts are proposed as one-time, while others are ongoing. The proposed shifts will help address the state's revenue shortfall by moving over \$8.7 million in costs off of GF-S, and will allow Ecology to continue its core environmental and public health work at current budgeted levels.

*Dollars in Thousands*

September 2020

Base Budget GF-S Items Proposed to be Shifted to MTCA						
Item	Program	Activity	Category	Direct	Admin	FTE
Ocean Acidification <sup>1</sup>	SEA	A036 Protect and Manage Shorelines in Partnership with Local Governments	Ongoing	204	-	204
Solid Waste						
Management Program -	SWM	A028 Improve Environmental Compliance at State's Largest Industrial Facilities; A009 Eliminate Waste and Promote Material Reuse	Ongoing	220	20	240
GF-S Base 21-23 CFL <sup>1</sup>						1.00
Air Quality Program						
Clean Air Rule Funding -	AQP	A063 Climate Change Mitigation and Adaptation	One-time	3,245	325	3,570
GF-S Base 21-23 CFL						14.00
2019-21 Enacted Budget GF-S Adds Proposed to be Shifted to MTCA						
Item	Program	Activity	Category	Direct	Admin	FTE
Clean Energy	AQP	A063 Climate Change Mitigation and Adaptation	One-time	156	10	166
Puget Sound Observation Network <sup>1</sup>	EAP	A027 Monitor the Quality of State Waters and Measure Stream Flows Statewide	Ongoing	830	40	870
Puget Sound Nonpoint Specialists <sup>1</sup>	WQP	A049 Reduce Nonpoint Source Water Pollution	Ongoing	658	50	708
Water Quality Enforcement <sup>1,2</sup>	WQP	A032 Prevent Point Source Water Pollution	Ongoing	454	36	490
Shoreline Armor Assistance <sup>1,2</sup>	SEA	A036 Protect and Manage Shorelines in Partnership with Local Governments	Ongoing	598	40	638
						2.30

Item	Program	Activity	Category	Direct	Admin	Total	FTE
Pharmaceuticals & Wastewater <sup>1</sup>	WQP	A032 Prevent Point Source Water Pollution	Ongoing	226	10	236	0.50
Dissolved Gas Rulemaking <sup>1,2</sup>	WQP	A006 Clean Up Polluted Waters	Ends FY22	272	18	290	1.00
Northwest Straits Commission <sup>1</sup>	SEA	A042 Provide Technical Training, Education, and Research through Padilla Bay Estuarine Reserve	Ongoing	910	-	910	-
<b>2020 Supplemental Budget GF-S Adds Proposed to be Shifted to MTCA</b>							
Item	Program	Activity	Category	Direct	Admin	Total	FTE
Clean Energy <sup>3</sup>	AQP	A063 Climate Change Mitigation and Adaptation	One-time	69	18	87	0.50
Nutrient Controls for Puget Sound	WQP	A032 Prevent Point Source Water Pollution; A007 Conduct Environmental Studies for Pollution Source Identification and Control	Ends FY22	68	6	74	0.30
Zero Emission Vehicle Program <sup>3</sup>	AQP	A047 Reduce Health and Environmental Threats from Motor Vehicle Emissions	One-time	276	22	298	1.20
<b>Total</b>				<b>8,186</b>	<b>595</b>	<b>8,781</b>	

**Notes:**

1. Items were proposed as fund shifts to MTCA-Operating in the Governor's proposed 2020 Supplemental Operating Budget (but not enacted). Amounts adjusted at 2021-23 CFL.
2. Portions of these items were proposed as a one-time savings options in Ecology's GF-S FY21 Savings Options submitted to OFM June 1, 2020.
3. These items were proposed as fund shifts in Ecology's GF-S FY21 Savings Options submitted to OFM June 1, 2020.

## Attachment B: Orca Protection and Climate Change Linkages

**Purpose:** This document provides details on linkages between Ecology's proposed fund shifts and (1) recommendations from the Governor's Southern Resident Orca Task Force in 2018 and 2019, or (2) recent legislation and rulemaking addressing the impacts of climate change.

September 2020

Orca Task Force Recommendations	
Base Budget GF-S Items Proposed to be Shifted to MTCA	
Ocean Acidification	44. Increase Washington's ability to understand, reduce, remediate, and adapt to the consequences of ocean acidification.
	47. Identify and mitigate increased threats to Southern Residents from contaminants due to climate change and ocean acidification. Prioritize actions that proactively reduce exposure where the increased impacts are expected to be most severe.
2019-21 Enacted Budget GF-S Adds Proposed to be Shifted to MTCA	
Puget Sound Observation Network	33. Increase monitoring of toxic substances in marine waters; create and deploy adaptive management strategies to reduce threats to orcas and their prey.
Puget Sound Nonpoint Specialists	40. Better align existing nonpoint programs with nutrient reduction activities and explore new ways to achieve the necessary nonpoint source nutrient reductions.
Water Quality Enforcement	32. Improve effectiveness, implementation and enforcement of National Pollutant Discharge Elimination System permits to address direct threats to Southern Resident orcas and their prey.
Shoreline Armor Assistance	3. Apply and enforce laws that protect habitat.
Pharmaceuticals & Wastewater	30. Identify, prioritize and take action on chemicals that impact orcas and their prey.
Dissolved Gas Rulemaking	8. Increase spill to benefit Chinook for Southern Residents by adjusting total dissolved gas allowances at the Snake and Columbia River dams.
2020 Supplemental Budget GF-S Adds Proposed to be Shifted to MTCA	
Nutrient Controls for Puget Sound	39. Develop a National Pollutant Discharge Elimination System permit framework for advanced wastewater treatment in Puget Sound to reduce nutrients in wastewater discharges to Puget Sound by 2022.

Item	Climate-Related Legislative/Policy Decisions
<b>Base Budget GF-S Items Proposed to be Shifted to MTCA</b>	
Air Quality Program Clean	The 2017-19 operating budget provided ongoing funding for the implementation of Ecology's 2016 Clean Air Rule. In February 2020, the State Supreme Court ruled a portion of the rule invalid, as it applied to transportation
Air Rule Funding - GF-S	fuels and natural gas heating, but the court's decision left the basic structure of the rule intact. Existing
Base 21-23 CFL	appropriation is needed moving forward to update the current rule to align with the court's decision and then
	move forward with implementation.
<b>2019-21 Enacted Budget and 2020 Supplemental Budget GF-S Adds Proposed to be Shifted to MTCA</b>	
Clean Energy	In 2019, the Legislature passed the Clean Energy Transformation Act (E2SSB 5116), which requires all electricity
	used in the state to be carbon neutral by 2030, and to come completely from non-emitting sources by 2045.
	Funding was provided in the 2019-21 and 2020 supplemental operating budgets to implement the Act, including
	required rulemaking, and the development of energy transformation project criteria.
Zero Emissions Vehicle Program	In 2020, the Legislature passed Senate Bill 5811, which requires Washington to establish a standard and program
	for zero-emission vehicles (ZEV). A ZEV standard is designed to expand the number and variety of electric and
	fuel cell vehicles available to the public, and to reduce the carbon pollution coming from cars and trucks.
	Ongoing funding was provided in the 2020 supplemental operating budget for Ecology to implement the new
	standard and program.





Department of Ecology  
2021-23 Regular Budget Session  
Policy Level - DL - Water Resources GF-S Reduction

## Agency Recommendation Summary

This request is in response to the Office of Financial Management's instructions to identify and submit budget reduction options equal to 15 percent of Ecology's Near-General Fund Maintenance Level budget for the 2021-23 Biennium. The COVID-19 pandemic has had a significant impact on Washington's economy, and state revenues are projected to be down significantly through at least the 2021-23 Biennium. As part of meeting the reduction target, Ecology would hold a 1.0 FTE vacancy within its Water Resources Program for the 2021-23 Biennium. Ecology's Water Resources Program is responsible for water resource management activities statewide, which includes making decisions on applications for water rights, establishing instream flows, and enforcing the water code. This reduction would reduce administrative and secretarial support within Ecology's Eastern Regional Office next biennium. (General Fund State)

## Fiscal Summary

<b>Fiscal Summary</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2022</b>	<b>2023</b>	<b>2021-23</b>	<b>2024</b>	<b>2025</b>	<b>2023-25</b>
<b>Staffing</b>						
FTEs	-1.2	-1.2	-1.2	0.0	0.0	0.0
<b>Operating Expenditures</b>						
Fund 001 - 1	(\$89)	(\$89)	(\$178)	\$0	\$0	\$0
Total Expenditures	(\$89)	(\$89)	(\$178)	\$0	\$0	\$0

## Decision Package Description

### **Projected GF-S Shortfall and 15 Percent Submittal Requirement**

The impacts of the COVID-19 pandemic on Washington's economy have been widespread and significant. Nearly every sector of the state's economy has been affected, and revenue collections are now projected to be down significantly over the next three fiscal years. Beginning in April, Governor Inslee and the Office of Financial Management (OFM) began taking steps to address the economic crisis. The Governor used his line-item veto authority to trim nearly \$445 million in General Fund-State (GF-S) spending over the next three fiscal years from the 2020 Supplemental Operating Budget. In May, cabinet agencies were directed to freeze hiring, personal services contracts, and equipment purchases, while also identifying options to reduce GF-S spending by 15 percent during Fiscal Year 2021. In June, general wage increases were rescinded for certain state employees, and furloughs began for most employees in July.

In June the state reduced its Near General Fund-State revenue forecast by nearly \$4.5 billion for the remainder of the 2019-21 Biennium, and by more than \$4.3 billion for the 2021-23 Biennium. As a result, as part of its operating budget instructions, OFM directed agencies to submit budget reduction options equal to 15 percent of their 2021-23 GF-S Maintenance Level budget. For Ecology, this equates to a reduction target of \$8,876,000. GF-S represents only about 10 percent of Ecology's biennial operating budget, with nearly 80 percent of that funding in the Water Resources Program. The remainder of Ecology's operating budget comes dedicated environmental funds, federal and private/local funds, and interagency agreements.

### **Ecology 15 Percent Reduction Options**

To achieve the majority of its reduction target, Ecology is proposing a combination of one-time and ongoing fund shifts for specific operating budget activities from GF-S to the Model Toxics Control Operating Account (MTCA-Operating). These shifts are detailed in a separate Decision Package, and achieve the majority (\$8,781,000) of Ecology's total reduction target (\$8,876,000).

To achieve the remainder of its reduction, Ecology is proposing to hold 1.0 FTE Secretary Lead position in its Water Resources Program vacant for the 2021-23 Biennium. Holding this FTE vacant would reduce administrative and secretarial support in Ecology's Eastern Regional Office. This would delay copying, filing and email management, report preparation, public access to documents, mail distribution, sending documents to regional office staff, routing of constituent correspondence and phone calls, and other clerical work within the Water Resources Program.

### **Impacts on Population Served:**

This reduction would have a negative impact on the communities and populations served by the Water Resources Program and Ecology's Eastern Regional Office. Residents in this area of the state could see delays in agency responsiveness to inquiries and correspondence, the dissemination of information to the public, and other work impacted by a reduction in administrative support.

### **Alternatives Explored:**

The alternative to this proposed one-time reduction would be to hold a vacancy in another area of Ecology's Water Resources Program.

### **Consequences of Not Funding This Request:**

If the proposed reduction was not taken, the Water Resources Program would continue to provide water supply solutions at its current budgeted levels. If other vacancy options to reduce GF-S were substituted for this proposal, the impacts would be similar to those already described, although the focus of the impacts might change.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

This budget request is not an ongoing expansion or alteration of a current program or service. This request would achieve a portion of Ecology's required GF-S reduction by holding 1.0 FTE Secretary Lead position vacant for the 2021-23 Biennium.

### **Detailed Assumptions and Calculations:**

This request would achieve a portion of Ecology's GF-S reduction target by holding 1.0 FTE Secretary Lead position vacant in the Water Resources Program for the 2021-23 Biennium. Salaries, benefits, and associated staff costs are reduced on a one-time basis.

This reduction would reduce administrative and secretarial support in Ecology's Eastern Regional Office. It would delay copying, filing and email management, report preparation, public access to documents, mail distribution, sending documents to regional office staff, routing of constituent correspondence and phone calls, and other clerical work within the Water Resources Program.

### **Workforce Assumptions:**

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
A	Salaries and Wages	(45,510)	(45,510)				
B	Employee Benefits	(16,657)	(16,657)				
E	Goods and Services	(5,724)	(5,724)				
G	Travel	(2,787)	(2,787)				
J	Capital Outlays	(1,637)	(1,637)				
T	Intra-Agency Reimbursements	(17,033)	(17,033)				
	<b>Total Objects</b>	<b>(89,348)</b>	<b>(89,348)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Staffing</b>							
Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
SECRETARY LEAD	45,510	(1.00)	(1.00)				
FISCAL ANALYST 2		(0.10)	(0.10)				
IT APP DEVELOPMENT-JOURNEY		(0.05)	(0.05)				
	<b>Total FTEs</b>	<b>(1.2)</b>	<b>(1.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### **Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

### **How is your proposal impacting equity in the state?**

This reduction would have a negative impact on the communities and populations served by the Water Resources Program and Ecology's Eastern Regional Office. Residents in this area of the state could see delays in agency responsiveness to inquiries and correspondence, the dissemination of information to the public, and other work impacted by a reduction in administrative support. However, Ecology does not anticipate a disproportionate impact to any one group within the communities served by Ecology's Eastern Regional Office.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This reduction would negatively impact implementation of the following agency strategic plan and Governor Results Washington goals by reducing administrative and secretarial support within Ecology's Water Resources Program for the 2021-23 Biennium. Ecology's Water Resources Program is responsible for water resource management activities statewide, which includes making decisions on applications for water rights, establishing instream flows, and enforcing the water code.

Ecology Strategic Plan Goals:

- Support and engage our communities, customers, and employees.
- Protect and manage our state's waters.

Governor's Results Washington Goals:

- Goal 2: Prosperous Economy.
- Goal 3: Sustainable Energy and a Clean Environment.
- Goal 4: Healthy and Safe Communities.

### **Performance Outcomes:**

This Decision Package would reduce administrative and secretarial support in Ecology's Eastern Regional Office for the 2021-23 Biennium. Holding the proposed position vacant would delay copying, filing and email management, report preparation, public access to documents, mail distribution, sending documents to regional office staff, routing of constituent correspondence and phone calls, and other clerical work within the Water Resources Program.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

State agency partners, local governments, environmental groups, the business community, the agricultural industry, and others will likely be concerned with reductions to the Water Resources Program. Reduced program resources may have a negative impact on local business, agriculture, families, and aquatic resources.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

Stakeholders will likely be concerned with reductions to the Water Resources Program. Reduced program resources may have a negative impact on local business, agriculture, families, and aquatic resources.

## IT Addendum

**Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	(\$45)	(\$45)	(\$90)	\$0	\$0	\$0
Obj. B	(\$16)	(\$16)	(\$32)	\$0	\$0	\$0
Obj. E	(\$6)	(\$6)	(\$12)	\$0	\$0	\$0
Obj. G	(\$3)	(\$3)	(\$6)	\$0	\$0	\$0
Obj. J	(\$2)	(\$2)	(\$4)	\$0	\$0	\$0
Obj. T	(\$17)	(\$17)	(\$34)	\$0	\$0	\$0

## Agency Contact Information

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**Department of Ecology  
2021-2023 Operating Budget**

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Department of Ecology  
2021-23 Regular Budget Session  
Policy Level - DC - Implementing GHG Limits Program

### Agency Recommendation Summary

In 2020, the Legislature passed Engrossed Second Substitute House Bill 2311, updating greenhouse gas (GHG) limits and amending Ecology’s reporting requirements. This legislation also created new technical support work for Ecology by changing reporting requirements for all state agencies. This bill was not funded by the Legislature in the 2020 Supplemental Operating Budget because there were only minimal costs identified for Fiscal Year 2021, but Ecology does not have current funding capacity to complete the required work beginning in 2021-23 without additional resources. This legislation amends GHG emission limits for consistency with the most recent assessment of climate change science and includes specific actions required of Ecology to meet the new directives. Ecology is requesting funding, consistent with our final fiscal note, to complete the work required under this new law. (Model Toxics Control Operating Account)

### Fiscal Summary

<b>Fiscal Summary</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2022</b>	<b>2023</b>	<b>2021-23</b>	<b>2024</b>	<b>2025</b>	<b>2023-25</b>
<b>Staffing</b>						
FTEs	0.5	1.3	<b>0.9</b>	0.2	1.3	<b>0.75</b>
<b>Operating Expenditures</b>						
Fund 23P - 1	\$61	\$182	<b>\$243</b>	\$29	\$182	<b>\$211</b>
Total Expenditures	<b>\$61</b>	<b>\$182</b>	<b>\$243</b>	<b>\$29</b>	<b>\$182</b>	<b>\$211</b>

## Decision Package Description

New directives under Engrossed Second Substitute House Bill (E2SHB) 2311, passed in 2020, require changes to both Washington State sector-based and state agency greenhouse gas (GHG) programs, and includes new requirements for Ecology. The new reduction limits and net-zero requirements in the legislation are aggressive goals, requiring expert technical analysis, assistance, and oversight. The following description of required work, beginning in 2021-23, is consistent with Ecology's final fiscal note for this bill.

Section 2 of the bill directed Ecology, in consultation with the Department of Natural Resources (DNR), to include GHG emissions from wildfires. This section also requires Ecology to track progress toward meeting the state's emissions reduction limits required by the law, including the results from policies adopted in the future, and report on that progress. Implementing both of these requirements requires additional staffing resources.

Section 3 of the bill provided new directives relating to state agency GHG emissions reductions. Ecology will work with the State Efficiency and Environmental Performance (SEEP) Office within the Department of Commerce to help state agencies develop action plans and long-term strategies to meet emissions limits. Agencies will develop their own strategies to meet their individual emissions reduction limits, and Ecology will provide technical assistance, including the calculation of emissions. Ecology will require additional resources to provide this technical assistance to other state agencies.

In addition to the new work described above, Ecology is also required to update the agency's own long-term plan to meet emissions limits, prepare a four-year work plan, and estimate potential costs related to near-term actions to meet its limits. Near-term actions could include purchasing renewable electricity and replacing fleet vehicles with electric vehicles.

### Impacts on Population Served:

All Washington residents are affected by the activities described in this request. In Washington, the major impacts from climate change include reduced snowpack; impacts to infrastructure and water supplies; increased risk of wildfire; and challenges protecting water resources, forests, species and ecosystems, coasts and oceans, agriculture, and human health.

As stated in E2SHB 2311 Section 1 (3), *"The longer we delay in taking definitive action to reduce greenhouse gas emissions, the greater the threat posed by climate change to current and future generations, and the more costly it will be to protect and maintain our communities against the impacts of climate change."*

### Alternatives Explored:

E2SHB 2311 requires specific new work for Ecology. Sections 2 and 3 are new directives and require Ecology to take specific actions to meet these directives. This new work cannot be scaled or delayed, because the requirements and report due dates are prescribed by the legislation. The requested option was chosen because the work is required, and Ecology lacks other resources to complete it.

### Consequences of Not Funding This Request:

E2SHB 2311 provides very aggressive reduction limits for GHG emissions. These reduction limits depend on future policy actions that may be associated with reducing emissions from state agencies as an entity or emissions aggregated within Washington state sectors. The policy foundation for E2SHB 2311 is Ecology's own policy paper drafted in collaboration with the University of Washington's Climate Impacts Group, relying on recent climate change science that declares a sense of urgency in the need for action. Without funding this request, the lack of technical resource support from Ecology could jeopardize the assessment of GHG emission trends or policy effectiveness, and ultimately impair the achievement of and compliance with the GHG reduction limits.

## Assumptions and Calculations

### Expansion, Reduction, Elimination or Alteration of a current program or service:

This request expands Activity A063 - Climate Change Mitigation and Adaptation. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.

A063 - Climate Change Mitigation and Adaptation		
	2017-19	2019-21
FTEs	25.6	35.0
001-1 General Fund - State	\$2,678,636	\$3,666,000
23P-1 MTCA Operating (173-1 STCA in 2017-19)	\$2,685,007	\$4,439,000
216-1 Air Pollution Control	\$670,999	\$1,186,000
489-1 Pension Funding Stabilization Account	\$195,255	\$195,000
<b>TOTAL</b>	<b>\$6,229,897</b>	<b>\$9,486,000</b>

### Detailed Assumptions and Calculations:

New directives under E2SHB 2311 require changes to both Washington State sector-based and state agency GHG programs, and includes new

requirements for Ecology. These cost estimates are consistent with the Ecology final fiscal note submitted during the 2020 legislative session.

**Wildfire GHG Emissions:**

Section 2 of the bill requires Ecology's legislative report on GHG emissions to include emissions of GHG from wildfires.

DNR will provide annual statewide estimates of biomass burned by wildfires. Ecology staff will convert estimates from DNR of annual biomass burned by wildfires into GHG emissions data and draft the additional report component. Ecology estimates this work will require 0.05 FTE of an Environmental Specialist 5 during Fiscal Year 2023 and each odd fiscal year thereafter.

**Ecology's GHG Report: Long-Term and Four-Year Plans:**

Section 3 (3) of the bill requires Ecology to add two components to the report that it currently submits for the purposes of GHG reporting under current law; updates to Ecology's long-term strategy for meeting the reduction targets specified in Section 3 (1), and planned actions for the next two biennia to meet emission reduction targets.

Ecology estimates the following staff time needed to update the long-term plan, prepare a four-year work plan, and estimate potential costs related to near-term actions:

- Program Specialist 3: 0.1 FTE in Fiscal Year 2022 and each even-numbered fiscal year thereafter. This position will collect and analyze data from each Ecology program to update the long-term plan and prepare a four-year work plan. This position will also provide financial analysis support to project the costs of each element within the plan and produce the final report.
- Facilities Planner 2: 0.1 FTE in Fiscal Year 2022 and each even-numbered fiscal year thereafter. This position will review the four-year work plan and assess resources needed to implement the planned actions. This position will evaluate technical specifications and requirements for any planned projects to inform cost estimates for the report.

**State Agency Technical Support:**

Section 3 (3) requires all state agencies required to report under RCW 70A.45.050 to submit a report by June 1, 2022, and each even-numbered year thereafter, to Ecology and the SEEP. The report must summarize agency plans for the next two biennia and actions already taken to meet the GHG limits in Section 3 (1).

Ecology assumes we will provide technical assistance to state agencies for preparing the report required in section 3 (3) and developing planned actions to meet emissions targets for ongoing reporting.

An Environmental Specialist 5 (0.1 FTE in Fiscal Year 2022) and an Environmental Planner 5 (0.1 FTE in Fiscal Year 2022) will support agencies with the requirements of section 3 (3).

**Legislative Report on State Agency GHG Emissions Reduction:**

In addition, section 3 (3) requires Ecology and the SEEP to submit a consolidated state agency report to the appropriate legislative committees by December 1, 2022 and each even-numbered year thereafter. The report will include recommendations for budgetary and other actions that will help state agencies achieve the GHG emissions reductions specified in section 3 (1). The report will require the following staff resources for Ecology technical support:

- Environmental Planner 5: 0.5 FTE in Fiscal Year 2023 and each odd-numbered fiscal year thereafter. This position will serve as agency lead for the report and coordinate with the SEEP.
- Environmental Specialist 5: 0.5 FTE in Fiscal Year 2023 and each odd-numbered fiscal year thereafter. This position will provide technical expertise to support the report.
- Regulatory Analyst 3: 0.08 FTE in Fiscal Year 2023 and each odd-numbered fiscal year thereafter. This position will provide policy support to the agency lead in submitting the report to the Legislature.

**Workforce Assumptions:**

<b>Expenditures by Object</b>		<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
A	Salaries and Wages	32,584	98,139	15,195	98,139	15,195	98,139
B	Employee Benefits	11,927	35,918	5,562	35,918	5,562	35,918
E	Goods and Services	2,288	6,468	1,144	6,468	1,144	6,468
G	Travel	1,116	3,150	558	3,150	558	3,150
J	Capital Outlays	656	1,851	328	1,851	328	1,851
T	Intra-Agency Reimbursements	12,197	36,731	5,688	36,731	5,688	36,731
<b>Total Objects</b>		<b>60,768</b>	<b>182,257</b>	<b>28,475</b>	<b>182,257</b>	<b>28,475</b>	<b>182,257</b>

#### Staffing

<b>Job Class</b>	<b>Salary</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
ENVIRONMENTAL SPECIALIST 5	78,412	0.10	0.55		0.55		0.55
ENVIRONMENTAL PLANNER 5	95,481	0.10	0.50		0.50		0.50
REGULATORY ANALYST 3	90,883		0.08		0.08		0.08
PROGRAM SPECIALIST 3	67,560	0.10		0.10		0.10	
FACILITIES PLANNER 2	84,394	0.10		0.10		0.10	
FISCAL ANALYST 2		0.04	0.11	0.02	0.11	0.02	0.11
IT APP DEVELOPMENT-JOURNEY		0.02	0.06	0.01	0.06	0.01	0.06
<b>Total FTEs</b>		<b>0.5</b>	<b>1.3</b>	<b>0.2</b>	<b>1.3</b>	<b>0.2</b>	<b>1.3</b>

#### Explanation of costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

#### How is your proposal impacting equity in the state?

Climate change disproportionately impacts low-income communities and communities of color. This is because disadvantaged groups have increased exposure to the adverse effects of climate change, increased susceptibility to damage caused by climate change, and decreased ability to cope and recover from the damage.

### Strategic and Performance Outcomes

#### Strategic Framework:

This request is essential to implementing several goals in Ecology's strategic plan:

- Reduce and prepare for climate impacts.
- Prevent and reduce toxic threats and pollution.
- Protect and restore Puget Sound.

This request will ensure Ecology has resources to accurately understand the state's GHG emissions. This will allow Ecology and the state to improve our understanding of the sources and trends in GHG emissions and take targeted action to reduce emissions. This request will also provide tools and resources to assist Ecology and other state agencies in meeting GHG emission limits in state law.

Limiting GHG emissions and achieving net-zero GHG emissions by 2050 is critical to reducing the risks that climate change will severely affect Washington communities, the environment, and economy. Actions to reduce GHG emissions also result in co-benefits from reducing other criteria and toxic air pollutants that are deposited into Puget Sound and harm public health and the environment.

This request provides essential support to the Governor's Results Washington Goal 3: Sustainable Energy and Clean Environment and Goal 5: Efficient, Effective, and Accountable Government, and supports the efforts to achieve the outcome measures to combat climate change and reduce GHG emissions. This request will support Ecology and other state agencies in achieving cost savings from reducing our reliance on fossil fuels and increasing use of renewable energy and advanced electric vehicles.

This request also supports Ecology's ability to manage, implement, and monitor the actions directed by E2SHB 2311 to reduce overall emissions of greenhouse gases in the state to five million metric tons, or 95 percent below 1990 levels, and to achieve net-zero GHG emissions by 2050.



**Performance Outcomes:**

The outcome of this request will be a more complete understanding of GHG emissions in the state, more complete data to support policies to achieve Washington's reduction targets, and a reduction in GHG emissions in the state and among state agencies. Specific outcomes of this request include:

- Ecology will have the ability to include wildfire GHG emissions data into its inventory.
- Ecology will have resources to track and report on future policy initiatives to meet the new reduction limits.
- Ecology will have resources to work with state agencies, including SEEP, to develop actions and strategies to meet state agency reduction targets.

**Other Collateral Connections**

**State Workforce Impacts:**

N/A

**Intergovernmental:**

Implementing E2SHB 2311 requires three cross-agency relationships; 1) Department of Natural Resources, 2) Department of Enterprise Services, and 3) Department of Commerce.

In Section 2 (2), Ecology is required to consult with DNR to include GHG emissions from wildfires in the Washington State sector-based GHG inventory. Ecology requires resources to assess data compilation, analysis, and reporting.

In Section 3 (3), Ecology is required to consult with the Department of Enterprise Services and with SEEP at the Department of Commerce to develop reporting methodologies that incorporate emission reduction actions for state agencies. Ecology requires resources to assess data compilation, analysis, and reporting.

Section 3 (3) also requires Ecology to work with SEEP to review and compile agency reports into a consolidated report to the Legislature by December 2022. Actions that will help state agencies achieve the GHG emissions reductions must be included. Ecology requires resources for data assessment and developing actionable responses for GHG reductions.

**State Facilities Impacts:**

Without funding for this request, state agencies would lack the technical support needed to develop plans to comply with the reporting requirements under RCW 70A.45.050. Agency reports must summarize their plans for the next two biennia to meet the GHG emissions targets. Ecology assumes state agencies may need to provide new capital facilities requests to meet these targets. Agencies may put forward requests that promote energy efficiency in state-owned or state-leased buildings, and they may seek to purchase electric vehicles to replace aging fleets and associated charging infrastructure. These are among the types of capital requests Ecology anticipates agencies could make to help them meet their targets.

**Changes from Current Law:**

N/A

**Puget Sound Recovery:**

N/A

**Legal or Administrative Mandates:**

N/A

**Stakeholder Response:**

This request is in response to a new law, and the funding needed to implement it and has not been through a stakeholder process. Ecology does not anticipate a need for stakeholder involvement, because the law provides specific direction. During the legislative process, many stakeholders weighed in on the bill. Stakeholders were generally supportive of the bill, because it will allow Washington to do its part in addressing climate change. While some stakeholders stated that the emissions limits were too aggressive, this underscores the importance of developing policies to support these science-driven limits.

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$33	\$98	<b>\$131</b>	\$15	\$98	<b>\$113</b>
Obj. B	\$12	\$36	<b>\$48</b>	\$6	\$36	<b>\$42</b>
Obj. E	\$2	\$6	<b>\$8</b>	\$1	\$6	<b>\$7</b>
Obj. G	\$1	\$3	<b>\$4</b>	\$1	\$3	<b>\$4</b>
Obj. J	\$1	\$2	<b>\$3</b>	\$0	\$2	<b>\$2</b>
Obj. T	\$12	\$37	<b>\$49</b>	\$6	\$37	<b>\$43</b>

## Agency Contact Information

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**Department of Ecology  
2021-2023 Operating Budget**

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Department of Ecology  
2021-23 Regular Budget Session  
Policy Level - DW - Safer Products for Washington

## Agency Recommendation Summary

In 2019, the Legislature passed Substitute Senate Bill 5135 to protect people and the environment from harmful toxic chemicals in consumer products. The law requires Ecology to identify consumer products that are significant sources or uses of hazardous chemicals, determine whether there are safer alternatives, and implement restrictions and reporting requirements as necessary. The long-term human health, environmental, and economic impacts of toxic chemicals are substantial, and in Washington, millions of dollars have been spent cleaning up toxic contamination in the environment. Removing toxics from products is significantly more efficient than cleanup after use. Ecology implements SSB 5135, one of the nation's strongest state laws for regulating toxic chemicals in products, through its Safer Products for Washington Program. Ecology is requesting funding to implement the next phases of the law's five-year regulatory cycle, which includes the evaluations of safer alternatives to priority toxic chemicals in products, and if needed, developing regulations to restrict their use. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	3.6	3.6	3.6	3.5	3.5	3.5
<b>Operating Expenditures</b>						
Fund 23P - 1	\$804	\$750	\$1,554	\$777	\$777	\$1,554
Total Expenditures	\$804	\$750	\$1,554	\$777	\$777	\$1,554

## Decision Package Description

In 2019, the Legislature passed The *Pollution Prevention for Healthy People and Puget Sound Act of 2019* (SSB 5135; Chapter 70A.350 RCW). Ecology implements this law through its Safer Products for Washington Program (<https://ecology.wa.gov/Waste-Toxics/Reducing-toxic-chemicals/Safer-products>). Chapter 70A.350 RCW is one of the strongest laws on toxics in the nation, and marks a major milestone in how we address chemicals in everyday products. In the past, Washington's toxics laws have proven to be influential in shaping state and national policy on these issues. This new law created a five-year repeating cycle of required actions for Ecology that will result in reductions to toxic chemicals in consumer products.

Removing toxic chemicals from consumer products and commerce is one of the least expensive and most effective ways to help protect Washington's environment and public health. The comprehensive approach laid out in the law now allows Ecology to take action on classes of priority chemicals to avoid within-class substitutions that don't result in a safer outcome, such as the replacement of one bisphenol A with the similarly toxic bisphenol S. Under the new law, Ecology is required work with stakeholders, consult with the Washington Department of Health (DOH), report to the Legislature, and complete the following four phases every five years:

### Safer Products for Washington – Initial Regulatory Cycle



**Phase 1:** Identify at least five priority chemical classes based on hazard, exposure, and impacts. The Legislature identified the first five priority chemical classes as part of SSB 5135:

- a. Phthalates
- b. Phenolic compounds
- c. Polychlorinated biphenyls (PCBs)
- d. Organohalogen flame retardants
- e. Per- and polyfluoroalkyl substances (PFAS)

**Phase 2:** Identify consumer products containing those priority chemicals and report to the Legislature. (Fiscal Year 2020)

**Phase 3:** Determine whether safer alternatives can be used in place of those five priority chemicals in specific product categories, and report to the Legislature on recommended regulatory actions (Fiscal Year 2022).

**Phase 4:** Adopt rules, if necessary, to regulate the use of those five priority chemicals in the priority products (such as requiring reporting from manufacturers, or restricting the use of the chemicals) (Fiscal Year 2023).

After rulemaking in Phase 4 is complete, regulations will become effective one year after adoption. Assessing compliance with new regulations will include ongoing technical assistance to manufacturers, product testing, data management, and possible enforcement activities.

In addition to the required actions to reduce priority chemicals in priority products (as described above), identifying safer alternatives that are feasible and available will:

- Help inform the chemicals chosen for Chemical Action Plan development.
- Help identify products for the Product Replacement Program and Pollution Prevention Assistance Partnership (formally Local Source Control Partnership).
- Contribute to Green Chemistry work.
- Contribute the cross-program and cross-agency identification of potential product-related sources of toxics that enter the environment through multiple pathways (wastewater discharge, sludge, recycling, and air emissions).

Since the law was signed in May 2019, Ecology has performed Phase 2 technical evaluations and worked with stakeholders and the public to identify consumer products containing the priority chemicals. Based on this work, Ecology drafted and submitted the [Priority Consumer Products Report to the Legislature: Safer Products for Washington Implementation Phase 2](#) to the Legislature in July 2020. The report identifies 11 consumer products that are significant sources or uses of the priority chemicals that the Legislature named in the law.

Phases 3 and 4 directly address the development of regulatory actions needed to address these chemicals and consumer projects.

**Determination of Regulatory Actions.** Phase 3 is a two-year period (Fiscal Year 2021 and Fiscal Year 2022) culminating in a report due to the Legislature in June 2022. In this phase, the law requires Ecology to determine regulatory actions to increase transparency and to reduce the use of priority chemicals in priority products. The law specifies three possible determinations: (1) no regulatory action is necessary, (2) a manufacturer must provide notice of the use of a priority chemical in a priority product, or (3) a restriction or prohibition on the manufacture, wholesale distribution, sale, or use of the chemical in the consumer product. A determination that a restriction or prohibition is needed must be based on the two-step evaluation described below:

- Step 1. A determination by Ecology that safer chemicals that are available and feasible can be substituted for the priority toxic chemicals in the consumer products; and
- Step 2. The restriction will reduce a significant source or use of a priority chemical, or, the restriction is necessary to protect the health of a sensitive population of species.

The evaluation of safer alternatives described in Step 1 is a technical evaluation that includes components of hazard evaluation, costs, and performance characteristics of the priority chemicals and possible alternative chemicals in the priority products. It includes toxicity screens and alternatives analysis work to identify feasible and available safer alternatives.

Ecology will conduct technical evaluations to determine safer alternatives that are available and feasible, and work with stakeholders and the public to make the evaluations as transparent as possible in determining needed regulatory actions.

The report to the Legislature on needed regulatory actions is due June 1, 2022. Regulatory actions do not take effect until the adjournment of the following regular session. This allows the Legislature to add to, limit, or otherwise amend the determinations made by Ecology. Any regulatory action required by the Legislature will go into effect after the 2023 legislative session for this first cycle.

**Rulemaking.** Phase 4 rulemaking will occur in Fiscal Years 2022 and 2023, ending by the June 1, 2023 deadline. In this phase, Ecology is required to adopt rules to implement the regulatory actions determined in Phase 3. This will be the first rulemaking under Chapter 70A.350 RCW. Ecology assumes it will start rulemaking during Phase 3, prior to submittal of the Phase 3 report to the Legislature, and prior to the effective date of the report (April 2023). This approach is allowed in the law, and is needed in order to meet the June 1, 2023 deadline for a final rule.



Work to prepare for compliance assessments, including developing chemical/product data management strategies, guidance for the regulated community, and compliance evaluation procedures, will occur after rule adoption (Fiscal Year 2024 and ongoing). Ecology will assess compliance and enforce any new regulations starting one year after any rule is adopted.

This budget request supports the second year of Phase 3 and the Phase 4 work described above, and consistent with the costs and work identified in Ecology's final fiscal note on SSB 5135 for the 2021-23 Biennium. However, Ecology is requesting that the funding level identified for 2021-23 be made ongoing in order to successfully carry out the work required under this new law. Specific work completed each biennium will change, depending on the phase(s) Ecology is currently working in, but a consistent level of funding is most efficient each biennium regardless of which phases occur during that timeframe. Ecology anticipates that the requested funding level in this budget request, plus the base funding received in the 2019-21 Operating Budget, will be sufficient to support implementation of the law moving forward.

#### Funding Summary:

- Base Funding from 2019-21 Operating Budget: \$807,000, 3.0 FTE
- 2021-23 Decision Package: \$1,554,000, 3.6 FTE
- Total Resources Needed in 2021-23 and Ongoing: \$2,361,000, 6.6 FTE (Fiscal Note Amount for 2021-23: \$2,344,391, 6.7 FTE)

#### **Impacts on Population Served:**

##### Consumers

The 11 consumer products identified in Ecology's June 2020 report to the Legislature were selected because they are used by diverse populations and have the potential to expose sensitive populations (e.g. infants) to toxic chemicals. If restrictions are implemented, consumers will benefit from reduced exposures to toxic chemicals. Additionally, consumers will have access to more information about what's in their products and can make more informed decisions. These benefits will affect all consumers in Washington.

##### Manufacturers

Priority products manufacturers will be affected if they are restricted from selling priority products containing priority chemicals in Washington, or required to report on their use. The law requires that safer alternatives evaluated in Phase 3 must also be feasible (must perform well) and available (can be obtained in the marketplace). The costs of safer alternatives are taken into account via economic and cost/benefit analyses, as required by the law and Administrative Procedures Act. Ecology's broad stakeholder process includes work with industry as these evaluations take place each cycle.

#### **Alternatives Explored:**

Ecology considered a variety of alternatives to this budget request, including:

1. Delay implementation of safer evaluations, regulatory determinations, and rulemaking. This is not a viable alternative because it does not allow sufficient time to do the technical, policy, and stakeholder work needed to complete the report on regulatory determinations by June 1, 2022. Ecology would also not be able to complete the required rulemaking by the Legislature's deadline of June 1, 2023.
2. Reassign staff currently working on other projects. This is not a feasible alternative because Ecology currently does not have sufficient staff to reassign to this ongoing work. Reassigning staff from other high-priority projects, also with legislatively-required tasks and deadlines, would leave those projects and associated deliverables severely understaffed.
3. An alternative to Ecology requesting that the funding level identified in this Decision Package be ongoing would be to align the amount needed in the 2023-25 Biennium with our final fiscal note for SSB 5135, which showed a reduced funding level compared to what is needed in 2021-23. Because work required under this law is on a repeating five-year cycle, it would be inefficient to decrease funding in one biennium, only to have to increase it in the next. Having funding levels that fluctuate each biennium would make it very difficult to hire and retain the staff and resources needed to successfully implement this law on an ongoing basis.

#### **Consequences of Not Funding This Request:**

If this request is not funded, Ecology will not be able to conduct the work required under the law, and options for regulating toxic chemicals in consumer products will be reduced. It is important to meet the Legislature's deadlines and reduce toxics in products for a variety of reasons, including:

- **Avoid creating future sites that require cleanup.** PFAS is an ongoing example of this. Washington currently expends considerable resources to address PFAS-contaminated drinking water sources. PFAS continue to escape from consumer products and enter the environment. The sooner we reduce the sources of PFAS, the less resources we will need in the future to deal with related issues.
- **Local and national expectations.** The national implications of this law mean groups across the country are engaged with the implementation process. This law could lead to safer consumer products nationwide as manufacturers move to safer alternatives, determined here in Washington State. Interested groups expect Ecology to stay on schedule with the deadlines in the law.
- **Consumer products are a major source of toxics entering Washington's environment.** Toxic chemicals have resulted in costly and harmful resource impairments across Washington (e.g. Spokane River PCB Clean Water Act waterbody impairments and subsequent regulatory requirements; PCB and flame retardant fish advisories). The requirements to focus on products that are a significant source or

use of priority toxic chemicals ensures that potential regulations will make a difference in the number and types of toxics entering Washington's environment in the future.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

This request will expand Activity A065 - Reduce Persistent, Bioaccumulative, Toxic Chemicals and Promote Safer Consumer Products, on an ongoing basis, in order to identify safer alternatives, develop regulatory determinations, and conduct rulemaking to protect consumers from harmful toxic chemicals in products they purchase and use. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and not shown in the totals below.

<b>A065 - Reduce Persistent, Bioaccumulative, Toxic Chemicals and Promote Safer Consumer Products</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	15.5	25.6
001-2 General Fund - Federal	\$409,016	\$484,000
108-1 Motor Vehicle Account	\$28,572	\$0
(173-1/19G-1) 23P-1 MTCA Operating	\$3,170,807	\$7,413,000
207-1 Hazardous Waste Assistance Account	\$1,251,283	\$1,490,000
<b>TOTAL</b>	<b>\$4,859,678</b>	<b>\$9,387,000</b>

### **Detailed Assumptions and Calculations:**

The work covered by this budget request is required by Chapter 70A.350 RCW, and includes three main phases of work that will be conducted or started during the 2021-23 Biennium: determination of regulatory actions; rulemaking; and compliance. These three phases are part of the overall five-year regulatory cycle required under the law.

Ecology is requesting that the funding level identified for the 2021-23 Biennium be made ongoing in order to successfully carry out the work required under the law. Specific work completed each biennium will change, depending on the phase(s) Ecology is currently working in, but a consistent level of funding is most efficient each biennium regardless of which phases occur during that timeframe. Ecology anticipates that the requested funding level in this budget request, plus the base funding provided in the 2019-21 Operating Budget, will be sufficient to support implementation of the law moving forward. See attached summary for how requested and base resources will be used during the 2021-23 Biennium and beyond.

The five-year cycle of tasks and products that are required in the law were originally viewed as discrete activities - siloed processes – and resource determinations were based on this view (as is reflected in Ecology's final fiscal note). However, Ecology's experience thus far with implementation has demonstrated that the actual work needed (and required) to meet the law's deadlines is not siloed, and in fact, the work done to produce specific reporting requirements integrates and leads into the work supporting subsequent deadlines.

#### **2021-23 Biennium**

**Phase 3 – Determination of Regulatory Actions.** Ecology, in consultation with DOH, must determine if regulatory actions are needed to increase transparency and reduce the use of priority chemicals in priority consumer products. Ecology and DOH will evaluate two regulatory actions for each priority chemical the Legislature identified.

- Safer alternatives availability. To carry out the needed evaluations, a Chemist 4 (Chem4) is needed to conduct oversight of a contracted alternatives analysis on one chemical product combination to determine the availability and feasibility of safer alternatives. This will require 0.25 FTE in 2021-23 to oversee the contracted alternatives analysis. The cost of the contracted alternatives analyses will be \$400,000 per biennia, beginning in 2021-23. The Chem4 FTE need will increase to 0.56 FTE in Fiscal Years 2024 through 2026 to begin work on the identification of new chemical classes for the next cycle.
- Office of the Attorney General (AGO) Advice. Ecology will require AGO advice regarding determinations of regulatory actions for priority chemicals in priority consumer products. This will require the equivalent of 0.1 AAG FTE (\$22,000) in Fiscal Year 2022, which will be provided through an inter-agency agreement (IAA). These costs repeat every five years (e.g. FY27, FY32, etc.).
- DOH Support. Funding is required for an IAA with DOH to help Ecology evaluate two regulatory actions for priority chemicals in priority consumer products. \$56,000 will be needed in Fiscal Year 2022 and these costs will repeat every five years (e.g. FY27, FY32, etc.).

**Phase 4 – Rulemaking.** Ecology will adopt rules to implement the regulatory actions identified in Phase 3 as required by the law. Due to the complex and controversial nature of regulating priority chemicals and priority consumer products, the rulemaking is expected to begin in Fiscal Year 2022 and conclude in Fiscal Year 2023. The legislative report on needed regulatory determinations will be drafted and submitted during the rulemaking period. This process will repeat every five years as required by law. Current planning is that Ecology will propose rule adoption of regulatory actions on two consumer products for each priority chemical.

The majority of resources identified below will also be used to assess compliance and enforce any new regulations, starting one year after any rule is adopted.

- a. Rulemaking assistance. An Environmental Specialist 5 (ES5) is needed to assist with the rulemaking, managing the database, assist technical experts, assist with rule language drafting, and facilitate internal and external rule meetings. This work will require 1.0 FTE in the 2021-23 Biennium and will repeat every five years (FY27 and FY28, etc.). This position will focus on compliance activities during Fiscal Years 2024 through 2026.
- b. Chemistry expertise. A Chem4 is needed to provide chemical expertise regarding priority chemicals and priority consumer products and recommended regulatory actions, participate in rule writing, and rule meetings. This work will require 1.0 FTE in the 2021-23 Biennium and will repeat every five years (FY27 and FY28, etc.). During Fiscal Years 2024 through 2026, this position will focus on the identification of new chemicals and products, and assist with related compliance activities.
- c. Toxicology expertise. A Toxicologist 3 (Tox3) is needed to provide technical expertise regarding regulatory actions recommended for priority chemicals and priority consumer products, assist with rule writing, and participate in rule meetings. This work will require 0.5 FTE in the 2021-23 Biennium and will repeat every five years (FY27 and FY28, etc.). During Fiscal Years 2024 through 2026, this position will focus on the identification of new chemicals and products, and assist in determining needed regulatory actions for the next cycle of rulemaking.
- d. Economic analyses. An Economic Analyst 3 (EA3) and a Regulatory Analyst 2 (RA2) are needed to conduct and prepare the cost benefit analyses and Small Business Economic Impact Statement for the priority chemical and priority consumer product regulatory actions. This work will require 0.25 FTE of an EA3 and 0.10 FTE of a RA2 in the 2021-23 Biennium and will repeat every five years (FY27 and FY28, etc.).
- e. DOH support. Rulemaking will require support from DOH. Funding for an IAA with DOH is needed for rulemaking support related to human health expertise, support for rule writing, and DOH participation in meetings. This will require \$74,000 in the 2021-23 Biennium and will repeat every five years (FY27 and FY28, etc.).
- f. AGO advice. Ecology will require AGO advice during rulemaking to adopt needed regulations. This will require the equivalent of 0.1 AAG FTE (\$22,000) in Fiscal Year 2023, which will be funded through an IAA. These costs repeat every five years (e.g. FY28, FY33, etc.).

**Summary:**

Projected costs for the 2021-23 Biennium and ongoing are estimated as follows.

- Phase 3 - Determination of Regulatory Actions
  - FY22 = \$321,057 and 0.3 FTE
  - FY23 = \$243,057 and 0.3 FTE
- Phase 4 – Rulemaking
  - FY22 = \$482,545 and 3.3 FTE
  - FY23 = \$506,545 and 3.3 FTE
- Total 2021-23 Biennium costs
  - FY22 = \$803,602 and 3.6 FTE
  - FY23 = \$749,602 and 3.6 FTE

**Workforce Assumptions:**

<b>Expenditures by Object</b>		<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
A	Salaries and Wages	273,600	273,600	273,856	273,856	273,856	273,600
B	Employee Benefits	100,138	100,138	100,231	100,231	100,231	100,138
C	Personal Service Contract	200,000	200,000	200,000	200,000	200,000	200,000
E	Goods and Services	113,744	59,744	86,515	86,515	59,515	113,744
G	Travel	8,641	8,641	8,529	8,529	8,529	8,641
J	Capital Outlays	5,075	5,075	5,010	5,010	5,010	5,075
T	Intra-Agency Reimbursements	102,404	102,404	102,499	102,499	102,499	102,404
<b>Total Objects</b>		<b>803,602</b>	<b>749,602</b>	<b>776,640</b>	<b>776,640</b>	<b>749,640</b>	<b>803,602</b>

#### **Staffing**

<b>Job Class</b>	<b>Salary</b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
CHEMIST 4	93,133	1.25	1.25	1.56	1.56	1.56	1.25
ENVIRONMENTAL SPECIALIST 5	78,412	1.00	1.00	1.00	1.00	1.00	1.00
TOXICOLOGIST 3	100,314	0.50	0.50	0.50	0.50	0.50	0.50
ECONOMIC ANALYST 3	82,342	0.25	0.25				0.25
REGULATORY ANALYST 2	80,291	0.10	0.10				0.10
FISCAL ANALYST 2		0.31	0.31	0.31	0.31	0.31	0.31
IT APP DEVELOPMENT-JOURNEY		0.16	0.16	0.15	0.15	0.15	0.16
<b>Total FTEs</b>		<b>3.6</b>	<b>3.6</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.6</b>

#### **Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Contracts (object C) reflect a total of \$400,000 for contracted alternative assessments.

Goods and Services are the agency average of \$5,724 per direct program FTE. Goods & Services also includes \$74,000 for IAA with DOH for assistance with rulemaking and compliance activities; and \$44,000 AGO services related to rulemaking and compliance activities.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey

#### **How is your proposal impacting equity in the state?**

Socioeconomic and demographic factors influence the types of products people buy. To make the benefits of this work felt by all Washingtonians, Ecology identified products used by sensitive populations. Ecology considered socioeconomic and demographic differences in how people purchase and use products, and how they might be exposed to priority chemicals, as it identified its first set of 11 priority products.

In addition to the criteria set in law, Ecology also considered barriers to replacing priority products and known disproportionate exposures that impact sensitive populations. For example, restricting toxic chemicals in products that are replaced more frequently, like personal care and beauty products, will have more immediate benefits, and are less dependent on socioeconomic status, than restrictions on products that some families can't afford to replace regularly.

When identifying the first set of 11 priority products, Ecology partnered with King County to host an evening workshop for representatives from community-based organizations focused on environmental justice. Their input resulted in the expansion of some product categories to include broader sources of exposure. This work sets the stage for continued Phase 3 and 4 efforts to reduce exposures of sensitive populations to toxic chemicals in products.

By hosting a workshop and actively reaching out to community groups at the beginning of the implementation process for this law, gathering their input, and taking action based on their feedback, Ecology laid the groundwork for an outreach strategy that is inclusive of typically underrepresented and overburdened communities. Ecology's robust stakeholder outreach efforts started in Phase 2 and will be continued throughout each cycle moving forward.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implement the following goals in Ecology's strategic plan to:

- Prevent and Reduce Toxic Threats and Pollution by implementing rules on the use of certain substances, compounds, and chemicals in consumer products impacting human health and the environment.
- Protect and restore Puget Sound by reducing toxic chemicals that end up in Puget Sound thereby reducing exposure to these chemicals of important aquatic biota including fish and Orcas.
- Support and engage our communities, customers, and employees by hosting workshops and webinars to share our work and offering opportunities for communities to provide input on the chemicals and products we identify, the availability and feasibility of safer alternatives and potential regulatory actions.

This request provides essential support to the Governor's Results Washington goals.

- Goal 2 – Prosperous Economy by supporting outcome measure 1.2a Increase business gross business income (GBI) through the sector of clean technology.
- Goal 3 – Sustainable Energy and a Clean Environment by decreasing the amount of toxics entering waterbodies in Washington.
- Goal 4 – Healthy and Safe Communities by reducing direct and indirect exposures of sensitive populations to toxic chemicals and reducing environmental and toxic threats at small business.

### **Performance Outcomes:**

The overall outcome of this request will be Washington's consumers and environment are exposed (directly or indirectly) to fewer toxic chemicals found in consumer products. Ecology will be able to measure or estimate the pounds of priority toxic chemicals in some priority products sold in Washington. Depending on the potential restrictions approved by the Legislature, we expect to see reduced concentrations of some toxic chemicals in humans. For instance, as discussed in the Phase 2 products report, switching out recreational gym foam that contained flame retardants resulted in lower concentrations of flame retardants in gymnasts' and coaches' bodies. With awareness of these reduced toxic chemicals in commonly used products, people will have more confidence in the safety of the priority products they purchase in Washington.

Specific outcomes of this request will be:

1. Alternatives analyses to identify safer alternatives that are available and feasible to prevent the substitution of one type of toxic with another.
2. A report to the Legislature that identifies the regulatory actions needed to reduce priority toxic chemicals in priority consumer products.
3. A robust public process to enhance communication and outreach to the public and stakeholders that incorporates environmental justice concerns.
4. Rulemaking to adopt needed regulatory actions that will reduce human and environmental exposures to priority toxics.
5. Stable funding to continue implementing the provisions of this law in future regulatory cycles.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

This request will allow Ecology to produce the technical and policy materials necessary for regulatory determinations and rulemaking. Stakeholders—including cities and counties, water districts and wastewater treatment plants, and tribal governments—will be interested in both of these processes. Ecology anticipates that they will be largely supportive of our efforts and will appreciate the opportunity to get involved and provide input.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

The SSB 5135 priority chemical classes include three of the four classes of pollutants that are indicators for the Puget Sound Partnership's Vital



Sign: Toxics in Fish. These pollutant classes are PCBs, PBDEs, and endocrine disrupting compounds. Consumer products are a disparate and significant source of toxic pollution to Puget Sound. Reducing these toxic chemicals in consumer products will reduce the amounts of these vital sign pollutants entering the Sound.

This request supports the following Puget Sound Vital Signs efforts:

- Healthy Water Quality – Toxics in Fish
- Healthy Water Quality – Marine Water Quality
- Healthy Water Quality – Marine Sediment Quality
- Thriving Species and Food Web – Chinook Salmon
- Thriving Species and Food Web – Orcas
- Thriving Species and Food Web – Pacific Herring

This request also supports Puget Sound Action Agenda implementation through Ongoing Program OGP\_ECY5: Reducing Toxic Threats, Toxics Reduction Technical visits and special projects and is linked to the following Near-Term Action (NTA), Regional Priorities, Strategy, and Sub-strategies:

- NTA 2018-0465 – Chemical Action Plans for Endocrine Disrupting Chemicals (EDCs) through the development and implementation of chemical action plans.
- CHIN4.8: Evaluate potential threats from emerging contaminants of concern from wastewater and stormwater as they relate to salmon and their food web.
- TIF1.1: Enhance pollutant reduction programs, corrective measures and increase authorities and programs to prevent toxic chemicals from entering Puget Sound.
- ORCA1.1: Implement the Governor’s Orca Task Force recommendations and other plans.
- Strategy 9 – Prevent, reduce, and control the sources of contaminants entering Puget Sound through the following Sub-strategies:
  - Sub-strategy 9.1 – Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem;
  - Sub-strategy 9.2 – Promote the development and use of safer alternatives to toxic chemicals;
  - Sub-strategy 9.4 – Provide education and technical assistance to prevent and reduce releases of pollution.

This request also supports efforts under the Governors’ Executive Order 1802, Southern Resident Orca Recovery and Task Force through the following recommendation:

- 29: Accelerate the implementation of the ban on polychlorinated biphenyls in state-purchased products and make information available online for other purchasers.
- 30: Identify, prioritize and take action on chemicals that impact orcas and their prey.
- 31: Reduce stormwater threats and accelerate cleanup of toxics harmful to orcas.
- 33: Increase monitoring of toxic substances in marine waters; create and deploy adaptive management strategies to reduce threats to orcas and their prey.

### **Legal or Administrative Mandates:**

This request is in response to SSB 5135 (2019), codified at Chapter 70A.350 RCW.

### **Stakeholder Response:**

Multiple non-governmental organizations (NGOs) have expressed enthusiasm for the implementation of SSB 5135 because this law will reduce the impact of toxic chemicals on human health and the environment. NGOs support regulation of toxic chemicals and have been clear that they want toxic chemicals removed from as many consumer products as possible. NGOs and the public expressed overwhelming support for the Safer Products for Washington Program during the development of the Priority Products Report (submitted to the Legislature in July 2020).

Industry, including Association of Washington Businesses, Fluorocouncil, American Chemistry Council, and manufacturers of products that contain chemicals identified in the first five priority chemical classes, pushed back as the legislation was developed in 2019, and continue to express concern. Industry is resistant to the concept of regulating chemicals as a class, because it allows Ecology to designate a chemical class as a priority based on the toxicity and molecular features of other chemicals in the same class.

They are also resistant to the concept of restricting the use of toxic chemicals when safer alternatives are available. Industry representatives tend to counter Ecology’s work with risk assessments showing that exposures from their product are below levels of concern. They do not want their products identified as priority products, because that puts them on the path to potential regulatory requirements. They argue that programs



already exist to protect human health and the environment, and express concerned with the cost to comply with possible regulations under the law.

## Reference Documents

[Safer Products for Washington 5 Yr Regulatory Cycle Attachment.pdf](#)

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$274	\$274	\$548	\$274	\$274	\$548
Obj. B	\$100	\$100	\$200	\$100	\$100	\$200
Obj. C	\$200	\$200	\$400	\$200	\$200	\$400
Obj. E	\$114	\$60	\$174	\$87	\$87	\$174
Obj. G	\$9	\$9	\$18	\$9	\$9	\$18
Obj. J	\$5	\$5	\$10	\$5	\$5	\$10
Obj. T	\$102	\$102	\$204	\$102	\$102	\$204

## Agency Contact Information

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## Safer Projects for Washington Program - 5-Year Regulatory Cycle

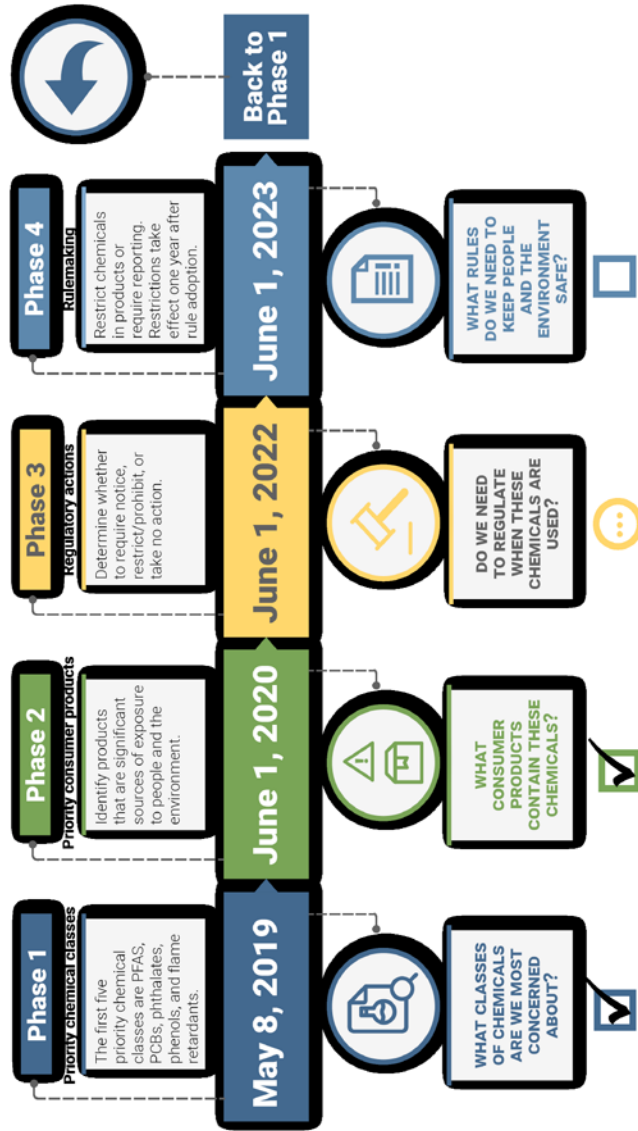
Purpose: This document provides a general summary of the work that would be conducted by Ecology and its partners in each phase of the Safer Products Washington Program's 5-year regulatory cycle. Please note: specific work completed each biennium will change, depending on the phase(s) being worked in and changes to approach implementation, but a consistent level of funding will be most efficient each biennium.

September 2020

	Year 3 FY22	Year 4 FY23	Year 5 & 1 FY24	Year 2 FY25	Year 3 FY26	Year 3 FY27	Year 4 FY28	Year 5 & 1 FY29
		Phase 1 - Chemical Class ID	Phase 2 - Consumer Product ID				Phase 1 - Chemical Class ID	
				Phase 3 - Regulatory Actions and Safer Alternatives Determination				
				Phase 4 - Rulemaking - Compliance			Phase 4 - Rulemaking - Compliance	
<b>Base Resources - 2019-21 Operating Budget - \$807,000, 2.7 Direct FTEs</b>								
<b>Staffing</b>								
Regulatory Analyst 3 - 1.0 FTE	Determining Regulatory Actions; Rulemaking Prep	Rulemaking	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	Determining Regulatory Actions; Rulemaking	Rulemaking	New Chemical Class IDs
Toxicologist 3 - 1.0 FTE	Determining Regulatory Actions; Rulemaking Prep	Rulemaking	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	Determining Regulatory Actions; Rulemaking	Rulemaking	New Chemical Class IDs
Community Outreach & Environmental Education Specialist 3 - 0.5 FTE	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs
IT App Development Journey - 0.1 FTE	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs	New Chemical Class IDs
Environmental Specialist 4 - 0.1 FTE	Consumer Product ID	Consumer Product ID	Consumer Product ID	Consumer Product ID	Consumer Product ID	Consumer Product ID	Consumer Product ID	Consumer Product ID
	CSPA emphasis	CSPA emphasis	CSPA emphasis	CSPA emphasis	CSPA emphasis	CSPA emphasis	CSPA emphasis	CSPA emphasis
<b>Agreements</b>								
Department of Health	Determining Regulatory Actions	Rulemaking						
Attorney General's Office	Determining Regulatory Actions							
<b>2021-23 Decision Package - \$1,554,000, 3.1 Direct FTEs</b>								
<b>Staffing</b>								
Chemist 4 - 0.25 FTE (0.56 FY24-26)	Determining Regulatory Actions; Research Alternative Assessments	Determining Regulatory Actions; Research Alternative Assessments	Determining Regulatory Actions; Research Alternative Assessments; new IDs	Determining Regulatory Actions; Research Alternative Assessments; new IDs	Determining Regulatory Actions; Research Alternative Assessments; new IDs	Determining Regulatory Actions; Research Alternative Assessments	Determining Regulatory Actions; Research Alternative Assessments	Determining Regulatory Actions; Research Alternative Assessments
Environmental Specialist 5 - 1.0 FTE	Rulemaking Prep; Meeting Facilitation; Database Management	Rulemaking; Meeting Facilitation; Database Management	Compliance	Compliance	Compliance	Rulemaking; Meeting Facilitation; Database Management; Compliance	Compliance	Compliance
Toxicologist 3 - 0.5 FTE	Rulemaking Prep	Rulemaking	New Chemical Class IDs	New Chemical Class IDs	Determining Regulatory Actions	Rulemaking	Rulemaking	New Chemical Class IDs
Chemist 4 - 1.0 FTE	Rulemaking Prep	Rulemaking	New Chemical Class IDs	Compliance; New IDs	Compliance; New IDs	Compliance; Rulemaking	Compliance; Rulemaking	Compliance; New IDs
Economic Analyst 3 - 0.25 FTE	Rulemaking Prep	Rulemaking				Rulemaking	Rulemaking	
Regulatory Analyst 2 - 0.1 FTE	Rulemaking Prep	Rulemaking				Rulemaking	Rulemaking	

2021-23 Decision Package - \$1,554,000, 3.1 Direct FTEs						
Agreements						
Department of Health	Determining Regulatory Actions; Rulemaking Prep	Determining Regulatory Actions	New Chemical Class IDs	New IDs; Compliance	New Chemical Class IDs	Determining Regulatory Actions
Attorney General's Office	Determining Regulatory Actions	Determining Regulatory Actions; Rulemaking	New Chemical Class IDs	New IDs; Compliance	New Chemical Class IDs	Determining Regulatory Actions; Rulemaking
Contracts	Alternative Assessment	Alternative Assessment	Alternative Assessment	Alternative Assessment	Alternative Assessment	Alternative Assessment

## SAFER PRODUCTS FOR WASHINGTON PROGRAM - INITIAL REGULATORY CYCLE



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## Agency Recommendation Summary

When national air quality standards are violated, both public health and the economy suffer. Under federal law, costly and demanding regulatory interventions are needed to return communities to clean air status. Currently, 17 communities in Washington are at risk of violating federal air quality standards, especially for fine particle pollution. It is far cheaper to prevent such violations than to deal with their consequences. Ecology conducts community level air quality assessments and works closely with local governments and communities in the state's highest risk areas to help them design and implement preventive air pollution solutions. This request will provide increased grant funding and technical assistance to those communities for projects that reduce air pollution in areas at risk of nonattainment. Related to Puget Sound Action Agenda implementation. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	1.7	1.7	1.7	1.7	1.7	1.7
<b>Operating Expenditures</b>						
Fund 23P - 1	\$1,031	\$1,031	\$2,062	\$1,031	\$1,031	\$2,062
Total Expenditures	\$1,031	\$1,031	\$2,062	\$1,031	\$1,031	\$2,062

## Decision Package Description

### Background / Problem

The United States Environmental Protection Agency (EPA) sets national outdoor air quality standards for six harmful pollutants: ozone, particulate matter, sulfur dioxide, nitrogen dioxide, lead, and carbon monoxide. EPA reviews the standards at five-year intervals and strengthens them over time to reflect current science and ensure the standards are set at levels to protect public health, especially vulnerable populations; including children, the elderly, and people with pre-existing health conditions that make them more susceptible to harmful health effects of air pollution.

A violation of federal air standards, known as nonattainment, imposes major limitations, requirements, and potential sanctions on the state, businesses, and residents in local communities. These required corrective measures are intended to encourage returning to compliance quickly. The economic, health, and social consequences of violating these standards are substantial:

- Rising health care costs and more deaths. The significant adverse health consequences associated with these pollutants place a high public health and health care cost burden on local communities.
- Intentional limits on economic growth. The federal Clean Air Act intentionally limits economic growth in violating communities to encourage them to return to compliance quickly and maintain clean air into the future.
- Rising costs for new and expanding businesses. Businesses and industries located in violating areas face the strictest and most expensive pollution controls.
- Community stigma on quality of life. Violations affect business investment and growth decisions; companies prefer not to grow or locate in violating areas and may choose to move out of such areas; today's employees demand high quality of life and employers are aiming to provide it.
- Government interventions in personal behavior. Local governments and residents may face substantial behavior changes (such as eliminating backyard burning or changing the way people heat their homes) and bear additional costs; the interventions that are imposed may not fit well with community values.
- Community stigma on retiree, tourism, general health rankings. Violations can affect individuals' decisions to move to, or out of, communities where air quality can harm their health. Published summaries of national air quality in retirement magazines, American Lung Association reports, and other healthy city rankings take outdoor air quality into account.

Taken together, such impacts can affect the local government tax base and shift public money away from other community services, detracting from a community's overall livability.

In 2009, a large portion of Pierce County, including the City of Tacoma, was found in violation of the national air quality standard for fine particle pollution. That violation required businesses to face the toughest air quality permit conditions allowed under federal law (Lowest Achievable Emission Rate); required substantial changes in business, government, and personal practices/behaviors; and heavily impacted local economic development. The violation imposed direct costs on businesses, state/local governments, and local residents, including millions of dollars and countless hours of lost productivity to effectively respond to the problem.

It took six years, but in 2015, after a significant coordinated and collaborative effort among residents, community groups, and local, state, and federal agencies, Tacoma measured cleaner air and came back into compliance with the standard. Under the federal Clean Air Act, the area is in

maintenance status through 2035, and Ecology is working with Puget Sound Clean Air Agency and EPA to monitor compliance with the first of two required ten-year maintenance plans, and monitor the success of the federally enforceable strategies to ensure the area continues to meet the fine particle standard.

Currently, 14 communities in Washington are vulnerable to violating the federal standard for fine particles. Measurements in those communities have been over, close to, or are climbing toward the 24-hour fine particle pollution standard. Likewise, two areas are at risk of violating the ground-level ozone standard, two areas are at risk of violating the federal standard for coarse particles, and a small area surrounding an industrial facility in Ferndale is at risk of violating the federal standard for sulfur dioxide.

Communities at Risk of Nonattainment by Pollutant				
Area	Fine Particles (PM <sub>2.5</sub> )	Coarse Particles (PM <sub>10</sub> )	Ground-level ozone (O <sub>3</sub> )	Sulfur Dioxide (SO <sub>2</sub> )
Central Puget Sound (Multi-county)			X	
Clarkston	X			
Colville	X	X		
Darrington	X			
Ellensburg	X			
Ferndale				X
Marysville	X			
Omak	X			
Seattle	X			
Spokane	X			
Sunnyside	X			
Tacoma	X			
Toppenish	X			
Tri-Cities		X	X	
Twisp	X			
Vancouver	X			
Yakima	X			

### Proposed Solution

In 2015, Ecology submitted a budget request for \$1.1 million, which was supported by the Governor's budget proposal, to address Prevent Nonattainment (PNA) issues in Washington. The 2015-17 Operating Budget provided \$400,000 in new funding to address PNA issues. Ecology has used these funds to establish a small PNA Grant Program, targeting engaged local partners in areas at risk of federal nonattainment.

The current PNA Grant Program provides funding for projects that reduce air pollution in communities at risk of violating federal air quality standards. Ecology has partnered with a number of local government organizations and non-governmental organizations to fund projects, equipment, and education and outreach support to empower community actions that reduce air pollution and prevent federal nonattainment. Past and current partners include groups such as cities, counties, conservation districts, transit districts, and fire districts.

In targeting projects for PNA grant funds, Ecology considers several criteria:

- Project location in a community at risk of exceeding federal air quality standards.
- Project potential to reduce emissions of the air pollutant of concern.
- Readiness of the partner(s) to implement the project.
- Level of community and stakeholder support for the project.

During the 2019-21 Biennium, Ecology has agreements in place with ten organizations to fund projects that target reducing specific pollutants in areas where they are at risk of exceeding federal standards. This small grant program has been critical to supporting locally-led efforts to prevent nonattainment, including a broad range of partners and projects. Examples include:

- Partnering with City of Omak, City of Okanogan, City of Twisp, City of Leavenworth, and Lake Wenatchee Fire District to reduce fine particle pollution (PM<sub>2.5</sub>) pollution from outdoor burning of wood waste and yard clippings by providing green waste collection and disposal options.
- Partnering with the Benton Conservation District to reduce particle pollution from dust from agricultural activity by providing incentives to farmers to use no-till or erosion mitigation methods on their fields and to support dust education and outreach efforts in the area.
- Partnering with Ben Franklin Transit to reduce ground-level ozone pollution in the Tri-Cities through increased use of transit.
- Partnering with the City of Colville to purchase liquid de-icer to apply to the roads in the late winter and early spring, which significantly reduces spikes in coarse particle pollution from dust from sanding the roads.



Three elements are critical to prevent a violation:

- A detailed assessment of the community's air pollution levels, sources, and risks;
- A solid understanding by local elected officials, business and community leaders, and residents about the health effects of air pollution and the costs and consequences of violating federal standards; and
- Identifying and implementing solutions that work specifically in and for that community.

This budget request provides targeted resources for each of the three components.

This request would increase the level of funding available for grants to local communities from \$400,000 to \$2 million per biennium to reflect the increased need for pollution reduction measures and preventing federal nonattainment. This would allow Ecology to expand the current program into a statewide grant program and diversify our partnerships across Washington State. The outcome of this request will be preventing additional areas in the state from violating national air quality standards, as well as averting expensive costs related to the rapid deployment of the resources needed to address any violations that may occur. There will also be improved local awareness, understanding, and ownership of the community's air quality future.

This request would also establish funding to hire a permanent coordinator position (1.0 FTE EP4) to work with technical staff to identify areas at risk for exceeding federal air pollution standards and work with local communities to identify and build relationships with willing partners to support and provide funding for locally-led solutions to avoid the public health and economic consequences of exceeding these standards. This position would administer the grant program and measure results.

This request would also provide funding for technical staff (0.25 FTE ES5 and 0.25 FTE ES4) to provide regional support, communications and outreach support, local partner technical collaboration, and financial management support for grant agreements.

#### **Impacts on Population Served:**

Air pollution is a serious threat to public health. Fine particle pollution can result in premature death and harms the lungs and heart. Ozone pollution causes difficulty breathing and lung damage and worsens symptoms of asthma. Exposure to high levels of air pollution is particularly harmful for people with chronic heart and lung disease, children and the elderly, and pregnant women.

Although all of Washington State currently meets the health-based air quality standards, air pollution could reach unhealthy levels in several areas of the state. The PNA Grant Program provides funding for projects that reduce air pollution in communities of the state at risk of violating the health-based standards.

#### **Alternatives Explored:**

The alternative would be to wait to address an air pollution problem after an air quality violation results in an area being designated by EPA as nonattainment. Consequences of a violation will be felt at the state and local level, both in terms of work to address the violation and economic impacts. Efforts to avoid violations of federal standards, therefore, requires a partnership between Ecology and local communities, but these communities often lack the resources to address the issues. Early intervention in the highest risk, most vulnerable communities, could prevent a violation from happening and avoid the significant local public health, economic, and financial impacts that come with a violation. It is far less burdensome and costly for communities to address an air pollution problem before it reaches the level of a federal violation. Before a violation of the standards occurs, strategies to reduce pollution can be flexible and voluntary. Violating an air quality standard brings top-down prescriptions and loss of local flexibility and choice.

#### **Consequences of Not Funding This Request:**

Currently, 17 communities are at risk of violating federal air quality standards. Because Ecology would not have the resources to intervene in a preventive manner, one or more of these communities could violate existing or tougher national air quality standards moving forward. If that occurs, people would be exposed to:

- Increased health risks, especially sensitive populations, including the elderly, children, pregnant women, and people with heart and lung conditions;
- Businesses would be impacted by increased permit and economic constraints;
- Local and state government resources would need to be shifted to address the problem under a rigorous, prescribed timeline;
- All pollution sources within the affected community(ies) could be impacted by controls, regardless of their contribution to the overall problem; and
- The direct and economic costs of regaining compliance would be high.

## **Assumptions and Calculations**

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This request expands Activity A034 - Prevent Unhealthy Air and Violations of Air Quality Standards. The PNA Grant Program is a portion of

this overall activity. The 2015-17 Operating Budget provided \$400,000 in ongoing funding for PNA work. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.

<b>A034 - Prevent Unhealthy Air and Violations of Air Quality Standards</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs	25.0	31.3
001-1 General Fund - Federal	\$5,520,712	\$5,713,000
23P-1 MTCA Operating (173-1 STCA in 2017-19)	\$7,139,245	\$8,846,000
<b>TOTAL</b>	<b>\$12,659,957</b>	<b>\$14,559,000</b>

#### **Detailed Assumptions and Calculations:**

Beginning July 1, 2021 and ongoing, implementation of the PNA Grant Program requires the following:

- **Statewide Prevent Nonattainment Program Coordinator.** Salaries, benefits, and associated staff costs for a permanent coordinator position (1.0 FTE EP4) to work with technical staff to identify areas at risk for exceeding federal air pollution standards and work with local communities to identify and build relationships with willing partners to support and provide funding for locally-led solutions to avoid the public health and economic consequences of exceeding these standards. This position would administer the grant program and measure results.
- **Regional Support, Communications and Outreach, and Local Partnerships.** Salaries, benefits, and associated staff costs for technical staff (0.25 FTE ES5) to provide regional support, communications and outreach support, local partner technical collaboration, and project management support for grant agreements.
- **Grants Financial Management and Coordination.** Salaries, benefits, and associated staff costs for technical staff (0.25 FTE ES4) to provide financial management support for grant agreements.
- **Increased Prevent Nonattainment Grant Funding.** \$800,000 per year in additional grant funding to local communities to reflect the increased need for pollution reduction measures and preventing federal nonattainment. These additional funds would increase the total available grant funding each biennium from \$400,000 to \$2 million. This would allow Ecology to expand the current program into a statewide grant program and diversify our partnerships across Washington State.

#### **Workforce Assumptions:**

<b>Expenditures by Object</b>		<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
A	Salaries and Wages	123,826	123,826	123,826	123,826	123,826	123,826
B	Employee Benefits	45,321	45,321	45,321	45,321	45,321	45,321
E	Goods and Services	8,586	8,586	8,586	8,586	8,586	8,586
G	Travel	4,181	4,181	4,181	4,181	4,181	4,181
J	Capital Outlays	2,455	2,455	2,455	2,455	2,455	2,455
N	Grants, Benefits, and Client Services	800,000	800,000	800,000	800,000	800,000	800,000
T	Intra-Agency Reimbursements	46,348	46,348	46,348	46,348	46,348	46,348
<b>Total Objects</b>		<b>1,030,717</b>	<b>1,030,717</b>	<b>1,030,717</b>	<b>1,030,717</b>	<b>1,030,717</b>	<b>1,030,717</b>
<b>Staffing</b>							
<b>Job Class</b>	<b>Salary</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
ENVIRONMENTAL PLANNER 4	86,483	1.00	1.00	1.00	1.00	1.00	1.00
ENVIRONMENTAL SPECIALIST 5	78,412	0.25	0.25	0.25	0.25	0.25	0.25
ENVIRONMENTAL SPECIALIST 4	70,959	0.25	0.25	0.25	0.25	0.25	0.25
FISCAL ANALYST 2		0.15	0.15	0.15	0.15	0.15	0.15
IT APP DEVELOPMENT-JOURNEY		0.08	0.08	0.08	0.08	0.08	0.08
<b>Total FTEs</b>		<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>

#### **Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Grants, Benefits, and Client Services of \$800,000 per year for additional PNA Grant Program funding.  
Travel is the agency average of \$2,787 per direct program FTE.  
Equipment is the agency average of \$1,637 per direct program FTE.  
Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

**How is your proposal impacting equity in the state?**

The PNA Grant Program targets funding for projects in communities at the greatest risk of violating health-based federal air quality standards. Funding this proposal will help ensure that all communities in Washington State have healthy air to breathe, and will especially benefit people most vulnerable to experiencing adverse health effects, including people with existing health conditions and heart and lung problems, children, the elderly, and pregnant women.

**Strategic and Performance Outcomes**

**Strategic Framework:**

- This request is essential to implementing goals in Ecology’s strategic plan to:
- Support and engage our communities, customers, and employees.
  - Prevent and reduce toxic threats and pollution.
  - Reduce and prepare for climate impacts.
  - Protect and restore Puget Sound.

The request provides funding for projects that reduce emissions of criteria pollutants. Residents that live and work in areas that violate national air quality standards are exposed to high levels of harmful air pollution.

Preventing areas from exceeding federal air quality standards helps protect public health and reduces deposition of air pollution into Puget Sound. Many of the strategies to reduce conventional air pollutants, such as increasing use of public transportation, also have co-benefits and help achieve important reductions in greenhouse gas emissions and toxic air pollution.

This request provides essential support to the Governor’s Results Washington Goal 3: Sustainable Energy and a Clean Environment, and Goal 4: Healthy and Safe Communities, by reducing harmful air pollution and residence exposure to pollution that can hurt them.

This request also provides essential support to the Governor’s Goal 2: Prosperous Economy and helps address the spiraling costs of health care by preventing community violations of federal air quality standards that thwart economic development and expose residents to harmful pollution and unnecessary and preventable diseases and health care costs.

Performance Measures	Incremental Changes 2022	Incremental Changes 2023	Incremental Changes 2024	Incremental Changes 2025
000998 - Number of areas measuring air quality levels that are not in compliance with federal standards	0	0	0	0

**Performance Outcomes:**

The outcome of this request will be to prevent federal nonattainment in communities at risk of not being in compliance with the federal air quality standards. The request will result in reductions in air pollution, including criteria pollutants, greenhouse gases, and toxic air pollution. This will reduce public exposure and public health threats and prevent costly regulatory interventions and decades of planning required when U.S. EPA designates an area in nonattainment. The request will also improve local awareness, understanding, and ownership of the community’s air quality future.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

The PNA Grant Program has been in place since 2015. The program provides funding for projects that reduce air pollution in communities at risk of violating federal air quality standards. Ecology has partnered with a number of local government organizations and non-governmental organizations to fund projects, equipment, and education and outreach support to empower community actions that reduce air pollution and prevent federal nonattainment. Past and current partners include groups such as cities, counties, conservation districts, transit districts, and fire districts. This request will allow Ecology to expand the PNA work into a statewide program, which will allow for collaboration with local air agencies. Ecology anticipates support for this request.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

This request supports Puget Sound Action Agenda implementation through Regional Priorities

- TIF1.1 - Enhance pollutant reduction programs, corrective measures and increase authorities and programs to prevent toxic chemicals from entering Puget Sound.
- TIF4.1 - Reduce the impact of local air pollution on stormwater toxicity.

It also supports the Puget Sound Action Agenda implementation through the following Sub-Strategies:

- 9.1 - Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem
- 9.3 - Adopt and implement plans and control strategies to reduce pollutant releases into Puget Sound from air emissions

The PNA Grant Program supports work to reduce local air pollution in communities at risk of nonattainment, including communities in the Puget Sound region. The PNA program prevents and reduces emissions of criteria pollutants, which is transported into Puget Sound through air deposition and stormwater runoff.

### **Legal or Administrative Mandates:**

This proposal will help prevent nonattainment with national air quality standards under the federal Clean Air Act. Nonattainment requires costly and lengthy, decades-long federal interventions to improve air quality and bring areas back into compliance with the NAAQS and demonstrate continued compliance for the twenty year maintenance period.

### **Stakeholder Response:**

Ecology anticipates support for this proposal from the business community, since nonattainment with national air quality standards results in imposing stricter permitting requirements for businesses locating in or expanding in a nonattainment area and regulatory interventions to bring the area back to attainment.

## Reference Documents

[PL DI Preventing Federal Nonattainment Attachment.pdf](#)

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

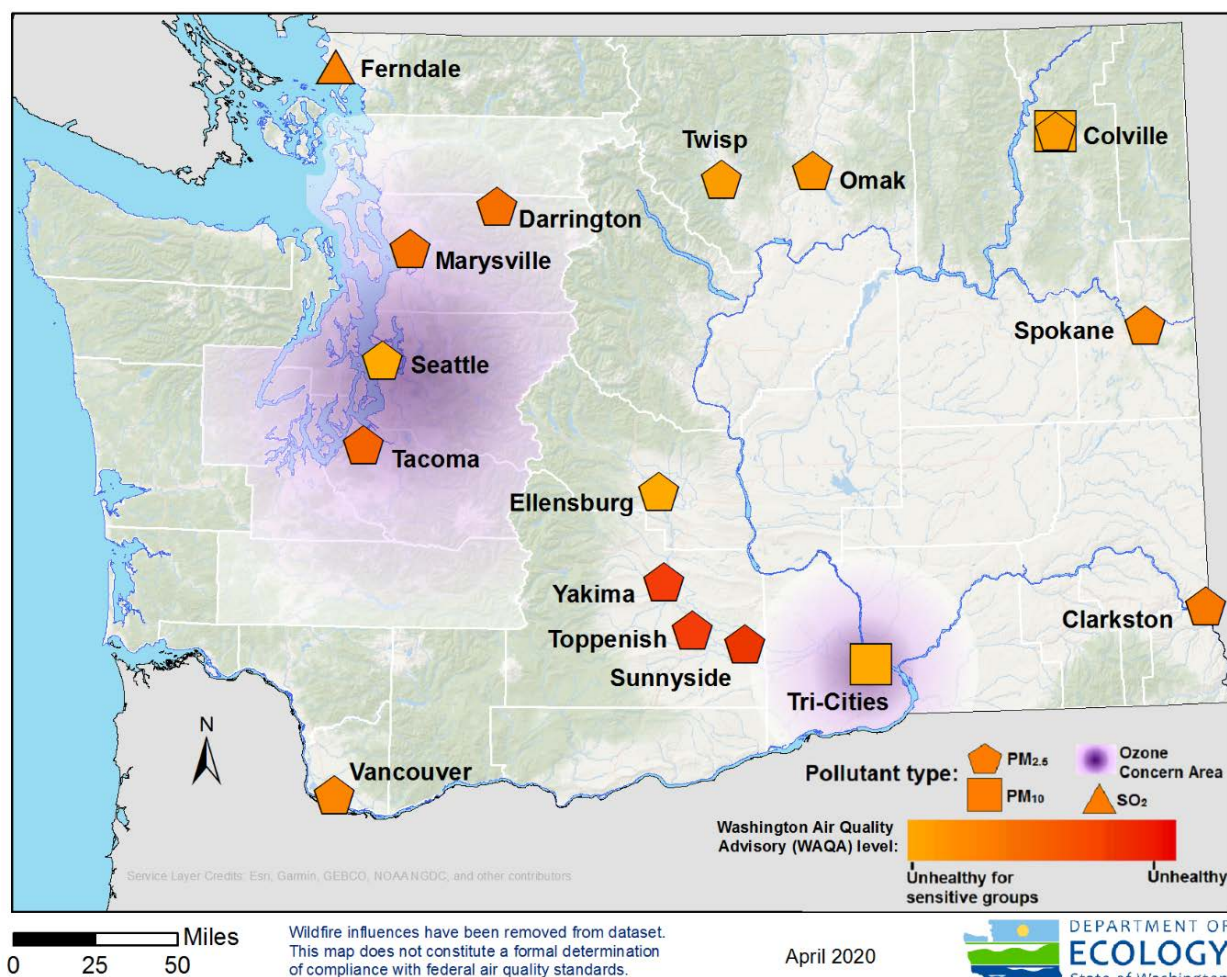
## Objects of Expenditure

<b>Objects of Expenditure</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2022</b>	<b>2023</b>	<b>2021-23</b>	<b>2024</b>	<b>2025</b>	<b>2023-25</b>
Obj. A	\$124	\$124	<b>\$248</b>	\$124	\$124	<b>\$248</b>
Obj. B	\$45	\$45	<b>\$90</b>	\$45	\$45	<b>\$90</b>
Obj. E	\$9	\$9	<b>\$18</b>	\$9	\$9	<b>\$18</b>
Obj. G	\$4	\$4	<b>\$8</b>	\$4	\$4	<b>\$8</b>
Obj. J	\$3	\$3	<b>\$6</b>	\$3	\$3	<b>\$6</b>
Obj. N	\$800	\$800	<b>\$1,600</b>	\$800	\$800	<b>\$1,600</b>
Obj. T	\$46	\$46	<b>\$92</b>	\$46	\$46	<b>\$92</b>

## Agency Contact Information

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## Areas of Concern for Criteria Pollutants



The Air Quality Program analyzes the most recent three years' of air monitoring data to determine which communities in Washington State are the highest concern for being out of compliance with federal, health-based, air quality standards. This analysis takes into account recent pollution trends and helps ensure we accurately identify communities that have ongoing pollution problems. Our analysis is consistent with EPA's methodology for determining compliance with federal air quality standards.





## Agency Recommendation Summary

Washington State is a national leader in consumer protection. Ecology's Product Testing Team uses cutting edge science to test for toxics in consumer products available for retail or online sale. This science helps support regulatory actions against products and manufacturers not in compliance with state laws. However, there are currently tens of thousands of toxic chemicals in everyday products, such as heavy metals in children's products, and chemicals in packaging, and Ecology's Product Testing Team can currently address only a fraction of the projects needing to be completed. Ecology is requesting funding for additional staff and lab resources needed to increase testing capacity for toxics in children's products and other general consumer goods. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	7.5	7.5	7.5	7.5	7.5	7.5
<b>Operating Expenditures</b>						
Fund 23P - 1	\$1,170	\$1,135	\$2,305	\$1,135	\$1,135	\$2,270
Total Expenditures	\$1,170	\$1,135	\$2,305	\$1,135	\$1,135	\$2,270

## Decision Package Description

### Background

Many of the products consumers use every day release low doses of toxic chemicals. These chemicals can accumulate over time and have harmful effects on people and the environment. Washington is a leader in regulating these everyday sources of toxics, including heavy metals in children's products, copper in brake pads, PFAS in firefighting foams, and chemicals in packaging. Ecology's Product Testing Team (Team) is responsible for confirming the presence or absence of toxic chemicals in everyday consumer products through cutting edge scientific approaches. This science directly supports policy decisions, as well as compliance and regulatory actions for consumer products that may pose a toxic threat to the health of Washingtonians.

In addition to supporting regulatory work at Ecology, the Team also works in partnership with the Office of the Attorney General (AGO) to identify toxics in consumer products. Most recently the Team assisted in an AGO investigation that found dozens of children's school supplies sold on Amazon.com had illegal levels of toxic metals lead and cadmium in them (see full press release here: <https://www.atg.wa.gov/news/news-releases/ag-ferguson-amazon-must-remove-toxic-school-supplies-kid-s-jewelry-marketplace>). To resolve the investigation without a lawsuit, Amazon entered into a nationwide legally binding agreement to block the sale of children's schools supplies and jewelry on Amazon.com without lab reports and other proof from the sellers that the products are not toxic.

### Current Staffing Capacity Unable to Meet Product Testing Demand

Ecology's Product Testing Team currently consists of two sample preparation staff and two mid-level project leads tasked with conducting scientific studies. The Team's current staffing capacity limits production to two larger projects or three smaller projects per year. Larger projects require in-house screening and processing of samples that may contain hundreds of varying components, which must adhere to strict quality assurance standards. Many projects often require a new and innovative approach to testing that needs to be researched and developed.

With its current capacity, only a fraction of all projects proposed by Ecology and the AGO can be implemented. As an example, ten projects have been identified as new priorities by Ecology's Hazardous Waste and Toxics Reduction Program (HWTR) to be completed during Fiscal Year 2021. Several of these help support implementation of the new Safer Products Washington Act (SSB 5135), which passed in 2019. However, with its current capacity, the Team can only conduct two of the ten new proposed projects this fiscal year. These constraints limit Ecology's ability to properly support required reporting requirements under SSB 5135, other toxics in packaging restrictions, and new AGO investigations. Based on current staffing capacity and workload, tough decisions are having to be made to prioritize between the projects that can be completed.

This budget request seeks to double the Team's current capacity to do this important work by adding two project scientists and increasing the laboratory budget. In addition, this part of the request adds expertise and infrastructure support needed to implement the results of these studies so that when toxics are found in consumer products, the needed policy changes can be made and quickly communicated to the public.

### Expanded Laboratory Needed

In addition to needing more staff to handle the current workload, Ecology also needs to make changes to the physical size and space design of the Team's lab space. The Team's Processing Room, which is located in the basement of Ecology's headquarters building in Lacey, currently handles only a portion of the overall product testing work completed by Ecology. Samples received for testing are currently screened and prepared for testing at the Lacey Processing Room and then transported to the Environmental Protection Agency's (EPA) Manchester Lab in Kitsap County, where Ecology leases space, for further analysis and testing.

The Manchester Lab is primarily used for testing environmental samples (soil, air, water), which typically contain low-levels of toxic chemicals. EPA and Ecology are concerned about the risks of instrument cross-contamination that could result from continuing to test both consumer products and environmental samples at this facility. EPA has asked that Ecology move both its organic and inorganic analytical work to a separate facility as soon as possible, with the priority being to move the organics work. Organics analysis is a critical piece of consumer product testing and includes toxic chemicals such as parabens, Phthalates, PFAS (fire fighting foam, Teflon, etc.), and PBDEs (flame-retardants). Inorganics analysis is used for toxics such as lead and cadmium, which are important to the continued implementation of the Safer Products Washington Act.

This request includes funding for a feasibility study to inform how the Processing Room's existing footprint within Ecology's headquarters building in Lacey could be expanded so that all product testing work (organics and inorganics analysis) can be completed at this location. In 2019, Ecology contracted for a feasibility study to determine how the current space within its headquarters building could be retrofitted to handle the analysis and testing of organic material contained in consumer products. The funding requested in this Decision Package will support an additional study, building off of the one completed in 2019, to determine how the current space can be expanded to also handle the analysis and testing of inorganic material in consumer products.

Components of the new study will include an investigation of whether additional space within the headquarters building can meet the lab design needs, an evaluation of the basement's overall space use, and the development of construction cost estimates and documents/designs to support a future capital budget request to fund the actual construction of new lab space.

The resources requested in this Decision Package are needed meet the growing demand for services for the Product Testing lab. Funding will be used to add additional staffing needed to increase project production, while informing future decisions regarding how the lab's physical space and design must be modified to meet these needs.

#### **Impacts on Population Served:**

This request will impact all Washington consumers because Ecology will be able to increase testing of common consumer products used across our state on a daily basis, such as packaging for food products. Many of the projects completed will focus on children and disadvantaged populations. For example, the Team will be able to increase testing of children's products that could contain lead and cadmium, which can cause damage to the brain and nervous system, slowed growth and development, learning and behavior problems, and hearing and speech problems.

#### **Alternatives Explored:**

The alternative would be to continue operating within current staffing capacity and laboratory constraints, maintaining the status quo of working through the backlog of projects, and prioritizing to meet the most pressing needs when they arise. This is not a viable alternative because Ecology would not be able to meet the current demand for product testing services.

#### **Consequences of Not Funding This Request:**

As a national leader for consumer protection, Ecology has continued to develop and grow programs to help reduce toxics in consumer products being sold in the state. However, it is equally important to also promote and grow the science that supports these programs and policy decisions.

If this request is not funded, Ecology's Product Testing Team would continue to be unable to meet the increasing demand for product testing services. The backlog of projects would continue to grow and we would continue to have to make tough choices between which consumer products laws to support.

In addition, if Ecology does not move toward building a dedicated lab at headquarters, we run the risk of EPA not allowing the continued analysis and testing of organics within consumer products at the Manchester Lab. If that were to occur, Ecology would likely have to end the more complex analyses and contract with private laboratories for other work. Because of the research and development required for this type of laboratory work, which is only conducted at a few laboratories in the country, Ecology would face increasing costs and would not be able to do many of the more complex analyses.

## **Assumptions and Calculations**

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This request would expand Activity A007 – Conduct Environmental Studies for Pollution Source Identification and Control by providing additional staff to lead and manage projects to identify toxic chemicals in consumer products. It would also add needed infrastructure in the areas of supervision, policy, communications, information technology, and administrative support. The Product Testing Team is only a portion of Activity A007. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is also in the agency's Administration Activity A002, but not included in the table below.

<b>A007 – Conduct Environmental Studies for Pollution Source Identification and Control</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	59.6	66.8
001-1 General Fund - State	\$0	\$65,000
001-2 General Fund - Federal	\$4,339,832	\$4,569,000
(173-1/19G-1) 23P-1 MTCA Operating	\$5,447,832	\$8,159,000
176-1 Water Quality Permit Fees	\$5,242,917	\$5,588,000
207-1 Hazardous Waste Assistance Account	\$68,000	\$11,000
<b>TOTAL</b>	<b>\$15,098,581</b>	<b>\$19,392,000</b>

This request would also expand Activity A065 – Reduce Persistent, Bioaccumulative, Toxic Chemicals and Promote Safe Consumer Products by providing additional resources for a senior science policy lead FTE responsible for defining the research needed, consulting with Ecology management regarding goals and objectives, then performing research on chemicals of interest and compile available scientific literature and data to evaluate the occurrence of toxics chemicals in consumer products. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is also in the agency’s Administration Activity A002, but not included in the totals below.

<b>A065 - Reduce Persistent, Bioaccumulative, Toxic Chemicals and Promote Safer Consumer Products</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	15.5	25.6
001-2 General Fund - Federal	\$409,016	\$484,000
108-1 Motor Vehicle Account	\$28,572	\$0
(173-1/19G-1) 23P-1 MTCA Operating	\$3,170,807	\$7,413,000
207-1 Hazardous Waste Assistance Account	\$1,251,283	\$1,490,000
<b>TOTAL</b>	<b>\$4,859,678</b>	<b>\$9,387,000</b>

#### **Detailed Assumptions and Calculations:**

Beginning July 1, 2021 and ongoing, salaries, benefits, and associated staff costs for the following positions and resources are required to implement this request:

- 1.0 FTE Chemist 4 (Product Testing Supervisor) – Product testing staff are currently managed within the Environmental Assessment Program’s Toxics Studies Unit, but due to the size of that Unit, more dedicated supervision of the Team is needed. This position will serve as the technical expert for the Team and provide dedicated leadership to ensure efficiency and credibility of the Team moving forward.
- 2.0 FTEs Natural Resource Scientist 2 (Product Testing Project Managers) - These two positions are the scientists that will manage all aspects of the product testing scientific studies, from QAPP (quality assurance project plan) development, through to report writing.
- 1.0 FTE Natural Resource Scientist 4 (Senior Science Policy Lead – in HWTR) - This position would develop and implement the agency’s Strategic Product Testing program plan to meet the expanded business needs for consumer product testing. This position would also serve as the technical lead to set agency project priorities, consult with HWTR staff to identify and define project needs, and coordinate on the development and delivery of product testing.
- 1.0 FTE Communications Consultant 3 – This position would be lead for publishing Quality Assurance Project Plans, reports, and other publications produced by the Team. The position would also work on outreach and education with the public as it relates to consumer product testing projects and results.
- 1.0 FTE IT App Development – Journey (Application and Database Developer) – This position would address and support business needs related to the existing Product Testing application and database. The position would primarily provide application development support, including: design, documentation, development, modification, testing, and implementation of application software. There is a current backlog of over 60 enhancement requests for this application. This additional support will allow the clearing of the current backlog and provide the resources necessary to keep up with future enhancements and development requests.
- 0.5 FTE Administrative Assistant 3 - Resources are needed to provide additional administrative support for the Product Testing Team, including purchasing, processing invoices, contracting support, and maintenance requests. This will allow the project managers to focus on completing the scientific studies to support our product testing laws and regulations.
- Increased Laboratory Budget (\$400,000) - Product Testing work currently has a biennial budget of \$400,000 for analytical work (laboratory method development, analysis of samples, etc.). Increasing the Team’s capacity to complete more projects will require additional funding to support the associated increase in analytic work required.

In addition to the ongoing costs described above, one-time contractual costs include:

Laboratory Design Costs (\$35,000) – Required to complete a new feasibility study design for new laboratory space at Ecology’s headquarters building in Lacey. The previous study (2019) focused on laboratory design and functionality. It is necessary to do an in-depth study of how the laboratory would interface with the current building layout, equipment, and facility infrastructure (electrical, plumbing, HVAC, fire suppression, and life safety and fire codes). Additionally, the space being considered for the lab is currently the only dedicated storage space at Ecology’s

headquarters. The study would evaluate how the space is currently being used and identify options for both internal and off-site leased storage space. The outcome of the study would inform a future capital budget request to design and construct the needed lab space.

Study costs are estimated based on Ecology's Administrative Services Team's experience with similar studies in the past. Costs are estimated at \$20,000 to refresh, and build on the study conducted in 2019; \$10,000 to evaluate how the space is currently used, and options for storage elsewhere in the building (or off-site storage); and \$5,000 for lab design and construction cost estimates in preparation for a 2023-25 capital budget request.

### Workforce Assumptions:

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
A	Salaries and Wages	499,357	499,357	499,357	499,357	499,357	499,357
B	Employee Benefits	182,764	182,764	182,764	182,764	182,764	182,764
	Personal Service						
C	Contract	35,000					
E	Goods and Services	237,206	237,206	237,206	237,206	237,206	237,206
G	Travel	18,116	18,116	18,116	18,116	18,116	18,116
J	Capital Outlays	10,641	10,641	10,641	10,641	10,641	10,641
T	Intra-Agency Reimbursements	186,903	186,903	186,903	186,903	186,903	186,903
	<b>Total Objects</b>	<b>1,169,987</b>	<b>1,134,987</b>	<b>1,134,987</b>	<b>1,134,987</b>	<b>1,134,987</b>	<b>1,134,987</b>
<b>Staffing</b>							
Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
CHEMIST 4	93,133	1.00	1.00	1.00	1.00	1.00	1.00
NATURAL RESOURCE SCIENTIST 2	65,928	2.00	2.00	2.00	2.00	2.00	2.00
COMMUNICATIONS CONSULTANT 3	64,334	1.00	1.00	1.00	1.00	1.00	1.00
IT APP DEVELOPMENT-JOURNEY	96,890	1.00	1.00	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT 3	48,995	0.50	0.50	0.50	0.50	0.50	0.50
NATURAL RESOURCE SCIENTIST 4	88,646	1.00	1.00	1.00	1.00	1.00	1.00
FISCAL ANALYST 2		0.65	0.65	0.65	0.65	0.65	0.65
IT APP DEVELOPMENT-JOURNEY		0.33	0.33	0.33	0.33	0.33	0.33
	<b>Total FTEs</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>	<b>7.5</b>

### Explanation of costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Personal Service Contract of \$35,000 is a one-time cost for a laboratory design study contract.

Goods and Services are the agency average of \$5,724 per direct program FTE. It also includes \$200,000 per year for laboratory analytical costs.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

### How is your proposal impacting equity in the state?

Many of the product testing projects completed will use the Environmental Justice (EJ) Screening Assessment Tool for site selection. This tool was used for selecting sample sites in a previous Toxics in School Supplies Project and proved useful in identifying, and better protecting, disadvantaged children. This tool is a GIS-based assessment, which uses EPA's EJ screen and the U.S. Census Bureau's geocoding data to create an EJ Index of potential sample sites. The EJ index is based on poverty, racial status, and home language.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing the Prevent and Reduce Toxics Threats and Pollution goal in Ecology's strategic plan by increasing support for product testing science, which is used to identify and prioritize consumer products that contain toxic substances. This science directly supports regulatory and compliance based actions for products that exceed state and federal standards for toxics. Reducing toxics in products decreases potential harmful exposure and pathways to consumers and the environment.

This request is also essential to implementing the Support and Engage our Communities, Customers, and Employees goal in Ecology's strategic plan by testing consumer products across a wide-range of communities in Washington. Past and current studies have focused on specific groups such as children (testing lead and cadmium in children's jewelry); state employees: (tested PCBs in state-used products; residents in disadvantaged communities (tested lead and cadmium in school supplies in disadvantaged communities).

This request provides essential support to the Governor's Results Washington Goals of Sustainable Energy and a Clean Environment, and Healthy and Safe Communities, by identifying and reducing toxic threats in consumer products, which is critical to protecting the health of communities and the environment in Washington State. Reduction of toxic chemicals in everyday consumer products promotes healthier communities.

### **Performance Outcomes:**

The outcomes of this request will be an increase in the number of priority projects the Product Testing Team can complete per year. It is anticipated that Ecology will be able double current production with the requested resources, completing four large projects or six small projects per year. This request will also provide the information and analysis needed to identify the resources needed to build a full product testing lab at Ecology's headquarters building.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

This request would allow Ecology to conduct the product testing necessary to enforce consumer product laws. Tribal governments, cities and counties, water districts and wastewater treatment plants, would be interested in our compliance and enforcement efforts to reduce sources of toxic chemical pollution that impact overburdened communities and vulnerable species such as Orcas and their prey. Ecology anticipates that they would be largely supportive of our efforts and would appreciate the opportunity to get involved and provide input.

Ecology has an active partnership with the AGO in conducting product testing of children's products and school supplies. Ecology provides the product testing services to support legal actions taken by the AGO against companies that are in violation of state and federal consumer protection laws. Through this partnership, Ecology and the AGO have made significant impacts to reduce the sale of illegal products by major online retailers.

### **State Facilities Impacts:**

A separate or expanded laboratory space will eventually be needed to increase analytical capacity for consumer product testing. This budget request seeks funding need to support a feasibility design study to determine the space and resources needed for the additional lab space. The outcome of that study will inform the need for a possible 2023-25 capital budget request to design and construct the new/expanded lab. Ecology would work with the Department of Enterprise Services and Office of Financial Management to ensure that any capital facility needs related to new or expanded lab space is built into OFM's next six-year facility plan.

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

This budget request directly supports the following laws, rules, and executive orders:

- Persistent Bioaccumulative Toxic chemicals (WAC 173-333 and Executive Order 04-01)
- Flame retardants (PBDE ban 70.76 RCW)
- Toxics in packaging (70.95G RCW) – PFAS in food packaging added 2018



- Mercury in products (70.95M RCW)
- Children's Safe Products Act (70.240 RCW, WAC 173-334)
- Lead Wheel Weights (70.270 RCW)
- Bisphenol A (BPA) in Sports bottles, Baby Bottles/Sippy Cups (70.280 RCW)
- Brake Friction Material (70.285 RCW, WAC 173-901)
- Coal Tar Sealants (70.295 RCW)
- Anti-Fouling Boat Paint (70.300 RCW)
- PFAS in firefighting foam/PPE (70.75A RCW)
- PCBs in State Purchased Products (39.26.280 RCW)
- State Efficiency and Environmental Performance (Executive Order 20-01)
- Safer Products for Washington (RCW 70.365)

Ecology uses product testing to ensure that manufacturers are in compliance with the laws. Although not specifically referenced in the statutes, Ecology has used product testing to ensure the laws are enforced.

#### Stakeholder Response:

Non-governmental organizations (NGOs) have advocated for, and support funding for product testing. Many of the consumer product laws passed in the state have been advanced by the advocates working to inform the legislature. The NGOs are keenly interested in the project outcomes from the product testing program in Washington State and Ecology is considered a national leader in the field of product testing.

Industry trade associations are not opposed to product testing by the agency and are important stakeholders. Consumer product manufacturers also conduct product testing for their own internal supply chain management. These manufacturers want to track Ecology's efforts on product testing, including methods development, development of QAPPs, compliance efforts and enforcement actions. Ecology works closely with the Association of Washington Businesses, the Toy Industry Association, and manufacturers of products that contain chemicals regulated by the agency.

#### Reference Documents

[IT Addendum Expand Product Testing.docx](#)

#### IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

Yes

#### Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$499	\$499	\$998	\$499	\$499	\$998
Obj. B	\$183	\$183	\$366	\$183	\$183	\$366
Obj. C	\$35	\$0	\$35	\$0	\$0	\$0
Obj. E	\$237	\$237	\$474	\$237	\$237	\$474
Obj. G	\$18	\$18	\$36	\$18	\$18	\$36
Obj. J	\$11	\$11	\$22	\$11	\$11	\$22
Obj. T	\$187	\$187	\$374	\$187	\$187	\$374

#### Agency Contact Information

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# 2021-23 IT ADDENDUM

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**NOTE:** Only use this addendum if your decision package includes IT costs and DOES NOT relate to implementation of the One Washington project.

## Part 1: Itemized IT costs

Please access the 2021-23 IT Fiscal Estimate Workbook imbedded in this document below.

Agencies must itemize all IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. When itemizing costs, please consider the total cost of the combined level of effort which includes: the associated costs, from planning through closeout, of state, vendor, or both, in order to purchase, acquire, gather and document requirements, design, develop or configure, plan or conduct testing, and complete implementation of enhancement(s) to an existing system.

Please itemize all IT cost associated with this request where you are not asking for additional funding. These costs are considered in-kind and provided through existing agency base. Detailed costs from existing agency base should be entered on the in-kind tab within the 2021-23 IT Fiscal Estimate Workbook.



## Part 2: Questions that support the reuse of existing state resources

To ensure effective reuse of existing state resources, all IT investments — including project IT expenditures — are expected to comply with IT statutes and policies. The answer to these questions will help OCIO and OFM determine if the decision package will be funded.

- A. Does this investment provide for acquisition of, or enhancement to, an administrative or financial system? ☐ Yes ☒ No
- B. If Yes, has this decision package gone through the Administrative and Financial System review as required in [\(SAAM\) section 80.30.88?](#) ☐ Yes ☐ No
- If Yes, attach the approval letter.
- If No, do not submit the decision package. Recommendation will be “Do Not Fund”.
- C. Does this decision package fund the acquisition or enhancement of equipment or facilities in any agency data centers? (See [OCIO Policy 184](#) for definition.) ☐ Yes ☒ No

- D. If yes, do you have an approved waiver to proceed with this proposed investment? ☐ Yes ☐ No

If Yes, attach a copy of the waiver approval.

If No, do not submit this decision package. Recommendation will be “Do Not Fund”.

- E. For Health and Human Services agencies (HHS Coalition) DCYF, DOH, DSHS, HCA and Washington Health Benefit Exchange, has this project been screened for inclusion in the HHS Coalition portfolio? ☐ Yes ☐ No

If Yes, this is part of the HHS Coalition portfolio, has this project received HHS Coalition project initiation approval? ☐ Yes ☐ No ☐ N/A

If answer to the first HHS Coalition question is Yes (or N/A for second question), attach approved HHS Coalition Project Initiation Form.

If No to either HHS question, do not submit the decision package. Recommendation will be “Do Not Fund”.

### Part 3: Maintenance and policy level decision packages

Answers to these questions will be used in part to determine if the decision package will be evaluated and ranked by the OCIO as required by RCW 43.88.092.

- A. Does this decision package fund the acquisition or expansion of computer hardware capacity? ☐ Yes ☒ No

If Yes, where will the hardware solution be hosted? ☐ State Data Center  
☐ External Cloud

- B. Does this decision package fund the development or acquisition of a new or enhanced software solution or service? ☐ Yes ☒ No

If Yes, where will the software solution be hosted? ☐ State Data Center  
☐ External Cloud

- C. If response to question B is Yes, do you expect this to solution to exchange information with the state financial system (AFRS) or the OneWA solution? ☐ Yes ☒ No

- D. If response to question B is Yes, will this investment renew or procure facial recognition service? ☐ Yes ☒ No

- E. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.) ☐ Yes ☒ No

If Yes, name the project:

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(Project name published on the [IT Dashboard](#))

If your decision package is maintenance and you answered “yes” to any of the above questions in Part 3, you must answer the questions in Part 4 below to finish the IT Addendum. All policy decision packages must answer question in Part 4.

## Part 4: IT Investment Questions

Please provide a response to the following questions. Responses will be evaluated and ranked by the OCIO as required by [RCW 43.88.092](#). Chapter 10 of the operating budget instructions contains the criteria used to evaluate 2021-23 decision packages.

### AGENCY READINESS

#### **Due diligence**

1. Summarize the feasibility or due diligence work completed in support of this decision package. Attach a copy of the feasibility study or other documentation of due diligence to the decision package.

#### **Governance and management**

2. What governance processes will support this project? Examples of governance processes include appropriately placed executive sponsor, representative steering committee, resourced vendor/contract management, change control, and incorporating stakeholder feedback into decision making processes. Provide examples of how your proposed budget includes adequate funding and planning for governance processes, if applicable.

#### **Planning and readiness**

3. Describe how your agency will resource the project management of this project. Will in-house resources be used, or will resources be acquired? How has organizational change management been factored into planning and approach? Has the project requested a project management approach to be used for this project? Describe whether project and organizational change management resources are included in this request or will be provided by in-kind resources. Describe whether the proposed budget includes costs associated with independent quality assurance.

### Technical alignment

#### **Strategic alignment**

4. Using specific examples, describe how this investment aligns with strategic elements of the Enterprise Technology Strategic Plan. Examples of strategic principles that tie back to tenets of the strategic plan include, but are not limited to: buy don't build, solutions hosted on modern hosting solutions, solutions promoting accessibility, early value delivery of functionality throughout the project, and modular implementation of project features.

#### **Technical alignment**

5. Using specific examples, describe how this investment aligns with technical elements of the Enterprise Technology Strategic Plan. Examples of technical principles that tie back to tenets of the strategic plan include, but are not limited to: technology reuse, data minimization, incorporating security principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

#### **Reuse and interoperability**

6. Does the proposed solution support interoperability and/or interfaces of existing systems within the state? Does this proposal reuse an existing solution or existing components of a solution

already in use elsewhere in the state? If the solution is a new proposal, will it allow for such principles in the future? Provide specific examples.

## Business alignment

### **Business driven technology**

7. What are the business problems to be addressed by the proposed investment? These business problems should provide the basis for the outcome discussion below. Describe how end users (internal and external) will be involved in governance and implementation activities.

### **Measurable business outcome**

8. Strategic and Performance Outcomes (Chapter 2 - 2021-23 Budget Instructions) of the decision package response will be used to identify how this proposed IT investment improves business outcomes within your agency. The description in the decision package should provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology investment.

## Decision Package Urgency

9. Address the urgency of implementing the technology investment in this cycle and impacts to business if technology effort doesn't proceed as planned?



Department of Ecology  
2021-23 Regular Budget Session  
Policy Level - DF - Sustainable Recycling

## Agency Recommendation Summary

The Sustainable Recycling Act, passed in 2019, created a Recycling Development Center to research, develop, expand, and incentivize markets for recycled commodities. Partial funding was provided in the 2019-21 Operating Budget to implement this Act, but consistent with Ecology's final fiscal note for this bill, additional funding is needed, beginning in 2021-23, to continue implementation. Ecology is requesting the funding needed to conduct research and development, marketing, and policy analysis in order to further the development of revitalized markets for recycled products in Washington as required by law. (Waste Reduction/Recycling/Litter Control Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	0.6	0.5	0.55	0.5	0.5	0.5
<b>Operating Expenditures</b>						
Fund 044 - 1	\$318	\$302	\$620	\$310	\$310	\$620
Total Expenditures	\$318	\$302	\$620	\$310	\$310	\$620

## Decision Package Description

Recycling in Washington is in crisis. Restrictions in export markets, lack of domestic markets, and contamination levels in collected materials resulted in some recyclable paper and plastic being landfilled. This is a waste of valuable resources and threatens the integrity of the state's long-established recycling programs. While the majority of recycled materials come from the commercial sector, most people participate in residential recycling, and there is room for improvement in both commercial and residential recycling moving forward.

The Sustainable Recycling Act (E2SHB 1543), passed in 2019, created a Recycling Development Center (Center) within the Department of Ecology to research, develop, expand, and incentivize markets for recycled commodities. The Center's goals are to improve domestic markets for recyclable materials to support a circular economy, reduce greenhouse gas emissions, increase use of recycled content, and create green jobs.

The Center is led by Ecology, in coordination with the Department of Commerce and in consultation with the 14-member advisory board to implement the requirements outlined in Chapter 70A.240 RCW. The advisory board members represent public agencies, private industry, universities, and nonprofits, and are appointed by the Directors of Ecology and Commerce. The duties of the advisory board include providing advice and guidance on the annual work plan of the Center, and evaluating, analyzing, and making recommendations on state policies that may affect markets for recycled materials.

During the first year of implementation, the Center has accomplished the following:

- Executed an Interagency Agreement (IAA) with Commerce.
- Established the advisory board and facilitated board meetings.
- Completed the initial annual work plan for the Center.
- Conducted outreach to stakeholders.
- Conducted initial research to support the Center.

As required by law, the Center will submit the first biennial report to the legislature in December 2020.

Funding received this biennium supports the IAA with Commerce to attract businesses to help resolve the recycling crisis in Washington. Recycling businesses regularly reach out to Commerce for technical assistance when looking to start or expand their operations in the state. Commerce initiated research into waste streams, supply chain, and funding to support recycling infrastructure. This research effort is focused on recycling of glass, which is expected to be completed by the end of the biennium.

Further efforts and research were planned for this biennium, such as proactively working with manufacturers to use recycled materials or conducting an evaluation of the existing recycling infrastructure, recycling technologies, or impact of policy changes to the current recycling system. However, Ecology and Commerce may have to delay some of this work due to Directive 20-05, which froze hiring, personal services contracts, and equipment purchases beginning in May 2020.

When the Center was created in 2019, partial funding was provided in the 2019-21 Operating Budget to begin implementation; however, those costs were estimated to increase during the 2021-23 Biennium, as described in Ecology's final fiscal note for ESHB 1543. This budget request seeks the additional funding needed to continue implementation of the Act beginning in the 2021-23 Biennium, consistent with that fiscal note.

2019-21 Appropriation	Amount Needed in 2021-23 per Fiscal Note*	2021-23 Funding Need <sup>1</sup>
\$1,450,000	\$2,074,000	\$624,000

\* Rounded to nearest thousand

<sup>1</sup> Amount requested was adjusted to \$620,000 (vs. \$624,000), based on available projected fund balance capacity in Fund 044-1 - Waste Reduction/Recycle/Litter Control-State for the 2021-23 Biennium.

With this funding, the Center will be able to continue to evaluate current infrastructure, analyze policies and operations in other jurisdictions, identify, recommend, and implement improvements to our recycling system. The funding will be used to continue the research work that is planned for, or is currently underway this biennium. This includes new work, led by Commerce, to provide targeted business assistance to recycling businesses, contract funding for research on market developments, such as research on sustainable recycling systems and infrastructure improvements, and grants to businesses and local governments to improve recycling. This work will expand markets for recycled commodities and the development of private enterprises focused on recycled materials. It will support businesses that collect, process, and manufacture recycled paper, plastic, glass, metal, and other materials.

Additional staff resources are also needed in order to perform a cost benefit analysis and a rate impact analysis associated with policy recommendations due to the Legislature annually, beginning in the 2021-23 Biennium. The Utilities and Transportation Commission (UTC) will conduct the analysis for rate impacts on solid waste utility ratepayers as part of their normal duties within current resources. However, the Center will be responsible for conducting the analysis of the impacts on the recycling rate for specific materials.

#### **Impacts on Population Served:**

The work of the Center impacts businesses involved in recycling, including but not limited to material recovery facilities, manufacturers using recycled feedstocks, and businesses using new technologies focused on manufacturing with recycled materials. Improvements in the use of recycled materials collected in Washington impacts all residents through better recycling systems, and results in reduction of greenhouse gases and improved environmental protection compared to using virgin feedstocks. Increases in manufacturing with recycled content also increases green job opportunities.

#### **Alternatives Explored:**

The alternative to this request would be continue implementation of the Act in the 2021-23 Biennium with a reduced funding level from what was identified in Ecology's final fiscal note for this legislation. This would result in less work done by the Center in the areas of research, outreach, and analysis. Full implementation of the Act requires the funding needed to support market development. Therefore, this alternative was not selected.

#### **Consequences of Not Funding This Request:**

If this request was not funded, the Center would continue efforts to implement the Act, but at a reduced level. Research agreements and grants to develop and revitalize recycling markets would go unfunded. Grants would not be available for local governments and public institutions for the development of recycling markets. Research to understand and improve the current system would not be conducted. Without the ability to conduct needed research and studies, the Center would lack expertise in developing sustainable recycling systems. Prior to the creation of the Center, Commerce and Ecology did not focus on market development for recycled materials.

If this request was not funded, the Center will only be able to engage in limited efforts to increase manufacturing with recycled commodities and stimulate new technologies. If the Center cannot do this work due to lack of funding, Washington is unlikely to develop additional recycling markets in the near future.

## **Assumptions and Calculations**

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

The Recycling Development Center is part of Activity A009 - Eliminate Waste and Promote Material Reuse. This request increases funding, consistent with Ecology final fiscal note for ESHB 1543, so that the Center can fully implement the Sustainable Recycling Act. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.



<b>A009 - Eliminate Waste and Promote Material Reuse</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	34.3	45.45
001-1 General Fund – State	\$48,240	\$51,000
044-1 Waste Reduction/Recycle/Litter Control	\$3,127,622	\$13,153,000
11J-6 Electronic Products Recycling - Non Approp	\$727,314	\$770,000
16T-6 Product Stewardship Programs - Non Approp	\$210,073	\$229,000
199-1 Biosolids Permit	\$2,031,635	\$2,508,000
22G-6 Photovoltaic Module Recycling	\$71,353	\$74,000
(173-1/19G-1) 23P-1 MTCA Operating	\$1,045,031	\$1,202,000
23W-1 Paint Product Stewardship - State		\$167,000
489-1 Pension Funding Stabilization Acct - State	\$4,633	\$4,000
<b>TOTAL</b>	<b>\$7,265,901</b>	<b>\$18,158,000</b>

#### **Detailed Assumptions and Calculations:**

Beginning July 1, 2021, Ecology requires salaries, benefits, and associated staff costs for the equivalent of 0.6 FTE to conduct a cost benefit analysis and a rate impact analysis for one policy recommendation each year. Beginning July 1, 2022, and ongoing, the total FTE need is 0.5 FTE per year. A report to the Legislature and the Governor on the Center's progress, including policy recommendations, is due every even numbered year, starting in fiscal year 2021.

Ecology also requires \$100,000 per year for contract services with trade associations and individuals (shown in Personal Service Contract, Object C). \$41,000 per year is required for an interagency agreement with Commerce (shown in Goods and Services, Object E), and \$100,000 per year is needed for grants to local governments and public institutions for the development of recycling markets (shown in Grants, Object N).

#### **Workforce Assumptions:**

<b>Expenditures by Object</b>		<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
A	Salaries and Wages	40,668	32,536	32,536	32,536	32,536	32,536
B	Employee Benefits	14,884	11,908	11,908	11,908	11,908	11,908
	Personal Service						
C	Contract	100,000	100,000	100,000	100,000	100,000	100,000
E	Goods and Services	44,597	44,025	51,608	51,608	51,608	51,608
G	Travel	1,393	1,115	1,115	1,115	1,115	1,115
J	Capital Outlays	819	655	655	655	655	655
	Grants, Benefits, and Client						
N	Services	100,000	100,000	100,000	100,000	100,000	100,000
T	Intra-Agency Reimbursements	15,222	12,178	12,178	12,178	12,178	12,178
	<b>Total Objects</b>	<b>317,583</b>	<b>302,417</b>	<b>310,000</b>	<b>310,000</b>	<b>310,000</b>	<b>310,000</b>

<b>Staffing</b>			<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
<b>Job Class</b>	<b>Salary</b>							
ECONOMIC ANALYST 3	82,342	0.30	0.25	0.25	0.25	0.25	0.25	0.25
REGULATORY ANALYST 2	80,291	0.15	0.10	0.10	0.10	0.10	0.10	0.10
ENVIRONMENTAL SPECIALIST 5	78,412	0.05	0.05	0.05	0.05	0.05	0.05	0.05
FISCAL ANALYST 2		0.05	0.04	0.04	0.04	0.04	0.04	0.04
IT APP DEVELOPMENT-JOURNEY		0.03	0.02	0.02	0.02	0.02	0.02	0.02
	<b>Total FTEs</b>		<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>

#### **Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Personal Service Contracts for research on market developments is \$100,000 per year in FY 2022 and ongoing.

Goods and Services are the agency average of \$5,724 per direct program FTE, and \$41,000 per year in FY 2022 and ongoing for an interagency agreement with Commerce.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE. Grants, Benefit, and Client Services are \$100,000 per year in FY 2022 and ongoing.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

### ***How is your proposal impacting equity in the state?***

Recycling service is available statewide through curbside collection (for 88% of Washington households) and supplemented by 192 drop-off locations (offered in all counties). The Center will conduct service equity analyses to understand which communities have access to curbside collection and drop-off locations. These analyses will focus on social, economic, and geographic data to identify communities who may be underserved. Management of recyclable materials occurs at hundreds of facilities across Washington.

The Center will also conduct service equity analyses around collection, processing, and remanufacturing of recyclable materials. Identifying service equity gaps will support the Center's work to direct efforts towards those most in need, and to ensure that access to recycling benefits are available to all residents. Equity analysis will be included in a number of Center-supported efforts, including research studies and grant opportunities.

## **Strategic and Performance Outcomes**

### ***Strategic Framework:***

This request is essential to implementing two goals in Ecology's strategic plan.

- Goal 2: Reduce and Prepare for Climate Impacts - Reducing waste and reusing materials saves more greenhouse gas (GHG) emissions than recycling. When manufacturers use recycled materials instead of virgin materials they use far less energy, and create far fewer GHG emissions.
- Goal 5: Protect and Restore Puget Sound - Increasing recycling markets and businesses in Washington is vital to preserve our recycling infrastructure. Without a robust domestic recycling infrastructure, recyclable materials end up as litter or are dumped illegally and can end up in Puget Sound and eventually in the oceans off Washington shores, causing harm to ocean animals and safety issues on Washington's beaches.

This request provides essential support to two of the Governor's Results Washington goals.

- Goal 2: Prosperous Economy - Recycling and reuse are proven to be beneficial to the economy. Investing in domestic recycling markets will create jobs. Studies have found that on a per ton basis, recycling materials creates 10 more jobs than does landfilling. Job estimates for reuse are even higher.
- Goal 3: Sustainable Energy and a Clean Environment - Removing recyclables from the solid waste stream and having a robust domestic recycling infrastructure helps keep recyclable material out of Washington's waters and environment.

### ***Performance Outcomes:***

The outcome of this request will be an increased awareness of the environmental benefits from recycling and a thriving circular economy by attracting and supporting existing and new Washington-based businesses that:

- Enable reuse of products and packaging.
- Process waste materials.
- Use recycled content.
- Create local jobs.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Additional support for the Recycling Development Center will result in increased economic development in recycling and related infrastructure for tribal, regional, county or city governments. The Center will provide support to other governments as businesses increase use of recycled materials and create new job opportunities. We anticipate support of Center work by tribal, regional, county, and city governments. Current Center efforts include collaboration with several local governments. We do not anticipate government opposition to the work of the Center.

This work directly impacts Commerce as they carry out the responsibilities outlined in RCW 70A.240.030(4). That work is funded to include targeted business assistance, outreach to manufacturers to increase use of recycled materials, support new technologies, promote recycled content manufacturing and purchasing, study unmet capital and other needs related to using recycled materials, and researching the waste stream supply chain and incentive strategies to attract recycling businesses.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

Full support is expected from the Center's Advisory Board and Solid Waste Advisory Committee, as they are involved in the challenges with recycling, and are eager to find solutions.

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$41	\$32	\$73	\$32	\$32	\$64
Obj. B	\$15	\$12	\$27	\$12	\$12	\$24
Obj. C	\$100	\$100	\$200	\$100	\$100	\$200
Obj. E	\$45	\$44	\$89	\$52	\$52	\$104
Obj. G	\$1	\$1	\$2	\$1	\$1	\$2
Obj. J	\$1	\$1	\$2	\$1	\$1	\$2
Obj. N	\$100	\$100	\$200	\$100	\$100	\$200
Obj. T	\$15	\$12	\$27	\$12	\$12	\$24

## Agency Contact Information

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## Agency Recommendation Summary

In 2020, the Legislature passed Substitute Senate Bill 6210, postponing the implementation of a ban on copper used in boat paints. To protect boats left in the water, antifouling paints or coatings are applied to vessel hulls. These paints contain toxic chemicals that are released into the water, and while the long-term environmental effects of these chemicals are still unclear, some can have negative effects on critical aquatic species, including salmon. SSB 6210 postponed the ban on copper restrictions for five years, and required Ecology to conduct a technical review of antifouling products starting in Fiscal Year 2022. It also requires the agency to determine if new regulatory restrictions on paint ingredients are needed, and identify any safer alternatives. Ecology is requesting funding, consistent with our final fiscal note for this bill, to complete the work required under this new law. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	1.6	1.4	1.5	1.0	0.3	0.65
<b>Operating Expenditures</b>						
Fund 207 - 1	\$200	\$177	\$377	\$121	\$41	\$162
Total Expenditures	\$200	\$177	\$377	\$121	\$41	\$162

## Decision Package Description

### Background

Copper is highly toxic to fungi, algae, and many other marine organisms. This makes it an effective pesticide against barnacles, worms, and other species that grow on boats stored in the water. These “fouling” organisms are more than just unsightly – they can damage boat hulls and negatively affect vessel performance by impairing maneuverability and increasing drag. Since the 1980s, copper has been the most popular “antifouling” ingredient added to hull paints to help boat owners control these organisms.

Unfortunately, copper also can unintentionally affect other, non-target marine organisms, including cultivated shellfish and salmon. Studies have shown that copper can damage juvenile salmon olfaction (the ability to smell), which can negatively affect their ability to find food and avoid predators – a significant concern in Washington.

Ecology started reviewing antifouling paints as a result of legislation passed in 2011. The legislation would have restricted use of copper in boat paints starting in 2018. This would have resulted in most boat owners switching to non-copper antifouling alternatives. The 2011 legislation also directed Ecology to review antifouling paints and their ingredients, including non-copper alternatives, and report findings to the Legislature in 2017.

### Ecology’s 2017 report

([https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Report to the Legislature 1704039\\_bdf9df47-4790-4cd5-bd9f-b56239172a25.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Report to the Legislature 1704039_bdf9df47-4790-4cd5-bd9f-b56239172a25.pdf)) concluded that some non-copper antifouling alternatives might actually pose a greater environmental risk than the copper paints they were intended to replace. Research to date has shown that copper and other antifouling substances have complex interactions with one another and the environment. These interactions are not easy to predict and may have serious consequences on environmental health, including the health of Puget Sound’s salmon population and the orca that rely on them for food.

In 2018, the Legislature passed Ecology request legislation that postponed implementation of the original copper paint ban. This bill (SHB 2634) was developed through a collaborative negotiation between industry and the environmental community. It delayed the implementation date of the ban until 2021, and directed Ecology to continue reviewing available scientific literature on environmental impacts from antifouling paints, including both copper and non-copper alternatives. Ecology’s updated findings and subsequent recommendations were contained in the agency’s 2019 report

([https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=19-04-020 Antifouling Paints\\_3e7b8937-619c-44d3-9566-deb8656cf031.pdf](https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=19-04-020 Antifouling Paints_3e7b8937-619c-44d3-9566-deb8656cf031.pdf)) to the Legislature. Based on the information available to date, Ecology remains concerned about the potential environmental effects on non-target species, including salmon, from both copper and non-copper antifouling paints.

### Current Situation

In 2020, the Legislature passed a second Ecology request bill (SSB 6210), again postponing implementation of a copper paint ban. As with the previous bill, Ecology worked extensively with both industry and environmental stakeholders to get agreeable language that all parties could support. The bill delays the copper restriction for five years, requires Ecology to review new information about antifouling paints and their

ingredients, and gives the agency new authority to obtain additional information from paint manufacturers and sellers.

There is a significant amount of new research being conducted worldwide on issues related to fouling. This research continues to reveal new information about antifouling substances and their effect on the environment. The 2020 legislation requires Ecology to review this information, prepare a report to the Legislature summarizing its findings, hold a public comment period on the draft report, and submit the final report to the Legislature by June 30, 2024. At that time, if Ecology finds that safer alternatives are available, the copper ban will go into effect in 2026. If not, the ban will be delayed until at least 2031.

Ecology is requesting the resources needed to support the required work under SSB 6210, consistent with the agency's final fiscal note for this bill. Work required by Ecology under the bill includes:

- **Cybutryne paint ban.** This request includes funding to support communication with boat owners, manufacturers, wholesalers, retailers, boatyards, maintenance facilities, and others about a new ban on paints containing the highly toxic chemical Cybutryne. It is important to make the boating community aware of this restriction so they know to avoid selling and using restricted products. Funding will also be used to provide technical assistance and handle compliance matters that may develop from businesses selling or using paints that contain the prohibited chemical.
- **Confidential data collection.** This request will fund collaborative work between Ecology, manufacturers, wholesalers, retailers, and others as needed to collect proprietary data regarding paint ingredients, paint performance, sales figures, and other confidential information. It also will cover appropriate information technology support to store and protect this confidential business information (CBI) at Ecology. This information will be crucial in helping Ecology determine which antifouling options are the safest effective alternatives and their availability on the market.
- **Scientific data analysis.** The majority of this request will cover Ecology's research, assessment, and analysis of the data collected from paint manufacturers and sellers, as well as other new scientific information about both copper and non-copper antifouling paints and coatings. This work includes evaluating and drawing conclusions about possible safer antifouling alternatives and preparing a report about Ecology's findings. This work will help inform the Legislature about what further steps, if any, are needed to protect Washington's waters from antifouling substances.

#### **Impacts on Population Served:**

A number of groups will be served by this request:

- **Tribal and immigrant communities.** Antifouling paints are designed to release toxic chemicals into the water, most commonly in marine waters like Puget Sound. The toxic effects of these paints on salmon and other species may have a significant effect on communities that rely on these species for a large part of their diet. Identifying safer alternatives to these toxic paints is important to preserving and enhancing the health of Washington's salmon and shellfish populations and, subsequently, the human populations that consume them.
- **Boat owners.** Boat owners will benefit from this request in two ways. First, Ecology's proposed outreach and education for boat owners will help them understand the pending restrictions on hull paints containing the highly toxic chemical Cybutryne. This will allow them to choose antifouling options that comply with the law. Second, Ecology's work to identify safer antifouling alternatives will assist vessel owners in making informed, environmentally-friendly decisions.
- **Boatyards.** The toxic chemicals in antifouling paints and coatings are sometimes a significant risk to the workers who apply them. This can be even more concerning for boat owners doing this work themselves. Identifying safer paints and non-coating alternatives will not only help protect people involved in painting projects, but also help prevent pollution from improperly applied paints and improperly managed paint wastes. The outreach efforts funded by this request will help inform boatyard owners and employees about the pending restrictions on the Cybutryne-based paints and help them better educate their customers about safer antifouling options. It will also help provide technical assistance visits for businesses needing help complying with the new law.
- **Paint manufacturers and suppliers.** Ecology's outreach plan also includes companies manufacturing and selling antifouling paints, such as paint suppliers and marine wholesalers and retailers. Part of this outreach will focus on educating these companies about the upcoming ban on Cybutryne paints, and providing technical assistance visits as needed to help them comply with the law. The other part of the planned outreach will focus on getting proprietary and other information from these companies so that Ecology can learn more about antifouling products, which will inform determinations about safer alternatives.

#### **Alternatives Explored:**

SSB 6210 requires specific new work for Ecology and includes due dates for reporting back to the Legislature. This new work cannot be scaled or delayed, because the requirements and report due dates are prescribed by the legislation. Requesting funding, consistent with Ecology's final fiscal note for this bill, was the option chosen because this work is required, and Ecology lacks other resources to complete it.

#### **Consequences of Not Funding This Request:**

If this request were not funded, Ecology would not be able to conduct the work required by the legislation. Ecology would continue to be unable



to provide adequate guidance to boat owners about safer alternatives to conventional boat paints, or advice to the Legislature about possible future restrictions on harmful antifouling ingredients. In addition, Ecology's ability to proactively work with paint manufacturers, sellers, and applicators to inform them about the upcoming ban on Cybutryne paints would be limited. Technical assistance visits and enforcement actions related to the Cybutryne ban would also be adversely affected.

## Assumptions and Calculations

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This request will incrementally expand current work within Ecology's Hazardous Waste and Toxics Reduction Program. Ecology will implement a Cybutryne paint ban primarily through technical assistance and outreach visits under Activity A022 – Increase Safe Hazardous Waste Management. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.

<b>A022 – Increase Safe Hazardous Waste Management</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	11.9	12.2
001-2 General Fund - Federal	\$1,450,305	\$1,497,000
(173-1/174-1/19G-1) 23P-1 MTCA Operating	\$5,592,310	\$6,683,000
207-1 Hazardous Waste Assistance	\$497,144	\$576,000
<b>TOTAL</b>	<b>\$7,539,759</b>	<b>\$8,756,00</b>

This request also expands Activity A065 - Reduce Persistent, Bioaccumulative, Toxic Chemicals and Promote Safer Consumer Products, on a one-time basis, to support further analysis on antifouling paints and identify safer alternatives. Below is a summary of the 2017 and 2019 base funding and FTEs for these activities. The growth in budget and FTE between these two biennia is due to funding provided in the 2019-21 and 2020 supplemental budgets to support implementation of SSB 5135 – Safer Products Washington; Enhanced Product Testing; and Chemical Action Plan (CAP) Implementation. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.

<b>A065 - Reduce Persistent, Bioaccumulative, Toxic Chemicals and Promote Safer Consumer Products</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	15.45	25.6
001-2 General Fund - Federal	\$409,016	\$484,000
108-1 Motor Vehicle Account	\$28,572	\$0
(173-1/19G-1) 23P-1 MTCA Operating	\$3,170,807	\$7,413,000
207-1 Hazardous Waste Assistance Account	\$1,251,283	\$1,490,000
<b>TOTAL</b>	<b>\$4,859,678</b>	<b>\$9,387,000</b>

### ***Detailed Assumptions and Calculations:***

The work covered by this request is required by SSB 6210. That work, consistent with Ecology's final fiscal note, includes:

**1. Data analysis and legislative report:** Ecology must conduct a review of information about antifouling paints and ingredients and report findings to the Legislature no later than June 30, 2024. This includes a required public comment process, with input to be considered and incorporated into the report before finalizing and submitting it to the Legislature.

To carry out the needed research and prepare the legislative report, Ecology requires 1.0 FTE Natural Resource Scientist 3 (NRS3) beginning July 1, 2022, through December 31, 2023. Work completed by this position will include obtaining relevant data and journal articles; researching chemicals and their environmental impacts; assessing and analyzing data collected from manufacturers, wholesalers, and retailers; and reviewing relevant scientific studies to determine the effects of antifouling paints on marine organisms and water quality. This work also includes initial drafting of the report to the Legislature. This translates to 1.0 FTE for Fiscal Year 2022, 1.0 FTE for Fiscal Year 2023, and 0.5 FTE in Fiscal Year 2024.

0.13 FTE of an NRS3 is also required in Fiscal Years 2024 and 2025 to consult with the Department of Agriculture as they update Washington's pesticide labeling regulations to reflect the 2020 legislation's ban on Cybutryne antifouling paints. This position will also coordinate the logistics of assembling and responding to public comments received, incorporating those into the final legislative report. This position will oversee the submission of the legislative report by June 30, 2024, and then provide follow-up assistance and responses to inquiries from stakeholders regarding the report.

**2. Communication and Outreach efforts:** The new ban on antifouling paint that contains the chemical Cybutryne begins January 1, 2023. Ecology needs to develop and implement a communication strategy and materials for stakeholders to ensure the Cybutryne restriction will be

followed by manufacturers and sellers of recreational vessels, paint manufacturers, distributors, and retailers, as well as boatyards, and boat maintenance facilities. To manage the communication strategy and outreach efforts, Ecology requires 0.03 FTE of a Community Outreach & Environmental Educational Specialist 3 (COEES3) and 0.03 FTE of a Communications Consultant 5 (CC5) in Fiscal Year 2022, 0.05 FTE of each classification in Fiscal Years 2023 and 2024, and 0.03 FTE of each classification in Fiscal Year 2025.

**3. Compliance analysis:** Ecology requires 0.1 FTE of an Environmental Specialist 4 (ES4), beginning in Fiscal Year 2023 and ongoing, to ensure that manufacturers and retailers comply with the requirements of the 2020 legislation. This position will provide education and outreach to businesses and individuals not in compliance with the law's requirements, provide technical assistance to businesses to help them regain or maintain compliance, send compliance notices when required, and investigate complaints.

**4. CBI data collection:** The 2020 legislation gives Ecology the authority to request detailed information about product constituents and performance from manufacturers, wholesalers, and retailers of antifouling paints or related substances. Ecology assumes this information will be handled as "Confidential Business Information" (CBI), and that the stakeholders will comply with the new requirement to submit data as requested. To coordinate this CBI data collection needed, Ecology requires 0.25 FTE of an ES4 and 0.05 FTE of an IT Application Developer-Journey Level (AD/J) in Fiscal Year 2022.

**Summary:**

Communication & outreach efforts (Section 2 of bill)

Fiscal Year 2022: \$8,214 and 0.06 FTE

Fiscal Year 2023: \$13,686 and 0.10 FTE

Fiscal Year 2024: \$13,686 and 0.10 FTE

Fiscal Year 2025: \$8,214 and 0.06 FTE

Compliance analysis (Section 2 of bill)

Fiscal Year 2023: \$13,364 and 0.1 FTE; ongoing

CBI data collection (Section 3 of bill)

Fiscal Year 2022: \$42,349 and 0.4 FTE

Data analysis and Legislative report (Section 1 and 3 of bill)

Fiscal Year 2022: \$149,878 and 1.2 FTE

Fiscal Year 2023: \$149,878 and 1.2 FTE

Fiscal Year 2024: \$94,421 and 0.7 FTE

Fiscal Year 2025: \$19,483 and 0.1 FTE

**Workforce Assumptions:**

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
A	Salaries and Wages	107,245	94,668	64,960	21,903	7,096	7,096
B	Employee Benefits	39,252	34,649	23,775	8,016	2,597	2,597
E	Goods and Services	7,785	6,868	4,750	1,660	572	572
G	Travel	3,791	3,344	2,313	809	279	279
J	Capital Outlays	2,226	1,965	1,359	475	164	164
T	Intra-Agency Reimbursements	40,142	35,434	24,314	8,198	2,656	2,656
<b>Total Objects</b>		<b>200,441</b>	<b>176,928</b>	<b>121,471</b>	<b>41,061</b>	<b>13,364</b>	<b>13,364</b>
<b>Staffing</b>							
Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
NATURAL RESOURCE SCIENTIST 3	80,291	1.00	1.00	0.63	0.13		
COMMUNITY OUTREACH & ENVIRON ED SPEC 3	61,219	0.03	0.05	0.05	0.03		
COMMUNICATIONS CONSULTANT 5	84,394	0.03	0.05	0.05	0.03		
ENVIRONMENTAL SPECIALIST 4	70,959	0.25	0.10	0.10	0.10	0.10	0.10
IT APP DEVELOPMENT-JOURNEY	96,890	0.05					
FISCAL ANALYST 2		0.13	0.12	0.08	0.03	0.01	0.01
IT APP DEVELOPMENT-JOURNEY		0.07	0.06	0.04	0.01	0.01	0.01
<b>Total FTEs</b>		<b>1.6</b>	<b>1.4</b>	<b>0.9</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>

### **Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

### **How is your proposal impacting equity in the state?**

The majority of Washington residents affected by this work on antifouling paints live in the greater Puget Sound area or on the coast. These areas include a large number of tribal and immigrant populations who depend more heavily on subsistence fishing. When toxic antifouling paints have unintended consequences on non-target species, such as salmon or mussels, these populations are disproportionately affected. By working to identify safer, less-toxic alternatives to traditional antifouling paints, Ecology hopes to protect the health of Washington's salmon and shellfish populations, and subsequently, the people that consume them.

In addition to releasing toxic chemicals into the water, antifouling paints can also release toxic chemicals into the air when they are applied and removed. Boat building and repair businesses are sometimes located in industrial areas that also have nearby residential areas that are home to lower income populations (such as in the Duwamish area of Seattle). Reducing the amount of toxic chemicals in antifouling paints will result in fewer releases to the air and less exposure for nearby neighborhoods.

Identifying antifouling paints and ingredients that are less toxic will also reduce the amount of toxic chemicals that boatyard workers are exposed to. According to the Department of Commerce, the average maritime worker is 54 years old, and the industry continues to employ an aging workforce (Proposed Strategic Plan for Washington State Maritime Sector 2017–2019 - <http://www.commerce.wa.gov/wp-content/uploads/2017/01/Sector-Leads-Maritime-Strategy-2016.pdf>). These workers are frequently exposed to paint fumes, solvents, and other respiratory irritants such as zinc oxides and chromium found in boat paints. Reducing the presence of toxic chemicals in antifouling paints will help reduce exposure among these at-risk workers.

## **Strategic and Performance Outcomes**

### **Strategic Framework:**

This request is essential to implementing two goals in Ecology's Strategic Plan.

- Goal 1: Support and engage our communities, customers, and employees—Due to their potential for negative effects on non-target aquatic species such as salmon and shellfish, antifouling paints can have a disproportionate effect on highly impacted communities who rely on these species for subsistence fishing. Ecology's work on antifouling paints is part of the work needed to address environmental and health disparities in these communities. In addition, has engaged with and relied on input from both community groups and regulated businesses involved in the manufacture and use of these substances.
- Goal 3: Prevent and reduce toxic threats and pollution—Antifouling paints, by design, release toxic chemicals into the water. This request will fund work to investigate those paints and their alternatives to determine whether there should be new restrictions on these paints and whether safer alternatives are available and feasible.
- Goal 5: Protect and restore Puget Sound—Antifouling paints are most commonly used in marine waters. There are over 250 marinas in Washington, mostly in Puget Sound, where thousands of boats slowly release copper and other toxic chemicals into the water to repel and kill fouling organisms. Reducing the amount of toxic chemicals coming from these marinas will help restore the health of Puget Sound's ecosystem.

This request provides essential support to two of the Governor's Results Washington goals.

- Goal 3: Sustainable Energy and a Clean Environment, by working to reduce the release of toxic chemicals into Washington's waters. This request will fund work to investigate those paints and their alternatives to determine whether there should be new restrictions on these paints and whether safer alternatives are available and feasible, thereby promoting a cleaner aquatic environment.
- Goal 4: Healthy and Safe Communities, by working to reduce the release of toxic chemicals into Washington's waters. The toxic effects of these paints on salmon and other species may have a significant effect on at-risk communities that rely on these species for a large part of their diet. These toxic chemicals may also have negative effects on workers who apply these chemicals and communities adjacent to boatyards and marinas.

**Performance Outcomes:**

The outcome of this request will be fewer toxic chemicals being released into Puget Sound and the rest of Washington's waterways, reducing risks to the environment.

**Other Collateral Connections**

**State Workforce Impacts:**

N/A

**Intergovernmental:**

Tribal governments in Washington and their communities are adversely affected by anything that negatively impacts salmon populations. This project will lead to a reduction in toxic chemicals that threaten salmon, shellfish, and other resources that many tribes rely on for sustenance and revenue. Tribal governments have not expressed much interest in previous legislation on this issue, but conversations to date have been positive.

Some local governments own or manage marinas. This request will eventually lead to a reduction in the amount of toxic chemicals being released into those marinas and improved marina water quality. Local governments also work with and inspect privately-owned marinas and boatyards in their jurisdiction. This request will affect the paints being applied to boats in those boatyards and being moored in local marinas.

The Department of Natural Resources (DNR) is also potentially affected by this request. DNR manages the state tidelands under marinas, including those in Puget Sound. Improving the water quality in marinas could have a beneficial effect on the quality of those tidelands and the organisms that live there.

**State Facilities Impacts:**

N/A

**Changes from Current Law:**

N/A

**Puget Sound Recovery:**

This request supports the following Puget Sound Vital Signs efforts:

- Healthy Water Quality – Toxics in Fish
- Healthy Water Quality – Marine Water Quality
- Thriving Species and Food Web – Chinook Salmon
- Thriving Species and Food Web – Orcas
- Thriving Species and Food Web – Pacific Herring

This request directly supports the 2018-2022 Puget Sound Action Agenda Implementation Plan through Ongoing Program 5: Hazardous Waste and Toxics Reduction – Reducing Toxic Threats, Toxics Reduction Technical visits and special projects and will help support a number of Near Term Actions (NTA) for Puget Sound Recovery:

- 2018-0335 – Evaluation of Exposure to Endocrine Disrupting Compounds in Marine Mussels through a Combination of Chemical and Biological Measures (a Tier 4 action). The request will fund work evaluating which antifouling options are environmentally preferable, including identifying which current options are endocrine disruptors and which have endocrine effects in marine mussels and other shellfish.
- 2018-0518 – Chemicals of Emerging Concern (CECs), including endocrine disrupting compounds, in marine and freshwater fish in King County (a Tier 4 action). This request will fund work evaluating which antifouling options are environmentally preferable, including identifying which current options contain CECs and endocrine disruptors affecting salmon and other fish species. The results of this project could help support King County's work on this NTA.
- 2018-0750 – Assessment and Prioritization of Contaminants of Emerging Concern Impairing the Health of Chinook salmon (a Tier 4 action). This request's focus on evaluating the effects of copper on salmon will help support Department of Fish and Wildlife's efforts on this NTA.

This request also supports the following 2018 Regional Priority Approaches, Strategies, and Sub-strategies:

- CHIN4.8 - Evaluate potential threats from emerging contaminants of concern from wastewater and stormwater as they relate to salmon and their food web.

- TIF1.1 - Enhance pollutant reduction programs, corrective measures and increase authorities and programs to prevent toxic chemicals from entering Puget Sound.
- ORCA1.1 - Implement the Governor's Orca Task Force recommendations and other plans.
- Strategy 6 – Protect and recover salmon
  - Sub-strategy 6.4 – Protect and recover steelhead and other imperiled salmonid species.
- Strategy 9 – Prevent, reduce, and control the sources of contaminants entering Puget Sound
  - Sub-strategy 9.1 – Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem.
  - Sub-strategy 9.2 – Promote the development and use of safer alternatives to toxic chemicals.
  - Sub-strategy 9.3 – Adopt and implement plans and control strategies to reduce pollutant releases into Puget Sound from air emissions.
  - Sub-strategy 9.4 – Provide education and technical assistance to prevent and reduce releases of pollution.
  - Sub-strategy 9.5 – Control wastewater and other sources of pollution, such as oil and toxics from boats and vessels.
  - Sub-strategy 9.6 – Increase compliance with and enforcement of environmental laws, regulations, and permits.
- Strategy 17 – Protect and restore marine ecosystems
  - Sub-strategy 17.1 – Protect intact marine ecosystems particularly in sensitive areas and for sensitive species.
- Strategy 19 – Ensure abundant, healthy shellfish for ecosystem health and for commercial, subsistence, and recreational harvest consistent with ecosystem protection
  - Sub-strategy 19.1 – Improve water quality to prevent downgrade and achieve upgrades of important current tribal, commercial and recreational shellfish harvesting areas.
- Strategy 26 – Cultivate broad-scale stewardship practices and behaviors among Puget Sound residents that benefit Puget Sound
  - Sub-strategy 26.2 – Develop and promote science-based targeted communications and behavior change strategies across the region.
  - Sub-strategy 26.7 – Review practices and issues that require solutions beyond the Puget Sound region such as automotive, manufacturing and distribution of toxins, and pharmaceutical waste management. Develop strategies and partnerships outside the Puget Sound region to address issues.

This request also supports efforts under the Governors' Executive Order 18-02, Southern Resident Killer Whale Recovery and Task Force, by funding projects that reduce toxic pollutant migration to Puget Sound so that Southern Resident population exposure to toxics is reduced. Specific Task Force recommendations supported:

- 29 - Accelerate the implementation of the ban on polychlorinated biphenyls in state-purchased products and make information available online for other purchasers.
- 30 - Identify, prioritize and take action on chemicals that impact orcas and their prey.
- 31 - Reduce stormwater threats and accelerate clean-up of toxics harmful to orcas.
- 33 - Increase monitoring of toxic substances in marine waters; create and deploy adaptive management strategies to reduce threats to orcas and their prey.

#### ***Legal or Administrative Mandates:***

This request is in response to SSB 6210, passed in 2020, codified in Chapter 70.300 RCW. This request is consistent with Ecology's final fiscal note for this bill.

#### ***Stakeholder Response:***

Stakeholders from both industry and the environmental community have been involved with this work since the original bill was proposed in 2011. Most recently, the language of SSB 6210 was a negotiated compromise between Ecology and the various stakeholders. Right now, all stakeholders are supportive of Ecology's work to obtain more information about antifouling paints, their ingredients, and how they operate in the environment. However, environmental stakeholders support an eventual prohibition against copper-based paints, while industry stakeholders do not.

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

<b>Objects of Expenditure</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2022</b>	<b>2023</b>	<b>2021-23</b>	<b>2024</b>	<b>2025</b>	<b>2023-25</b>
Obj. A	\$107	\$95	<b>\$202</b>	\$65	\$22	<b>\$87</b>
Obj. B	\$39	\$35	<b>\$74</b>	\$24	\$8	<b>\$32</b>
Obj. E	\$8	\$7	<b>\$15</b>	\$5	\$2	<b>\$7</b>
Obj. G	\$4	\$3	<b>\$7</b>	\$2	\$1	<b>\$3</b>
Obj. J	\$2	\$2	<b>\$4</b>	\$1	\$0	<b>\$1</b>
Obj. T	\$40	\$35	<b>\$75</b>	\$24	\$8	<b>\$32</b>

## Agency Contact Information

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## Agency Recommendation Summary

The Local Solid Waste Financial Assistance Program supports essential activities that implement required local solid and hazardous waste management plans and resource conservation through waste reduction, recycling, and reuse programs. It also provides enforcement grants for permitting and compliance at solid waste facilities to help ensure protection of human health and the environment. Ecology requests funding to provide one-time financial assistance grants to local governments to help clean up solid, hazardous, and infectious waste generated by homeless encampments; implement local recycling Contamination Reduction and Outreach Plans; and support other solid waste management and enforcement activities directed by law. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 23P - 1	\$7,500	\$7,500	<b>\$15,000</b>	\$0	\$0	<b>\$0</b>
Total Expenditures	<b>\$7,500</b>	<b>\$7,500</b>	<b>\$15,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Decision Package Description

Ecology is directed (Chapter 70A.205 RCW) to provide financial assistance to local health departments to regulate, manage, and clean up solid waste. This financial assistance is provided in the form of pass-through funding to local health departments and public works departments through the Local Solid Waste Financial Assistance (LSWFA) Program. Washington's local health departments are primarily responsible for enforcing the rules and regulations of solid waste handling, and the public works departments are responsible for planning and implementing local hazardous and solid waste programs. These programs are designed to protect human health and the environment by preventing or minimizing environmental contamination resulting from improper management or disposal of solid waste.

### LSWFA Funding Reductions

The state pass-through funding available for solid waste management and enforcement programs has been reduced over the last four biennia. For the 2019-21 Biennium, Ecology's budget request of \$28.2 million, which is considered full funding, was reduced to \$10 million in the final enacted budget. Due to the funding reductions and the challenges local governments face in raising funding through permits and fees, the problems with homeless encampments and recycling contamination continue to grow without sufficient resources to manage and clean up the waste or to meet new state mandates.

Local governments need additional funding to address emerging issues, such as cleaning up homeless encampments, implementing Contamination Reduction and Outreach Plans (CROP), and other solid waste management and enforcements activities. This request will significantly help local governments address the solid waste issues and threats at homeless encampments. Solid waste issues comprise a significant portion of the waste and environmental impacts at homeless encampments. Without sufficient funding to provide the necessary waste prevention items, such as portable restrooms, solid waste cleanup and disposal, and drug paraphernalia cleanup, homeless encampments will continue to grow, threaten public health and safety, and impact Washington's environment. This request will also provide needed assistance for local governments to meet new statutory requirements for reducing recycling contamination. This will help ensure recyclable materials find end-use markets and are truly recycled into new products, instead of being disposed. Per Chapter 173-312 WAC, other activities eligible for funding include moderate risk waste operations, organics management, recycling programs, mandatory solid and hazardous waste plan maintenance, and solid waste enforcement.

### Homeless Encampments

The rising number of homeless encampments in Washington cities and along roadways and rivers is causing a significant impact to the environment. According to the U.S. Department of Housing and Urban Development's (HUD) 2018 Annual Homeless Assessment Report (AHAR) to Congress (<https://www.hudexchange.info/resources/documents/2018-AHAR-Part-1.pdf>), nationally, the number of people staying in sheltered locations such as emergency housing declined for the fourth consecutive year in 2018 (0.7 percent between 2017 and 2018), while the number of people in unsheltered locations such as tents/unsanctioned encampments and vehicles increased (by 2.0 percent) for the third year in a row. In Washington State, homelessness grew by an estimated 5.6 percent between 2017 and 2018, with an estimated 47.6 percent living in unsheltered environments.

According to Seattle/King County's 2020 Count Us In Report (<https://regionalhomelesssystem.org/wp-content/uploads/2020/07/Count-Us-In-2020-Final.pdf>), as of January 24, 2020, there were an estimated 11,751 individuals experiencing homelessness in Seattle/King County. This represents an increase of five percent compared to 11,199 individuals experiencing homelessness in 2019. Approximately 53 percent of those people were sheltered and 47 percent were unsheltered. There was an increase of 28 percent of individuals living in vehicles from 2019 to 2020, which may be due to the expansion of safe parking programs. Note, the Point In Time (PIT) count does not calculate the number of unique persons who experience homelessness over a calendar year—which is much higher than the total number experiencing homelessness at any given time—and may not be representative of fluctuations and compositional changes in the population either seasonally, because of the pandemic, or over time. This annual total is usually two to three times the PIT estimate.

Garbage, human waste, drug paraphernalia, and needles are common in homeless encampments and can attract vermin, spread communicable disease, and contaminate our waters. Addressing homeless encampments has become a significant and emergent issue for local governments and

health departments, including how to properly collect and dispose of these threats.

### **Contamination Reduction and Outreach Plans**

In addition to addressing the rise in homelessness, local governments are required to implement a new state mandate, Contamination Reduction and Outreach Plans (CROP). Contamination in the recycling stream is a big concern in Washington State and across the country. Contamination leads to higher processing costs for recycling facilities, poses a safety hazard to sorting-facility workers, and causes material to be landfilled that would normally be recycled. In January 1, 2018, the Chinese government imposed new rules that no longer allow importation of low-grade post-consumer plastics and unsorted mixed waste paper. They also imposed a strict 0.5 percent cap on contamination in all imported recyclables, which is a near-impossible limit to meet. Other Asian countries have since enacted similar restrictions.

Repercussions from the restrictions are being felt worldwide, but Washington has been especially hard hit, because so many of our recyclable materials were sent to Asian markets. Our state has been a national leader in recycling, with rates approaching 50 percent. However, the changes in the Asian market has sent recyclable materials markets into a tailspin and led to the current recycling crisis. We need to reduce contamination in our recycling in order to find markets.

In 2019, the Legislature passed the Sustainable Recycling Act to address the recycling crisis caused by the Chinese import restrictions of recyclable commodities. State laws require Ecology and local governments to develop and implement a state and local CROP. The goals of reducing waste and creating a sustainable management system serve as the foundation for the contamination reduction strategies and recommendations included in the state CROP.

RCW 70A.205.045(10) requires counties or cities with independent plans with a population of more than 25,000 to include a local CROP in their Solid Waste Management Plan by July 1, 2021. The goal of the CROP is to reduce contamination of the materials collected in single-family and multi-family drop-boxes and commercial recycling programs. It also allows full realization of the economic, environmental, social, and public health benefits of recycling. A local CROP must include 12 action steps and a five-year implementation schedule. One of the steps is to secure or allocate funding to implement the local CROP.

Ecology requests \$15 million in one-time funding to help address the emerging crisis with homeless encampments and the health and environmental issues they create, local CROP implementation, and traditional LSWFA programs. Funding will be distributed as pass-through grants to local governments under the LSWFA Program.

### **Impacts on Population Served:**

Homelessness is a problem that affects all residents and visitors in both urban and rural areas. Facilities like housing and restroom are not available in homeless encampments. People residing in these encampments often live in tents and use the outdoors for bathroom facilities. Many encampments are along Washington's roadways or in city parks and expose residents or people visiting those areas to raw sewage, discarded needles, and other drug paraphernalia. Human waste also impacts surface water and potentially groundwater.

Recycling contamination leads to recyclable materials being disposed instead of made into new products. Making products from recycled materials instead of virgin resources saves energy and water and reduces greenhouse gas emissions – all these benefits are lost when the recyclable materials are disposed. This also serves to damage the public trust in the recycling system, leading to further reductions in recycling.

This funding will help to address both of these areas in our communities.

### **How will the other state programs or units of government be affected if this project is funded?**

LSWFA-funded programs provide indirect benefits to many other governmental bodies. Solid waste management requires coordination between local governments and the state. LSWFA funding complements the Puget Sound Partnership and Ecology's Water Quality Program activities by supporting local government projects that protect and restore Puget Sound and other water bodies, including groundwater, which is the source of drinking water for over half of Washington's residents. It also supports Ecology's Hazardous Waste and Toxic Reduction Program's efforts to eliminate hazardous waste and reduce the use of toxic products. Properly managing solid waste facilities also prevents future cleanup sites. Using recycled materials for manufacturing uses less water and energy and creates less pollution, including greenhouse gasses, which benefits everyone.

### **Alternatives Explored:**

The source of funding with the clearest nexus to addressing the problem is the authority under the Model Toxics Control Act (MTCA) to provide financial assistance for local programs and plans, including LSWFA. By definition, all waste streams found in homeless encampments are solid waste. Leaving that material in the environment is considered illegal dumping.

A priority for LSWFA funding is to investigate and eradicate illegal dumps. Many health departments in Washington have active programs working on this issue, but do not have other forms of funding, such as permit fees or landfill tipping fees, to generate funding for cleaning up the encampments. MTCA is intended to reduce or eliminate the impacts of solid waste in the environment, and expanding our LSWFA Program to assist local governments with this problem is a viable option. Also, addressing contamination in the recycling system reduces the toxic and environmental impacts of disposing items in landfill. It is much better to reduce contamination at the source rather than cleaning it up later. MTCA is intended to be used for prevention, management, and cleanup – with prevention being the first priority.

The \$10 million appropriated in the 2019-21 Operating Budget for LSWFA is insufficient to support both the existing solid waste programs, address the homeless encampments issue facing many of our communities, and implement the local CROP.

### **Consequences of Not Funding This Request:**

Local governments are responsible for managing the encampment issue, but most are struggling to keep up. The issue crosses several regulatory programs, including wastewater treatment, solid waste, hazardous waste, and shoreline management. Failure to address these issues would expose Washington's residents and visitors to potentially harmful health and environmental impacts, including contaminated drinking water and transmitted diseases. This request will help reduce those impacts and protect Washington residents.

Failure to fund local governments to develop and implement the local CROP would inhibit local government's ability to address and eradicate contamination in the recycling waste stream. This would lead to improper disposal of the material, with much of the waste stream like plastic bags ending up in Washington's waterways. Local solid waste programs have limited ability to raise revenue for these efforts. Many of the counties have no facilities or facility permits to charge fees against, but still are required to collect and manage recyclables like plastics and glass. Without funding assistance, many local governments would not be able to meet this mandate and would be out of compliance with the law. There also would be less work done to reduce recycling contamination, and many recyclable materials may be disposed.

## Assumptions and Calculations

### Expansion, Reduction, Elimination or Alteration of a current program or service:

This request expands Activity A013 – Provide Planning and Financial Assistance to Manage and Reduce Waste, on a one-time basis, to address the emerging crisis with homeless encampments and the health and environmental issues they create, and new state mandate with CROP implementation. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.

Please note, historically, the LSWFA Program had been funded in the capital budget. But beginning with the 2019-21 Biennium, funding for the program shifted to the operating budget and Activity A013.

Activity A013 - Provide Planning and Financial Assistance to Manage and Reduce Waste		
	2017-19	2019-21
FTEs Total	13.9	10.9
173-1 State Toxics Control	\$229,278	\$0
174-1 Local Toxics Control	\$3,363,136	\$0
19G-1 Environ Legacy Stewardship	\$2,543,892	\$0
23P-1 Model Toxics Control Operating		\$15,440,000
<b>TOTAL</b>	<b>\$6,136,306</b>	<b>\$15,440,000</b>

### Detailed Assumptions and Calculations:

For the 2021-23 Biennium, Ecology requests \$15 million in one-time funding to help address the emerging crisis with homeless encampments and the health and environmental issues they create, and local CROP implementation. Funding will be distributed as pass-through grants to local governments under the LSWFA Program, consistent with current regulations and guidelines. Local governments will be responsible for a 25 percent funding match. Local governments will use this funding to collect and properly dispose of hypodermic needles; clean up and dispose of solid waste include mattresses, tents, and other solid waste at encampment sites; and to clean up and properly dispose of human waste. Local governments will also use this funding to implement the first two years (out of five) of the local CROP to reduce recycling contamination.

Funding is requested as one-time due to revenue uncertainty for the MTCA accounts due to the COVID-19 pandemic, and lower use of petroleum (vast majority of revenue for MTCA is from petroleum), and recent changes in the tax structure.

### Workforce Assumptions:

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
N	Grants, Benefits, and Client Services	7,500,000	7,500,000				
	<b>Total Objects</b>	<b>7,500,000</b>	<b>7,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Staffing</b>							
Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<b>Total FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Explanation of costs by object:

All costs are Grants (Object N).

### How is your proposal impacting equity in the state?

Funding to help address solid waste issues at homeless encampments will improve the quality of life for the residents of these encampments. People experiencing homelessness often suffer from a variety of issues and injustices; limited income and access to housing are just a couple of examples.

Many solid waste facilities are located in lower income or non-English speaking communities. Addressing the contamination issues in the waste stream before it arrives at the facilities will help reduce the environmental impact on these communities. The outreach done as part of CROP will be multi-lingual as needed in the various areas. Ecology's initial "Recycle Right" (<https://ecology.wa.gov/recycleright>) campaign, which local governments can use as part of their CROP, is already available in Spanish "Recicla Bien" (<https://ecology.wa.gov/reciclabien>) and additional funding can help provide additional translations.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing a goal in Ecology's strategic plan to prevent and reduce toxic threats and pollution by:

- Keeping solid and hazardous wastes from being stored or disposed of improperly and polluting Washington's surface and groundwater.
- Collecting and properly disposing of wastes at homeless encampments to decrease emissions of airborne toxins, human diseases, and carcinogens from release into the environment.

This request also supports another goal in Ecology's strategic plan to reduce and prepare for climate impacts, because using recycled feed stocks reduces greenhouse gas emissions compared to using virgin feed stocks.

- Reducing contamination in recycling to allow the use of more recycled materials in manufacturing, which reduces impacts of virgin material extraction and processing, which reduces greenhouse gas emissions.

This request provides essential support to two of the Governor's Results Washington Goals:

- Goal 3: Sustainable Energy and Clean Environment because using recycled materials in place of virgin materials reduces toxics and pollution, including greenhouse gas emissions.
- Goal 4 Healthy and Safe Communities. Homeless encampments and contaminated recycling waste streams impact all citizens in Washington. Better management of wastes at homeless encampments will reduce contaminants in Washington's soil and water, reduce or eliminate the spread of disease and vermin, and will help lead to a healthier environment and safer communities. In addition, Washington's citizens are all impacted by the safe management of products such as glass, cans, and plastic packaging. Collecting these materials and removing the items that cannot be recycled will improve Washington's economy, reduce disposal into landfill, and improve all communities in Washington's cities and counties. Contaminants such as plastic bags or plastic food containers often end up with stormwater runoff and ultimately our rivers and oceans. Implementation of the CROP has the potential to significantly reduce these impacts.

### **Performance Outcomes:**

The outcomes of providing funding for the required local Contamination Reduction and Outreach Plans will include:

- Reduction of contamination in the recycling system and more recyclable materials able to be used as feed stocks for new products.
- Additional tools and information to help improve recycling in Washington, such as:
  - Inventory of current collection services/programs.
  - Baseline recycling contamination data.
  - Identified key contaminants – costs/impacts; and an improved acceptable materials list.
- A more informed, and less confused, public that will be better able to "Recycle Right."
- Baselines of contamination in recycling stream identified within jurisdiction.
- Outreach and education plans drafted, reviewed, and published.
- Percent (and pounds) of contamination reduced from recycling streams after early outreach is conducted.

The outcomes of providing funding to clean up homeless encampments will include:

- Collection and proper disposal of wastes at numerous homeless encampments in counties.
- Pounds of waste collected at homeless encampments.
- Number of homeless encampment cleanup events.
- Pounds of litter prevented by providing proper disposal at homeless encampments.
- Portable toilets and garbage containers delivered.
- Providing waste receptacles and portable restrooms to reduce and prevent continued problems.
- Safer living conditions for residents of the homeless encampments.
- Reduced contamination in the surrounding environment.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

This funding will be distributed as pass-through grants to local governments. Overall, LSWFA-funded programs also provide indirect benefits to many other governmental bodies. Solid waste management requires coordination between local governments and the state. LSWFA funding complements the Puget Sound Partnership and Ecology's Water Quality Program activities by supporting local government projects that protect and restore Puget Sound and other water bodies, including groundwater, which is the source of drinking water for over half of Washington's residents. It supports shoreline management by helping local governments keep Washington's shorelines free from nonconforming uses. It also supports Ecology's efforts to eliminate hazardous waste and reduce the use of toxic products. Properly managing solid waste facilities also prevents future cleanup sites.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

Ecology is directed by Chapter 70.95 RCW, the Solid Waste Management Act, and Chapter 70.105D RCW, the Model Toxics Control Act, to provide financial assistance to counties and cities for managing solid waste, including waste reduction and recycling. Local governments are primarily responsible for managing solid waste, but do not have sufficient funding to carry out all the regulatory requirements. Both laws direct Ecology to provide this financial assistance as part of the required state oversight.

### **Stakeholder Response:**

Ecology has shared the initial concept of this request with key stakeholders, and they expressed support. Local governments have been asking for a program to address the impacts of homelessness on the environment for the past two years. Local governments also expressed the need for funding for the new statutory requirement of the CROP when this legislation was under development. The intent when passing this new requirement was to provide funding for local governments to be able to implement it. Ecology will work with key stakeholders to develop guidelines and a recommendation for equitable distribution of the additional funding to implement the activities and track outcomes for both homeless encampment cleanups and CROP implementation.

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. N	\$7,500	\$7,500	\$15,000	\$0	\$0	\$0

## Agency Contact Information

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## Agency Recommendation Summary

The Biosolids Program provides oversight, permitting, and technical assistance for 375 sewage treatment plants, septage management facilities, and beneficial use (land application) facilities that generate, treat, and sell or give biosolids away, or apply them directly to land. Biosolids are a product of wastewater treatment and septic tanks comprised primarily of organic material that may be beneficially used to condition soil and enhance plant growth. This request will continue to protect public and environmental health through efficient biosolids permitting and increased technical assistance, outreach, and education to permittees and other stakeholders. Related to Puget Sound Action Agenda Implementation. (Biosolids Permit Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	1.2	1.2	1.2	1.2	1.2	1.2
<b>Operating Expenditures</b>						
Fund 199 - 1	\$134	\$134	\$268	\$134	\$134	\$268
Total Expenditures	<b>\$134</b>	<b>\$134</b>	<b>\$268</b>	<b>\$134</b>	<b>\$134</b>	<b>\$268</b>
<b>Revenue</b>						
199 - 0299	\$61	\$123	\$184	\$123	\$123	\$246
Total Revenue	<b>\$61</b>	<b>\$123</b>	<b>\$184</b>	<b>\$123</b>	<b>\$123</b>	<b>\$246</b>

## Decision Package Description

Biosolids are a nutrient-rich product resulting from the wastewater treatment process, and are a valuable commodity. When applied to the land, they improve soil tilth and reduce the need for fertilizers derived from fossil fuels, so they reduce climate impacts. Beneficial use of biosolids also conserves valuable landfill space. Biosolids must meet federal and state treatment and quality standards before being used.

About 120,000 dry tons of biosolids are generated in Washington each year. Most of that is applied on farms and forests for nutrient and soil conditioning value, used for land reclamation, or used to produce commercial fertilizer, compost, potting soil, and topsoil. Despite the well-demonstrated, science-supported benefits of biosolids land application, the public often questions the adequacy of the standards biosolids must meet, and continues to have concerns regarding proper land application and protection of public health. People are concerned over the possibility of the spread of disease in surface and groundwater, and by airborne particles, and fear contamination of recreational and drinking water resources.

375 facilities producing or managing biosolids are subject to permitting under the state biosolids management program. This includes very small to large wastewater treatment plants, composters, and small businesses that pump and apply domestic septage, and facilities that specialize in providing land application services.

Historically, Ecology has managed the Biosolids Program with only a few staff to minimize fees for facilities. This approach was negotiated with the fee payers at the start of the program, with the understanding that some facilities would wait a long time in the queue for permit assistance. Over the last 20 years, biosolids production has increased significantly, along with the state population. Increasing demands from the public for more oversight and in some cases staunch opposition to land application of biosolids, have increased the workload for Ecology staff, small businesses, and facility operators implementing the program.

Current permanent Ecology staff resources are not sufficient to meet the ongoing needs of the program. Ecology's has one staff at headquarters who:

- Oversees the biosolids management program.
- Drafts and updates a general permit.
- Maintains the regulations and guidance documents governing the program.
- Manages the fee program and annual reporting efforts.

And six regional staff who:

- Approve plans and permit coverage under a single statewide general permit.
- Conduct inspections.
- Monitor land application sites.
- Respond to complaints.
- Perform technical assistance and outreach for 375 facilities.

## Problem

Heading into the 2019-21 Biennium, Ecology's existing staffing levels were not adequate to meet program demands. Under the existing permit system, only about one third of permit applications are reviewed and approved in a five-year permit cycle. The remaining facilities that have not received final approval operate under a condition called *provisional* approval. They are allowed to operate, and assumed to be in compliance, but important individual permit conditions may be lacking, and the public does not have the increased assurance of compliance associated with application and operational reviews by Ecology.

Nearing the end of the current five-year general permit cycle (September 2020), only 135 of 375 of facilities have received a final approval of coverage from Ecology. The average time from receipt of an application to approval (for the 135 facilities that have been approved) is 277 days.

Under the current permitting cycle, all 375 facilities that manage biosolids are covered under one general permit, issued every five years. However, many of the facilities needing significant technical assistance are small businesses and cities with small and aging wastewater treatment plants.

Following a performance audit by the State Auditor's Office on permit timeliness, Ecology targeted the Biosolids Permit Program for improvement as part of the 2018 Permit Timeliness Progress Report to the Legislature under the Governor's Results Washington program. In the 2019-21 Biennium, Ecology requested, and received one-time funding to improve the permitting process.

The goal of Ecology's 2019-21 budget request was to streamline the existing permitting process. Ecology recognized that the way the general permit had been implemented was not efficient for facilities that only transfer biosolids for further treatment, store biosolids in lagoons, or manage septage. For this subset of 227 facilities, the application process and permit conditions could be streamlined, and then coverage could be approved based on their limited management needs.

The funding received this biennium was used to create a project position (Biosolids Technical Specialist) to support the development of a revised general permit. Once the revised permit has been established, it will allow Ecology to approve permit coverage for more facilities, improve permit timeliness, and increase technical assistance and field visits.

Ecology estimates that during the next permit cycle the number of approvals will double (from 135 to 270) with the revised permit, and that overall time for permitting decisions can be reduced by 25 to 50 percent of all facilities. The revised general permit will be completed by the end of the 2019-21 Biennium, however, implementation of the revised general permit, and documentation of the accomplishments for Results Washington, etc., requires ongoing staff support.

## Proposed Solution

The Biosolids Technical Specialist has been essential in accomplishing the work necessary for developing the revised general permit during the 2019-21 Biennium. The position is critical to stakeholder outreach and education, troubleshooting, and documenting improvements resulting from the revised permit approach. The revised permit process will be a benefit to all stakeholders by expediting the permit process where possible, without compromising public or environmental health. In turn, regional staff will be able to focus active permit work on the facilities where it is most needed. It will also make the application process simpler and timelier, allowing regulated facilities to focus their own resources more appropriately.

However, to ensure Ecology stays on track to achieve the anticipated outcomes and goals of the revised general permitting process, Ecology needs to retain the Biosolids Technical Specialist position on an ongoing basis. Moving forward, this position will be helping to implement the revised permitting process. Work will include ensuring implementation, conducting ongoing regulatory compliance, processing timely approvals for facilities targeted for efficiencies under the revised permits, maintaining current technical guidance, responding to complaints, documenting efficiency gains, and assisting the Statewide Coordinator in updating headquarters functions and delivering services to regional staff and stakeholders.

In addition to implementation support, this position will help with administering the Biosolids Program by assisting facilities with their permit applications, and providing facility operators with ongoing technical assistance after permit issuance. Without this position, current staff levels are not sufficient to meet the program's needs.

Additionally, as with any complex regulation implemented through permit, there is an ongoing need for stakeholder outreach and training. This is partly because many facilities are small, with limited resources, and partly driven by turnover in operations staff. Training is needed on technical program aspects, such as compliance with pathogen, and vector attraction reduction requirements, as well as permitting, recordkeeping, and reporting. This workload will also increase initially with the revised permits.

Ecology has conferred with stakeholders and they would like to see local, annual workshops that are more accessible to stakeholders. They are eager to partner with Ecology and support these training events. Providing ongoing funding for the Biosolids Technical Specialist will enable Ecology to develop and provide the additional stakeholder outreach and training via webinars on an ongoing basis.

## Impacts on Population Served:

The 375 facilities served by the biosolids program are responsible for the treatment of all sewage generated by the seven million residents within the jurisdiction of the state of Washington, including some federal and tribal facilities that rely on external resources for complete programs.

The biosolids program is staff-lean by design. Ecology depends heavily on regulated stakeholder organizations (Northwest Biosolids Management Association, Pacific Northwest Clean Water Association, Washington On-Site Sewage Association, Evergreen Rural Water Association, and others) to support outreach and education critical to successful program implementation. Those organizations face their own resource challenges, and while they are a part of the solution, they cannot meet all needs of stakeholders or perform certain regulatory functions essential to successful program implementation.

If this request is funded, more facilities will receive final coverage approvals. Education, outreach, and technical assistance will increase. Permit responsiveness will be significantly improved. This means improved certainty and decreased administrative costs for those facilities as well as addressing local resident concerns.

Land application of biosolids provides treatment plants a positive, efficient, and economical option for management of biosolids. Having a Biosolids Program is a critical element of a stable wastewater treatment infrastructure. It helps municipalities and privately owned wastewater treatment facilities predict and control costs, which keeps rates lower while providing farmers with an effective fertilizer and soil amendment. Successful implementation of the revised permits will improve permitting certainty for applicable facilities, many serving small and rural communities, enabling them to proceed with contracts and related business with fewer delays.

Reducing the process and timeframe to approve permits for facilities with simpler operations will allow Ecology to focus on facilities with more complex operations and critical needs. This will support Ecology's ability to respond to concerns directly related to land application activities.

Active opposition (often based on misinformation and misapprehension) continues to affect program implementation, delaying projects and increasing costs; but demand for biosolids from farmers and others on both sides of the state is still very strong and far exceeds production. Biosolids are less costly than commercial fertilizers, and they provide nutrients that are not commercially available or are more costly to obtain. The synergy of public-private partnerships—wastewater treatment plant operators (biosolids generators) working with landowners - has been a positive outcome in the history of the program. Implementing a more efficient permitting process will enable Ecology staff more time to address growing concerns, and to support the facilities that generate and use biosolids beneficially.

#### **What alternatives were explored by the agency and why was this option chosen?**

An alternative is to cut the project position at the end of the 2019-21 Biennium and not make it ongoing. However, that would not address the ongoing implementation needs of the revised general permit, and would limit the effectiveness of the program moving forward.

#### **What are the consequences of not funding this request?**

Not funding this request would:

- Restrict Ecology's ability to identify and implement improvements as directed by the legislature in Chapter 43.42 RCW.
- Reduce the level of service to rate paying stakeholders and concerned residents (including technical assistance, education and outreach).
- Delay implementation of the revised general permit.
- Shift the workload to regional staff, hampering their ability to process permit applications, and attend to higher priority permits. The public and fee payers will be less well served.
- Compromise the efficiencies expected to be gained from the revised permit.
- Delay or eliminate Ecology's ability to document and report on the results of the revised permit.

#### **JUSTIFICATION FOR NEW OR INCREASED FEE REQUEST**

1. Fee Name: Biosolids Permit Fee

2. The fee rates are based on various factors dependent on the facility type outlined in WAC 173-308-320. There is an annual fee of \$956.09 plus an additional fee for each residential equivalent. The fee for each residential equivalent ranges from \$0.081 to \$0.342, depending on the type and size. The average permit fee is \$2,855.

3. Proposed Rate:

FY 2022: \$1,116,378

FY 2023: \$1,178,672

The 1997 Legislature unanimously authorized the biosolids permit fee program (Chapter 70A.226 RCW, WAC 173-308-320). Stakeholders solidly supported an innovative approach that adjusts fees annually, based on the size of the facility (Residential Equivalent Value per Chapter 173-224 WAC), and the state Fiscal Growth Factor. Ecology established a new base year for permit fees in 2008, but has tried to minimize costs to fee payers, and has not sought regular annual increments as provided for by rule.

Ecology is authorized to adjust the Biosolids Permit Fee annually according to RCW 70A.226.030. Ecology is planning to increase fees for the 2021-23 Biennium by the fiscal growth factor of 5.79 percent in Fiscal Year 2022 and 5.58 percent in Fiscal Year 2023. The revenue estimates are based on the Fiscal Year 2019 revenue actual of \$1,055,277.

4. Incremental Change for Each Year:

FY 2022: 5.79%

FY 2023: 5.58%

5. Expected Implementation Date: July 1, 2021, and July 1, 2022

6. Estimated Additional Revenue Generated by Increase:  
FY 2022: \$61,101  
FY 2023: \$123,395

7. Justification: RCW 70A.226.030 requires the biosolids program to be fully fee supported, and allow for the fee schedule to be adjusted once every two years. Ecology is requesting an increase to the biosolids fee by the fiscal growth factor of 5.79 percent in Fiscal Year 2022 and 5.58 percent in Fiscal Year 2023. This fee increase will enable the biosolids program to support the ongoing implementation of the revised general permit, increase stakeholder outreach and education, and document accomplishments for Results Washington. Ecology estimates that the number of permit approvals would double, and that overall time for permitting would be reduced. This will result in better compliance and greater assurance of protections for human health and the environment.

8. Changes in Who Pays: None.

9. Changes in Methodology: None.

10. RecSum Code: DE

11. Alternatives: The alternative would be to not increase fees. However, a fee increase is needed to support this decision package and maintain a positive projected fund balance in the Biosolids Permit Account for the 2021-23 Biennium.

12. Statutory Change Required? No.

## Assumptions and Calculations

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

The enacted 2019-21 operating budget provided one-time funding for Ecology to develop revised Biosolids General Permits. This request expands Activity A009 – Eliminate Waste and Promote Material Reuse to support implementation of the revised general permits on an ongoing basis. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for the Biosolids Permit Account. Administrative overhead related to this activity is in the agency's Administration Activity A002.

Activity	2017-19 FTE	2017-19 Total	2019-21 FTE	2019-21 Total
A009 - Eliminate Waste and Promote Material Reuse	7.25	\$2,031,635	8.25	\$2,508,000
A002 – Administration	0.00	\$171,000	0.00	\$201,000
<b>TOTAL</b>	<b>7.25</b>	<b>\$2,302,635</b>	<b>8.25</b>	<b>\$2,709,000</b>

### ***Detailed Assumptions and Calculations:***

Extending and making the Biosolids Technical Specialist position ongoing is essential to the continued implementation of the revised statewide general permit for biosolids management. Beginning July 1, 2021 and ongoing, Ecology requires salaries, benefits, and associated staff costs to support 1.0 FTE Environmental Specialist 4. This position is needed to provide coordination with regional offices, technical assistance to operators at facilities, support stakeholder education, and complete tracking and accounting for the efficiencies gained by the new approach to permitting.

Ecology is authorized under RCW 70A.226.030 to adjust the Biosolids Permit Fee schedule once every two years. Ecology plans to increase fees for the 2021-23 Biennium by the fiscal growth factor of 5.79 percent in Fiscal Year 2022 and 5.58 percent in Fiscal Year 2023. The additional revenue will be used, along with existing fund balance in the Biosolids Permit Account, to support the Biosolids Technical Specialist position moving forward.

### ***Workforce Assumptions:***

Expenditures by Object			<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
A	Salaries and Wages		70,959	70,959	70,959	70,959	70,959	70,959
B	Employee Benefits		25,971	25,971	25,971	25,971	25,971	25,971
E	Goods and Services		5,724	5,724	5,724	5,724	5,724	5,724
G	Travel		2,787	2,787	2,787	2,787	2,787	2,787
J	Capital Outlays		1,637	1,637	1,637	1,637	1,637	1,637
T	Intra-Agency Reimbursements		26,559	26,559	26,559	26,559	26,559	26,559
<b>Total Objects</b>			<b>133,637</b>	<b>133,637</b>	<b>133,637</b>	<b>133,637</b>	<b>133,637</b>	<b>133,637</b>
<b>Staffing</b>								
<b>Job Class</b>	<b>Salary</b>		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
ENVIRONMENTAL SPECIALIST 4	70,959		1.00	1.00	1.00	1.00	1.00	1.00
FISCAL ANALYST 2			0.10	0.10	0.10	0.10	0.10	0.10
IT APP DEVELOPMENT-JOURNEY			0.05	0.05	0.05	0.05	0.05	0.05
<b>Total FTEs</b>			<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>

**Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

***How is your proposal impacting equity in the state?***

Of the 375 facilities in the state, a relative few in larger metropolitan areas produce most of the biosolids. They also tend to attract the most scrutiny and opposition, which consumes a disproportionate amount of staff time. Consequently, many mid to smaller facilities receive less attention than they should. The new approach to permit implementation will help us identify those facilities that are less likely to require the closest attention during the coming permit cycle, and help us focus more on those where that expectation is higher. It will also help us get more attention to facilities where compliance issues have a higher probability of an adverse impact, thus better anticipating and addressing the concerns of people who do not support the program.

Many of the biosolids permittees who have been operating with provisional approval under the current general permit serve small or rural communities or families and businesses on septic tanks. Helping these facility operators and septage businesses will improve the quality and performance of the treatment facilities and the quality of biosolids. Improved quality of biosolids is important to ensure land application of the material provides maximum protection of human health and the environment.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing the following goals in Ecology's strategic plan:

- Reduce and prepare for climate impacts because beneficial use of biosolids:
  - Replaces inorganic fertilizers derived from fossil fuels.
  - Enhances soil carbon sequestration.
  - Conserves landfill space.
  - Reduces methane emissions from decomposing wastes.
- Prevent and reduces toxic threats and pollution by:
  - Focusing staff resources on the highest priority biosolids projects.
  - Developing a Chemical Action Plan to address substances of concern, such as per and polyfluorinated alkyl substances.
  - Protecting surface and groundwater through proper site management practices including buffers to surface and groundwater.

This request also provides essential support to the Governor's Results Washington Goals:

- Goal 3 – Sustainable Energy and a Clean Environment, and Goal 4 – Healthy and Safe Communities because residents, near land application sites, are increasingly concerned and vocal about the potential impacts to their communities from pollutants in biosolids. A more efficient permit program means more time to focus on tasks that directly benefit protection of public health and the environment.
- Goal 5: Efficient, Effective and Accountable Government. Funding will help Ecology:
  - Decrease response time on permitting decisions.
  - Improve outreach and support to regulated facilities in the new permit cycle.
  - Focus more attention on the most critical permit needs (and therefore better protection of soil and water resources).
  - Document improvements and report to the Office of Regulatory Innovation & Assistance for Results Washington.

### **Performance Outcomes:**

The outcome of this request will be the continued implementation of the revised general permit developed during the 2019-21 Biennium. This will result in faster permit approvals and an increase in technical assistance in the form of field visits and training and outreach. This will lead to an increase in environmental compliance and a decrease in regulatory violations.

Biosolids permit timeliness is specifically targeted for improvement as part of Ecology's ongoing assessment under the Office of Regulatory Assistance and Innovation.

We anticipate the outcome of this request will be:

- Decrease in response time on permitting decisions.
- Increase in the number of approved permits.
- Decrease in the number of permits, in the backlog, awaiting review.



## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Most wastewater treatment plants are operated by local government entities and there are some state and federal facilities, primarily at prisons and parks. A more efficient permitting process will save these facilities time, and help provide certainty to the public of appropriate septage management practices.

Ecology does not directly regulate tribal facilities, but coordinates with tribal officials when they want to send biosolids to areas under Ecology's jurisdiction.

The Department of Health regulates the protection of shellfish beds in Puget Sound and along our coastlines. Surface and groundwater protection is important to protecting shellfish beds. Nutrients such as nitrate and phosphorous can increase algal blooms, and fecal coliform bacteria (present and regulated in most biosolids) can have a direct impact on shellfish harvest. The improvements expected from this request will help ensure appropriate land application of biosolids to protect surface and groundwater from nutrient overloading.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

This request supports Puget Sound Action Agenda implementation through Ongoing Program - OGP\_ECY41: Solid Waste Management - Biosolids management. This ongoing program is linked to the following Regional Priority Approaches:

- CHIN 1.10: Enforce and improve compliance with existing regulations.
- CHIN 2.5: Address and manage water quality parameters, including:
  - Excess nutrient loading (such as nitrogen) for all sources, and with specific attention to pathways associated with wastewater treatment outfalls
  - Elevated temperatures
  - Sediment
  - Toxics

Excerpt from the 2018-2022 Puget Sound Action Agenda Implementation Plan: *"The magnitude of work to protect and recover Puget Sound that occurs through ongoing programs cannot be overstated—ongoing programs are recognized as the critical foundation for Puget Sound recovery."*

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

Small businesses that pump and manage septage, privately owned treatment facilities, and businesses that specialize in providing land applications services are supportive of improvements to the biosolids permitting process.

This request also impacts people who live close to biosolids land application sites. Some are against the use of biosolids to condition soil and enhance plant growth, and will likely oppose any improvements to the program. Overall, people will benefit from this request because it helps protect their health and the environment.

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$71	\$71	\$142	\$71	\$71	\$142
Obj. B	\$26	\$26	\$52	\$26	\$26	\$52
Obj. E	\$6	\$6	\$12	\$6	\$6	\$12
Obj. G	\$3	\$3	\$6	\$3	\$3	\$6
Obj. J	\$2	\$2	\$4	\$2	\$2	\$4
Obj. T	\$26	\$26	\$52	\$26	\$26	\$52

Agency Contact Information

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## Agency Recommendation Summary

The State Environmental Policy Act (SEPA) process identifies and analyzes environmental impacts associated with regulatory actions and permit decisions. SEPA evaluations are required for both dangerous waste and air quality regulatory and permitting actions taken by Ecology's Nuclear Waste Program at Hanford. Numerous modifications are required each year to Hanford's Dangerous Waste Permit, and the program does not currently have the staffing resources or expertise needed to handle the volume of technically complex SEPA evaluations it must complete. This request will provide a dedicated position to support the completion of complex, high-quality SEPA determinations, which will support timely, responsible permit decisions. (Radioactive Mixed Waste Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	1.2	1.2	1.2	1.2	1.2	1.2
<b>Operating Expenditures</b>						
Fund 20R - 1	\$134	\$134	\$268	\$134	\$134	\$268
Total Expenditures	\$134	\$134	\$268	\$134	\$134	\$268
<b>Revenue</b>						
20R - 0294	\$134	\$134	\$268	\$134	\$134	\$268
Total Revenue	\$134	\$134	\$268	\$134	\$134	\$268

## Decision Package Description

State Environmental Policy Act (SEPA) evaluations are required for both dangerous waste and air quality regulatory and permitting actions at Hanford. Ecology's Nuclear Waste Program has to perform numerous, technically complex SEPA evaluations each year due to the high number of permit modifications required for Hanford's Dangerous Waste Permit.

Ecology does not currently have the staffing resources or expertise needed to manage the volume of SEPA evaluations it must complete to support the Hanford site and Perma-Fix facility in Richland. In the past, this staffing deficiency has resulted in having to hire one-time project staff, or reallocate existing resources away from other priority work, to complete these evaluations. However, it is difficult to find project staff with the necessary SEPA expertise, and shifting existing resources from other planned projects has delayed other priority work. A dedicated position will provide ongoing, high-level expertise to support important cleanup decisions.

In addition to managing ongoing SEPA evaluations, there are two critical, near-term SEPA projects that this position will help complete starting next biennium:

1. Ecology regulates the Effluent Treatment Facility (ETF) at the Hanford site and the Perma-Fix Northwest (PFNW) facility in Richland. The U.S. Department of Energy (USDOE) is the permittee for the ETF. USDOE is proposing to transport brine, an effluent, from the ETF to PFNW for treatment. PFNW is a radioactive and Mixed Waste Treatment Facility. It manages and treats low level and mixed low level radioactive wastes.

The Hanford site stores an estimated 56 million gallons of mixed radioactive and chemically hazardous waste in large underground tanks. USDOE is in the process of preparing to send waste to the Waste Treatment and Immobilization Plant for Vitrification, where the low activity waste will be immobilized in a durable glass waste form for disposal.

As the regulator, Ecology will be the lead SEPA agency for evaluating the liquid waste transport project.

2. US Ecology Washington is one of only three full service Class A, B and C low-level radioactive waste (LLRW) disposal facilities in the nation. It operates on 100 acres of land leased to the state by the federal government. Its waste landfill began operation in 1965. Currently, it restricts disposal to waste originating in the eight states of the Northwest Interstate Compact (Alaska, Hawaii, Idaho, Montana, Oregon, Utah, Washington, and Wyoming) and the three states of the Rocky Mountain Compact (Colorado, Nevada, and New Mexico).

As a commercial business, its proposed projects are unpredictable, but require timely review of related SEPA evaluations. Since 2008, annual volumes of waste disposed at the site average about 27,000 cubic feet per year. Ecology will be a joint SEPA-lead agency with the Department of Health on new projects and renewals or revisions to existing projects.

This request provides a dedicated position to support complex SEPA determinations, which will support timely permit decisions. A full-time SEPA-focused staff resource will have adequate time to manage the program's required SEPA evaluations, coordinate quality public reviews, and ensure permit decision deadlines are met.

### **Impacts on Population Served:**

The SEPA process includes opportunities for public comment. A dedicated SEPA position will help ensure the public, applicants, and agency decision-makers understand how proposals will affect the environment. This request will help continue to ensure that Ecology exercises its SEPA authority to enforce laws and protect and enhance the lives of Washington residents.

### **Alternatives Explored:**

This request increases staff resources to address mandated SEPA requirements that authorize Ecology to issue permits. An alternative to this dedicated position would be to scale or delay the SEPA evaluations and related cleanup work. This alternative is unacceptable, due to a Federal Court Consent Decree which directs the work at the Hanford site. USDOE requires a permit to meet the Consent Decree milestones. If this request is not funded and work is delayed, milestones must be renegotiated.

Another alternative would be to continue reassigning existing staff on an intermittent basis to try and cover this work. This negatively impacts other priority environmental work, and doesn't offer the specific level of expertise needed on an ongoing basis to conduct SEPA evaluations.

### **Consequences of Not Funding This Request:**

If this request is not approved, Ecology would continue to fall behind in completing SEPA evaluations. This would, in turn, delay public input and timely permit decisions. For example, without permits in place, USDOE could not move forward with cleanup activities necessary to reduce environmental impacts due to the historic contamination at the Hanford site.

### **JUSTIFICATION FOR NEW OR INCREASED FEE REQUEST:**

1. Fee Name: Mixed Waste Management Fee

2. Current Tax or Fee Rate: 9,389,886 (FY20 Billing)

3. Proposed Rate:

FY 2022: 9,523,523

FY 2023: 9,523,523

4. Incremental Change for Each Year:

FY 2022: 133,637

FY 2023: 133,637

5. Expected Implementation Date: July 1, 2021

6. Estimated Additional Revenue Generated by Increase:

FY 2022: 133,637

FY 2023: 133,637

7. Justification: The Radioactive Mixed Waste Management Fee is intended to fund Ecology's implementation of the Hazardous Waste Management Act (Chapter 70A.300 RCW) at radioactive mixed waste facilities.

8. Changes in Who Pays: No changes, there are three radioactive mixed waste facilities. USDOE (Hanford), US Navy (PSNS), and Perma-Fix Northwest.

9. Changes in Methodology: No changes in methodology.

10. RecSum Code: DS

11. Alternatives: No alternatives considered, increasing MWF is appropriate for this.

12. Statutory Change Required? No

## **Assumptions and Calculations**

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This request is part of Activity A018 - Ensure the Safe Management of Radioactive Mixed Waste at Hanford. It adds 1 FTE Environmental Specialist 4 to perform SEPA work required for dangerous waste and air quality regulatory and permitting actions. Annual Mixed Waste Fee billings will fund the work. Below is a summary of the 2017-19 and 2019-21 funding and FTE levels for the activity this request supports. Administrative Overhead related to this activity is also in the agency's Administration Activity A002, and is not shown in the totals below.

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<b>A018 - Ensure the Safe Management of Radioactive Mixed Waste</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	18.4	18.9
001-1 General Fund - State Total	\$15,134	\$15,000
001-2 General Fund - Federal	\$414,954	\$427,000
001-7 General Fund – Private/Local	\$163,854	\$164,000
125-1 Site Closure	\$582,000	\$582,000
20R-1 Radioactive Mixed Waste	\$3,106,437	\$3,380,000
216-1 Air Pollution Control	\$6,347	\$36,000
219-1 Air Operating Permit	\$85,776	\$147,000
23P-1 Model Toxics Control Operating / (173-1 State Toxics Control Account in 2017-19)	\$1,066,286	\$1,098,000
<b>TOTAL</b>	<b>\$5,440,788</b>	<b>\$5,849,000</b>

#### **Detailed Assumptions and Calculations:**

Beginning July 1, 2021 and ongoing, Ecology requires salary, benefits, and associated staff costs for 1.0 FTE Environmental Specialist 4 to support complex SEPA determinations, which will support timely permit decisions at the Hanford site, and other mixed waste facilities regulated by Ecology.

Revenue will be collected through the mixed waste management fee to the Radioactive Mixed Waste Account to recover expenditures.

#### **Workforce Assumptions:**

<b>Expenditures by Object</b>		<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
A	Salaries and Wages	70,959	70,959	70,959	70,959	70,959	70,959
B	Employee Benefits	25,971	25,971	25,971	25,971	25,971	25,971
E	Goods and Services	5,724	5,724	5,724	5,724	5,724	5,724
G	Travel	2,787	2,787	2,787	2,787	2,787	2,787
J	Capital Outlays	1,637	1,637	1,637	1,637	1,637	1,637
T	Intra-Agency Reimbursements	26,559	26,559	26,559	26,559	26,559	26,559
<b>Total Objects</b>		<b>133,637</b>	<b>133,637</b>	<b>133,637</b>	<b>133,637</b>	<b>133,637</b>	<b>133,637</b>

#### **Staffing**

<b>Job Class</b>	<b>Salary</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
ENVIRONMENTAL SPECIALIST 4	70,959	1.00	1.00	1.00	1.00	1.00	1.00
FISCAL ANALYST 2		0.10	0.10	0.10	0.10	0.10	0.10
IT APP DEVELOPMENT-JOURNEY		0.05	0.05	0.05	0.05	0.05	0.05
<b>Total FTEs</b>		<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>

#### **Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

#### **How is your proposal impacting equity in the state?**

The USDOE Hanford site lies within the ceded lands of three tribal nations that would like future access at Hanford to exercise treaty-assured rights. The treatment of large quantities of highly radioactive mixed waste is a necessary step toward tribal nations increasing their access to the Hanford site. Timely permitting decisions support waste treatment and disposal. Cleanup is planned with safety in mind to ensure safe cleanup and prevent potential releases which could impact low-income, primarily Latinx populations downwind of the site. Public outreach and education efforts are frequently directed at the many Latinx students in our region to support and encourage the pursuit of science, technology, engineering, and mathematics and educate the next generation of Hanford's skilled workforce.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request directly supports a new goal in Ecology's strategic plan to Support and Engage Our Communities, Customers, and Employees. The SEPA process includes opportunities for public comment. Dedicated SEPA staff will help ensure the public, applicants, and agency decision-makers understand how a proposal will affect the environment.

This request is essential to implementing another goal in Ecology's strategic plan to Prevent and Reduce Toxic Threats and Pollution because it supports timely SEPA evaluations of a proposal to treat nuclear waste and reduce toxic threats.

This request provides essential support to the Governor's Results Washington Goal 3: Sustainable Energy and a Clean Environment because it allows Ecology to complete mandated SEPA work to support remediation work that will reduce environmental impact due to the historic contamination.

### **Performance Outcomes:**

The outcome of this request will be additional staffing needed to perform high-quality, timely, and efficient SEPA reviews of proposed dangerous waste and air quality regulatory and permitting actions.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Ecology's work at Hanford is of high interest to tribal, regional, county, local city governments, and the state. This request will benefit these entities through improved regulatory oversight and operations at the permitted facilities, which lessens the threat of an environmental impact due to improperly managed radioactive mixed wastes or dangerous wastes.

This request was shared with and is supported by the following:

- USDOE project staff who are working on establishing ETF brine transportation to the Ecology-permitted Perma-Fix facility for treatment.
- USDOE project staff for the US Ecology's low-level radioactive waste disposal facility.
- Affected Department of Health management and staff.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

Hanford site cleanup is subject to the Hanford Federal Facilities Agreement and Consent Order and a 2010 Federal Court Consent Decree. This request increases staff to address mandated work that requires SEPA analysis. For example, before USDOE begins work to construct the ETF brine treatment facility, Ecology must complete a SEPA evaluation. If Ecology does not complete the evaluation, USDOE would have good cause for missing a related December 31, 2023 milestone.

### **Stakeholder Response:**

There are numerous Hanford stakeholders, many represented on the Hanford Advisory Board, along with individual stakeholder organizations. Ecology anticipates strong support for this request. At least two public interest groups and one tribal nation frequently request the results of Ecology's SEPA evaluations.



## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$71	\$71	<b>\$142</b>	\$71	\$71	<b>\$142</b>
Obj. B	\$26	\$26	<b>\$52</b>	\$26	\$26	<b>\$52</b>
Obj. E	\$6	\$6	<b>\$12</b>	\$6	\$6	<b>\$12</b>
Obj. G	\$3	\$3	<b>\$6</b>	\$3	\$3	<b>\$6</b>
Obj. J	\$1	\$1	<b>\$2</b>	\$1	\$1	<b>\$2</b>
Obj. T	\$27	\$27	<b>\$54</b>	\$27	\$27	<b>\$54</b>

## Agency Contact Information

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## Agency Recommendation Summary

Ecology's Nuclear Waste Program is working with the U.S. Department of Energy to develop and issue closure plans for 13 closing units at the Hanford site. The majority of closing units are container storage areas, but also include some tank systems. Nine of those units were storing waste without a permit and as a result, are unauthorized. The remaining four units in the Solid Waste Operations Complex project were authorized, but have not received waste in more than one year, and the permittees wish to close them because they have no future need for them. Closing the unauthorized units will resolve an outstanding Environmental Protection Agency enforcement action, and an Ecology agreed order. Ecology is requesting to add a project Environmental Specialist 4 position for the 2021-23 Biennium to provide sufficient staffing resources for the closure unit project that will close all 13 units. (Radioactive Mixed Waste Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	1.2	1.2	1.2	0.0	0.0	0.0
<b>Operating Expenditures</b>						
Fund 20R - 1	\$169	\$169	\$338	\$0	\$0	\$0
Total Expenditures	\$169	\$169	\$338	\$0	\$0	\$0
<b>Revenue</b>						
20R - 0294	\$169	\$169	\$338	\$0	\$0	\$0
Total Revenue	\$169	\$169	\$338	\$0	\$0	\$0

## Decision Package Description

Ecology's Nuclear Waste Program is working with the U.S. Department of Energy (USDOE) to develop and issue closure plans for 13 closing units at the Hanford site. Four units are authorized. Nine of the units are unauthorized because they were storing waste without a permit. The nine unauthorized units are required to be closed under an Environmental Protection Agency (EPA) Consent Agreement and Final Order (EPA CAFO), and an Ecology Agreed Order and Stipulated Penalty (Order). The EPA CAFO, Docket No. RCRA-10-2013-0113, was issued in June 2013. The Ecology Order, Docket No. DE 10156, was issued in January 2014.

A closing unit is a former waste management unit located within the boundary of the Hanford site that no longer receives waste and is closing. When a waste management unit transitions to a closing unit, actions are taken to remove waste inventory, remove waste residues from the closing unit structures, and remove any residual waste from surrounding soils and groundwater from spills or releases.

The 13 closing units include container storage areas at the Central Waste Complex and Waste Receiving and Processing Facility, and container storage areas and tank systems at the T Plant. These facilities, along with landfills located within the Low-Level Burial Grounds Trenches 31, 34, and 94, are known collectively as the Solid Waste Operations Complex.

The required "Closure Unit Project" includes developing and issuing closure plans for the nine unauthorized units, as well as four authorized units located within the Central Waste Complex/Waste Receiving and Processing Facility and T Plant. Closing the nine unauthorized units will more quickly resolve the outstanding EPA CAFO enforcement action and the Ecology Order. The remaining four authorized units have not received waste in more than one year, and the permittees wish to close them because they have no planned use for them moving forward. The closure of these four units will also resolve operating permit issues at the Solid Waste Operations Complex related to these units.

To ensure timely completion of the "Closure Unit Project", Ecology is requesting one-time funding for a project position Environmental Specialist 4 to develop and process the needed closure plans (including required sampling). This position will:

- Coordinate plan reviews.
- Act as a technical expert during comment resolution and potential appeals to the Pollution Controls Hearing Board.
- Coordinate and lead internal and external workshops with Ecology technical staff and the permittees.
- Develop the draft and final permit modifications, focus sheets, fact sheets, and responsiveness summaries to support public comment periods.

### Impacts on Population Served:

The population served includes federal partners (USDOE and EPA) and populations impacted by cleanup of the Hanford site, including the Confederated Tribes and Bands of the Yakama Nation.

### Alternatives Explored:

Allowing the units to remain open longer means remaining out of compliance with the Hanford Federal Facilities Agreement and Consent Order.

Closing the unauthorized units is required by the EPA CAFO, Docket No. RCRA-10-2013-0113 and the Ecology Order, Docket No. DE 10156.

**Consequences of Not Funding This Request:**

If this request were not funded, Ecology would be delayed in meeting its obligations to process closure plans submitted under the EPA CAFO and Ecology Order. Without approved closure plans, the permittees cannot move forward with closing the authorized and unauthorized units. This would delay the removal of any contaminated soils necessary to reduce environmental impacts due to the historic contamination at the Hanford site.

**JUSTIFICATION FOR NEW OR INCREASED FEE REQUEST:**

1. Fee Name: Mixed Waste Management Fee
2. Current Tax or Fee Rate: 9,389,886 (FY20 Billing)
3. Proposed Rate:  
FY 2022: 9,558,523  
FY 2023: 9,558,523
4. Incremental Change for Each Year:  
FY 2022: 168,637  
FY 2023: 168,637
5. Expected Implementation Date: July 1, 2021
6. Estimated Additional Revenue Generated by Increase:  
FY 2022: 168,637  
FY 2023: 168,637
7. Justification: The Radioactive Mixed Waste Management Fee is intended to fund Ecology's implementation of the Hazardous Waste Management Act (Chapter 70A.300 RCW) at radioactive mixed waste facilities.
8. Changes in Who Pays: No changes, there are three radioactive mixed waste facilities. USDOE (Hanford), US Navy (PSNS), and Perma-Fix Northwest.
9. Changes in Methodology: No changes in methodology.
10. RecSum Code: DT
11. Alternatives: No alternatives considered, increasing MWF is appropriate for this.
12. Statutory Change Required? No

## Assumptions and Calculations

***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This request is part of Activity A018 Ensure the Safe Management of Radioactive Mixed Waste at Hanford. It adds one project FTE Environmental Specialist 4 to develop and process closure plans for 13 closing units at the Hanford site. Work will be funded through Mixed Waste Fees. Below is a summary of the 2017-19 and 2019-21 funding and FTE levels for the activity this request supports. Administrative Overhead related to this activity is also in the agency's Administration Activity A002, and is not shown in the totals below.

<b>A018 - Ensure the Safe Management of Radioactive Mixed Waste</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	18.4	18.9
001-1 General Fund - State Total	\$15,134	\$15,000
001-2 General Fund - Federal	\$414,954	\$427,000
001-7 General Fund – Private/Local	\$163,854	\$164,000
125-1 Site Closure	\$582,000	\$582,000
20R-1 Radioactive Mixed Waste	\$3,106,437	\$3,380,000
216-1 Air Pollution Control	\$6,347	\$36,000
219-1 Air Operating Permit	\$85,776	\$147,000
23P-1 Model Toxics Control Operating / (173-1 State Toxics Control Account in 2017-19)	\$1,066,286	\$1,098,000
<b>TOTAL</b>	<b>\$5,440,788</b>	<b>\$5,849,000</b>

### Detailed Assumptions and Calculations:

Beginning July 1, 2021 through June 30, 2023, Ecology requires salary, benefits, and associated staff costs for 1.0 FTE Environmental Specialist 4 to develop and process closure plans for 13 closing units at the Hanford site. Nine of these units were storing waste without a permit and are unauthorized. Ecology also requires \$35,000 per year (shown in object E) for required sampling.

Revenue will be collected through the mixed waste management fee to the Radioactive Mixed Waste Account to recover expenditures.

### Workforce Assumptions:

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
A	Salaries and Wages	70,959	70,959				
B	Employee Benefits	25,971	25,971				
E	Goods and Services	40,724	40,724				
G	Travel	2,787	2,787				
J	Capital Outlays	1,637	1,637				
T	Intra-Agency Reimbursements	26,559	26,559				
<b>Total Objects</b>		<b>168,637</b>	<b>168,637</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Staffing

Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
ENVIRONMENTAL SPECIALIST 4	70,959	1.00	1.00				
FISCAL ANALYST 2		0.10	0.10				
IT APP DEVELOPMENT-JOURNEY		0.05	0.05				
<b>Total FTEs</b>		<b>1.2</b>	<b>1.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Explanation of costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE. Additional costs of \$35,000 per year reflect necessary sampling.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

### How is your proposal impacting equity in the state?

The USDOE Hanford site lies within the ceded lands of three tribal nations who would like future access at Hanford to exercise treaty-assured rights. The treatment of large quantities of highly radioactive mixed waste is a necessary step toward tribal nations increasing their access to the Hanford site. Timely issuance of closure plans supports cleaning up contaminated soils and clean closure of these areas. Cleanup is planned with safety in mind to ensure safe cleanup and prevent potential future releases of mixed waste, which could impact low-income, primarily Latinx populations downwind of the site. Public outreach and education efforts are frequently directed at the many Latinx students in our region to support and encourage the pursuit of STEM (science, technology, engineering, and mathematics), and to educate the next generation of Hanford's skilled workforce.

## Strategic and Performance Outcomes

### Strategic Framework:

This request directly supports a new goal in Ecology's strategic plan to Support and Engage Our Communities, Customers, and Employees. The closure process includes meaningful and robust engagement with a wide variety of stakeholders. Internal and external workshops with Ecology technical staff, the permittees, and stakeholders will seek responsible closure, compliant with regulations and the court order. Dedicated staff will prepare outreach materials, review and respond to public input, and support comment resolution and potential appeals to the Pollution Controls Hearing Board.

This request is essential to implementing another goal in Ecology's strategic plan to prevent and reduce toxic threats and pollution and the Governor's Results Washington Goal 3: Sustainable Energy and a Clean Environment because it supports resolution of the outstanding EPA CAFO enforcement action and the Ecology Order and facilitates timely closure of unauthorized units.

**Performance Outcomes:**

The outcome of this request will be the successful and timely closure of 13 closing units, nine of which are unauthorized, at the Hanford site. Closure of the unauthorized units is required by the EPA CAFO, Docket No. RCRA-10-2013-0113, issued in June 2013; and the Ecology Order, Docket No. DE 10156, issued in January 2014.

**Other Collateral Connections**

**State Workforce Impacts:**

N/A

**Intergovernmental:**

Ecology's work at Hanford is of high interest to Tribal, regional, county, local city governments, and the state. Ecology shared this request with USDOE budget staff, and project staff working on the Solid Waste Operations Complex. USDOE was supportive of this request. We also shared this with EPA staff associated with the CAFO enforcement action and they were supportive.

**State Facilities Impacts:**

N/A

**Changes from Current Law:**

N/A

**Puget Sound Recovery:**

N/A

**Legal or Administrative Mandates:**

Hanford site cleanup is subject to the Hanford Federal Facilities Agreement and Consent Order. Closure of the unauthorized units is required by the EPA CAFO, Docket No. RCRA-10-2013-0113, issued in June 2013 and the Ecology Order, Docket No. DE 10156, issued in January 2014.

**Stakeholder Response:**

There is no stakeholder opposition to this request. Hanford watchdog groups such as Hanford Challenge and Heart of America Northwest and conservation groups, such as Columbia Riverkeeper, support Ecology in ensuring that work plans comply with provisions established to ensure protection of human health and the environment and maintain adequate oversight of response actions.

**IT Addendum**

**Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

**Objects of Expenditure**

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$71	\$71	\$142	\$0	\$0	\$0
Obj. B	\$26	\$26	\$52	\$0	\$0	\$0
Obj. E	\$41	\$41	\$82	\$0	\$0	\$0
Obj. G	\$3	\$3	\$6	\$0	\$0	\$0
Obj. J	\$2	\$2	\$4	\$0	\$0	\$0
Obj. T	\$26	\$26	\$52	\$0	\$0	\$0



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## Agency Recommendation Summary

Federal and state laws define the scope and content of the Air Operating Permit Program. Under these laws, industrial facilities that emit large amounts of air pollution are required to comply with and pay the full costs of the program. State law requires Ecology to use a workload analysis model to determine the budget necessary to administer the program each biennium. In June 2020, Ecology published its final workload analysis, projecting an increased workload for the 2021-23 Biennium, based on current costs and workload projections. Ecology is requesting additional spending authority to match the revenue levels already set by the 2021-23 workload analysis. (Air Operating Permit Account).

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	0.7	0.7	0.7	0.7	0.7	0.7
<b>Operating Expenditures</b>						
Fund 219 - 1	\$109	\$109	\$218	\$109	\$109	\$218
Total Expenditures	\$109	\$109	\$218	\$109	\$109	\$218
<b>Revenue</b>						
219 - 0299	\$109	\$109	\$218	\$109	\$109	\$218
Total Revenue	\$109	\$109	\$218	\$109	\$109	\$218

## Decision Package Description

### Background

State and federal laws require certain large industrial sources of air pollution to participate in the Air Operating Permit (AOP) Program. These laws also require that sources pay the full costs of administering the program. Large sources are industries that emit, per year, more than 100 tons of any single criteria pollutant (volatile organic compounds that create ozone, fine particles, nitrogen dioxide, sulfur dioxide, carbon monoxide, and lead); or 10 tons of any individual hazardous air pollutant; or 25 tons of any combination of hazardous air pollutants.

Under RCW 70A.15.2270, Ecology develops a biennial workload analysis (WLA) detailing its expected workload and projected cost for each new biennium. The process and protocols for developing the analysis are established in state law and WAC 173-401-900. The draft WLA is made available to permittees and stakeholders for review and comment in the spring of every even numbered year before its adoption and publication, which occurs well before the beginning of the biennium. The WLA sets the total program costs to be collected from AOP sources. State law further defines how total costs are apportioned into industrial facility-specific fees. During the biennium, sources are billed, and fees are deposited into the dedicated Air Operating Permit Account.

### Problem

Ecology's Industrial Section provides oversight and permitting for air, water, and waste activities for most of Washington's largest industrial facilities. These include refineries, smelters, pulp and paper mills, and chemical manufacturing.

The AOP funds are used by the Industrial Section to administer the AOP regulations for these facilities. This work includes drafting and finalizing permit renewals and modifications, assessing compliance with permits through routine report reviews and inspections, issuing enforcement actions for violations, required entry of permitting and compliance information into a federal database, following up on complaints received from the surrounding communities, and public outreach associated with permitting actions, including making documents accessible.

In February 2020, Ecology developed and published the draft WLA for the 2021-23 Biennium and made it available to the public for review and comment. Ecology did not receive any comments from stakeholders. The final WLA was published in June 2020 and reflects an increase in resources needed to address the anticipated workload during the 2021-23 Biennium. Ecology expects an increase in compliance work at our facilities, additional AOP permitting activities associated with expansion of facility activities, an increase in interest from surrounding communities for various permitting actions, and oversight of stack tests performed by the facilities based on a new audit from the Environmental Protection Agency (EPA). The Industrial Section has a disproportionately higher amount of required source tests compared to the sources regulated by the regional offices in Ecology due to the complexity and size of the facilities regulated. This will require more staff time to review source test plans, observe stack tests, review source test reports, compare stack test results to limits, enter stack test data into federal databases, and potentially take compliance actions.

The WLA for the 2021-23 Biennium has already set fees sufficient to cover this new work. Ecology now requires the additional expenditure authority in AOP above the 2021-23 carry-forward level to cover the additional projected costs from the fee-supported AOP account. By fully funding the AOP Program, Ecology will have adequate resources to perform the permitting and compliance work, and respond to complaints received by the public regarding air quality concerns to ensure public health and air quality is protected.

### **Impacts on Population Served**

Air pollution is a serious threat to public health. It has adverse health effects, especially on infants, young children, the elderly, and people with existing heart and lung disease. Through effective policies, including the AOP Program, Ecology can manage emissions from industrial facilities, continue to meet national air quality standards, and keep exposure to hazardous air pollutants within acceptable limits.

Washington's AOP Program ensures that companies have all of their air pollution requirements consolidated and defined in one place. This provides clarity and facilitates compliance with – and enforceability of – air pollution laws to protect public health and the environment.

The public benefits from facilities having current permits and from Ecology having adequate resources to respond to noncompliance or complaints from citizens. Current permits and timely response to noncompliance helps reduce the occurrence and duration of excess emission events, which reduces exposure to the surrounding communities. Oversight of stack tests can identify issues associated with the test, which reduces inaccurate compliance determinations and the potential for undetected excess emissions. By ensuring permits are current, Ecology is also able to ensure that the documents are ADA compliant.

With respect to permittees, their annual fees will increase. Benefits associated with the additional fees include timely processing of AOP permit renewals or modifications. This will allow new projects and facility changes to occur. Also, current AOP permits create regulatory certainty for the facilities. Timely and appropriate response to compliance issues significantly reduces the potential for third-party enforcement or enforcement from the EPA.

### **Alternatives Explored**

Under federal and state law, the program must be fully funded through AOP facility permit fees. Other sources of revenue cannot be used to sustain AOP work. The only alternative would be to reduce required work within the AOP Program or delay issuing permits or compliance assistance for new sources and reduce stack tests oversight at industrial facilities. These are unacceptable alternatives, because they would affect monitoring and managing current AOP sources, impact the state economically, violate federal law, and jeopardize federal accreditation of the state's AOP Program.

### **Consequences of Not Funding This Request**

If Ecology does not receive additional expenditure authority, there would not be sufficient appropriation to carry out the required level of service for the AOP Program in the 2021-23 Biennium. Ecology would not be able to fully administer the AOP requirements for the largest industries in the state, which could result in delays in permitting actions and regulatory response.

Delays in permitting may limit a facility's ability to expand their operations and create regulatory uncertainty. Delays in regulatory response or inadequate oversight may result in excess emissions that could impact the human health and environment of the surrounding communities.

### **JUSTIFICATION FOR NEW OR INCREASED FEE REQUEST**

1. Fee Name: Air Operating Permit Fee

2 Current Tax or Fee Rate: Fees are based on workload estimates and charged to sources based on a formula, as described in WAC. Fees range from \$1,100 to \$350,000, depending on permit complexity and annual tons of emissions with a projected 2019-21 total biennial revenue of \$4.7 million.

3. Proposed Rate:

FY 2022: \$2,453,129 total annual revenue, based on a workload model published in June 2020.

FY 2023: \$2,443,407 total annual revenue, based on a workload model published in June 2020.

4. Incremental Change for Each Year:

FY 2022: \$108,769

FY 2023: \$108,769

5. Expected Implementation Date: 7/1/2021

6. Estimated Additional Revenue Generated by Increase:

FY 2022: \$108,769

FY 2023: \$108,769

7. Justification: Federal and state law authorizes Ecology to collect fees yearly to administer an Air Operating Permit Program for major industrial sources. The draft workload model that was published in June 2020 shows an additional \$217,538 and 0.2 FTEs will be needed in the 2021-23 Biennium for the program to be fully supported. The increases are due to additional permitting, compliance, and oversights expected at the industrial facilities.

8. Changes in Who Pays: No changes.

9. Changes in Methodology: No change in methodology.

10: RecSum Code: DD

11. Alternatives: No alternatives were considered.

12. Statutory Change Required? No.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

Below is a summary of the 2017-19 and 2019-21 funding and FTEs for AOP by activity.

Activity Code	Activity Title	Avg. 17-19 FTEs	Bien 17-19 Total	Avg. 19-21 FTEs	Bien 19-21 Total
A014	Restore the Air, Soil, and Water Contaminated from Past Activities at Hanford	0.29	\$82,951	0.46	\$138,000
A015	Clean Up and Remove Large, Complex, Contaminated Facilities throughout Hanford	0.29	\$82,587	0.46	\$142,000
A016	Treat and Dispose of Hanford's High-level Radioactive Tank Waste	0.29	\$85,435	0.46	\$173,000
A017	Ensure Safe Tank Operations, Storage of Tank Wastes, and Closure of the Waste Storage Tanks at Hanford	0.29	\$83,663	0.46	\$180,000
A018	Ensure the Safe Management of Radioactive Mixed Waste at Hanford	0.29	\$85,776	0.46	\$147,000
A028	Improve Environmental Compliance at State's Largest Industrial Facilities	4.05	\$1,101,053	4.67	\$1,424,000
A045	Reduce Air Pollution from Industrial and Commercial Sources	7.36	\$1,899,984	7.21	\$2,158,000
A002	Administration	0.00	\$394,551	0.00	\$330,000
<b>TOTAL</b>		<b>12.86</b>	<b>\$3,816,000</b>	<b>14.18</b>	<b>\$4,692,000</b>

### **Detailed Assumptions and Calculations:**

Revenue estimates and total program costs are based on the 2021-23 Biennium WLA, which identifies additional costs for increased compliance work, permitting activities associated with expansion of facility activities, increase in public interest from surrounding communities for various permitting actions, and oversight of stack tests performed by the facilities.

Beginning in Fiscal Year 2022 and ongoing, Ecology will require salaries, benefits, and associated staff costs of \$217,538 per biennium, which is equivalent to 0.6 FTE of an Environmental Engineer 3. Actual additional FTE authority needed, per WLA, is 0.23 total FTE. This overall need is driven by the anticipated decrease in permit processing and management in Ecology's Air Quality Program next biennium, and an increase in permitting, compliance assistance, and stack tests oversight in the Industrial Section. As required by state and federal law, all costs will be charged to the industrial facilities and will be deposited into the Air Operating Permit Account.

### **Workforce Assumptions:**

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
A	Salaries and Wages	58,903	58,903	58,903	58,903	58,903	58,903
B	Employee Benefits	21,558	21,558	21,558	21,558	21,558	21,558
E	Goods and Services	3,532	3,532	3,532	3,532	3,532	3,532
G	Travel	1,719	1,719	1,719	1,719	1,719	1,719
J	Capital Outlays	1,010	1,010	1,010	1,010	1,010	1,010
T	Intra-Agency Reimbursements	22,047	22,047	22,047	22,047	22,047	22,047
	<b>Total Objects</b>	<b>108,769</b>	<b>108,769</b>	<b>108,769</b>	<b>108,769</b>	<b>108,769</b>	<b>108,769</b>

#### **Staffing**

Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
ENVIRONMENTAL ENGINEER 3	95,481	0.62	0.62	0.62	0.62	0.62	0.62
FISCAL ANALYST 2		0.06	0.06	0.06	0.06	0.06	0.06
IT APP DEVELOPMENT-JOURNEY		0.03	0.03	0.03	0.03	0.03	0.03
<b>Total FTEs</b>		<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>

**Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

***How is your proposal impacting equity in the state?***

This request provides environmental equity across the state, including underrepresented communities, such as those with large minority and low-income populations. Additional funding will ensure a fully functioning AOP Program to help all large industrial facilities remain in compliance with their permits. It will also provide equal opportunity for comment during the public involvement period before a final permit is issued. This can help protect public health where communities may already be experiencing negative health or environmental impacts from elevated levels of air pollution.

## Strategic and Performance Outcomes

***Strategic Framework:***

This request is essential to implementing two goals in Ecology's strategic plan.

- Goal 2: Reduce and prepare for climate impacts through permitting, compliance assistance, and regulatory oversight to control the amount of pollutants commercial and industrial sources emit.
- Goal 3: Prevent and reduce toxic threats and pollution by improving compliance with state and federal air quality laws for major sources of air pollution, which minimizes the release of excess toxic emissions to the atmosphere and reduces exposure to the surrounding communities.

This request provides essential support to three of the Governor's Results Washington goals.

- Goal 2: Prosperous Economy by allowing new projects and facility changes to be completed without unnecessary delays.
- Goal 3: Sustainable Energy and a Clean Environment and Goal 4: Healthy and Safe Communities by ensuring compliance with state and federal air quality laws for major sources of air pollution, which minimizes the release of excess toxic emissions to the atmosphere and reduces exposure to the surrounding communities.
- Goal 5: Efficient, Effective, and Accountable Government by creating regulatory certainty for facilities through maintaining current AOP permits, which creates clear compliance expectations.

***Performance Outcomes:***

The outcome of this request will be:

- A fully functional and efficiently operated Air Operating Permit Program, consistent with federal and state law.
- Timely and accurate permit issuance and appropriate compliance assurance to help protect public health and support economic growth in Washington.
- Continuation of a self-funded program as required by state and federal laws.



## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Each of the seven local air authorities have jurisdictional authority in specific counties in Washington, and Ecology has authority in locations where no local authorities exist. Ecology also has authority statewide for some specific sources, such as chemical pulp mills and primary aluminum smelters. The Industrial Section provides AOP oversight for those specific facilities. Local air authorities or Ecology are responsible for ensuring the ambient air quality within their jurisdiction(s) meets the national ambient air quality standards (NAAQS). Proper implementation of the AOP program is an important component to maintaining the ambient air quality within the NAAQS.

Failure to fully fund the AOP Program could delay economic development or expansion of large industrial facilities around the state. County or regional government planning, economic development, tax base, employment, and environmental objectives could be compromised.

Industrial sources on tribal lands in Washington are regulated by EPA Region 10.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

RCW 70A.15.2270 requires Ecology to develop a WLA, make it available for public review and input, and ensure that fees fully fund the program.

### **Stakeholder Response:**

Ecology published the draft WLA in February 2020 and made it available to the public for review and comment. Ecology did not receive any comments from stakeholders. The final WLA was published in June 2020.

Local air agencies, local economic development interests, and businesses affected by the AOP generally support the fee increase, because it will ensure timely permit processing and help Ecology provide additional assistance to AOP facilities.

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$59	\$59	\$118	\$59	\$59	\$118
Obj. B	\$22	\$22	\$44	\$22	\$22	\$44
Obj. E	\$3	\$3	\$6	\$3	\$3	\$6
Obj. G	\$2	\$2	\$4	\$2	\$2	\$4
Obj. J	\$1	\$1	\$2	\$1	\$1	\$2
Obj. T	\$22	\$22	\$44	\$22	\$22	\$44

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Department of Ecology  
2021-23 Regular Budget Session  
Policy Level - DU - Shift to Voluntary Cleanup Account

### Agency Recommendation Summary

Washington’s cleanup law, the Model Toxics Control Act, allows owners of contaminated properties to perform cleanups and achieve regulatory closure, either independently or under Ecology’s supervision. Through its Voluntary Cleanup Program (VCP), Ecology provides owners of contaminated sites with technical assistance and opinions on the sufficiency of independent cleanups. Over the last several years, VCP funding has not kept pace with the demand for services, which has delayed or discouraged many voluntary cleanups. In 2019, Substitute House Bill 1290 passed, authorizing an expedited VCP program, and creating a new dedicated fee and account to support it. Ecology is now requesting a fund shift of the dollars needed to implement the expedited VCP from the Model Toxics Control Operating Account to the new Voluntary Cleanup Account. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account, Voluntary Cleanup Account)

### Fiscal Summary

<b>Fiscal Summary</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2022</b>	<b>2023</b>	<b>2021-23</b>	<b>2024</b>	<b>2025</b>	<b>2023-25</b>
<b>Operating Expenditures</b>						
Fund 23P - 1	(\$172)	(\$172)	(\$344)	(\$172)	(\$172)	(\$344)
Fund 23V - 1	\$172	\$172	\$344	\$172	\$172	\$344
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

## Decision Package Description

### Background

Washington's cleanup law, the Model Toxics Control Act (MTCA), allows owners of contaminated properties to perform cleanups and achieve regulatory closure either independently or under Ecology's supervision. A potentially liable person (PLP) conducts an Ecology-supervised cleanup (or "formal cleanup") under a legally enforceable order or decree (settlement). Ecology usually requires supervision at contaminated sites that are larger and more complex or where there is significant public interest. Ecology directly manages such cleanups and includes opportunities for public involvement at various milestones in the cleanup process. PLPs achieve regulatory closure under the formal process by satisfying the requirements of the order or decree.

Unless Ecology requires cleanup supervision, any contaminated site may be cleaned up independently. The independent cleanup process represents an important path for cleaning up contaminated sites in Washington; particularly sites that are smaller or less complex. This allows property owners to get sites cleaned up without waiting for Ecology. But, unlike Ecology-supervised cleanups, independent cleanups do not provide owners of contaminated properties assurance that the completed work is sufficient under MTCA. While owners must report these cleanups, Ecology does not provide an opinion on independent cleanup sufficiency, unless requested to do so.

Under Ecology's Voluntary Cleanup Program (VCP), property owners who independently clean up their contaminated properties can request technical assistance on how to conduct the cleanup and written opinions on cleanup sufficiency. These opinion letters are important to owners, because they often can't sell or mortgage their property without them.

### Problem

Over the last several years, VCP funding has not kept pace with the demand for services, which has delayed or discouraged many voluntary cleanups. Ecology worked with stakeholders in the 2019 and 2020 legislative sessions to address these delays. In 2019, Substitute House Bill (SHB) 1290 passed authorizing an expedited VCP program. In both 2019 and 2020, budget requests were funded to develop the expedited program and support the standard VCP so that Ecology could provide timely assistance and regulatory closure to people who voluntarily clean up contaminated properties. As of July 1, 2020, customers enrolling in the VCP have the option to request either a standard or expedited review of their cleanups. Those requesting expedited review will pay all of Ecology's costs. Revenue collected is deposited into the new Voluntary Cleanup Account (VCA), under RCW 70A.305.170. Ecology now needs ongoing appropriations from the VCA to continue implementing the new expedited VCP process.

### Solution

Ecology requests a technical, no-cost fund shift in appropriation authority from the Model Toxics Control Operating Account (MTCA-Operating) to the VCA. This will provide spending authority from the VCA, beginning in the 2021-23 Biennium for the revenue earned through implementing the Expedited VCP process, which began July 1, 2020. This will allow Ecology to implement legislative and budget mandates passed in 2019 and 2020 – to offer an expedited process while continuing the underlying support for the standard VCP.

### Impacts on Population Served:

Ecology protects public health and natural resources by cleaning up and managing contaminated upland sites and contaminated sediments in the aquatic environment. The VCP provides services to owners of contaminated properties who conduct independent cleanups. Supporting people who want to independently clean up their sites, whether through the standard or expedited VCP processes, will positively impact Washington's environment, residents, and economy. Cleaning up and reusing contaminated properties significantly contributes to the economic prosperity and public health of our communities.

### Alternatives Explored:

Ecology began implementing the new Expedited VCP process on July 1, 2020, using one new cleanup project manager authorized and funded in the 2019-21 Operating Budget. If the Expedited VCP process does not receive appropriations from the new VCA, the program would be stopped. The expedited review process allows Ecology to be more responsive to the needs of customers working under tight timelines, and reduces VCP dependence on Hazardous Substance Tax (HST) revenue.

### Consequences of Not Funding This Request:

More contaminated sites are discovered each year, and the list will continue to grow. Every year, 200 to 300 new sites are discovered and reported to Ecology. This adds to the nearly 6,200 sites already awaiting further investigation and cleanup.

The consequences of not funding the request are that Ecology would not have the appropriation authority to continue offering the Expedited VCP process in the 2021-23 Biennium as an option for independent cleanups. Ecology worked closely with stakeholders during the program's development and plans to continue the stakeholder work during the first year of the program's implementation in Fiscal Year 2021. Not providing the appropriation authority to continue ongoing implementation of the program and spend the estimated revenue would diminish, or even stall, the momentum behind the collaborative work with stakeholders.

## Assumptions and Calculations

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This is not an expansion or alteration of a current program or service. This makes a planned, technical fund shift from the MTCA-Operating Account to the VCA as originally proposed and authorized in the 2019-21 Operating Budget.

### ***Detailed Assumptions and Calculations:***

IMPLEMENTATION OF EXPEDITED VCP PROCESS (\$344,000 and 1.0 direct FTE shift from MTCA-Operating to VCA beginning in Fiscal Year 2022)

Beginning July 1, 2020, Ecology began the expedited VCP process with one cleanup project manager. Salary, benefits, and associated staff costs for 1.0 FTE Hydrogeologist 4 for providing expedited reviews of cleanup projects is currently funded out of MTCA-Operating.

Beginning in Fiscal Year 2022 and ongoing, these costs will shift to the VCA, as long as sufficient demand for and revenues generated from the expedited process exist.

### ***Workforce Assumptions:***

#### **Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

### ***How is your proposal impacting equity in the state?***

- Facilitates and expedites all independent cleanups

Commercial developers and other customers on compressed timeframes who use the services of the Expedited VCP process will directly benefit from this request. The Expedited VCP process allows Ecology to reduce waitlist and response times for those in the Standard VCP process who cannot afford the full cost for Ecology services. This is important for all people who seek to voluntarily and independently clean up contaminated properties in Washington's communities. By reducing response times across the VCP, the Expedited VCP process will help encourage and expedite the cleanup and reuse of more contaminated properties in communities throughout the state. Washington residents living or working on or near the cleaned up properties benefit from the reduced environmental hazard in their neighborhood.

- Allows state funds to be refocused on cleanup priorities

The VCP depends on the customer's ability to pay for both the independent cleanup and Ecology's technical assistance. So, independent cleanup and redevelopment typically occurs in communities where the market supports it. Across the state, this creates disproportionate impacts on residents in neighborhoods where cleanup does not occur independently, and these are often neighborhoods with higher percentages of people of color and low-income residents.

Unlike the Standard VCP process, the Expedited VCP process is supported solely by user fees. This will reduce the dependence of the VCP on HST revenue. Since HST revenue will no longer subsidize these cleanup projects, the Expedited VCP process creates the opportunity for Ecology to use the freed up funds on high-priority sites where we can help reduce existing disparities by conducting or overseeing cleanup in neighborhoods where cleanup does not occur from market pressure alone.

- Promotes affordable housing development by waiving costs

Ecology recognizes that cleanup and redevelopment can negatively impact communities by disrupting neighborhood cohesion and causing gentrification and resident displacement. As part of a larger strategic effort to retain and promote development of affordable housing in our communities, Ecology anticipates introducing a cost waiver in late 2020 for applicants who commit to clean up contaminated property to develop affordable housing. The cost waiver will apply to both the Expedited and Standard VCP processes. The waiver was authorized by the Legislature in SHB 1290 (2019) and is codified in RCW 70A.305.170(2)(b).

When deciding whether to provide a waiver, Ecology will consider the applicant's ability to pay and the potential public benefit of the project. When providing a waiver, Ecology may file a lien against the property or use other means to ensure the property is used for affordable housing. To preserve the ability for the Expedited VCP process to sustain itself, Ecology may limit the number of waiver-qualified sites in that process.

## Strategic and Performance Outcomes

### ***Strategic Framework:***

This request is essential to implementing the following Ecology's strategic plan goals:

- Support and Engage Our Communities, Customers, and Employees, by encouraging and expediting cleanups across the state.
- Prevent and Reduce Toxic Threats and Pollution and Protect and Restore Puget Sound by supporting work to clean up contaminated sites and support economic redevelopment. Ecology works in partnership with local governments, Tribes, other state and natural resource agencies, private developers, property owners, contractors, technical professionals, and residents to clean up contaminated sites statewide and in the Puget Sound region.

This request also supports Governor Inslee's Executive Order 18-02, Southern Resident Killer Whale Recovery and Task Force, by supporting cleanup projects that reduce legacy and address new toxic contaminants in Puget Sound. The Order lists toxic contaminants as one of the three primary factors threatening the Southern Resident population.

This request provides essential support to the Governor's budget priorities, including economic development and energy and environment because it will protect public health and natural resources through cleanup and facilitate redevelopment of contaminated and blighted properties.

This request provides essential support to the following Governor's Results Washington goals:

- Goal 2: Prosperous Economy by creating and supporting jobs and making it possible to redevelop previously contaminated land to support economic growth in communities.
- Goal 3: Sustainable Energy and a Clean Environment by cleaning up and managing contaminated sites that pose threats to public health, the environment, groundwater, and fish and wildlife resources.

### ***Performance Outcomes:***

The outcome of this request will be to encourage and expedite the voluntary cleanup and reuse of contaminated and blighted properties, which is essential to protecting public health and the environment and to supporting the economic prosperity of our communities.

This request supports a technical appropriation shift and would not affect existing performance goals.



## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

This request will not impact tribal, regional, county, or city governments, or any political subdivision of the state.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

This request supports Puget Sound Action Agenda implementation through through Ongoing Program OGP\_ECY25: Toxic Cleanup Program - Voluntary Cleanup Program (Department of Ecology) and is linked to the following Regional Priorities, Strategies, and Sub-strategies:

- Regional Priority TIF 1.1: Enhance pollutant reduction programs and corrective measures, and increase authorities and programs to prevent toxic chemicals from entering Puget Sound. By cleaning up toxic legacy pollutants, Ecology prevents these damaging chemicals from entering the Puget Sound and other potential routes for exposure.
- Regional Priority TIF 3.1: Provide the infrastructure and incentives to accommodate new development and redevelopment within designated urban centers in Urban Growth Areas. By cleaning up brownfield properties, Ecology helps to incentivize growth within Urban Growth Areas.
- Strategy 9: Prevent, reduce, and control the sources of contaminants entering Puget Sound.
- Sub-strategy 9.1: Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem.
- Strategy 10: Use a comprehensive approach to manage urban stormwater runoff at the site and landscape scales.
- Sub-strategy 10.3: Fix problems caused by existing development.
- Sub-Strategy 10.4: Control sources of pollutants.
- Strategy 21: Address and clean up cumulative water pollution impacts in Puget Sound.
- Sub-strategy 21.2: Clean up contaminated sites within and near Puget Sound by reducing and controlling the sources of pollution.

This request also supports efforts under the Governors' Executive Order 18-02, Southern Resident Orca Recovery and Task Force through the following recommendation:

- 31: Reduce stormwater threats and accelerate clean-up of toxics harmful to orcas.

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

Ecology collaborates with private developers, property owners, contractors, technical professionals, and residents to clean up legacy contamination from past industrial practices and accidental spills. Consistent with support during the 2019 and 2020 legislative sessions, Ecology expects all of these partners to support this request.

Property owners and commercial real estate developers have been particularly interested in finding a way to reduce response times under the VCP. The ability for property transactions and the associated cleanups to proceed often depends on Ecology's ability to provide timely responses. Time is money for many developers. Both NAIOP (the Commercial Real Estate Development Association) and the Associated General Contractors of Washington actively supported Ecology's legislative and budget proposals during the 2019 and 2020 legislative sessions.

Affected residents and environmental groups are interested in encouraging more people to voluntarily clean up contaminated sites. They want to ensure that everyone who conducts voluntary cleanups can obtain advice and assistance under the VCP in a timely fashion. The Washington Environmental Council and Front and Centered supported Ecology's legislative and budget proposals during the 2019 and 2020 legislative sessions.

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Agency Contact Information

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**Department of Ecology  
2021-2023 Operating Budget**

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## Agency Recommendation Summary

A June 2020 ruling by the U.S. District Court for Western Washington vacated the U.S. Army Corps of Engineers' Nationwide Permit 48 for the Washington shellfish industry. This ruling significantly affects shellfish farmers' regulatory certainty, while increasing the workload for Ecology staff. Over the next two to four years, Ecology anticipates receiving approximately 900 new requests for Section 401 Water Quality certifications and Coastal Zone Management federal consistency determinations for Washington's shellfish operations. Ecology is requesting funding for additional staff to support this new workload, and ensure we are responsive to the needs of this important state industry. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	5.8	5.8	5.8	5.8	0.0	2.9
<b>Operating Expenditures</b>						
Fund 23P - 1	\$716	\$716	\$1,432	\$716	\$0	\$716
Total Expenditures	\$716	\$716	\$1,432	\$716	\$0	\$716

## Decision Package Description

### Overview

Enacted by Congress in 1972, the federal Clean Water Act is one of the nation's capstone environmental regulations. The Act establishes the basic structure for regulating pollution discharges to waters of the United States, and setting water quality standards for U.S. surface waters. Under Section 401 of the Act, proponents seeking permission from a federal agency (permit or license) to undertake a project, action, or activity that could result in a discharge to U.S. waters must request a Section 401 Water Quality Certification from the state or tribal government where the discharge would occur.

Under state Shoreline Management Act guidelines (Chapter 173-26 WAC), aquaculture is an activity of statewide interest. Properly managed, it can result in long-term benefits that protect the coastal shoreline environment and resources. Aquaculture is also a water-dependent use, and when consistently practiced in a manner that controls pollution and prevents environmental damage, it is a preferred use of these water areas.

For more than ten years, Ecology invested significant time and staff resources to understand the aquaculture industry and worked with stakeholders to create a regulatory approach that is sensitive to stakeholder concerns and industry perspectives. We created regulatory guidance and positions under our authority in the state Shoreline Management and Clean Water acts.

For the last several years, some interest groups have raised concerns about commercial shellfish operations on Washington privately- and publically-owned tidelands. Critics have claimed many aquaculture operations have been using and expanding techniques that clear away other wildlife species to exclusively grow a single, cultivated species. They also are concerned growers employ pesticides, and use plastic materials to anchor, protect, and grow shellfish in shoreline areas. These concerns have spurred legal challenges.

In 2017, the Coalition to Protect Puget Sound Habitat and Center for Food Safety appealed U.S. Army Corps of Engineers' (USACE) Nationwide Permit 48 covering most Washington shellfish farmers to the U.S. District Court for Western Washington. Nationwide Permit 48 is a type of general permit that the USACE uses to authorize "Commercial Shellfish Aquaculture Activities" to discharge dredged or fill material into waters of the United States from shellfish seeding, rearing, cultivating, transplanting, and harvesting activities for new and continuing commercial shellfish aquaculture operations in authorized areas. In October 2019, a federal judge ruled in favor of the plaintiffs, agreeing the USACE had not considered cumulative environmental impacts when it reissued Nationwide Permit 48 in 2017. In June 2020, the court further clarified its ruling, establishing timelines and procedures that growers need to follow to retain the ability to farm.

In finding that Nationwide Permit 48 violates the federal Clean Water and National Environmental Policy acts, the ruling:

- Vacates all current Nationwide Permit 48's in Washington, while allowing a 60-day pause for appeals.
- Allows currently-planted shellfish to be harvested as long as a grower applies for an individual federal permit as soon as practicable, and within no later than six months of the ruling. This federal permit triggers Ecology's Section 401 Water Quality certification process and actions.
- Allows growers to seed and plant shellfish in areas without eelgrass for six months, while allowing these planted areas to be maintained and planted shellfish harvested, as long as the grower applies for a permit as soon as practicable and within no later than six months of the ruling.
- Respects tribal rights.

Before the June 2020 ruling, shellfish growers would apply to the USACE for a permit and go through the streamlined nationwide permitting process. The federal nationwide permits authorized specific activities, within certain thresholds and mitigation measures, which were considered to have minimal effect on waters of the United States. Since Ecology had already provided Section 401 review for the USACE's nationwide permit for most state shellfish farmers, the USACE often authorized the permit without needing additional Ecology review. Ecology never saw many of the shellfish operations authorized under Nationwide Permit 48, typically only got involved if a Section 401 review was required.

### **Problem**

Since the USACE Nationwide Permit 48 is no longer an option, each aquaculture project will require an individual 401 water quality certification from Ecology for their individual federal permits, regardless of the project's size or impacts. Therefore, Washington shellfish farmers are actively submitting Section 401 water quality certification requests and Coastal Zone Management (CZM) consistency determination applications to the agency. Ecology has already received about 80 of the up to 900 401 certifications and CZM consistency requests from shellfish farmers that we expect to get. If we add the up to 900 new requests from state shellfish farmers to the 400 water quality certification requests typically received each year, Ecology's workload for 401 water quality certifications is set to more than triple.

### What we are currently proposing to do in Fiscal Year 2021:

Ecology currently has 5.0 FTEs that are vacant in other areas of the Shorelands Program that will not be filled right now due to the current hiring freeze. In order to respond to this the court's ruling, and this immediate and unprecedented workload related to permitting state shellfish farms, Ecology is working through the Office of Financial Management's (OFM) exemption process so that we can temporarily redirect the funding for these five vacancies and hire 5.0 new project FTEs in Fiscal Year 2021 to start working on 401 certification reviews. However, this solution is not sustainable for the long-term and cannot be maintained into the 2021-23 Biennium without significant environmental impacts to other work at Ecology.

### **Longer-Term Solution**

Currently, Ecology has five filled positions that are dedicated to 401 Water Quality certification work. Each one of our staff process about 80 different projects a year. To process the estimated increase in 401 certification requests from Washington's shellfish farmers over the next two to four years, Ecology will need an additional 5.0 FTEs in Fiscal Years 2022, 2023, and 2024.

USACE individual permits are typically issued for five years; however, USACE does allow some 10-year permits. Based on recent dialogue with USACE, Ecology's understanding is that they plan to issue the individual aquaculture permits for a term of 10 years. Depending on the final duration of these permits, once issued, Ecology may need additional resources at some point in the future (after Fiscal Year 2024) to address new 401 certification requests when these permits have to be renewed.

### **Separate, But Related Federal Actions and Rollbacks**

The USACE's 60-day 401 timelines change: EPA is adopting a new rule that attempts to severely restrict state authority under Section 401, and – should the rule stand – will make state review of Section 401 applications more difficult. The new rule allows federal agencies to shorten the time states have to review 401 decisions – from a full year down to, as the USACE has proposed, 60 days. The USACE could switch to this 60-day timeframe once the new EPA rule takes effect Sept. 11, 2020. Ecology received 5.0 FTEs in the 2020 Supplemental Operating Budget to review existing Section 401 applications within this new timeline. A proviso allows Ecology to utilize these resources once the USACE's new compressed Section 401 review timeframe takes effect.

WOTUS Rulemaking: The Navigable Waters Protection Rule definition of "Waters of the States" went into effect on June 22, 2020. This rule significantly reduces the number of wetlands and waters that are considered WOTUS and protected by the Clean Water Act. The rule excludes ephemeral streams from the definition of WOTUS as well as many wetlands without a surface water connection to another WOTUS. Based on a GIS analysis of two sample areas, the rule could result in removing more than 29 percent of wetlands and 14 percent of streams from Clean Water Act protection.

Wetlands, streams, and lakes that are no longer WOTUS would no longer be covered under the 401 certification process and would be subject to unregulated discharges and lower water quality. To protect state water quality in the near-term, Ecology is submitting a separate, but related Decision Package to request funding for additional staff to handle the increase in administrative orders that Ecology will now have to issue. Longer term, Ecology is proposing to develop a state permitting program to address those wetlands and waters that are no longer WOTUS.

### **Impacts on Population Served:**

Washington's aquaculture industry are private businesses or affiliated with state Indian tribes. All shellfish farming operations will need a USACE permit and a Section 401 and CZM decision from Ecology. Without these permits, certifications, and determinations, shellfish farmers will not be able to operate. The decisions we make for 401 certifications could affect communities throughout Puget Sound and along our Pacific Ocean coast. The impact is dependent on the type of aquaculture activity. For projects requiring a federal permit or license, Ecology plays a critical role in protecting state water quality and coastal resources by exercising our 401 certification authority. Without our certification review, the federal government would issue permits or licenses that may not meet Washington's water quality standards.

### **Alternatives Explored:**

Ecology currently has 5.0 FTEs dedicated to reviewing 401 certification requests. There are no alternatives to expanding the number of staff to



address this increase in workload on a permanent basis – unless we reduce our environmental protection work in other core areas of the agency.

#### **Consequences of Not Funding This Request:**

If this proposal is not funded Ecology will still be required to issue individual Section 401 certifications and CZM determinations for all shellfish projects that now require an individual USACE permit. Our existing resources are not sufficient to handle a 300 percent workload increase. Without additional staff, other projects will be impacted. And the time required to issue Section 401 certifications and CZM determinations will be lengthy and unpredictable.

There is also the potential for compounding effects with the USACE's new 60-day review requirement. If the requirement goes into effect, the review time for aquaculture 401 certifications will also be shortened. With the increased number of requests and condensed time to review projects, a number of projects could be denied, because Ecology will not have the time to complete sufficient review and work with applicants to get the required information to issue a 401 certification and CZM determination.

Without additional staffing, project proponents will experience delays and increased costs while they await Section 401 and CZM decisions. This will significantly affect projects with minor impacts that otherwise would have gone through Ecology's Section 401 and CZM processes in a timely manner.

Delays for all projects needing a Section 401 certification and CZM decision means higher costs, less certainty, and more risks to the development community. Given our current economic circumstances, it is vital we not hinder economic development by causing permitting delays.

## **Assumptions and Calculations**

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This request expands Activity A037 – Protect Water Quality by Reviewing and Conditioning Construction Projects by adding additional staff to address the anticipated increase in individual 401 certification requests from Washington shellfish farmers over the next two to four years. Only a portion of the resources in activity A037 are for 401 certification reviews (5.0 direct FTEs). This activity also includes the resources to perform Washington State Department of Transportation project permitting, development and support of our aquatics database, and coastal zone management consistency reviews.

Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.

<b>A037 – Protect Water Quality by Reviewing and Conditioning Construction Projects</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	12.6	16.35
001-2 General Fund Federal	\$581,346	\$0
(173-1) 23P-1 MTCA Operating	\$2,262,884	\$3,144,000
<b>TOTAL</b>	<b>\$2,844,330</b>	<b>\$3,144,000</b>

### ***Detailed Assumptions and Calculations:***

From July 1, 2021, through June 30, 2024, Ecology requires salaries, benefits, and associated staff costs for 4.0 FTE Environmental Specialist 4 (ES4) positions and 1.0 FTE Environmental Specialist 2 (ES2).

The new staff would be added to the existing 5.0 FTEs and be responsible for the following activities:

- Attending pre-application meetings, performing site visits, and providing technical assistance.
- Entering application information into Ecology 401 certification database and performing initial communication with applicants and the Corps.
- Providing public notice and reviewing received comments.
- Conducting initial reviews of applications to determine a project's complexity and any additional information that may be needed.
- Conducting a thorough review of the proposed project, including coordinating with other Ecology programs, other state and federal agencies, and local and tribal governments to ensure a project can be constructed and operated without impacting water quality or other aquatic resources.
- Preparing final decision documents.
- Conducting follow up reviews and site visits.
- Coordinating with an internal technical team representing other Ecology programs as well as an external review team with representatives from other state and federal agencies, and local and tribal governments.

Ecology recognizes that five additional FTEs is not likely to be enough to fully address the tripling of our Section 401 and CZM workload created by the federal court decision. However, given these requirements are still quite new, and we do not yet know exactly how our workload will be affected, this budget request is intended to take the first step toward trying to address these unprecedented circumstances.

It is likely that a portion of the section 401 decisions made by Ecology will be appealed. Based on previous appeal rates, Ecology and Office of the Attorney General (AGO) estimate that 25 percent of our 401 certification decisions are likely to be appealed. To respond to these appeals, Ecology will require \$75,000 per year in Fiscal Years 2022, 2023, and 2024 for AGO support.

**Workforce Assumptions:**

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
A	Salaries and Wages	339,357	339,357	339,357			
B	Employee Benefits	124,205	124,205	124,205			
E	Goods and Services	103,620	103,620	103,620			
G	Travel	13,935	13,935	13,935			
J	Capital Outlays	8,185	8,185	8,185			
T	Intra-Agency Reimbursements	127,015	127,015	127,015			
<b>Total Objects</b>		<b>716,317</b>	<b>716,317</b>	<b>716,317</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Staffing**

Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
ENVIRONMENTAL SPECIALIST 4	70,959	4.00	4.00	4.00			
ENVIRONMENTAL SPECIALIST 2	55,521	1.00	1.00	1.00			
FISCAL ANALYST 2		0.50	0.50	0.50			
IT APP DEVELOPMENT-JOURNEY		0.25	0.25	0.25			
<b>Total FTEs</b>		<b>5.8</b>	<b>5.8</b>	<b>5.8</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE. \$75,000 per year for legal costs for permit appeals is included in goods and services in FY22, FY23, and FY24.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

**How is your proposal impacting equity in the state?**

Many shellfish operations are family-owned businesses and located in areas with disadvantaged populations. About 80 percent of shellfish businesses employ 10 or fewer employees. Washington shellfish growers need clean water as well as healthy shorelines and watersheds to cultivate and sell shellfish to consumers. The state's shellfish industry employs more than 3,200 people and generates about \$270 million annually to Washington's economy. The majority of shellfish aquaculture jobs are located in Washington's rural areas, especially Island, Mason, Pacific, and Skagit counties. Many shellfish growers are also tribal members or employ tribal members. The federal ruling could cause delays in economic recovery in some communities.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request provides essential support to the Governor's Results Washington Goals: "Prosperous Economy" and "Sustainable Energy and a Clean Environment."

Efficient permitting is vital for continued economic development. Delays in receiving Section 401 and CZM decisions means higher costs for the regulated community. Due to federal regulatory rollbacks and 2020 federal court case, the processing time we have to complete Section 401 water quality certifications and CZM consistency reviews are in question. With the additional FTEs, we can provide more predictability and streamline shellfish projects requiring Section 401 and CZM decisions. We would take a similar approach for shellfish farm operations that would be similar to the Corps' nationwide general permit authorizing certain categories of projects that have minor environmental impacts.

This request is essential to implementing the following goals in Ecology 2021-23 strategic plan:

- **Support and Engage our Communities, Customers, and Employees:** Ecology's request is responsive to the needs of the Tribes and communities that rely on aquaculture operations requiring 401 certifications. Without added staffing to process the 900 requests for aquaculture 401 certifications, those Tribes and communities will be impacted and not able to continue aquaculture operations.
- **Prevent and Reduce Toxic Threats:** Effectively reducing threats from the use of toxic substances requires cleaning up existing contamination, managing current uses, and reducing or eliminating future use. Toxic substances are found in some consumer products, and in many manufacturing processes. They end up in the air, water, land and in our bodies. Part of the 401 certification request review is to ensure that no long-term damage to water quality and/or other natural resources occurs. We require that project proponents avoid, minimize, and compensate for any impacts as part of the 401 certification request process. We also ensure that the activities do not release toxics into the environment, will meet water quality standards, and protects beneficial uses.
- **Protect and Restore Puget Sound:** Over 60 percent of applications for 401 certifications are in Puget Sound. 401 certification requests are reviewed to ensure the protection and successful replacement of wetland losses. 401 certification reviews also ensure that projects conducted below the ordinary high water mark are conducted in a manner that protect the shoreline and waters of the state. There are notification and monitoring requirements included in the 401 certification review to ensure that the activities are being conducted as proposed.

This request supports a high priority on Ecology's risk register, "Federal Environmental Rollbacks", and will allow Ecology to comply with Executive Order 1606 – State Agency Enterprise Risk Management.

This request provides essential support to the Governor's Results Washington Goal: Sustainable Energy and a Clean Environment. Part of the 401 certification review is to ensure that no long-term damage to water quality and/or other natural resources occurs. We require that project proponents avoid, minimize, and compensate for any impacts as part of the 401 certification review process. We also ensure that the activities, do not release toxics into the environment, will meet water quality standards, and protects beneficial uses.

Orca Task Force: 401 certification requests are reviewed to determine if there are impacts to beneficial uses from the in-water work, spills, and vessel movement during operation. The vessels covered under aquaculture 401s include boats, barges, and gas powered pumps. In addition, Ecology's 401 certification request reviews are critical to the protection of water quality and beneficial uses that orcas depend on. Applications are reviewed for the loss of submerged aquatic vegetation, one of the factors affecting the abundance of forage fish. Applications for projects located in or near contaminated sediments are carefully reviewed and conditioned to protect water quality.

### **Performance Outcomes:**

The outcome of this request will be Ecology's ability to review and issue Section 401 certifications and CZM determinations for Washington shellfish farmers in a timely manner.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Project proponents would be from the Washington shellfish industry and Tribes. Decision on 401 certifications could impact the general population depending on where the project is. The impact is dependent on the type of project and activity. Ecology anticipates support for increased effort to conduct the certification reviews. We will be coordinating with the USACE so that we are issuing joint public notices and coordinating with other state agencies and tribal governments.

**State Facilities Impacts:**

N/A

**Changes from Current Law:**

N/A

**Puget Sound Recovery:**

This request supports implementation of the Puget Sound Action Agenda through the following Regional Priorities and Sub-Strategies:

- CHIN2: Establish and enforce water quantity and quality standards that protect, conserve, and restore water resources for salmon. The purpose of Section 401 certifications are to give reasonable assurance that proposed projects will meet state water quality standards and other applicable state laws.
- CHIN6: Enhance preventative measures and develop integrated oil spill preparedness and response programs. During the Section 401 review process, we work with applicants to ensure that they include spill prevention measures. We also condition individual Section 401 certifications to implement those measures.
- ORCA1: Implement the Governor's Southern Resident Orca Task Force recommendation, as well as the Chinook salmon and Toxics in Fish Implementation Strategies. During the Section 401 review, projects are evaluated to determine if there are impacts to beneficial uses from in-water work. Applications are reviewed for lost submerged aquatic vegetation, one of the factors affecting the abundance of forage fish for salmon. Applications for projects located in or near contaminated sediments are carefully reviewed and conditioned to protect state water quality. We also review for hazardous material spills and vessel movement while a facility is being constructed and operated. Section 401 certifications are critical for protecting water quality and aquatic species habitat upon which orcas depend.
- SA3 – Implementing landscape-scale plans and projects to protect and restore shoreline processes. As part of the Section 401 review, we work with applicants to consider alternatives to hard armoring shorelines. We consider shoreline restoration options to mitigate other project impacts.
- Sub-strategy 1.4: Ensure full, effective compensatory mitigation for impacts that cannot be avoided.
- Sub-strategy 3.2: Retain economically viable working forests and farms.
- Sub-strategy 8.1: Use complete, accurate and recent information in shoreline planning and decision-making at the site-specific and regional levels.
- Sub-strategy 9.1: Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem.
- Sub-strategy 9.4: Provide education and technical assistance to prevent and reduce releases of pollution.
- Sub-strategy 9.6: Increase compliance with and enforcement of environmental laws, regulations, and permits.
- Sub-strategy 10.4: Control sources of pollutants.
- Sub-strategy 19.2: Restore and enhance native shellfish populations.
- Sub-strategy 19.3: Ensure environmentally responsible shellfish aquaculture based on sound science.

**Legal or Administrative Mandates:**

In 2017, the Coalition to Protect Puget Sound Habitat and Center for Food Safety appealed the U.S. Army Corps of Engineers' (USACE) Nationwide Permit 48 to the U.S. District Court for Western Washington. In October 2019, a federal judge in favor of the plaintiffs, agreeing the USACE had not considered cumulative environmental impacts when it reissued Nationwide Permit 48 in 2017. The permit covers most Washington shellfish growers. The court further clarified its ruling in June 2020, establishing timelines and procedures for growers to retain the ability to farm.

In finding that Nationwide Permit 48 violates the federal Clean Water and National Environmental Policy acts, the ruling:

- Vacates all current Nationwide Permit 48's in Washington, while allowing a 60-day pause for appeals.
- Allows currently-planted shellfish to be harvested as long as a grower applies for an individual federal permit as soon as practicable, and within no later than six months of the ruling. This federal permit triggers Ecology's Section 401 Water Quality certification process and actions.
- Allows growers to seed and plant shellfish in areas without eelgrass for six months, while allowing these planted areas to be maintained and planted shellfish harvested, as long as the grower applies for a permit as soon as practicable and within no later than six months of the ruling.
- Respects tribal rights.

It is Ecology's understanding that the Shellfish Growers have appealed the judge's decision, but it could take months, if not years, for the appeal

to work its way through the court process. Ecology is not a party to the litigation, and the timing and outcome of the court process is uncertain, but will likely not be swift. Meanwhile, Ecology is receiving Section 401 requests from the growers that need to be processed right away.

**Stakeholder Response:**

Although we have not shared this specific proposal with stakeholders, we have had discussions with a number of Shellfish growers and we know that they are supportive of additional funding to allow us to expeditiously process 401 certification requests for aquaculture projects. However, it is possible the same groups that filed the original 2017 federal lawsuit will oppose this approach.

**IT Addendum**

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

**Objects of Expenditure**

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$339	\$339	<b>\$678</b>	\$339	\$0	<b>\$339</b>
Obj. B	\$124	\$124	<b>\$248</b>	\$124	\$0	<b>\$124</b>
Obj. E	\$104	\$104	<b>\$208</b>	\$104	\$0	<b>\$104</b>
Obj. G	\$14	\$14	<b>\$28</b>	\$14	\$0	<b>\$14</b>
Obj. J	\$8	\$8	<b>\$16</b>	\$8	\$0	<b>\$8</b>
Obj. T	\$127	\$127	<b>\$254</b>	\$127	\$0	<b>\$127</b>

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## Agency Recommendation Summary

Effective June 22, 2020, the federal government revised the federal Clean Water Act, narrowing the definition of “Waters of the United States” (WOTUS) to exclude many Washington wetlands, and other waters, from federal protection. However, the state Water Pollution Control Act still provides protection for all Washington wetlands and waters. Prior to the change in the WOTUS definition, the U.S. Army Corps of Engineers issued permits for projects that could impact these waters. Now that federal permits are no longer available for certain waters, the state will have to provide a state permit or authorization before such projects can proceed. This will result in substantial new workload for the state, and Ecology is requesting funding for additional staff to address the increase in state authorizations that will be needed. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	6.9	6.9	6.9	6.9	0.0	3.45
<b>Operating Expenditures</b>						
Fund 23P - 1	\$741	\$741	\$1,482	\$741	\$0	\$741
Total Expenditures	\$741	\$741	\$1,482	\$741	\$0	\$741

## Decision Package Description

### Overview

Enacted by Congress in 1972, the federal Clean Water Act establishes the basic structure for regulating pollution discharges to waters of the United States, and setting water quality standards for U.S. surface waters. In 2015, Environmental Protection Agency (EPA) and the Army Corps of Engineers (USACE) adopted a federal definition of Waters of the United States (WOTUS) to clarify what waters are subject to federal jurisdiction. The current federal administration repealed that definition in 2019, and in April 2020, finalized a new and very narrow definition of WOTUS. That new definition took effect on June 22, 2020.

The new WOTUS definition significantly reduces the number of wetlands and streams given federal protection. Ecology conducted a GIS analysis of five sample areas in Washington. Based on that analysis, we conservatively estimate that roughly 29 percent of wetlands and over 7,800 miles (14 percent) of streams and ditches in those sampled areas will lose federal protection under the new WOTUS definition. Please note, the analysis conducted was a coarse level analysis and likely underestimates the number of wetlands and streams losing federal protection.

Projects affecting these, now, non-federally protected wetlands and waters are no longer eligible to receive a federal permit to proceed. However, since these wetlands are still protected under the state Water Pollution Control Act (Chapter 90.48 RCW), project proponents will now need to receive authorization from Ecology before proceeding. In essence, due to the change in the WOTUS definition, the federal permitting requirement has been replaced by a state permitting requirement.

Ecology does not currently have a program in place to permit projects that were previously permitted by the USACE. Until Ecology can establish a longer-term solution, such as a permit program, our only option is to issue administrative orders under RCW 90.48.120, and we anticipate a significant increase in the number of projects needing individual administrative orders. If Ecology tried to do this work with our current resources, there would be significant delays for project proponents. We need additional staff to meet the demand for this marked increase in workload, while we simultaneously begin development of a more streamlined permit program as the longer-term solution.

### Problem

The new WOTUS definition has resulted in a tremendous shift of workload from the federal government to state government. Previously, projects that would impact Washington’s wetlands and streams were eligible to receive a federal permit under the Clean Water Act’s Section 404 streamlined permitting process. However, under the new WOTUS definition, federal permits are no longer an option for the vast majority of these waters, resulting in the need for Ecology to issue authorizations for projects under state law. This is an entirely new workload for Ecology, but based on our analysis of how many projects previously received federal permits, and how many waters are no longer protected under federal law, we expect we will need to issue at least 300 new state authorizations per year through administrative orders.

### Solution

Ecology currently has 8.6 FTEs dedicated to technical assistance on 401 water quality certifications for wetlands. Under the former WOTUS definition, where the USACE had jurisdiction, and used the Section 404 streamlined permitting process, Ecology staff processed about 51 projects per year. In order to process an additional 300 projects per year, without the benefit of a streamlined federal process, Ecology estimates it will need 6.0 additional FTEs to handle the increased workload.

Under the previous streamlined permitting process, Ecology staff reviewed and assessed projects requesting 401 water quality certifications, and

identified conditions for the certification. However, moving to administrative orders, and solely state-run oversight and approval of projects, requires more staffing capacity to:

- Review and issue individual administrative orders for the increase in projects with minor impacts that previously would have received a streamlined USACE permit.
- Review and issue individual administrative orders for projects affecting non-WOTUS wetlands and waters.
- Issuing individual administrative orders for projects affecting both WOTUS and non-WOTUS waters. In the past, if a project affected both WOTUS and non-WOTUS waters, it was eligible for the federal streamlined permitting process, but under the new WOTUS definition, that is no longer the case.

This work includes:

- Screening applications for complexity and assignment.
- Data entry in the Aquatics database.
- Attending pre-application meetings if needed.
- Technical review of proposal.
- Written comments on any deficiencies in proposal.
- Written requirements for the ensuring that the project meets state water quality standards.
- Issuance of administrative order.
- Compliance and enforcement of administrative orders

In order to address the immediate need for state authorizations, Ecology will have to issue administrative orders under our authority in Chapter 90.48 RCW, but this is not a sustainable, long-term solution. The use of administrative orders to authorize these projects is a meant to get the state through the next three to four years while Ecology builds a more streamlined permit program that would be supported by fees. While the requested 6.0 FTEs will focus on issuing administrative orders to ensure projects continue to protect state water quality, Ecology plans use existing staff (2.25 FTEs) to begin development of a permit program.

#### What we are currently proposing to do in Fiscal Year 2021

To handle the increased number of administrative orders in Fiscal Year 2021, and without new staff, Ecology will prioritize technical assistance for 401 certifications for wetlands based on their statutory deadline, and then administrative orders will be worked in as staff have availability. However, this solution is not sustainable in the long-term, and cannot be maintained into the 2021-23 Biennium without significant impacts to other environmental work done at Ecology.

In Fiscal Year 2021, Ecology is redirecting 2.25 FTEs to start working on the beginning stages of rulemaking and development of a state permit program. 1.25 FTEs have already been redirected to support this work, and Ecology is working through the Office of Financial Management's (OFM) hiring freeze exemption process to try and fill the another vacant position that would be redirected to support rulemaking and program development.

#### **Separate, But Related Federal Actions and Rollbacks**

The USACE's 60-day 401 timelines change: EPA is adopting a new rule that attempts to severely restrict state authority under Section 401, and – should the rule stand – will make state review of Section 401 applications more difficult. The new rule allows federal agencies to shorten the time states have to review 401 decisions – from a full year down to, as the USACE has proposed, 60 days. The USACE could switch to this 60-day timeframe once the new EPA rule takes effect Sept. 11, 2020. Ecology received 5.0 FTEs in the 2020 Supplemental Operating Budget to review existing Section 401 applications within this new timeline. A proviso allows Ecology to utilize these resources once the USACE's new compressed Section 401 review timeframe takes effect.

Nationwide Permit 48 – Aquaculture: In October 2019, a federal judge ruled that the USACE had not considered cumulative environmental impacts when it reissued its Nationwide Permit 48 in 2017, which is used to permit state aquaculture farming operations in Washington. In June 2020, the court further clarified its ruling, establishing timelines and procedures that growers need to follow to retain the ability to farm. This ruling resulted in the need for aquaculture operations to obtain individual permits now that their nationwide permit had been vacated. Ecology anticipates requests for individual 401 certification reviews from the 900 currently permitted aquaculture operations that now need individual permits from USACE. Ecology is submitting a separate, but related Decision Package for 2021-23 to request funding for additional staff to handle this increased workload.

#### **Impacts on Population Served:**

With our existing resources, proponents with projects affecting state waters will experience processing delays that could result in missed schedules and construction delays. Increased costs due to delays could result in these costs being passed on to consumers, including consumers of both residential and commercial construction. Additional resources to process state authorizations will help mitigate the impacts of the federal government's redefinition of WOTUS. Protection of clean water is important to natural resource industries and the public for recreation.

#### **Alternatives Explored:**

The alternative to this request is maintaining Ecology's status quo staffing level. Current staff would have to review and process an increased number of applications, resulting in potentially significant delays.

The state is challenging the new WOTUS definition in federal court, and if that litigation is ultimately successful, then federal permitting requirements could resume for the majority of these waters, which would ease the workload burden on Ecology. However, litigation often takes years to resolve, and if we maintain status quo until the litigation is resolved, there will be significant permitting delays for project proponents during the interim. Ecology will actively provide updates on the status of the litigation, and adjust this, and possible future budget requests, as the outcomes become clearer.

#### **Consequences of Not Funding This Request:**

If this request is not funded, Ecology will still need to issue individual administrative orders for all projects affecting state waters that are no longer eligible for a federal permit.

Without additional staffing, projects will experience delays and increased costs while proponents wait for an administrative order. These delays could significantly affect projects with minor impacts to water that would have previously received coverage under a federal nationwide permit.

Delays in issuing administrative orders will mean higher costs and risks to the development community during a time when there is already considerable economic uncertainty.

## **Assumptions and Calculations**

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This request expands Activity A038 - Protect, Restore and Manage Wetlands. Only a portion of the resources in Activity A038 are for this administrative order work. Ecology has 8.6 FTEs dedicated to administrative orders and technical assistance on Clean Water Act 401 certifications for wetlands. This activity also includes resources that provide technical assistance to local governments on their shoreline master program updates as related to wetlands, critical areas ordinance implementation and updates, support in the use of best available science and wetland management tools, and perform compliance monitoring of wetland mitigation sites and wetland mitigation banks.

A summary of the 2017-19 and 2019-21 base funding and FTEs for this activity is below. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.

<b>A038 – Protect, Restore and Manage Wetlands</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	28.4	29.2
001-2 General Fund Federal	\$20,473,904	\$19,687,000
001-7 General Fund Private/Local	\$288,003	\$200,000
(173-1/19G-1) 23P-1 MTCA Operating	\$3,966,142	\$4,431,000
<b>TOTAL</b>	<b>\$24,728,049</b>	<b>\$24,318,000</b>

### ***Detailed Assumptions and Calculations:***

From Fiscal Years 2022 to 2024, Ecology requires salaries, benefits, and associated staff costs for 3.0 FTE Environmental Specialist 4 (ES4), 2.0 FTE Environmental Specialist 3 (ES3), and 1.0 FTE Environmental Specialist 2 (ES2).

The new staff will be added to the existing 8.6 FTEs and be responsible for the following workload activities associated with issuing an increased number of administrative orders:

- Attending pre-application meetings, performing site visits, and providing technical assistance.
- Entering application information into Ecology's aquatics database and performing initial communication with applicants.
- Providing public notice and reviewing comments received.
- Conducting the initial review of applications to determine the complexity of the project and what additional information may be needed.
- Conducting a thorough review of the proposed project, including coordinating with other Ecology programs, state and federal agencies, and local and tribal governments to ensure the project can be constructed and operated without impacting water quality or other aquatic resources.
- Preparing the final decision document.
- Issuing Administrative Order.
- Conducting follow up reviews and site visits.

- Coordinating with an internal Ecology technical team of representatives from other Ecology programs and an external review team from federal, state, and local agencies and the Tribes.

Ecology recognizes that six additional FTEs may not be enough to fully address the additional workload created by the new federal WOTUS definition change. However, given that these requirements are brand new and we have yet to determine exactly how our workload will be impacted, this budget request is intended to bridge the gap and take the first step toward addressing this evolving issue.

The long-term solution, short of a reversal of the federal WOTUS rollback, is to develop and institutionalize a new state permit program. In Fiscal Year 2021, Ecology is redirecting vacancy savings to support 2.0 FTEs, one of which is already hired, and redirecting the work of 0.25 funded FTEs to start the rulemaking process and begin development of the program.

#### **Workforce Assumptions:**

<b>Expenditures by Object</b>		<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
A	Salaries and Wages	390,836	390,836	390,836			
B	Employee Benefits	143,046	143,046	143,046			
E	Goods and Services	34,344	34,344	34,344			
G	Travel	16,722	16,722	16,722			
J	Capital Outlays	9,822	9,822	9,822			
T	Intra-Agency Reimbursements	146,282	146,282	146,282			
<b>Total Objects</b>		<b>741,052</b>	<b>741,052</b>	<b>741,052</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### **Staffing**

<b>Job Class</b>	<b>Salary</b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
ENVIRONMENTAL SPECIALIST 4	70,959	3.00	3.00	3.00			
ENVIRONMENTAL SPECIALIST 3	61,219	2.00	2.00	2.00			
ENVIRONMENTAL SPECIALIST 2	55,521	1.00	1.00	1.00			
FISCAL ANALYST 2		0.60	0.60	0.60			
IT APP DEVELOPMENT-JOURNEY		0.30	0.30	0.30			
<b>Total FTEs</b>		<b>6.9</b>	<b>6.9</b>	<b>6.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

#### **Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

#### **How is your proposal impacting equity in the state?**

Affected communities include the development community and those building single-family residences. Authorization delays can result in missed construction schedules and increased costs, which are passed on to buyers. If the state does not issue administrative orders to protect non-federally regulated wetlands and waters, these waterbodies are at risk of greater pollution, and adversely affecting clean water-dependent industries such as Washington's shellfish industry which employs more than 3,200 people and generates about \$270 million annually to the state economy. Many shellfish farms are family-owned or tribally-held businesses, and are located in areas with disadvantaged populations. About 80 percent of Washington shellfish growers employ ten or fewer people.

The industry needs clean water as well as healthy shorelines and watersheds to cultivate and sell shellfish to consumers. Closing shellfish beds due to higher pollution levels will impact the ability of these small businesses to stay solvent. Reduction in water quality affects fish populations and the tribes that depend upon them for subsistence. Polluted water also affects the health of tribal members and residents living along watercourses. Finally, since wetlands help absorb and slow water from storms and floods, losing wetlands will increase community flood risks, particularly for lower-income communities located in flood hazard zones. Flooding can also negatively impact small farms by ruining crops, threatening livestock, and eroding protective levees.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential for implementing three goals in Ecology's strategic plan:

- Support and Engage our Communities, Customers, and Employees, by providing sufficient resources to process application for administrative orders in a timely manner. Our customers receive appropriate review and timely decision-making. Employees are supported through the equitable division of an increased workload.
- Reduce and Prepare for Climate Impacts, because wetlands can store climate changing greenhouse gases and offset sea level rise by providing areas for inundation and a buffer from storm surges. Wetlands store water which is released during low water periods assisting with drought mitigation.
- Deliver Integrated Water Solutions because wetlands help mitigate water shortages by storing and slowly releasing water to maintain base stream flows and provide water during increasing dry periods.
- Protect and Restore Puget Sound, because in the Puget Sound basin, protecting wetlands and headwater streams while offsetting adverse impacts is critical for:
  - Maintaining base flows in streams.
  - Attenuating flood waters.
  - Improving water quality.
  - Providing habitat and food web support for salmon which endangered South Resident orcas rely for survival.

This request supports a high priority on Ecology's risk register, "Federal Environmental Rollbacks", and will allow Ecology to comply with Executive Order 1606 – State Agency Enterprise Risk Management.

This request provides essential support to the Governor's Results Washington Goals:

- Goal 2: Prosperous Economy, because delays in receiving authorizations means higher costs for public and private developers. Having sufficient staff to process administrative orders while simultaneously beginning to develop a streamlined permit program will ensure that requests for authorizations are processed as expeditiously as possible so that development projects are not unduly delayed.
- Goal 3: Sustainable Energy and a Clean Environment, because administrative order, now, and a permit program, in the long term, will ensure that we can fully protect state wetlands and waters that recently lost federal protection under the new WOTUS definition. Wetlands provide habitat for a wide range of plants and animals. Many of our threatened and endangered species depend upon wetlands for some part of their life cycle.

In addition to preserving healthy habitat, wetlands provide benefits to agricultural production, and recreational opportunities such as bird watching, fishing, hunting, and hiking. Healthy wetlands are also essential for maintaining clean water necessary for our shellfish industry.

### **Performance Outcomes:**

An important outcome of this request will be the ability to issue more timely authorizations than with existing staffing levels. Wetlands and ephemeral streams (flowing only in response to rain or snowfall) will be protected and the ecosystem benefits they provide will be maintained, including:

- Providing food web and base stream flow support.
- Filtering pollutants.
- Attenuating floods.
- Providing fish and wildlife habitat, and recreational opportunities.

Ecology will collect data on the number of administrative orders issued each year to determine if our assumptions on the increased number of orders we expect to process and the number of staff needed to process them are correct.



## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Ecology is coordinating with the USACE so that we are notified about jurisdictional determinations that require administrative orders. We reached out the Washington Association of Cities and the Washington State Association of Counties and they support the development of a streamlined permit program in the future.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

None at this time. However, Ecology may need future statutory authority to charge a fee for a new permit program.

### **Puget Sound Recovery:**

This request contributes to the Puget Sound Action Agenda through the following Regional Priorities:

- CHIN1. Protect all remaining salmon habitat, optimize a net gain in ecosystem function and habitat productivity, and build a region-wide accountability system that is comprehensive, accessible, and transparent.
- CHIN 1.10 Enforce and improve compliance with existing regulations. Ensuring compliance with existing regulations is important for ensuring that important wetland habitats are protected and maintained. When impacts occur they are adequately mitigated.
- CHIN2. Establish and enforce water quantity and quality standards that protect, conserve, and restore water resources for salmon.
- CHIN 2.4 Effectively implement and enforce existing regulations and report periodically. The purpose of Section 401 certifications and administrative orders are to give reasonable assurance that proposed projects will meet state water quality standards and other applicable state laws.
- FP2. Design and identify multiple-benefit solutions and strategies.
  - FP 2.2 Address barriers to improve implementation of plans, priorities, and regulations. Issuing administrative orders will reduce adverse impacts by allowing mitigation to be aligned with regional plans. Effective mitigation can be encouraged through the support of regional plan priorities.
- EST2. Design landscape-scale, multiple-benefit solutions for estuary restoration.
  - EST 2.4 Align implementation or revision of regulations. Ensuring that implementation of water quality regulations is consistent with restoration priorities can help in achieving estuary restoration.
- LDLC1. Enable protection and planning by addressing information needs about the most ecologically important areas.
- LDC 1.4. Increase human and technical capacity of staff for planning, implementation, and enforcement.

This package would provide necessary capacity to ensure water quality is maintained. Ecology needs to conduct compliance and enforcement of our permit conditions. This proposal would increase our technical capacity for issuing and monitoring wetland administrative orders.

### **Legal or Administrative Mandates:**

This request is in direct response to the changes to the federal definition of WOTUS. The definitional change had the unfortunate effect of shifting a tremendous workload from the federal government to state government. We need adequate resources to address this increased workload.

Currently the WOTUS rule is under litigation. On May 1, 2020 Washington joined a coalition of 16 other states, the District of Columbia, and New York City in filing for an injunction to overturn the WOTUS rule. On May 18, 2020, the coalition filed for a stay of the rule pending a decision in the case. The stay was denied on June 19, 2020 and the 2020 WOTUS rule is now in effect in Washington. The anticipated timeline for the litigation is unclear, and will likely not be decided in the near future. Any change in the legal proceedings that impact Ecology's staffing needs, or this Decision Package, will be promptly communicated to OFM and Legislature.

### **Stakeholder Response:**

This request has not been shared with stakeholders. It is possible the development community will have concerns about a fee-based permit program in the future. They may also have concerns about project delays. We will be reaching out to them regarding the general issue of an increase in state authorizations needed, and the likely processing delays that will occur with existing staff resources. We will begin soliciting their input for a more proactive approach to address the increased workload in September 2020.



## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

## Objects of Expenditure

<b>Objects of Expenditure</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2022</b>	<b>2023</b>	<b>2021-23</b>	<b>2024</b>	<b>2025</b>	<b>2023-25</b>
Obj. A	\$391	\$391	<b>\$782</b>	\$391	\$0	<b>\$391</b>
Obj. B	\$143	\$143	<b>\$286</b>	\$143	\$0	<b>\$143</b>
Obj. E	\$34	\$34	<b>\$68</b>	\$34	\$0	<b>\$34</b>
Obj. G	\$17	\$17	<b>\$34</b>	\$17	\$0	<b>\$17</b>
Obj. J	\$10	\$10	<b>\$20</b>	\$10	\$0	<b>\$10</b>
Obj. T	\$146	\$146	<b>\$292</b>	\$146	\$0	<b>\$146</b>

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Department of Ecology  
2021-23 Regular Budget Session  
Policy Level - DZ - Water Right Adjudications

## Agency Recommendation Summary

The Department of Ecology is proposing an adjudication of water rights in the Nooksack (Water Resource Inventory Area 1) and Lake Roosevelt and Middle Tributaries (Water Resource Inventory Area 58) watersheds. A general adjudication of surface and groundwater rights will determine who has a legal right to use water and the volume of each right. Water is critical for both fish and wildlife and economies in these basins, but uncertainties about tribal senior water rights, unquantified claims, and the validity of water uses pose ongoing impediments to effective water management to support the state's environment and economy. Adjudication of these basins will provide urgently-needed resolution of water rights disputes. (General Fund-State)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	2.3	2.3	2.3	4.0	4.0	4.0
<b>Operating Expenditures</b>						
Fund 001 - 1	\$463	\$537	\$1,000	\$779	\$779	\$1,558
Total Expenditures	\$463	\$537	\$1,000	\$779	\$779	\$1,558

## Decision Package Description

### Context

While water uncertainty is a challenge statewide, some watersheds face particularly significant uncertainty about the legal validity of water rights. "Uncertainty" here means that Ecology cannot definitively determine how much water is legally available for use; who is entitled to its use; whether the rights, certificates, and claims are valid; or the legal priority of water rights during water shortages. Lack of clarity about who has the legal right to use water creates obstacles to current and future water management in the face of increasing competition for in- and out-of-stream needs.

A water right adjudication applies the current law of "prior appropriation" to existing water rights by reviewing historic use and documentation. It is a comprehensive and meticulous process where Ecology joins all water users in the basin in a superior court process. Users then submit their water right to be evaluated by the court and listed on an inventory according to priority date and quantity. For more detailed information about the adjudication process, please refer to Ecology's legislative report and publication "Process for Conducting a Water Rights Adjudication" at <https://fortress.wa.gov/ecy/publications/documents/1011013.pdf>.

To date, only one general stream adjudication joining tribal and federal parties has occurred in Washington state courts, and it was specific to only surface water (did not address groundwater withdrawals). Specifically, Ecology has concluded the superior court phase of adjudication of surface water rights in the Yakima Basin in *Dep't of Ecology v. Acquavella et al.*, Superior Court for Yakima County, No. 77-2-01484-5. This work involved identifying surface water rights; determining whether water rights remained valid; identifying seniority of each water right; and resolving many conflicts between and among those rights. This adjudication started in 1978 and a final superior court decree was entered in 2019. This final adjudication provided certainty among surface water users, the Yakama Nation, and the U.S. Bureau of Reclamation.

The time required for adjudications will vary depending upon the number of water withdrawals and funding provided for the review and process.

Tribal claims to water are unresolved throughout the state, except for those of the Yakama Nation in the Yakima Basin. Historically, many small stream adjudications were completed in local areas, but these did not resolve senior claims of tribes or federal parties. We expect future adjudications to be significantly more efficient due to legal clarifications from judicial decisions in *Acquavella* and other water right litigation, amendments to the adjudication statute, and innovations in technology.

This request does not require statutory amendment. The current statutory framework clearly prioritizes rights between competing water needs ("prior appropriation"). But the law is not self-executing and Ecology cannot fully manage water without using the tool of adjudication, which requires a superior court process and funding to inventory all water rights.

Note: More detailed and complete information related to this Decision Package is in Ecology's related Legislative Report, which will be available by October 2020.

### Current Condition – Problem Statement

At the Legislature's direction in 2019, Ecology conducted a statewide overview of the need for water rights adjudications, then assessed in detail four watersheds with substantial uncertainty about legal water use. Two of these watersheds reviewed face profound and time-sensitive needs for improved water regulation. This budget request is for resources to initiate the process for adjudications in the Nooksack (Water Resource Inventory Area (WRIA) 1) and Lake Roosevelt and Middle Tributaries (Lake Roosevelt and WRIA 58) watersheds to address:

- Profound, inevitable risk of state water management to senior water claims of tribes and absence of integration between state and tribal water management on- and off-reservation.
- Chronic local water disputes due to the unresolved legal status of tribal rights, streamflow rules, and state water rights (irrigation, municipal, domestic, and industrial).
- Restricted ability for Ecology to fairly and comprehensively protect legal water use, enforce against unlawful water use, and ensure protection of streamflow.
- Challenges to local growth management and other planning that relies on clarity of legal water availability.
- Cost-intensive and unpredictable results when changing and transferring water rights. This inhibits establishment of water mitigation banks, which are critical tools to protect streamflow while allowing out-of-stream uses.
- Ongoing investment of time and expense over many years in local efforts that, to date, have not yielded complete or satisfactory water management solutions, despite widespread good-faith efforts and resources.
- Increasing uncertainty and risk of water disputes with neighboring states, sovereign tribes, and federal parties.
- Disproportionate impact to the natural resources (including critical habitat for listed salmon), subsistence, and economies of tribal Communities where historic inequity has compromised the health and safety of Native people for generations.
- Lost opportunities for multilateral negotiation of water resource solutions that will be protected by court decrees through an open and established court adjudication process.
- Disincentives to water conservation. Without fully quantified water rights, many water users will be concerned that conservation of water will result in loss of the right. In certain instances, non-use of water for more than five years can result in loss of that right.

### **Unique Opportunity to Proceed Efficiently**

In 2019 and 2020, a unique opportunity arose when three federally-recognized tribal governments petitioned Ecology under state law to use the state's court process for water right adjudication. Historically, tribes have resisted state jurisdiction over treaty and reservation water, which has led to many years of litigation over jurisdiction and venue by tribal and federal parties when states pursue adjudication. The three petitions recently received – from the Lummi Nation, Nooksack Tribe, and Confederated Tribes of the Colville Indian Reservation – demonstrate that these tribes assent to the determination of their priority and quantity of water rights by the state of Washington.

The tribes' willingness to enter state courts to resolve water rights presents an unprecedented opportunity to make immediate progress to address the fundamental legal underpinnings of water management, and provide more certainty to all water users. With the willing participation of tribal governments, Ecology can make strides for the environment, the economy, and justice that will result from a court's determination of the legal status of water rights.

To bring tribal and federal parties into state court, however, the state must adjudicate all pertinent water users in a comprehensive general stream adjudication. Adjudication will apply the law fairly and consistently to all claimants of a water source, including individual, municipal, tribal, federal, and instream flow water rights.

### **Proposed Solution**

Adjudications of water rights in these two watersheds will commence a long-term, but necessary process. This work will result in court decrees that will resolve conflicts and claims for water rights among all parties. Ecology will have an accurate inventory of water rights for new permit decision, water right changes, and enforcement. Water users whose water rights are now only tentative will have more certain and permanent water rights established in the adjudication.

Certainty of water rights will allow for secure, long-range planning of water use and protection. Adjudicated rights can be accurately valued in efficient water markets, and security of legal status can underpin investments in water-related infrastructure and water conservation.

This request will enable Ecology to complete pre-adjudication work and initiate adjudications in these two critical and time-sensitive watersheds. Costs are based on preparation and filing of the initiating petitions in superior courts to adjudicate the Nooksack (WRIA 1) and Lake Roosevelt and Middle Tributaries (WRIA 58) watersheds. Ecology anticipates we will facilitate collaboration and negotiation of water disputes throughout the court process, similar to the way it has happened in other adjudications in Washington and other states.

Four Ecology staff are currently working on adjudication related activities during the 2019-21 Biennium:

- One WMS Band 2 FTE is compiling the legislatively directed report to frame the path to new adjudications. This project FTE was funded in the 2019-21 Operating Budget on a one-time basis.
- Three FTEs continue to finalize paperwork, issue superseding water right certificates, file documents with courts, and local governments etc., to bring the *Acquavella* adjudication matter to a close. This work is expected to continue through the 2021-23 Biennium. These three staff also have provided analysis and information for the project manager's compilation of recommendations for the next two adjudications. Once these three existing staff finish work the Yakima Basin matter, they will transition and begin work to initiate and administer the two new adjudications proposed in this request.

The transition to new adjudications will:

- Use the skills and expertise of three current adjudication staff (one Environmental Specialist 4 (ES4) and two ES3 positions).
- Make the one WMS Band 2 Manager an ongoing position to lead and manage the new adjudications.
- Add IT staff and legal support in preparing for new adjudications.

The FTEs that will transition to the new adjudication work are part of Activity A003 – Implementing Integrated Solutions to Protect Instream Resources.

#### **Purchase Description**

This request will support additional staff (above the three ongoing FTEs mentioned above) needed to complete the pre-adjudication and preparation work necessary to file petition(s) for adjudication in state superior court. This includes the manager, analyst, and information technology (IT) positions described below. It also includes legal support through the Office of the Attorney General (AGO) and provides funding for the Administrative Office of the Courts (AOC) for costs associated with the adjudication filing.

#### **Benefits of continuing from assessment into pre-adjudication work**

Additional funding in the 2021-23 Biennium will allow Ecology to build on and continue the work that is currently underway to prepare for future adjudications. During the assessment phase that was funded in the 2019-21 Biennium, Ecology has made significant progress toward the pre-adjudication work that will be required next. Funding this request will allow Ecology to complete the pre-adjudication work and initiate court filings in Fiscal Year 2023.

This request will also build on Ecology's current capacity of three staff and legal advisors who have extensive experience with the Yakima adjudication. Transitioning current staff to new adjudication work during the 2021-23 Biennium will avoid the costs of losing institutional knowledge. Likewise, initiating two adjudications in tandem will allow for simultaneous work on two projects, which will be far more efficient than if adjudications were delayed or spread out over the coming years. Staff working on the Yakima adjudication have helped support the adjudication assessment process during the 2019-21 Biennium, and will transition to pre-adjudication work for new adjudications beginning in the 2021-23 Biennium.

As described above, currently there are important factors favorable to adjudicating in these two basins. With the willing participation of tribal governments, Ecology can make strides for the environment, the economy, and justice that will result from a court's determination of the legal status of water rights. A gap now in Ecology's adjudication work could jeopardize this unique opportunity.

While uncertainty exists based upon many factors, Ecology anticipates these two adjudications could last up to twenty years. Future funding will be requested each biennium to ensure that all state and local needs are identified and supported, including costs for Ecology, the AGO, AOC, and local governments. Depending on the ongoing needs of each case, Ecology will coordinate requests of additional legal representation and judicial staff to ensure adequate staffing and efficient progress.

#### **Impact on population served:**

Adjudication will directly impact water users in the adjudicated watersheds, particularly water rights holders and tribal populations. There are approximately 5,400 recorded water users in the Nooksack Basin, and approximately 843 within Lake Roosevelt and the Middle tributaries (WRIA 58). An additional estimated 15,000 rural landowners may have water rights based on their use of permit-exempt wells. Permit exempt users would be joined in the adjudication through a simplified process that would confirm their legal quantity and ensure they are not impairing senior rights. (Adjudication proceedings do not include water users who obtain water from a municipal purveyor or by contract with an irrigation district.)

An adjudication will give water users a formal determination of their rights to use water, with associated values, affirmed by a court and embodied in the court's decrees. Aligning water uses with legal rights to use water, through a superior court adjudication process, reduces uncertainty about legal availability of water for economic development. Clear legal protection of water rights through a court decree facilitates well-founded permitting and enforcement, benefiting streamflow and ecosystems and protecting endangered species.

While adjudication entails substantial time and expense, it ultimately resolves and reduces local and legislative conflict over water resources.

#### **Alternatives Explored:**

Adjudication is a fundamental water management tool provided for in the state law. Ecology is also authorized to adopt streamflow protection rules, approve or deny water right permit applications, and advise counties on legal water availability. Without adjudication, however, existing legal mechanisms are insufficient to fairly and completely regulate water use.

Processes that are less formal than court adjudications were considered. In fact, in these two watersheds, Ecology and many other parties have invested substantial time and resources in alternative water management solutions for decades. These alternative solutions have not yet resolved local disputes about water rights, despite many years of good-faith effort.

Ecology explored a request that would involve a larger team and more expansive efforts toward adjudication in the four watersheds that were evaluated in detail for the assessment phase conducted during the 2019-21 Biennium. In considering current budget constraints, Ecology selected only the two most urgent watersheds for this budget request.

### Consequences of Not Funding This Request:

If this request is not funded, state and local government ability to successfully manage water needs in these watersheds would continue to be limited by a lack of water right certainty. Considerable state, local, and tribal investments in watershed planning, water supply development, prior litigation, and other flow improvement efforts would continue with limited effectiveness. Current challenges would only get worse with time, and when adjudication is eventually attempted, it would be even more expensive and time-consuming than if started now.

The impacts of water use uncertainty are exacerbated by climate change. Failure to prepare and file adjudications in these areas, or any delay, threatens irrevocable change to stream habitat, threatened species of salmon, and the communities' ecosystems that depend on them.

Particularly in these identified watersheds, Washington and water users would remain vulnerable to claims by tribal and federal governments in the event tribes brought legal actions against Washington State for impairing tribal water rights.

## Assumptions and Calculations

### Expansion, Reduction, Elimination or Alteration of a current program or service:

This request would expand Activity A003 – Implementing Integrated Solutions to Protect Instream Resources by providing funding for additional staff and legal resources to initiate work on two new adjudications in the Nooksack (WRIA 1) and Lake Roosevelt and Middle Tributaries (WRIA 58) watersheds. Work on adjudications is only a portion of Activity A003. There are currently four FTEs (one project; three permanent) working on adjudication work. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is also in the agency's Administration Activity A002, but not included in the totals below.

<b>A003 – Implementing Integrated Solutions to Protect Instream Resources</b>		
	<b>2017-19*</b>	<b>2019-21</b>
FTEs Total	30.3	47.5
001-1 General Fund State	\$9,539,965	\$17,302,000
001-2 General Fund Federal	\$197,635	\$198,000
001-7 General Fund Private/Local	\$134,750	\$135,000
02P-1 Flood Control Assistance	\$1,819,591	\$1,508,000
22K-6 Watershed Restoration Enhancement	\$0	\$623,000
489-1 Pension Funding Stabilization Account	\$446,847	\$354,000
Other Dedicated Accounts	\$133,583	\$415,000
<b>TOTAL</b>	<b>\$12,272,371</b>	<b>\$20,535,000</b>

\*2017-19 amounts combine Activities A001 and A003. Activity A001 – Clarify Water Rights was discontinued in 2019-21 and combined with Activity A003.

### Detailed Assumptions and Calculations:

#### Assumptions:

1. All funding would be from General Fund-State.
2. Staff requested as part of this Decision Package will perform pre-adjudication work during the 2021-23 Biennium in preparation for filing adjudication in superior court at end of Fiscal Year 2023 or beginning of Fiscal Year 2024.
3. Ecology's three existing permanent FTEs, currently working on closing the Yakima adjudication, will transition to supporting the new adjudications during the 2021-23 Biennium. The FTE resources requested in this Decision Package are in addition to Ecology's current base of three FTEs.
4. Beginning in Fiscal Year 2024, staff (both base and requested in this Decision Package) will review water right claims and coordinate with local courts to issue summons and service to relevant parties in the first new adjudication filed in the Nooksack Basin. During Fiscal Year 2024, preliminary steps will be taken to prepare for adjudication in the Lake Roosevelt Middle Tributaries Basin.
5. Beginning in Fiscal Year 2025, staff will review water right claims and coordinate with local courts to issue summons and service to relevant parties in the second new adjudication in the Lake Roosevelt Middle Tributaries Basin. Work will continue in the Nooksack Basin.
6. Funding for AGO and AOC legal support will be passed through to these partner agencies via inter-agency agreements (IAAs).
7. Ecology anticipates each adjudication will take a minimum of five biennia to complete once filed in Superior Court.

Beginning July 1, 2021, Ecology will require salary, benefits, and associated staff costs for 1.0 FTE WMS Band 2 and 1.0 FTE IT Application Development Specialist to perform pre-adjudication work to prepare for filing in superior court. Funding is also required for increased legal support through the Office of the Attorney General (AGO), and for the Administrative Office of the Courts (AOC) to conduct an assessment



and determine initial costs of preparing for adjudication filing. These FTEs and base legal costs are ongoing and/or increase gradually in future biennia.

Beginning July 1, 2023, Ecology will require salary, benefits, and associated staff costs for 1.5 FTE ES3 to conduct reviews of all water right claims relevant to the basis being adjudicated. These new FTEs will assist with preparing and issuing summons and service requirements to notify relevant entities that they are party to the adjudication. In addition to the increase in staffing needed, Ecology anticipates that costs related to both AGO and AOC assistance will increase as court related work and support for the local court, county clerk, and court reporting workload increases as proceedings commence. These FTEs and legal costs will be ongoing and/or increase in future biennia.

Beginning July 1, 2025, Ecology will require salary, benefits, and associated staff costs for an additional 0.5 FTE ES3 to conduct reviews of all water right claims relevant to the basis being adjudicated. This position will also assist with the preparing and issuing summons and service requirements to notify relevant entities that they are party to the adjudication. In addition to the staffing needed, Ecology anticipates that costs related to both AGO and AOC assistance will continue to increase as court related work and support for the local court, county clerk, and court reporting workload continues to increase. These FTEs and legal costs will be ongoing and/or increase in future biennia.

Ecology has coordinated with the AGO and AOC regarding this budget request. Ecology will need AGO support in the form of legal advice, preparation, and filing of adjudication petitions. For AOC, funding is needed to assess and support an increase in staffing for local superior court clerks and ultimately, for increased judicial staff when necessary to address the extraordinary costs of high-volume litigation.

#### Summary of Staffing Resources and Legal Support Funding Needed Each Biennium:

##### 2021-23 Biennium:

- 1.0 FTE WMS Band 2 (ongoing)
- 1.0 FTE IT Application Development Specialist (ongoing)
- AGO Support - \$97,000
- AOC Support - \$97,000

##### 2023-25 Biennium:

- 1.5 FTE ES3 (ongoing)
- AGO Support - \$200,000
- AOC Support - \$200,000

##### 2025-27 Biennium:

- 0.5 FTE ES3 (ongoing)
- AGO Support - \$500,000
- AOC Support - \$300,000

#### Workforce Assumptions:

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
A	Salaries and Wages	220,179	220,179	312,008	312,008	342,617	342,617
B	Employee Benefits	80,586	80,586	114,195	114,195	125,398	125,398
E	Goods and Services	71,448	145,448	220,034	220,034	422,896	422,896
G	Travel	5,574	5,574	9,755	9,755	11,148	11,148
J	Capital Outlays	3,274	3,274	5,730	5,730	6,548	6,548
T	Intra-Agency Reimbursements	82,410	82,410	116,780	116,780	128,236	128,236
<b>Total Objects</b>		<b>463,471</b>	<b>537,471</b>	<b>778,502</b>	<b>778,502</b>	<b>1,036,843</b>	<b>1,036,843</b>

#### Staffing

Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
WMS BAND 2	108,000	1.00	1.00	1.00	1.00	1.00	1.00
IT APP DEVELOPMENT-SENIOR/SPECIALIST	112,179	1.00	1.00	1.00	1.00	1.00	1.00
ENVIRONMENTAL SPECIALIST 3	61,219			1.50	1.50	2.00	2.00
FISCAL ANALYST 2		0.20	0.20	0.35	0.35	0.40	0.40
IT APP DEVELOPMENT-JOURNEY		0.10	0.10	0.18	0.18	0.20	0.20
<b>Total FTEs</b>		<b>2.3</b>	<b>2.3</b>	<b>4.0</b>	<b>4.0</b>	<b>4.6</b>	<b>4.6</b>

**Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE. Also included are AGO and AOC IAA costs of \$194,000 in 2021-23, \$400,000 in 2023-25, and \$800,000 in 2025-27.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

**How is your proposal impacting equity in the state?**

Insufficient water management disproportionately affects tribal communities and tribal members in the two identified watershed areas – Nooksack (WRIA 1) and Lake Roosevelt and Middle Tributaries (WRIA 58). The waters subject to these petitions are a central focus to the culture, identity, and well-being of these tribes. Securing adequate water is essential for a range of needs among these economically vulnerable populations. These tribes have steadfastly pursued protection and restoration of salmon populations and other species and habitats without having adequate tribal participation in water management decisions that affect these environmental and cultural imperatives.

Ecology does not have legal authority to recognize or protect tribal water rights without an adjudication. Adjudication is the only complete process that will comprehensively address longstanding inequities around water for:

- The Lummi Nation and Nooksack Tribe by resolving their claims to water for their reservations and any water for treaty rights fisheries and shellfish.
- The Colville Confederated Tribes by resolving their claim to water for their reservation, including water from the Columbia River, which forms the reservation boundary. This includes water for fisheries, domestic, municipal, agricultural, and other uses as claimed by the Colville Tribes.
- The Spokane Tribe by resolving its claim to water in Lake Roosevelt (this does not include the entire Spokane land reservation at this time).

## Strategic and Performance Outcomes

**Strategic Framework:**

This request is essential to implementing Ecology's strategic plan because it supports the goals to:

- Protect and manage our state's waters.
- Reduce and prepare for climate impacts.
- Support and engage our communities, customers, and employees.

Both watersheds that need adjudication are:

- Essential habitats for endangered salmon, including the orca food chain in the Nooksack watershed, and other listed species.
- Experiencing detrimental impacts from climate change on the ecosystem and reliability of water supplies.
- Profoundly vulnerable to tribal claims of senior water rights and lacking coherent water management between states and tribes.
- Critical to supporting the cultures, health and subsistence of tribal populations that experience disproportionate impacts to environmental degradation

This request provides essential support to the Governor's Results Washington Goal 3, Sustainable Energy and a Clean Environment by helping to meet economic and community needs for reliable water supplies, while protecting and enhancing river flows for fish.

**Performance Outcomes:**

The outcome of this request will be the preparation and filing of adjudication[s] in the identified watershed(s).

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Ecology has conducted significant intergovernmental outreach in its adjudication assessment process to date (see details in Legislative Report when available). In its adjudication assessment, Ecology has met with all area tribes, the Department of Justice, the Bureau of Indian Affairs, and other federal parties. Regarding a potential Nooksack adjudication, Ecology has met with local governments (Whatcom County, the Cities of Bellingham and Lynden, water districts and the Public Utility District), the local watershed planning unit and management board, and local interest groups including those representing agriculture, development, and environmental protection. Ecology has received widespread support from tribes, environmental groups, fisheries interests, and real estate and development interests.

Ecology has continuously engaged agricultural interests, who oppose adjudication, including in-person meetings and site tours earlier in the year and agriculture representatives' ongoing communication with Ecology's Director and program manager. With regard to the Upper Columbia and Lake Roosevelt, Ecology has met with all affected tribes, the Department of Justice, the Bureau of Indian Affairs, and the Bureau of Reclamation. Ecology has additionally met with Stevens County and has conducted internal coordination with Ecology's Office of Columbia River. Ecology has not received any formal opposition.

Ecology will continue to engage with tribes to identify issues, concerns, and opportunities for addressing tribal senior water rights. Ecology will perform outreach to local governments to assist them in educating their citizens. Ecology will continue to work with the AOC and relevant county clerks to ensure adequate support of impacts of adjudication to local government. Ecology will continue to work with federal agencies and other state agencies prior to joining them in an adjudication proceeding.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

There is a mix of opposition and support for adjudication, consistent with current disputes over water rights. Individual stakeholder comments and positions received are detailed in Ecology's Legislative Report due September 2020.

Those with strong and senior claims are more inclined to support adjudication than those with junior and less certain claims. The cost of adjudication is a deterrent, but the certainty that is provided once an adjudication is complete encourages local economic development and environmental protection.

## Reference Documents

[Water Right Adjudications IT Addendum.docx](#)

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

Yes

## Objects of Expenditure

<b>Objects of Expenditure</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2022</b>	<b>2023</b>	<b>2021-23</b>	<b>2024</b>	<b>2025</b>	<b>2023-25</b>
Obj. A	\$220	\$220	<b>\$440</b>	\$312	\$312	<b>\$624</b>
Obj. B	\$81	\$81	<b>\$162</b>	\$114	\$114	<b>\$228</b>
Obj. E	\$71	\$145	<b>\$216</b>	\$220	\$220	<b>\$440</b>
Obj. G	\$6	\$6	<b>\$12</b>	\$10	\$10	<b>\$20</b>
Obj. J	\$3	\$3	<b>\$6</b>	\$6	\$6	<b>\$12</b>
Obj. T	\$82	\$82	<b>\$164</b>	\$117	\$117	<b>\$234</b>

## Agency Contact Information

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# 2021-23 IT ADDENDUM

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**NOTE:** Only use this addendum if your decision package includes IT costs and DOES NOT relate to implementation of the One Washington project.

## Part 1: Itemized IT costs

Please access the 2021-23 IT Fiscal Estimate Workbook imbedded in this document below.

Agencies must itemize all IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. When itemizing costs, please consider the total cost of the combined level of effort which includes: the associated costs, from planning through closeout, of state, vendor, or both, in order to purchase, acquire, gather and document requirements, design, develop or configure, plan or conduct testing, and complete implementation of enhancement(s) to an existing system.

Please itemize all IT cost associated with this request where you are not asking for additional funding. These costs are considered in-kind and provided through existing agency base. Detailed costs from existing agency base should be entered on the in-kind tab within the 2021-23 IT Fiscal Estimate Workbook.



## Part 2: Questions that support the reuse of existing state resources

To ensure effective reuse of existing state resources, all IT investments — including project IT expenditures — are expected to comply with IT statutes and policies. The answer to these questions will help OCIO and OFM determine if the decision package will be funded.

- A. Does this investment provide for acquisition of, or enhancement to, an administrative or financial system? ☐ Yes ☒ No
- B. If Yes, has this decision package gone through the Administrative and Financial System review as required in [\(SAAM\) section 80.30.88](#)? ☐ Yes ☐ No
- If Yes, attach the approval letter.
- If No, do not submit the decision package. Recommendation will be “Do Not Fund”.
- C. Does this decision package fund the acquisition or enhancement of equipment or facilities in any agency data centers? (See [OCIO Policy 184](#) for definition.) ☐ Yes ☒ No

- D. If yes, do you have an approved waiver to proceed with this proposed investment? ☐ Yes ☐ No

If Yes, attach a copy of the waiver approval.

If No, do not submit this decision package. Recommendation will be “Do Not Fund”.

- E. For Health and Human Services agencies (HHS Coalition) DCYF, DOH, DSHS, HCA and Washington Health Benefit Exchange, has this project been screened for inclusion in the HHS Coalition portfolio? ☐ Yes ☐ No

If Yes, this is part of the HHS Coalition portfolio, has this project received HHS Coalition project initiation approval? ☐ Yes ☐ No ☐ N/A

If answer to the first HHS Coalition question is Yes (or N/A for second question), attach approved HHS Coalition Project Initiation Form.

If No to either HHS question, do not submit the decision package. Recommendation will be “Do Not Fund”.

### Part 3: Maintenance and policy level decision packages

Answers to these questions will be used in part to determine if the decision package will be evaluated and ranked by the OCIO as required by RCW 43.88.092.

- A. Does this decision package fund the acquisition or expansion of computer hardware capacity? ☐ Yes ☒ No

If Yes, where will the hardware solution be hosted? ☐ State Data Center  
☐ External Cloud

- B. Does this decision package fund the development or acquisition of a new or enhanced software solution or service? ☐ Yes ☒ No

If Yes, where will the software solution be hosted? ☐ State Data Center  
☐ External Cloud

- C. If response to question B is Yes, do you expect this to solution to exchange information with the state financial system (AFRS) or the OneWA solution? ☐ Yes ☐ No

- D. If response to question B is Yes, will this investment renew or procure facial recognition service? ☐ Yes ☐ No

- E. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.) ☐ Yes ☐ No

If Yes, name the project:

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(Project name published on the [IT Dashboard](#))

If you your decision package is maintenance and you answered “yes” to any of the above questions in Part 3, you must answer the questions in Part 4 below to finish the IT Addendum. All policy decision packages must answer question in Part 4.



## Part 4: IT Investment Questions

Please provide a response to the following questions. Responses will be evaluated and ranked by the OCIO as required by [RCW 43.88.092](#). Chapter 10 of the operating budget instructions contains the criteria used to evaluate 2021-23 decision packages.

### AGENCY READINESS

#### **Due diligence**

1. Summarize the feasibility or due diligence work completed in support of this decision package. Attach a copy of the feasibility study or other documentation of due diligence to the decision package.

#### **Governance and management**

2. What governance processes will support this project? Examples of governance processes include appropriately placed executive sponsor, representative steering committee, resourced vendor/contract management, change control, and incorporating stakeholder feedback into decision making processes. Provide examples of how your proposed budget includes adequate funding and planning for governance processes, if applicable.

#### **Planning and readiness**

3. Describe how your agency will resource the project management of this project. Will in-house resources be used, or will resources be acquired? How has organizational change management been factored into planning and approach? Has the project requested a project management approach to be used for this project? Describe whether project and organizational change management resources are included in this request or will be provided by in-kind resources. Describe whether the proposed budget includes costs associated with independent quality assurance.

### Technical alignment

#### **Strategic alignment**

4. Using specific examples, describe how this investment aligns with strategic elements of the Enterprise Technology Strategic Plan. Examples of strategic principles that tie back to tenets of the strategic plan include, but are not limited to: buy don't build, solutions hosted on modern hosting solutions, solutions promoting accessibility, early value delivery of functionality throughout the project, and modular implementation of project features.

#### **Technical alignment**

5. Using specific examples, describe how this investment aligns with technical elements of the Enterprise Technology Strategic Plan. Examples of technical principles that tie back to tenets of the strategic plan include, but are not limited to: technology reuse, data minimization, incorporating security principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

#### **Reuse and interoperability**

6. Does the proposed solution support interoperability and/or interfaces of existing systems within the state? Does this proposal reuse an existing solution or existing components of a solution already in use elsewhere in the state? If the solution is a new proposal, will it allow for such principles in the future? Provide specific examples.

## Business alignment

### **Business driven technology**

7. What are the business problems to be addressed by the proposed investment? These business problems should provide the basis for the outcome discussion below. Describe how end users (internal and external) will be involved in governance and implementation activities.

### **Measurable business outcome**

8. Strategic and Performance Outcomes (Chapter 2 - 2021-23 Budget Instructions) of the decision package response will be used to identify how this proposed IT investment improves business outcomes within your agency. The description in the decision package should provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology investment.

## Decision Package Urgency

9. Address the urgency of implementing the technology investment in this cycle and impacts to business if technology effort doesn't proceed as planned?



## Agency Recommendation Summary

Washington State has a growing list of polluted waterbodies and is required under federal law to restore water quality to our rivers and lakes. The major barrier to progress is a lack of resources for the technical work needed to identify sources of pollution. Being able to identify these sources will allow Ecology to reduce water quality discharge permit limits, where needed, to improve water quality for humans and wildlife. This request will provide technical staff and resources to create scientifically and legally defensible Water Cleanup Plans that set limits to clean up toxic pollution sources across the state and meet regulatory obligations. Currently, Washington is making limited progress on this front; and this request would increase resources and allow us to resolve today's known water pollution issues over the next 50 years. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	9.8	9.8	9.8	9.8	9.8	9.8
<b>Operating Expenditures</b>						
Fund 23P - 1	\$2,075	\$1,822	\$3,897	\$1,822	\$1,822	\$3,644
Total Expenditures	\$2,075	\$1,822	\$3,897	\$1,822	\$1,822	\$3,644

## Decision Package Description

### Overview of the Total Maximum Daily Load (TMDL) Process and Bottleneck

Under the federal Clean Water Act, all states are required to address known polluted waterbodies. Washington residents expect Ecology to clean up polluted water to ensure they have cool, clean water available for them and to support the natural resources they value, such as salmon and orca.

Here is a brief overview of the scientific process defined in federal law for bringing water bodies into compliance.

1. A lake, river, or stream segment is identified as being out of compliance with water quality standards.
2. Ecology takes steps to reduce pollution.
  - a. In a primarily rural watershed with few permitted facilities, we work with Conservation Districts and landowners to improve land management practices.
  - b. In a primarily urban or industrial watershed with several permitted facilities, we perform a Total Maximum Daily Load (TMDL) review.
3. TMDLs use water quality sampling and modeling to determine sources of pollution and the reductions that are needed to restore water quality. Models describe existing conditions and root causes and forecast outcomes and effects of discharge changes. When Ecology updates water quality permits, we use data from the TMDL to reduce the allowable discharges of pollutants.
4. As facilities take steps to reduce the contaminants of concern, water quality improves.

This budget request will provide the funding for Step 3, TMDL research and analysis, which is the current bottleneck for restoring water quality in about half of Washington's polluted water bodies. This request will fund the technical resources needed to produce the science required to develop these cleanup plans. The plans are then used to update permits and guide other actions to improve water quality for about half of the state's listings.

### Key Terms and Relationships for TMDLs, Cleanup Plans, and Impairments

TMDLs are the daily limits for specific pollutants to keep water quality within standards. A Water Cleanup Plan will cover an entire watershed and provide limits (TMDLs) for up to several pollutants across many river segments or water bodies. That means a single, complex Water Cleanup Plan typically addresses dozens – sometimes more than 100 – of known exceedances or impairments through its TMDLs. An impairment is a violation of water quality standards in a specific stretch of water.

### Current State of Polluted Water Bodies

Washington has over 4,500 rivers, lakes, and streams that are polluted and not meeting state water quality standards. Since 1998, Ecology has worked to address these polluted waters through Water Cleanup Plans.

Over 2,200 of the state's polluted waters require specialized scientists and modelers to determine from where, and from whom, the pollution is coming. These are complicated situations and usually involve a number of discharge permits that need rigorous science to accurately inform future permit requirements. Each Water Cleanup Plan is a comprehensive study that can develop multiple TMDLs for many listed water bodies and various pollution parameters.

Below are two links to Ecology's Water Quality Atlas website:

This first image shows the water bodies that do not meet water quality standards today (impairments):

[https://fortress.wa.gov/ecy/waterqualityatlas/map.aspx?](https://fortress.wa.gov/ecy/waterqualityatlas/map.aspx?CustomMap=y&RT=0&Layers=23,27,29&Filters=y,n,n,n&F1.4=n,n,n,n,y&BBox=-14338616,5395963,-12562831,6503994)

[CustomMap=y&RT=0&Layers=23,27,29&Filters=y,n,n,n&F1.4=n,n,n,n,y&BBox=-14338616,5395963,-12562831,6503994](https://fortress.wa.gov/ecy/waterqualityatlas/map.aspx?CustomMap=y&RT=0&Layers=23,27,29&Filters=y,n,n,n&F1.4=n,n,n,n,y&BBox=-14338616,5395963,-12562831,6503994)

This image shows where we have completed or are presently conducting TMDL analyses (as implementation takes time, many of these areas have not yet recovered to meet standards).

[https://fortress.wa.gov/ecy/waterqualityatlas/map.aspx?](https://fortress.wa.gov/ecy/waterqualityatlas/map.aspx?CustomMap=y&RT=3&Layers=25&Filters=n,n,n,n&BBox=-14338616,5395963,-12562831,6503994)

[CustomMap=y&RT=3&Layers=25&Filters=n,n,n,n&BBox=-14338616,5395963,-12562831,6503994](https://fortress.wa.gov/ecy/waterqualityatlas/map.aspx?CustomMap=y&RT=3&Layers=25&Filters=n,n,n,n&BBox=-14338616,5395963,-12562831,6503994)

### **Legal Obligations and Risks**

The Environmental Protection Agency (EPA) was sued in 1991, and again in 2019, due to the lack of TMDLs that Washington produced to address polluted water listings. The 2019 lawsuit calls for EPA to develop and submit federal Water Cleanup Plans/TMDLs, since the state has not produced them. Ecology has now intervened in this lawsuit, and EPA has asked Ecology what we can do to increase the pace and production so EPA does not have to develop these cleanup plans. EPA is not staffed to complete the plans. And, given Ecology's current resources, there is not capacity to produce them at the required pace. This request will help the state address more polluted waters and complete the required TMDLs; specifically those within high-priority, complex Water Cleanup Plans where permit holders play a key role in reducing sources of pollution.

If Ecology does not accelerate efforts under the federal Clean Water Act and complete TMDLs, we risk losing state control of these decisions. While there is no bright line test on how many TMDLs we need to complete each year, courts are more likely to defer to Ecology if we show that we have a robust program. If the pace of this work is not accelerated, it is very possible that EPA will be forced to regulate the waters of Washington State, rather than Ecology. This can result in loss of local control of the process, such as having EPA set new permit limits with minimal stakeholder engagement. We saw this when EPA developed their Columbia/Snake River TMDL.

### **Proposal for Increased Capacity**

This request will make additional investments in developing and implementing Water Cleanup Plans by addressing a key deficiency in technical support for plan development. Water Cleanup Plans are important because they provide the roadmap to focus regulatory, grant, and loan funding on the sources of pollution that need it most. These additional investments will significantly improve these plans and outcomes by ensuring sound science informs the plans, and they are completed in a timely manner to take advantage of regulatory efforts and federal and state funding opportunities. Without these plans in place, existing pollution sources are not adequately addressed to ensure we restore water quality for all residents; especially communities that live near and rely on those resources.

Ecology is understaffed to make substantial progress on the high-priority, complex Water Cleanup Plans. A complex Water Cleanup Plan can take five years from start to finish, and very complicated plans can take even longer. This technical work includes study design and development, field sampling, data review and management, modeling, analysis, and report writing and publishing.

Ecology currently has a total of ten modelers and field staff performing studies to develop Water Cleanup Plans. These ten staff produce one or two Water Cleanup Plans per biennium, which address approximately 25 impairments per year. At any given time, there are multiple plans in progress and in different phases of completion. Ecology works hard to concurrently support two to three complex studies; four medium-sized studies; and six smaller, less complex studies statewide. This request will provide eight additional modelers and field staff that will allow us to address an additional 22 (on average) impairments per year in prioritized areas across the state.

### **Impacts on Population Served:**

Right now, there are an estimated 185 Water Cleanup Plans that require scientific and modeling expertise to ensure defensible data and methods produce credible results to inform cleanup actions. These complex Water Cleanup Plans will address a backlog of over 2,200 water impairment listings – nearly half of all listings in the state. This investment will increase our capacity to target the highest priorities of those 2,200 impairments.

Even with more staff, there remains a significant backlog of projects. This investment will put Ecology on track to address the backlog of 2,200 water impairments by 2067. Although the backlog will persist for decades, Ecology will work with stakeholders to identify and complete the most important projects, while we continue to look for innovative ways to address the remaining impairments with other tools.

This request will increase efforts to specifically address complex parameters, such as dissolved oxygen and toxic pollution. Dissolved oxygen is vital for fish and aquatic life to "breathe" and survive, so it is critical that an adequate amount of oxygen is maintained in water to sustain aquatic life. For example, dissolved oxygen is impaired in Puget Sound due to excess nutrients, and Ecology is actively working on addressing these impairments. This request will directly support the work to restore water quality for a healthy Puget Sound. Toxic pollution, like polychlorinated biphenyls (PCBs) and metals, is harmful to fish and other aquatic animals and is a serious threat to human health. For example, sampling in the Spokane River found PCBs in fish, which has led the Washington Department of Health to issue a Health Advisory for eating Spokane River fish.

Restoring water quality is an obligation for Washington under the federal Clean Water Act and ensures our waters support recreation and businesses that rely on clean water, clean drinking water, and protection of fish, shellfish, wildlife, and public health. This request will address dissolved oxygen and toxic pollution that threaten the cool, clean water that Washington residents rely on.

### **Alternatives Explored:**

The alternative is to continue with the current capacity of completing one to two complex Water Cleanup Plans per biennium and prioritize our

efforts to meet the highest priorities when they arise. Under this scenario, the list of polluted waters will only grow. Additionally, as water quality permits are updated every five years, they will not provide the protection our rivers and lakes need.

#### Consequences of Not Funding This Request:

If funding is not approved, Ecology would continue to work on complex Water Cleanup Plans at an insufficient pace. Without an infusion of support and capacity, Ecology would continue to report inadequate progress for our state and federal TMDL milestones, and we would continue to fail to meet the requirements under the federal Clean Water Act. This would increase risk of the EPA losing its current lawsuit and the state losing jurisdiction over regulating its own waters and leading this important environmental work.

## Assumptions and Calculations

### Expansion, Reduction, Elimination or Alteration of a current program or service:

This request will expand Activity A007 – Conduct Environmental Studies for Pollution Source Identification and Control by providing additional staff to conduct complex Water Cleanup Plans to reduce pollution and protect water quality throughout Washington. It will also add needed infrastructure in the areas of supervisory, statistical, and administrative support. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is also in the agency's Administration Activity A002, but not shown in the totals below.

<b>A007 – Conduct Environmental Studies for Pollution Source Identification and Control</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	59.6	66.8
001-1 General Fund - State	\$0	\$65,000
001-2 General Fund - Federal	\$4,339,832	\$4,569,000
(173-1/19G-1) 23P-1 MTCA Operating	\$5,447,832	\$9,159,000
176-1 Water Quality Permit Fees	\$5,242,917	\$5,588,000
207-1 Hazardous Waste Assistance Account	\$68,000	\$11,000
<b>TOTAL</b>	<b>\$15,098,581</b>	<b>\$19,392,000</b>

### Detailed Assumptions and Calculations:

Beginning July 1, 2021 and ongoing, the following positions and resources will be needed to implement this request:

- 2.0 FTEs Environmental Engineer 5 (Senior-level engineers) - These specialists are necessary to conduct large, complex project modeling, analysis, and reporting. These positions will provide final quality assurance review to maintain high technical standards and have the lead responsibility on technical issues and project coordination.
- 1.0 FTE Environmental Engineer 3 (Journey-level engineer) - This position will support elements of these complex projects that don't require senior-level engineering expertise, including developing quality assurance project plans, project scoping development, and other project support.
- 1.0 FTE Hydrogeologist 3 (Project field lead) – This position will plan and lead project field activities, providing guidance, training, and technical support to the field staff positions as well as assisting with field sampling.
- 2.0 FTEs Hydrogeologist 1 (Project field staff) – Field staff are necessary to carry out the field sampling required for the Water Cleanup Plan studies. These two field staff positions will be the primary staff conducting field sampling, managing the samples, and conducting data review and data management.
- 1.0 FTE Natural Resource Scientist 4 (Lead statistician) – This position will provide the needed study design and statistical analysis work required for complex Water Cleanup Plan studies and other TMDL work. This will include assisting with quality assurance project plan development, interpreting data and modeling results, and providing expertise in defining uncertainties and communicating needed efficiencies. Complex cleanup plans need to be statistically defensible to ensure study results are meeting the credibility needs of the project.
- 1.0 FTE Environmental Engineer 5 (Unit Supervisor) – This position will manage, coordinate, and support workload priorities and progress of the new engineering and field staff funded by this request, as well as current program staff, that will be formed into a new unit within the Environmental Assessment Program (EAP) dedicated to Water Cleanup Plans.
- 0.5 FTE Administrative Assistant 3 (Administrative Support) – Resources are needed to provide administrative support for the Water Cleanup Plan team. Scientific staff currently must allocate time for processing paperwork, accounting, and maintenance requests, which diminishes their ability to focus on science. This position will also assist with EAP/Water Quality Program cross-program coordination and collaboration.
- Increased Laboratory Budget (\$400,000) – Resources are needed for increased sample analysis required by complex Water Cleanup Plans. Toxic sample analyses are expensive and can be up to \$900/sample depending on the parameter. Field samples are needed to gather information on existing water quality conditions or address data gaps. The estimated costs for sample analyses are based on a

recent complex TMDL toxic study for high-resolution, low-level PCB analysis.

- Computer Access for Modeling (\$462,000) – Contract support is needed for access to and use of super-computing facilities to run complex models needed for Water Cleanup Plans, such as the Salish Sea Model, and collaborate on needed model improvements and development for complex studies. This estimate is based on costs for the Salish Sea Model development, improvements, and collaboration needs, which was previously supported by EPA grant funding. EPA grant support for the Salish Sea Model has stopped, and this request will allow Ecology to continue to use the model for other complex cleanup plans in the Puget Sound.
- Software licenses (\$20,000) – Ongoing funding for modeling software licenses (MATLAB) is needed for staff to create and use environmental models for Water Cleanup Plans.
- Equipment replacement and maintenance (\$10,000) – Ongoing funding is needed to keep field instruments calibrated and functional and replaced when necessary.

One-time funding is requested for:

- New modeling server and storage (\$130,000) – One-time funding is needed to increase Ecology’s modeling server space and storage in order to accommodate an increased level of environmental modeling.
- Field equipment budget (\$123,000) – One-time funding is needed for equipment to purchase four flow stations, two non-stationary flowmeters, multiple sensors, and other equipment for dissolved oxygen and toxic sampling.

### Workforce Assumptions:

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
A	Salaries and Wages	741,018	741,018	741,018	741,018	741,018	741,018
B	Employee Benefits	271,211	271,211	271,211	271,211	271,211	271,211
	Personal Service						
C	Contract	231,000	231,000	231,000	231,000	231,000	231,000
E	Goods and Services	263,654	263,654	263,654	263,654	263,654	263,654
G	Travel	23,690	23,690	23,690	23,690	23,690	23,690
J	Capital Outlays	266,915	13,915	13,915	13,915	13,915	13,915
T	Intra-Agency Reimbursements	277,353	277,353	277,353	277,353	277,353	277,353
<b>Total Objects</b>		<b>2,074,841</b>	<b>1,821,841</b>	<b>1,821,841</b>	<b>1,821,841</b>	<b>1,821,841</b>	<b>1,821,841</b>

### Staffing

Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
ENVIRONMENTAL ENGINEER 5	105,381	3.00	3.00	3.00	3.00	3.00	3.00
ENVIRONMENTAL ENGINEER 3	95,481	1.00	1.00	1.00	1.00	1.00	1.00
HYDROGEOLOGIST 3	84,394	1.00	1.00	1.00	1.00	1.00	1.00
HYDROGEOLOGIST 1	65,928	2.00	2.00	2.00	2.00	2.00	2.00
NATURAL RESOURCE SCIENTIST 4	88,646	1.00	1.00	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT 3	48,995	0.50	0.50	0.50	0.50	0.50	0.50
FISCAL ANALYST 2		0.85	0.85	0.85	0.85	0.85	0.85
IT APP DEVELOPMENT-JOURNEY		0.43	0.43	0.43	0.43	0.43	0.43
<b>Total FTEs</b>		<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>	<b>9.8</b>

### Explanation of costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Contracts is \$231,000 per year for computer modeling time at a super-computer facility to develop, modify, and run complex environmental models.

Goods and Services are the agency average of \$5,724 per direct program FTE. It also includes \$200,000 per year for additional laboratory analyses, \$10,000 per year for software licenses, and \$5,000 per year for repair and maintenance of field equipment.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE. Also included is (1) \$123,000 of one-time funding for purchase of flow stations, flowmeters, sensors, and other equipment for dissolved oxygen and toxic sampling, and (2) \$130,000 for one-time purchase of a new modeling server along with additional storage.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.



### How is your proposal impacting equity in the state?

Access to cool, clean water is a basic human right. Water Cleanup Plans aim to protect and restore waters to meet water quality standards to benefit diverse demographic and geographic communities. To meet this goal, Ecology considers environmental justice (EJ) in planning and prioritizing how to conduct business. The recommendations in the Water Cleanup Plans rely heavily on feedback received from businesses, environmental groups, local governments, tribes, and Washington residents. Ecology will include EJ considerations when prioritizing Water Cleanup Plans. This includes using EJ screening tools to identify communities with the highest water quality needs and those that have EJ considerations, as well as potential impacts of the Water Cleanup Plan prioritization process on communities of color, low-income populations, and indigenous communities.

## Strategic and Performance Outcomes

### Strategic Framework:

This request is essential to implementing goals in Ecology's strategic plan to:

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

Water Cleanup Plans are a primary tool Ecology uses to coordinate and collaborate on approaches to delivering clean, cool water. This high-priority approach ensures Washington has clean, adequate water supplies that meet current and future drinking water needs; commercial, recreational, and agricultural uses; and that sustains fish and the natural environment.

- Goal 1 - Support and Engage our Communities, Customers, and Employees: Through Ecology's robust public engagement process for Water Cleanup Plans, which is essential for translating the science-based outcomes into implementable actions to address point and non-point activities in the watersheds.
- Goal 2 - Reduce and Prepare for Climate Impacts: Water Cleanup Plans identify necessary actions that can also help communities prepare for climate impacts and integrate climate resiliency and long term sustainability. Examples are reclaimed water and water reuse facilities that help small communities be resilient and sustainable in water-short areas while also addressing impairments by removing discharges containing pollutants and diverting them for reuse after appropriate treatment, and increased stream buffers and native vegetation to help address stream flow dynamics, temperature impacts, and carbon sequestration, in addition to improving water quality.
- Goal 4 - Protect and Manage our State Waters and Goal 5 - Protect and Restore Puget Sound: By identifying and quantifying necessary water pollution control projects that reduce point and nonpoint pollution, and other sources of pollution to address water quality impairments.

This request provides essential support to the Governor's Results Washington Goal 3: Sustainable Energy and a Clean Environment and the priority to Keeping Puget Sound Ecosystem Healthy by:

- Completing and implementing Water Cleanup Plans – These plans use a science-based approach to set up our communities to achieve state water quality standards for dissolved oxygen and toxic pollution. This is a direct measure of progress towards improving the health of our watersheds and environment.
- Increasing our capacity to:
  - Collect critical water quality data.
  - Analyze and model the data to understand the current condition of water in the Puget Sound watershed.
  - Identify opportunities to clean up toxic pollution in water and improve dissolved oxygen conditions.

Performance Measures	Incremental Changes 2022	Incremental Changes 2023	Incremental Changes 2024	Incremental Changes 2025
001165 - Number of polluted waters assessed to identify pollution sources or cleanup success	22	22	22	22

### **Performance Outcomes:**

The outcome of this request will allow EAP and the Water Quality Program to produce cleanup plans for the most polluted waters in Washington. Once EAP is fully staffed with new capacity and resources, it will significantly increase capacity to produce highly complex Water Cleanup Plans each biennium. This is in addition to the other efforts put toward medium and small scale projects with existing capacity. Note: Each Water Cleanup Plan will address multiple listings or TMDLs. Ecology's Puget Sound nutrient reduction efforts will be further supported, along with other complex toxics studies across the state.

Ecology's Water Quality Program's target with the Office of Financial Management) is to submit 53 TMDLs a year to EPA. We have met that target only once over the last five years. During that period, Ecology averaged just over 25 per year. This request will increase the annual numbers reported to OFM by an average of 22 TMDLs per year.

The ongoing litigation of Ecology's TMDL program is very likely to require a higher performance target. Also, the state's list (303(d) list) is not static and generally increases as we update the list. Because we have been unable to meet prior targets, the overall gap has increased and will continue to do so without this request.

## **Other Collateral Connections**

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Adequate resources to focus on these polluted waters will allow Ecology to assist local and tribal governments to understand what actions are needed to get the waters in their jurisdictions clean. This should be an effort they support, because the cost impacts to some government services are significant. And the science will ensure the right investments are made to improve water quality and provide information to build support among residents for those investments. Some Puget Sound communities have been critical of current science, and have specifically requested increased investment in modeling efforts that will be funded by this request.

The additional TMDL work could also impact other state agencies that Ecology regulates, such as the Department of Transportation (WSDOT). For example, if the Water Cleanup Plans identify state-owned roads and highways as a source of pollutants, then additional work by WSDOT might be identified as necessary to protect the state's waters.

Ecology anticipates that tribal governments will be supportive of this effort to focus on these more complex TMDLs where there is a nexus with NPDES (National Pollutant Discharge Elimination System) permits and toxics and dissolved oxygen listings, since this work will put Ecology on a path toward addressing pollution sources that negatively impact salmon and orca recovery.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

This request addresses the Water Quality Program's Water Cleanup Plan priorities for dissolved oxygen and toxic pollutants statewide, including the Puget Sound area. Low dissolved oxygen is one of the single most important issues facing Puget Sound water quality and has serious adverse effects on marine life and the health of the ecosystem. Toxics such as PCB, dioxins, and heavy metals are emerging threats in the Puget Sound area and require scientifically robust cleanup plans to inform appropriate actions.

This request follows Orca Task Force recommendations to address toxic pollution and dissolved oxygen impairments in Puget Sound. The additional resources will directly address Puget Sound efforts, as well as complex plans in other parts of the state important to orca and salmonids.

This request supports Puget Sound Action Agenda implementation through:

- Ongoing Program: OGP\_ECY36: Water Quality - Clean Up Polluted Waters - standards and water quality improvement plans (TMDLs) (Department of Ecology)
- 'Regional Priority Approaches:
  - CHIN2.5: Address and manage water quality parameters
  - BIB5: Conduct watershed-scale planning to protect and restore water quality
- Sub-strategy:
  - 19.1: Complete total maximum daily load studies and other necessary water cleanup plans for Puget Sound to set pollution discharge limits and determine responses to water quality impairments

### Legal or Administrative Mandates:

EPA was sued in 2019 due to Washington State's lack of production on Water Cleanup Plans/TMDLs. The lawsuit calls for EPA to develop and submit federal Water Cleanup Plans/TMDLs, since the state has not produced them. Ecology has now intervened in this lawsuit, and EPA has asked Ecology what we can do to increase the pace and production so EPA does not have to develop these cleanup plans. EPA is not staffed to complete the plans. And, given Ecology's current resources, there is not capacity to produce at the required pace.

### Stakeholder Response:

Ecology anticipates that environmental and natural resource conservation organizations will be supportive of this request because they want polluted waters to be addressed.

Agricultural organizations may be skeptical if they think these efforts will require regulation of agricultural producers. This request, however, is focused on more industrial watersheds.

Another group of interested stakeholders will be the NPDES discharge permittees that are discharging pollutants to the waters where Ecology will be doing these cleanup plans. Permittees may be concerned about this increased effort to clean up water pollution and the requirements that these cleanup plans might impose on them.

## Reference Documents

[Increase Water Cleanup IT Addendum.docx](#)

## IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

Yes

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$741	\$741	\$1,482	\$741	\$741	\$1,482
Obj. B	\$271	\$271	\$542	\$271	\$271	\$542
Obj. C	\$231	\$231	\$462	\$231	\$231	\$462
Obj. E	\$264	\$264	\$528	\$264	\$264	\$528
Obj. G	\$24	\$24	\$48	\$24	\$24	\$48
Obj. J	\$267	\$14	\$281	\$14	\$14	\$28
Obj. T	\$277	\$277	\$554	\$277	\$277	\$554

## Agency Contact Information

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# 2021-23 IT ADDENDUM

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**NOTE:** Only use this addendum if your decision package includes IT costs and DOES NOT relate to implementation of the One Washington project.

## Part 1: Itemized IT costs

Please access the 2021-23 IT Fiscal Estimate Workbook imbedded in this document below.

Agencies must itemize all IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. When itemizing costs, please consider the total cost of the combined level of effort which includes: the associated costs, from planning through closeout, of state, vendor, or both, in order to purchase, acquire, gather and document requirements, design, develop or configure, plan or conduct testing, and complete implementation of enhancement(s) to an existing system.

Please itemize all IT cost associated with this request where you are not asking for additional funding. These costs are considered in-kind and provided through existing agency base. Detailed costs from existing agency base should be entered on the in-kind tab within the 2021-23 IT Fiscal Estimate Workbook.



## Part 2: Questions that support the reuse of existing state resources

To ensure effective reuse of existing state resources, all IT investments — including project IT expenditures — are expected to comply with IT statutes and policies. The answer to these questions will help OCIO and OFM determine if the decision package will be funded.

- A. Does this investment provide for acquisition of, or enhancement to, an administrative or financial system? ☐ Yes ☒ No
- B. If Yes, has this decision package gone through the Administrative and Financial System review as required in [\(SAAM\) section 80.30.88](#)? ☐ Yes ☐ No
- If Yes, attach the approval letter.
- If No, do not submit the decision package. Recommendation will be “Do Not Fund”.
- C. Does this decision package fund the acquisition or enhancement of equipment or facilities in any agency data centers? (See [OCIO Policy 184](#) for definition.) ☐ Yes ☒ No

- D. If yes, do you have an approved waiver to proceed with this proposed investment? ☐ Yes ☐ No

If Yes, attach a copy of the waiver approval.

If No, do not submit this decision package. Recommendation will be “Do Not Fund”.

- E. For Health and Human Services agencies (HHS Coalition) DCYF, DOH, DSHS, HCA and Washington Health Benefit Exchange, has this project been screened for inclusion in the HHS Coalition portfolio? ☐ Yes ☐ No

If Yes, this is part of the HHS Coalition portfolio, has this project received HHS Coalition project initiation approval? ☐ Yes ☐ No ☐ N/A

If answer to the first HHS Coalition question is Yes (or N/A for second question), attach approved HHS Coalition Project Initiation Form.

If No to either HHS question, do not submit the decision package. Recommendation will be “Do Not Fund”.

### Part 3: Maintenance and policy level decision packages

Answers to these questions will be used in part to determine if the decision package will be evaluated and ranked by the OCIO as required by RCW 43.88.092.

- A. Does this decision package fund the acquisition or expansion of computer hardware capacity? ☒ Yes ☐ No

If Yes, where will the hardware solution be hosted? ☒ State Data Center  
☐ External Cloud

- B. Does this decision package fund the development or acquisition of a new or enhanced software solution or service? ☐ Yes ☒ No

If Yes, where will the software solution be hosted? ☐ State Data Center  
☐ External Cloud

- C. If response to question B is Yes, do you expect this to solution to exchange information with the state financial system (AFRS) or the OneWA solution? ☐ Yes ☐ No

- D. If response to question B is Yes, will this investment renew or procure facial recognition service? ☐ Yes ☐ No

- E. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See OCIO Policy 121.) ☐ Yes ☒ No

If Yes, name the project:

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(Project name published on the [IT Dashboard](#))

If you your decision package is maintenance and you answered “yes” to any of the above questions in Part 3, you must answer the questions in Part 4 below to finish the IT Addendum. All policy decision packages must answer question in Part 4.

## Part 4: IT Investment Questions

Please provide a response to the following questions. Responses will be evaluated and ranked by the OCIO as required by [RCW 43.88.092](#). Chapter 10 of the operating budget instructions contains the criteria used to evaluate 2021-23 decision packages.

### AGENCY READINESS

#### Due diligence

1. Summarize the feasibility or due diligence work completed in support of this decision package. Attach a copy of the feasibility study or other documentation of due diligence to the decision package.

This decision package adds more server capacity for modeling output and data files. Our current server space is limited. By adding additional modeling staff to work on technical Water Cleanup Plans, our modeling activities and data storage needs will increase. Ecology's Information Technology Services Office (ITSO) estimated the cost of a one-time increase in server capacity and storage based on similar purchases.

#### Governance and management

2. What governance processes will support this project? Examples of governance processes include appropriately placed executive sponsor, representative steering committee, resourced vendor/contract management, change control, and incorporating stakeholder feedback into decision making processes. Provide examples of how your proposed budget includes adequate funding and planning for governance processes, if applicable.

N/A – Adding server capacity to an existing system does not require funding or planning for governance processes.

#### Planning and readiness

3. Describe how your agency will resource the project management of this project. Will in-house resources be used, or will resources be acquired? How has organizational change management been factored into planning and approach? Has the project requested a project management approach to be used for this project? Describe whether project and organizational change management resources are included in this request or will be provided by in-kind resources. Describe whether the proposed budget includes costs associated with independent quality assurance.

Increasing server capacity and storage will be done in-house by ITSO staff. This is routine work and does not require Project Management or OCM.

### Technical alignment

#### Strategic alignment

4. Using specific examples, describe how this investment aligns with strategic elements of the Enterprise Technology Strategic Plan. Examples of strategic principles that tie back to tenets of the strategic plan include, but are not limited to: buy don't build, solutions hosted on modern hosting solutions, solutions promoting accessibility, early value delivery of functionality throughout the project, and modular implementation of project features.

The investment in increasing server capacity and storage for EAP's new modeling staff will allow them the needed system functionality to complete the work. This is routine work and will



modernize infrastructure and increase capacity to manage and share information. This will be achieved by allowing EAP staff to perform more data models in less time, due to the increased capacity of the new servers and increased storage capabilities.

### **Technical alignment**

5. Using specific examples, describe how this investment aligns with technical elements of the Enterprise Technology Strategic Plan. Examples of technical principles that tie back to tenets of the strategic plan include, but are not limited to: technology reuse, data minimization, incorporating security principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

This proposal is building upon a current technologic system that aligns with the technical principals of the Enterprise Technology Strategic Plan to allow for additional modelers to store and access modeling datasets and outputs. Data modeling is available for public consumption, supporting Open Data.

### **Reuse and interoperability**

6. Does the proposed solution support interoperability and/or interfaces of existing systems within the state? Does this proposal reuse an existing solution or existing components of a solution already in use elsewhere in the state? If the solution is a new proposal, will it allow for such principles in the future? Provide specific examples.

This proposal is building upon an existing system at Ecology to allow for additional modelers to store and access large model datasets and outputs.

### **Business alignment**

#### **Business driven technology**

7. What are the business problems to be addressed by the proposed investment? These business problems should provide the basis for the outcome discussion below. Describe how end users (internal and external) will be involved in governance and implementation activities.

Currently the server that EAP's modeling staff use to store all their large modeling output files is close to capacity. Modeling staff often need to delete old files before they can save new ones. This proposal adds two Environmental Engineer 5 modeling staff who need additional server space for their work. ITSO staff will work with the new EAP modelers to get the new server and storage online and available to accomplish this work.

### **Measurable business outcome**

8. Strategic and Performance Outcomes (Chapter 2 - 2021-23 Budget Instructions) of the decision package response will be used to identify how this proposed IT investment improves business outcomes within your agency. The description in the decision package should provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology investment.

This proposed IT investment in additional server space will improve the capability and efficiency of the scientific modeling staff needed to increase our efforts at completing complicated Water Cleanup Plans. The success of this work depends on not having a technological bottleneck where modelers cannot save their modeling data for analysis.

## Decision Package Urgency

9. Address the urgency of implementing the technology investment in this cycle and impacts to business if technology effort doesn't proceed as planned?

The investment of additional server space needs to accompany the new modeling staff in EAP in this decision package to support their work and for EAP to meet the targets of increasing Water Cleanup Plans.



## Agency Recommendation Summary

State law (Chapter 86.26 RCW) established the Flood Control Assistance Account Program, and created the Flood Control Assistance Account (FCAA). The statute requires that \$4 million be transferred from the state general fund to the FCAA each biennium to pay for flood-risk reduction activities, including grants to local government to prepare comprehensive flood control management plans. The FCAA appropriation was reduced by half at carry-forward level for the 2019-21 Biennium. This request would restore the FCAA Program appropriation so that Ecology and our local partners can use the existing FCAA capacity as intended by state law. Related to Puget Sound Action Agenda Implementation. (Flood Control Assistance Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 02P - 1	\$1,600	\$1,600	\$3,200	\$700	\$700	\$1,400
Total Expenditures	\$1,600	\$1,600	\$3,200	\$700	\$700	\$1,400

## Decision Package Description

### Background

Flooding is Washington's most frequent, costly natural hazard, causing more than \$2 billion in damages to the state since 1980. About 40 years of records show the highly populated areas of Western Washington most at risk. In addition, climate change is and will cause more intense and frequent flooding in these same areas. Mitigating flooding risks requires a sustained, integrated effort that includes:

- Stakeholder and government collaboration.
- Investments in studies to better understand risk and vulnerability.
- Modern comprehensive planning identifying capital projects, land-use controls, and other risk-reduction strategies.
- Capital investment programs supporting landscape- or site-scale projects.

### Modern Comprehensive Planning

Comprehensive flood planning is an integral part of the strategy to reduce community flood risks. In 1984, the Washington Legislature amended the state law (Chapter 86.26 RCW) to establish the Flood Control Assistance Account (FCAA) to fund flood-risk reduction activities. In 1986, lawmakers amended the statute again to specifically authorize comprehensive flood hazard management planning as an activity eligible for FCAA program (FCAAP) funding. Comprehensive flood plans help address a variety of flood hazard management strategies including acquiring flood sensitive areas, land use zoning and site development standards, stormwater management, and carefully-designed flood control projects. They also provide an opportunity to identify large-scale floodplain restoration strategies that reduce flood risk while improving aquatic habitat and salmon recovery, and protect agricultural lands.

While most communities have basic plans, many have not been updated since the 1990s. Successful flood hazard planning requires combining scientific and technical analysis, building public consensus, and intergovernmental coordination—all of which is difficult, complex, and costly. Unfortunately, many Washington communities, especially those in rural areas, generally lack the resources to adequately plan for reducing flood risks. Restored flood planning will enable updates incorporating climate change forecasts to improve community level climate resiliency.

### Capital Investments

Floodplains by Design (FbD) is the capital investment part of the flood-damage reduction strategy. FbD is a public-private partnership managed by Ecology, Puget Sound Partnership, and The Nature Conservancy. The FbD partnership focuses on reducing flood risks and restoring habitat in the state's major river corridors to improve floodplain resiliency, protect communities at risk from flooding, and enhance ecosystem health while concurrently supporting agriculture, tribal interests, clean water, a vibrant economy, and outdoor recreation.

Since 2013, we have invested \$165 million for 45 floodplain restoration and flood-hazard reduction projects. As of March 2020, FbD funded projects have reduced (or will reduce) flood hazards in 59 communities, reconnected more than 7,000 acres of floodplains, restored or protected habitat along 50 miles of river, reduced flood risk for over 2,200 homes or structures, and protected over 1,300 acres of working lands.

Projects may include removing or setting back levees, removing structures, planting native vegetation, building side channels for flood storage, improving agricultural drainage, and placing engineered logjams for salmon. Ideally, FbD projects have stakeholder support and are part of a local or regional strategy designed to manage a river floodplain and help fulfill a broader community vision for reducing flood risk and restoring aquatic habitat. For areas in which tribal and farming interests are affected, applicants must seek local tribal government and agricultural community support.

### Investments in Studies

In 2018, the Legislature included a proviso in the Supplemental Capital Budget (ESSB 6095, Section 3001) directing Ecology to convene and facilitate a stakeholder process to review and make recommendations regarding the statutory authorization and improvements to the FbD program. The review included analysis of:

- Statewide funding needs.
- Mechanisms to improve efficiency and transparency of project funding and implementation.
- Program design, criteria, information, and coordination required for projects to proceed through the selection and funding processes in a transparent and efficient manner.

The 2019 FbD legislative report can be found at: <https://fortress.wa.gov/ecy/publications/summarypages/1906004.html>

The 2019 legislative report recommended the number of communities adopting integrated approaches be expanded by providing adequate funding to support local and regional integrated floodplain planning. Furthermore, the report found that at the local level, the lack of planning funding has significantly hampered integrated floodplain management. It noted up-to-date plans identifying multi-benefit flood reduction strategies will help put communities in a better position to compete for FbD grants as well as other funding such as the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Grants.

### **Problem**

FCAAP was established in 1984 to support floodplain management efforts. Historically, each biennium \$4 million was transferred into the program from the state general fund. Out of this fund, \$2 million was provided as grants to local and tribal governments, and the rest supported Ecology's flood management work. Since the 2009-11 Biennium, FCAAP appropriations have been reduced, leaving no funding for flood control grants. During the Great Recession, FCAAP funding was transferred back to the state general fund as part of the state strategy to recover from the economic downturn. Since then, FCAAP funds have been temporarily authorized and appropriated for other work in budget bills. Ecology did receive \$250,000 in ongoing FCAAP funding in the 2019-21 Operating Budget for emergency flood response grants, directed under RCW 86.26.060, which requires that "funds will be on hand to meet unusual, unforeseeable and emergent flood conditions."

### **Proposed Solution**

Ecology requests a \$3.2 million in appropriation for the 2021-23 Biennium, and \$1.4 million ongoing to use the existing FCAAP fund balance that has built up since 2017 for its intended purpose. These appropriations will allow Ecology to restore the existing competitive grant program, already authorized in statute, to help fund local government actions to update their comprehensive flood hazard management plans, and prepare cost-sharing feasibility studies for new flood hazard and maintenance projects (as described in RCW 86.26.050).

These plans will allow communities to:

- Conduct risk assessments and studies to better understand local flood risks and identify mitigation strategies.
- Develop or update flood hazard plans that outline strategies and projects to reduce flood risks and address other benefits such as climate resiliency, salmon habitat restoration, protecting agriculture, and other locally defined benefits.
- Address the 2019 legislative report recommendation to provide adequate funding for grants to support local floodplain planning.
- Provide a pipeline for FbD capital projects.
- Review and update zoning and land-use options to keep people and infrastructure out of flood hazard areas.
- Raise community flood hazard awareness.

Reducing flood risks protects property, saves lives, and supports economic prosperity. Restoring FCAAP funding offers an incentive to local communities to begin work on or improve their existing flood resiliency, potentially saving Washington millions of dollars in damages when a flood occurs. Creating up-to-date plans identifying multi-benefit flood reduction strategies will put communities in a better position to compete for FbD grants as well as other state and federal funding.

### **Impacts on Population Served:**

Local and tribal governments lead flood-hazard reduction efforts in their communities. This work benefits individual residents living in or near flood hazard areas. These activities also benefit the broader community public infrastructure such as roads, bridges, and utilities that will be less at risk from flooding. Both efforts help protect the value of public and private property. In addition, communities completing flood-hazard reduction plans will be in a better position to compete for federal and state grants to build better flood resiliency.

### **Alternatives Explored:**

Ecology reviewed the funding programs available for community flood hazard reduction efforts. Most federal grants are for emergency response, including federal disaster declarations, and become available only after costly damages have already occurred. Our FbD grant program requires flood-risk reduction activities combined with ecosystem restoration work. There is no funding for small-scale projects and these grants do not fund planning efforts. Aside from FbD, there is no other reliable source for funding local floodplain planning. This means FCAAP is the logical funding source. State law (RCW 86.26.007) requires \$4 million be transferred from the state general fund to FCAAP each biennium. The best

solution is to restore FCAAP appropriations to match the revenue deposited into the account.

**Consequences of Not Funding This Request:**

If this request is not funded, community flood risks will continue and many smaller rural communities will lack the resources to identify local flood risks and vulnerabilities. In turn, flood mitigation projects such as levee repairs, dikes, and other flood control structures will not be completed. Unwanted development will continue in flood hazard areas and the public will not be informed about flood hazards. As a result, fewer people and properties would be removed from harm's way, while communities and residents continue to suffer economic losses. Without adequate planning, emergency response actions would be required more often, at a cost four to seven times higher than investing in preventative measures. Ecosystems would be harmed or destroyed, leading to costly corrections later. Salmon recovery and other habitat restoration efforts would be compromised, and actions requiring longer-term discussions and strategies would be left undone.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

This request expands Activity A040 – Provide Technical and Financial Assistance to Local Governments to Reduce Flood Hazards. A summary of the 2017-19 and 2019-21 base funding and FTEs for this activity is below. Administrative Overhead related to this activity is in the agency’s Administration Activity A002, and is not included in the totals below.

The table below includes approximately \$2 million per biennia for Ecology staff who:

- Provide technical support to communities regarding flood-hazard reduction projects and planning.
- Carry out the state’s role in administering the National Flood Insurance Program.
- Review local flood ordinances and provide assistance to communities to implement their local regulations.
- Conduct training and outreach to local floodplain managers.
- Provide engineering review and assistance on proposed flood-hazard reduction projects.
- Review channel migration zone assessments.
- Coordinate with the state Military Department’s Emergency Management Division regarding grant programs, state and federal flood hazard policy proposals, and emergency response.

The table below also includes \$250,000 in 2019-21 for emergency flood response, directed under RCW 86.26.060, which requires that “funds will be on hand to meet unusual, unforeseeable and emergent flood conditions.”

<b>A040 – Provide Technical and Financial Assistance to Local Governments to Reduce Flood Hazards</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	8.0	8.0
001-1 General Fund – Federal	\$520,935	\$521,000
001-1 General Fund – Private/Local	\$318,327	\$0
02P-1 Flood Control Assistance	\$2,017,928	\$2,242,000
<b>TOTAL</b>	<b>\$2,857,190</b>	<b>\$2,763,000</b>

### **Detailed Assumptions and Calculations:**

For the 2021-23 Biennium, Ecology requests \$3.2 million in FCAAP appropriation for pass-through Community Flood Resilience grants for local and tribal governments, shown in object N. Starting July 1, 2023, and ongoing, Ecology requests \$1.4 million per biennia in FCAAP appropriation to continue these community pass-through grants. Since existing FCAAP staff will administer the grants, no new funding is needed for oversight.

### **Workforce Assumptions:**

<b>Expenditures by Object</b>		<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
N	Grants, Benefits, and Client Services	1,600,000	1,600,000	700,000	700,000	700,000	700,000
	<b>Total Objects</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>700,000</b>	<b>700,000</b>	<b>700,000</b>	<b>700,000</b>
	<b>Staffing</b>						
<b>Job Class</b>	<b>Salary</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Total FTEs</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### **How is your proposal impacting equity in the state?**

This budget request restores a source of emergency response and flood risk reduction planning funding that has been diverted away from this purpose for the past 12 years. The lack of funds has disproportionately impacted economically-distressed rural communities with little capacity to conduct this kind of planning. Should FCAAP grants be restored, Ecology’s funding guidelines could incorporate explicit consideration to prioritize funding for communities with the highest local needs.

According to recent research, communities with higher proportions of Hispanic and Native American residents are more vulnerable to flood hazards. For example, research estimates while Hispanic populations make up 8 percent of Washington’s total population, they comprise 16 percent of the population in flood zones. Tribal communities that occupy flood risk areas would directly benefit from FCAAP flood planning. In addition, updated flood plans sustaining and enhancing salmon habitat also help ensure tribal treaty rights. (Messenger, M.L.; Ettinger, A.K.; Murphy-Williams, M.; Levin, P.S., In prep. Fine scale assessment of inequities in riverine flood vulnerability.)



## Strategic and Performance Outcomes

### Strategic Framework:

This request is essential to implementing goals in Ecology's strategic plan to:

- Support and engage our communities, customers, and employees: This budget request restores a source of emergency response and flood risk reduction planning funding for local communities that has been diverted away from this purpose for the past 12 years. The lack of funds has disproportionately impacted economically-distressed rural communities with little capacity to conduct this kind of planning.
- Reduce and prepare for climate impacts: Flooding is currently our state's most dangerous and costly natural disaster. The frequency of more intense floods is predicted to increase during the next century. Comprehensive flood hazard planning can help communities develop strategic FbD projects that can help prepare flood-prone communities for the worst effects of climate change.
- Protect and manage our state's water: Planning required by state law ensures flood hazard mitigation efforts are compatible with activities such as salmon recovery, irrigation water delivery, transportation, and other floodplain activities.
- Protect and Restore Puget Sound: This request supports the Puget Sound Action Agenda's Habitat Strategic Initiative, including Sub-strategy 5.3 (Protect and Maintain intact and functional floodplains) and Sub-Strategy 5.4 (Implement and maintain priority floodplain restoration projects). It supports Vital Sign Regional Priorities FP1 (Enable greater local planning capacity to address restoration and protection) and FP2 (Design and identify multiple-benefit solutions and strategies). It also supports the Governor's Orca Task Force through Recommendation #45: Mitigate the impact of a changing climate by accelerating and increasing action to increase the resiliency and vitality of salmon populations and the ecosystems on which they depend.

This request provides essential support to the Governor's Results Washington Goals:

- Goal 2: Prosperous Economy: Planning to reduce flood hazards prevents costly property damage, transportation disruptions, and business closures. It supports prosperous communities by developing plans to help communities focus their strategic efforts on FbD projects that prevent and mitigate flood damages while keeping people safe.
- Goal 4: Healthy and Safe Communities: Updated comprehensive floodplain plans help communities focus limited resources on FbD projects that help mitigate and prevent flood risks to protect community health, safety, and prosperity.
- Goal 5: Efficient, Effective and Accountable Government: Preventing and mitigating flood hazards has a return of \$5 to \$8 for every \$1 invested (National Institute of Building Sciences, Natural Hazards Mitigation Saves, 2019 Report:  
[https://cdn.ymaws.com/www.nibs.org/resource/resmgr/reports/mitigation\\_saves\\_2019/mitigationsaves2019report.pdf](https://cdn.ymaws.com/www.nibs.org/resource/resmgr/reports/mitigation_saves_2019/mitigationsaves2019report.pdf))

Performance Measures	Incremental Changes 2022	Incremental Changes 2023	Incremental Changes 2024	Incremental Changes 2025
001455 - Number of flood-prone communities that receive support on flood hazard reduction and regulations	16	0	8	0

### Performance Outcomes:

The greatest outcome under this request is restoring and implementing a competitive Community Flood Resilience Grants program that funds local and tribal government flood-hazard reduction projects. The program will prevent and mitigate flooding impacts to residents and communities while providing emergency funding for smaller in-state flood emergencies.

For the 2021-23 Biennium, Ecology anticipates this request would fund 16-18 comprehensive flood plans, vulnerability assessments, or project feasibility studies for counties, cities, or tribes. For the 2023-25 Biennium and beyond, Ecology anticipates \$4 million would fund 8 to 10 comprehensive flood plans, vulnerability assessments, or feasibility studies.

## Other Collateral Connections

### State Workforce Impacts:

N/A

### Intergovernmental:

\$3.2 million will be available for local flood planning and project grants in the 2021-23 Biennium; and \$1.4 million will be available in future biennia. Local and tribal governments will be eligible to compete to receive up to \$250,000 for projects funded by these grants.

There is broad support from communities for renewed funding for this work, as expressed through surveys used to inform the "Five year Strategy for Integrated Floodplain Management in Washington." We are not aware of anyone opposing this proposal.

Improving floodplain management planning by local and tribal governments will help the state Military Department's Emergency Management Division (EMD) write and implement the statewide hazard mitigation plan, since it helps link local and tribal government planning to state planning. EMD also provided funding to Ecology in the 2019-21 Biennium to contract for the development of new flood planning guidance for local governments and tribes. This guidance is set to be complete for the 2021-23 Biennium.

**State Facilities Impacts:**

N/A

**Changes from Current Law:**

N/A

**Puget Sound Recovery:**

This request supports the Puget Sound Action Agenda implementation through Ongoing Program OGP\_ECY14: Shorelands - Floodplain Management (Department of Ecology) and is linked to the following Vital Sign Regional Priorities:

- FP1.1: Gain a better understanding of current habitat conditions.
- FP1.2: Gain a better understanding of the social, economic, and political factors currently affecting habitat.
- FP1.3: Gain a better understanding of how habitat may change in the future due to pressures like climate change and population growth.
- FP1.4: Gain a better understanding of future social, economic, and political factors (such as population growth) that will affect habitat.
- FP2.1: Collaborative, multi-benefit groups develop a plan that prioritizes locations to restore or protect.
- FP3.2: Implement plans and priorities to protect habitat.
- FP3.3: Implement plans and priorities to restore habitat.
- FP3.4: Collect and analyze data to adaptively manage recovery practices. FP1: Enable greater local planning capacity to address restoration and protection.

By providing funding for planning and project implementation to protect and restore floodplains, this proposal also supports the Puget Sound Action Agenda's Habitat Strategic Initiative through the following Sub-strategies and Sub-strategy Regional Priorities:

- 5.2: Align policies, regulations, planning, and agency coordination to support multi-benefit floodplain management, incorporating climate change forecasts.
- 5.3: Protect and maintain intact and functional floodplains.
  - 5.3-1: Focus on rural and agricultural landscapes with opportunities to protect and provide access to priority habitat for threatened and endangered species such as salmon and steelhead.
  - 5.3-2: Improve data and information, such as floodplain mapping, inundation, channel migration zone, and historic habitat analysis, to accelerate floodplain protection, restoration, and flood hazard management.
  - 5.3-3: Identify key areas for acquisitions, easements, or other similar actions.
  - 5.3-4: Align policies, regulations, planning, and agency coordination to support multi-benefit floodplain management, incorporating climate change forecasts.
  - 5.3-5: Investigate opportunities to acquire exceptional habitat at above-market value.
- 5.4: Implement and maintain priority floodplain restoration projects.

This request also supports the Governor's Southern Resident Orca Recovery Task Force through Recommendation #45: Mitigate the impact of a changing climate by accelerating and increasing action to increase the resiliency and vitality of salmon populations and the ecosystems on which they depend.

**Legal or Administrative Mandates:**

N/A

**Stakeholder Response:**

Non-governmental stakeholders include all residents at risk of flood hazards as well as business and private property owners, the agricultural community, and recreational interests (e.g., boating and fishing). All these entities prefer an integrated approach to managing flood hazards and there is no known opposition.

IT Addendum

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. N	\$1,600	\$1,600	\$3,200	\$700	\$700	\$1,400

Agency Contact Information

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## Agency Recommendation Summary

The Equipment Cache Grant program supports a statewide local response network by providing equipment to respond to oil and hazardous materials spills and fires. To help cover exceptional costs related to the Olympia Brewery Transformer Spill in 2019, Ecology had to redirect \$1 million of its biennial equipment cache grant funding, and hold on this issuance of grants this biennium, pending the outcome of Ecology's 2020 supplemental budget request related to the brewery spill. The 2020 Supplemental Operating Budget provided the requested replacement grant funding, and Ecology began awards this past spring. However, due to the delayed issuance of grants this biennium, the possibility exists that a grant issued to the Jamestown S'klallam Tribe, for a new response vessel, may not be able to be spent by the end of 2019-21. This request provides one-time contingency funding in the 2021-23 Biennium in case the vessel purchase cannot be completed by the end of this biennium. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Operating Expenditures</b>						
Fund 23P - 1	\$242	\$0	\$242	\$0	\$0	\$0
Total Expenditures	\$242	\$0	\$242	\$0	\$0	\$0

## Decision Package Description

During the 2015 Legislative Session, Engrossed Substitute House Bill (ESHB) 1449 created a grant program to equip emergency responders for local governments and tribes to respond to oil and other hazardous materials spills and related fire events. The equipment cache grant program identifies areas with the greatest need for response and firefighting equipment through an equipment grant workgroup, which includes representatives from oil spill response cooperatives, oil and rail industries, businesses receiving crude oil, and emergency first responders. Equipment cache grant applicants can include local emergency planning committees, tribes, state agencies, not-for-profit organizations, non-governmental organizations, special purpose districts, and emergency response agencies. The program is funded by \$3.1 million from the Model Toxics Control Operating (MTCA-Operating) Account, which also supports one full-time grant program manager and maintenance support for existing equipment caches.

In 2019, Ecology responded to a transformer oil spill at the site of the former Olympia Brewery in Tumwater. The high cost of this spill response depleted the fund balance in the Oil Spill Response Account (OSRA), and Ecology had to use \$1 million of its \$3.1 million equipment cache grant budget to help cover response costs. Ecology submitted a 2020 supplemental budget request to replace the redirected grant funding and replenish the OSRA. However, while awaiting the outcome of the 2020 legislative session, Ecology had to temporarily suspend the equipment cache grant program in case there was another large spill response that occurred.

The Legislature supported Ecology's 2020 supplemental budget request to replace the \$1 million, and Ecology began issuing grants this past spring. However, following this initial delay, the COVID-19 pandemic hit Washington State, and the Office of Financial Management (OFM) advised agencies to hold off on spending "new" money from the 2020 supplemental budget. This further delayed grant issuance as Ecology worked to ensure that the funding to support these grants was still viable.

One of the grant awards issued this biennium was to the Jamestown S'klallam Tribe, and it includes the purchase of a 30-foot response vessel for the Tribe, located near Blyn, Washington, on the Sequim Bay. There are limited resources in the area to quickly respond to a significant spill, and oil vessel traffic in the Strait has increased in recent years. Ecology and the U.S. Coast Guard oil spill response assets are hours away, and the nearest contractor resources are in Port Angeles and Neah Bay. This vessel will allow the Tribe to respond quickly and begin containment action (placing boom and absorbents) to minimize environmental, cultural, and socioeconomic impacts from a spill. This resource will also be available to assist other tribes, localities, and state and federal government in oil spill responses in the area.

The completion of this vessel purchase could be impacted by the delayed issuance of Ecology's equipment cache grants, and the vessel may not be received by the end of the 2019-21 Biennium. Ecology is working closely with the Tribe to provide guidance and access to resources to support the purchasing process by the end of the biennium, but the possibility exists that vessel won't be received in time. In its 2020 supplemental budget request, Ecology identified the possibility that one or more equipment cache grants may not be able to spend out due to the delayed issuance of grants this biennium. In that budget request, Ecology indicated that if that situation occurred, the agency would plan to request one-time funding for the 2021-23 Biennium to get these projects completed (using fund balance capacity not used from this grant program in 2019-21 due to these time constraints).

This budget request provides contingency funding in the 2021-23 Biennium in case the Jamestown S'klallam Tribe vessel cannot be received by June 30, 2021. If this request is funded, and the vessel is not received by June 30, Ecology will place the amount of the grant award, \$242,000, in unallotted status and not spend it this biennium. If this request is funded, and the Jamestown S'klallam Tribe does receive the vessel by June 30, 2021, Ecology will place the funding received in the 2021-23 Operating Budget in unallotted status or reserve for next biennium.

**Impacts on Population Served:**

The equipment cache grant program supports capacity to respond rapidly to all Washington spills of oil and other hazardous materials, regardless of where Ecology Spills Program staff and resources are located. The cache grant program also supports collaboration with our tribal and local emergency response partners, building a network throughout the state to ensure prompt response and containment of oil and other hazardous materials spills.

This request will support fulfillment of a grant agreement to provide much needed spill response resources in the Olympic Peninsula, a region of the state that is geographically distant from Spills Program offices and resources. Sequim Bay is approximately two hours by vehicle from the closest Ecology regional office. This request will not only support fulfillment of this specific grant agreement that could be delayed by unavoidable circumstances described above, it also will ensure a fully funded grant cycle in the 2021-23 Biennium. This will provide additional opportunity for the next round of grant applicants and opportunities to expand Ecology's spill response network.

**Alternatives Explored:**

Ecology could decide not to amend the current agreement to extend the performance period. However, this could create a financial hardship for the Tribe, if they were to invest time and funding for the equipment, but were unable to receive reimbursement per the terms of their grant. This is not a viable alternative.

Ecology could reduce the available funding for grants in the 2021-23 Biennium grant cycle, in order to fulfill this grant next biennium. This option is viable, but less than optimal for our spill response network and the communities they serve.

The requested solution will ensure a fully funded grant program in the 2021-23 Biennium and maximum funding opportunity for communities with the greatest need.

**Consequences of Not Funding This Request:**

If this request is not funded, the equipment cache grant funding for new grants could need to be reduced by \$242,000 in the 2021-23 Biennium to accommodate fulfillment of this grant agreement. This would result in several communities losing a funding opportunity during the next grant cycle. Because the Jamestown S'klallam Tribe has invested time and resources in procuring the response vessel, Ecology is invested in fulfilling our commitment on this agreement. Failure to do so would create undue hardship for the Tribe and cost the region a valuable response partnership that this grant seeks to build.



## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

This request will be a one-time increase in MTCA-Operating funding for Activity A054 in the 2021-23 Biennium, accompanied by a corresponding decrease in spending in the 2019-21 Biennium because of the grant delay. This request is not an expansion or alteration of a current program or service, because it is a delay in 2019-21 spending and a one-time increase in the 2021-23 Biennium.

### **Detailed Assumptions and Calculations:**

This request is for one-time funding of \$242,000 in the 2021-23 Biennium, accompanied by a corresponding decrease in spending during the 2019-21 Biennium. Ecology expects the grant agreement to be closed out in Fiscal Year 2022. The estimated cost is based on the amount of the grant that could be delayed due to a delayed grant funding cycle and the COVID-19 pandemic.

### **Workforce Assumptions:**

Expenditures by Object		<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
N	Grants, Benefits, and Client Services	242,000					
	<b>Total Objects</b>	<b>242,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Staffing</b>							
Job Class	Salary	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>
	<b>Total FTEs</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

All estimated costs would be in Object N as grant funding used to purchase a response vessel and trailer for transport.

### **How is your proposal impacting equity in the state?**

One of the primary evaluation criteria used for equipment cache grants, in addition to greatest need as identified by the grant workgroup, is financial hardship. Applicants with residential populations lower than 25,000 individuals and median household incomes (MHI) measuring 80 percent or less of Washington State's average MHI receive extra points in the application scoring process.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing the following goals in Ecology's strategic plan:

- Support and Engage our Communities, Customers, and Employees, by providing funding that supports collaboration with our tribal and local emergency response partners.
- Protect and Restore Puget Sound, by preventing oil spills and enhancing our oil and hazardous materials response capacity, focusing on areas underserved and at highest environmental risk.

This request provides essential support to the Governor's Results Washington Goal 3: Sustainable Energy and Clean Environment by assuring full funding in the 2021-23 Biennium for a grant program that ensures our partners in spill response statewide have the resources they need to support a rapid and robust spill response. This directly supports the outcome measure of keeping Puget Sound's Ecosystem Healthy.

### **Performance Outcomes:**

The outcome of this request will be improved oil spill response capacity in a region where valuable economic, environmental, and cultural resources are at risk from oil spills due to oil vessel traffic and limited response resources. It will also bolster response resources in other areas of the state where equipment caches grants will be awarded in the 2021-23 Biennium grant cycle.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

The equipment cache grant program identifies areas with the greatest need for response and firefighting equipment through an equipment grant workgroup, which includes representatives from oil spill response cooperatives, oil and rail industries, businesses receiving crude oil, and emergency first responders. Equipment cache grant applicants include local emergency planning committees, tribes, state agencies, not-for-profit organizations, non-governmental organizations, special purpose districts, and emergency response agencies. Because this request will preserve the 2021-23 Biennium equipment cache grant funding capacity, even if one of our prior biennium agreements is delayed due to budgetary and administrative constraints, this request will benefit to tribal, regional, county, and city governments that can apply for these grants to support their emergency spill and fire response resources.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

Roughly 74 percent of Ecology's Spills Program spill response function supports Puget Sound and directly supports the Puget Sound Partnership's 2018 Regional Priority CHIN6 to enhance preventative measures and develop integrated oil spill preparedness and response programs. Regional Priority Approach CHIN6.2 seeks to strengthen local oil spill preparedness and response plans to integrate with federal, state, and tribal programs and planning, and to allocate resources to support these plans and programs.

This request also supports the Puget Sound Action Agenda Implementation through Ongoing Program OGP\_ECY28: Spill response (Department of Ecology) and is linked to Sub-strategy:

- 20.2: Strengthen and integrate spill response readiness of the state, tribes and local governments.

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

This request will ensure maximum available funding capacity for a grant program that supports emergency spill and fire responders throughout the state and aids rapid response and containment for oil and other hazardous materials spills and fires. Because this request will place the delayed funding in unallotted status in the 2019-21 Biennium, it will not increase spending in the MTCA-Op; it will simply shift the timing of expenditures to accommodate a valuable spill response equipment investment that requires substantial lead time.

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. N	\$242	\$0	\$242	\$0	\$0	\$0

## Agency Contact Information

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Department of Ecology  
2021-23 Regular Budget Session  
Policy Level - DB - OpCert Program Fund Shift

### Agency Recommendation Summary

Wastewater treatment plants are critical infrastructure in cities and towns across the state, and they require trained operators to manage them so that public health and the environment are protected. This request will provide sustainable funding for Ecology’s role of certifying plant operators, consistent with recent legislative direction, by moving the fund source for the Wastewater Treatment Plant Operator Certification Program from the Water Quality Permit Account to the newly established Wastewater Treatment Plant Operator Certification Account. This request is sustained by existing revenue and fund balance, and helps ensure we continue to protect water quality into the future. (Water Quality Permit Account / Wastewater Treatment Plant Operator Certification Account)

### Fiscal Summary

<b>Fiscal Summary</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2022</b>	<b>2023</b>	<b>2021-23</b>	<b>2024</b>	<b>2025</b>	<b>2023-25</b>
<b>Staffing</b>						
FTEs	0.0	0.0	0.0	0.0	0.0	0.0
<b>Operating Expenditures</b>						
Fund 176 - 1	(\$276)	(\$276)	(\$552)	(\$276)	(\$276)	(\$552)
Fund 21H - 1	\$276	\$276	\$552	\$276	\$276	\$552
Total Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

## Decision Package Description

### Background

The Wastewater Treatment Plant Operator Certification (OpCert) program certifies about 2,200 wastewater treatment plant operators annually to help ensure that competent, well trained, operators are running the over 300 permitted wastewater treatment plants in Washington.

Ecology's OpCert program is managed by 1.0 FTE Environmental Specialist 4 (ES4) position as the OpCert Lead and 1.0 FTE ES2 as the OpCert Program Assistant. These two positions oversee program duties, which include:

- Reviewing applications for certification to make sure applicants meet the minimum education and experience requirements for taking the exam.
- Reviewing exam results and issuing certifications.
- Monitoring certified operators' professional growth requirements.
- Reviewing and approving training courses that operators need to meet their professional growth requirements.
- Managing the annual certification renewal process by mailing annual invoices and tracking fee collections.

Chapter 70A.212 RCW requires wastewater treatment plants to have certified operators supervising and running their systems. Ecology oversees the OpCert program to ensure treatment plants are able to hire operators that meet these legal requirements. RCW 70A.212.100 requires OpCert fees be established in amounts to fully recover and not exceed expenses incurred by Ecology to administer the OpCert program.

In 2017, the Legislature passed Senate Bill 5162 that established the Wastewater Treatment Plant Operator Certification Account (OpCert Account) and directed OpCert fees be deposited in the account instead of the state general fund. Prior to this, OpCert fee revenue was deposited into the General Fund. In 2018, the Legislature passed Substitute House Bill 2298 that lifted the fee cap for the OpCert program fees. Annual OpCert fees had been capped in statute at \$50 per application and \$30 per renewal since 1987, which fell far short of recovering the costs to manage the program. Once the statutes were updated, the plan was to use a phased in approach to change Ecology's fee structure and slowly increase fees to fully cover the costs of the program. Ecology worked with stakeholders to establish the new fee schedule in rule and provided stakeholder outreach on the changes made throughout the process.

### Request

Ecology has not yet requested appropriation authority from the OpCert Account because we needed to allow the account to build up sufficient fund and cash balances. As of June 3, 2020, the cash balance in the account is just over \$285,000, and the projected fund balance for the 2021-23 Biennium is \$284,000. This request seeks a technical change to get appropriation from the OpCert Account and reduce appropriation in the Water Quality Permit Account so that the OpCert program is fully funded by fees paid for that purpose as required in RCW 70A.212.100. The fund balance and fees generated by the program are now sufficient to fully fund the program's operation ongoing.

### Impacts on Population Served:

Ecology has seen the number of wastewater treatment plant operators grow from about 1,200 in 1986 to more than 2,200 in 2019. Ecology has also seen a large number of trainers asking for review and approval of their courses so that operators taking the classes can receive professional growth credits. Ecology has 692 courses on the approved course lists as of 2020.

### Alternatives Explored:

Ecology could continue to subsidize the OpCert program with Water Quality Permit fees. This option was determined to not be viable, as it would continue to place unnecessary financial burden on permittees, and would leave unspent OpCert fee revenue intended to fund the OpCert program, which is required in statute to be fully self-supporting.

### Consequences of Not Funding This Request:

If this request is not approved, water quality permittees would continue to subsidize the OpCert program.

## Assumptions and Calculations

### **Expansion, Reduction, Elimination or Alteration of a current program or service:**

The OpCert program is part of Activity A032 - Prevent Point Source Water Pollution. The two staff funded for this work have traditionally been paid by the Water Quality Permit Account. This request shifts OpCert program costs from Water Quality Permit fees to OpCert fees that are paid to cover this program. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for this activity. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.

<b>A032 - Prevent Point Source Water Pollution</b>		
	<b>2017-19</b>	<b>2019-21</b>
FTEs Total	88.5	92.9
001-1 General Fund – State	\$0	\$1,160,000
001-2 General Fund - Federal	\$1,036,081	\$1,070,000
001-7 General Fund – Private/Local	\$874,172	\$878,000
(173-1/19G-1) 23P-1 MTCA Operating	\$1,131,851	\$1,370,000
176-1 Water Quality Permit Fees	\$20,280,096	\$21,908,000
<b>TOTAL</b>	<b>\$23,322,200</b>	<b>\$26,386,000</b>

### **Detailed Assumptions and Calculations:**

#### **Revenue:**

This request will use the existing fund balance in the OpCert Account and fees collected in the 2021-23 Biennium to cover OpCert program costs. WAC 173-230-240 requires Ecology to conduct a workload analysis each biennium and set fees based on the fund balance and workload estimate. Using a workload analysis as the foundation for setting fees allows Ecology to cover inflationary cost increases. At this time, Ecology does not anticipate increasing OpCert fees in the 2021-23 Biennium since fund balance and revenue projections are sufficient to cover program costs.

#### **Expenditures:**

Beginning July 1, 2021, this request shifts OpCert program costs from the Water Quality Permit Account (Fund 176) to the OpCert Account (Fund 21H). In future biennia, Ecology will submit right-sizing appropriation requests if program costs (based on the workload analysis) exceed the carryforward appropriation level for the OpCert Account.

### **Workforce Assumptions:**

N/A

### **How is your proposal impacting equity in the state?**

This request affects communities located across the state in areas with considerable diversity, both culturally and economically. The OpCert program helps provide opportunities to incarcerated individuals and those without a high school education for a career ladder as a wastewater treatment operator. These operators are critical in protecting public health and the environment from pollutants entering Washington's rivers, lakes, and streams, which provides social, environmental and economic health equity for all those who live, work, and play there. Protecting the waters essential for fish and other wildlife habitat helps restore these populations, and fish and game are especially important culturally and as a food source.

## Strategic and Performance Outcomes

### **Strategic Framework:**

This request is essential to implementing three goals in Ecology's strategic plan:

- Goal 3: Prevent and reduce toxic threats and pollution - by certifying wastewater treatment plant operators, it helps ensure they are knowledgeable and that treatment plants are properly operated and maintained.
- Goal 4: Protect and manage our state's waters - by ensuring that wastewater treatment plant operators are properly trained and certified.
- Goal 5: Protect and restore Puget Sound - by protecting public health and the environment from pollutants entering Washington's rivers, lakes, streams, and Puget Sound.

This request provides essential support to two of the Governor's Results Washington goals:

- Goal 1: World Class Education - by certifying wastewater treatment plant operators to help ensure they are knowledgeable and that treatment plants are properly operated and maintained. The OpCert program assists in offering certification opportunities for those that do not have high school or college degrees. Once certified, operators qualify for highly-paid living wage jobs.
- Goal 3: Sustainable Energy and a Clean Environment - by keeping Washington waters clean through ensuring treatment plants are properly operated and maintained. Wastewater treatment plant operators serve an essential function in protecting public health and the environment from pollutants entering Washington's rivers, lakes, streams, and Puget Sound.

**Performance Outcomes:**

This request will allow the OpCert program to be self-sustaining, as required by statute. Water quality permittees will no longer have to subsidize the program, and revenue previously collected for the OpCert program can be spent for its intended purpose.

**Other Collateral Connections**

**State Workforce Impacts:**

N/A

**Intergovernmental:**

Ecology anticipates substantial support from municipal treatment plant operators and stakeholders, as they have been involved in the development of this program since 2016, with the expectation that the program would eventually be financially self-supported. The OpCert program also coordinates with the Washington State Department of Corrections and municipalities across the state to review and approve wastewater training courses offered by those entities.

**State Facilities Impacts:**

N/A

**Changes from Current Law:**

N/A

**Puget Sound Recovery:**

N/A

**Legal or Administrative Mandates:**

Chapter 70A.212 RCW requires wastewater treatment plants to have certified operators supervising and running their systems. Ecology oversees the operator certification program to ensure treatment plants are able to hire operators that meet these legal requirements.

**Stakeholder Response:**

From 2016 through 2019, Ecology worked closely with stakeholders to move the OpCert program to a self-sustaining program, modeled in part after the drinking water operator certification program at the Department of Health. Stakeholders were heavily involved in its development and in ensuring sustainable funding for the work. Currently, Water quality permittees are covering the costs of this program. They expect Ecology to shift off of Water Quality Permit fees and make the OpCert program self-supporting.

**IT Addendum**

**Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

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Department of Ecology  
2021-23 Regular Budget Session  
Policy Level - DR - Move Aquatic Grants to Capital

## Agency Recommendation Summary

This request is a technical adjustment to move funding for the Freshwater Algae and Freshwater Aquatic Invasive Plants Grant programs from the operating budget to the capital budget, similar to many other pass-through funding programs. Doing so will allow communities more predictable and durable funding for their local projects. A more efficient and effective program will mean fewer toxic algae blooms and aquatic weeds affecting the lakes and streams in our communities. (Aquatic Algae Control Account, Freshwater Aquatic Weeds Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	-2.4	-2.4	-2.4	-2.4	-2.4	-2.4
<b>Operating Expenditures</b>						
Fund 10A - 1	(\$264)	(\$265)	(\$529)	(\$264)	(\$265)	(\$529)
Fund 222 - 1	(\$753)	(\$752)	(\$1,505)	(\$753)	(\$752)	(\$1,505)
Total Expenditures	(\$1,017)	(\$1,017)	(\$2,034)	(\$1,017)	(\$1,017)	(\$2,034)

## Decision Package Description

The Freshwater Algae and Aquatic Invasive Plant Grant programs were established in the operating budget in 2005 and 1991 respectively. Over the years it has become increasingly difficult to manage this program across biennial lines as part of an operating budget appropriation. Projects funded with these pass-through dollars cross biennia, and Ecology is limited by the amount of appropriation authorized every two years. Grants are awarded annually to address emerging needs and normally have a two year duration. Those projects awarded in the second year of a biennium, and finish in the first year of the next biennium, are difficult to manage across that threshold. When planned spending does not occur by the end of a biennium, it leaves unspent revenue in the account that can't be accessed. This also means that additional funding from the next biennial operating budget must be used to complete these grants that underspent, which reduces the amounts available for grants in the new biennium.

While there is greater need in communities than Ecology can fund, we keep returning dollars to the accounts because our best estimates for operating spending across biennial lines do not always transpire as planned. Ecology works closely with the recipients to get good spending estimates at the end of each biennium, but the seasonality of this work through the spring and summer makes it difficult to predict whether the bulk of work will occur before or after June 30th, and we cannot overspend our biennial appropriation.

Ecology proposes shifting these programs entirely to the capital budget so that we can more closely manage fund balances to maximize the number of projects funded, which will provide more certainty and continuity in funding to local jurisdictions. This will result in more lakes being treated to prevent harmful algal blooms and the spread of freshwater aquatic weeds.

While these are not traditional bricks-and-mortar capital projects, the work achieved can lead to on-the-ground implementation of best management practices and these projects are often linked with other capital funded restoration projects. Effective toxic algae and aquatic invasive plant control measures provide long-term economic and public health benefits. These grants protect people from toxic algae bloom exposure, improve the waters essential for fish and other wildlife habitat, and help safeguard the places where people live, work, and play. These grant projects often work in tandem with other capital funded restoration projects in the same water body or watershed.

This request removes operating appropriation for these grant programs from Ecology's budget, and shifts it to the capital budget under project 40000376 "Freshwater Aquatic Algae Grant Program" for \$730,000, and project 40000375 "Freshwater Aquatic Invasive Plants Grant Program" for \$1.7 million.

The amounts requested in the capital budget are larger than the reductions in this request because Ecology is seeking one-time capital budget appropriations to use available fund balances, currently about \$200,000 in the Aquatic Algae Control Account (fund 10A), and about \$200,000 in the Freshwater Aquatic Weeds Account (fund 222), based on estimated 2021-23 fund balances. This will fund an additional four Freshwater Algae Grants and three Aquatic Invasive Plant Grants during the 2021-23 Biennium.

### Freshwater Algae Grants

In 2005, the Legislature established funding for the Freshwater Algae Grant Program (RCW 43.21A.667) through an annual one-dollar license fee assessed to the owners of boats. A small amount of funding goes toward technical assistance to applicants and the public about aquatic algae control. Most of the funding is distributed as grants to communities for:

- Managing excessive freshwater harmful algal blooms, with priority for the treatment of lakes in which harmful algal blooms have

- occurred within the past three years;
- Nuisance algae monitoring and removal.

Projects prevent or control excessive growth of freshwater algae in lakes, rivers, or streams and address the cause of the algal blooms. Excessive growth can cause long term economic, environmental, and public health problems. Projects with potentially toxic blue-green species receive funding priority over other projects because they can produce toxins that pose a threat to humans and animals.

### **Freshwater Aquatic Invasive Plant Grants**

The Freshwater Aquatic Weeds Account was established in 1991 and funded through an annual three-dollar license fee assessed to the owners of boat trailers. Per RCW 43.21A.660, at least two-thirds of the funding must be provided as pass-through grants for financial and technical assistance to local and state governments, tribes, and special purpose districts to reduce the propagation of freshwater aquatic invasive plants and to manage the problems these invasive plants cause. No more than one-third of the funding can be used to support technical assistance and public education to prevent the spread of freshwater aquatic weeds. The types of projects eligible for funding include:

- Planning grants to develop an Integrated Aquatic Invasive Plant Management Plan that considers all aquatic invasive plant management options and chooses one or a combination of options for implementation.
- Aquatic Invasive Plant Control and/or Education Projects to prevent, eradicate, contain, or control excessive growth of freshwater invasive plants in lakes, rivers, or streams (with priority given to submersed species like Eurasian watermilfoil).
- Early Infestation Projects to control invasive, non-native, freshwater, aquatic plants discovered in the pioneer stages of growth in a lake, river, or stream.

### **Grant Application Process**

Both grant programs operate on an annual funding cycle for projects. The application period begins October 15th and closes on November 15th of each year. Eligible entities include cities, counties, state agencies, tribes, and special purpose districts. Ecology evaluates grant applications according to criteria established in the program guidelines. Ecology publishes the list of projects proposed for funding in late January/early February of each year.

The maximum aquatic algae grant is \$50,000, and Ecology issues from three to five grants each year. Grant recipients must provide 25 percent match in the form of cash, inter-local costs, or in-kind contributions.

The maximum aquatic invasive plant control grant is \$75,000, planning grants are limited to \$30,000, and early infestation projects are limited to \$50,000. Ecology issues about 10 grants each year. General aquatic plant projects require 25 percent local match, while pilot projects and early infestation projects require 12.5 percent local match.

### **Impacts on Population Served:**

By moving these programs to the capital budget, Ecology can ensure that every dollar of this dedicated funding goes to communities for the purposes intended, which helps protect the environment, human health, and the value of the places where people live, work and recreate. This proposed budget shift will help avoid decreases in available grant funding due to project delays in one biennium that reduces available appropriation authority to fund new projects in the next.

### **Alternatives Explored:**

Ecology could request the dedicated accounts be characterized as “non-appropriated”, which would allow us to use whatever fund balance is available. But that would require legislative action to change the accounts to non-appropriated in RCWs 43.21A.667 and 43.21A.660. Ecology would likely not have support in running a bill to make these minor changes in light of other priority policy issues, and the Legislature prefers accounts be appropriated.

Ecology considered moving to a two-year grant cycle, aligned with the biennium, to address this issue. However, the seasonal nature of algae blooms and invasive plant infestations, and the unanticipated occurrence of blooms and infestations from one year to the next, requires making these funds available every year to quickly address emerging issues.

### **Consequences of Not Funding This Request:**

If this request is not approved, Ecology would continue the less efficient process of running Aquatic Algae and Invasive Plant grants through the operating budget, and leave revenue specifically designated for this work unspent each biennium due to projects crossing biennial budget lines.

## Assumptions and Calculations

### Expansion, Reduction, Elimination or Alteration of a current program or service:

The Aquatic Algae and Invasive Plant grant programs are a small slice of the activities noted in the table below. Shifting these two programs to the capital budget will allow for a one-time increase in grant funding to communities, with the staffing levels remaining the same, but funded as capital FTEs rather than operating. Administrative Overhead related to this activity is also in the agency's Administration Activity A002, and not shown in the totals below.

Activity	Title	Fund	2017-19 Biennium		2019-21 Biennium	
A027	Monitor the Quality of State Waters and Measure Stream Flows Statewide	222	1.0 FTE	\$249,194	1.0 FTE	\$270,000
A043	Provide WQ Financial Asst.	222	0.7 FTE	\$1,164,688	0.7 FTE	\$1,180,000
A043	Provide WQ Financial Asst.	10A	0.4 FTE	\$512,825	0.4 FTE	\$518,000

### Detailed Assumptions and Calculations:

Beginning July 2021 and ongoing, Ecology's biennial operating appropriation will be reduced by the 2021-23 carryforward level of \$529,000 from the Aquatic Algae Control Account (fund 10A), and \$1,505,000 from the Freshwater Aquatic Weeds Account (fund 222). In addition to shifting grants to the capital budget, the staff shifts include:

- **Aquatic Algae Program** 0.4 FTE Environmental Specialist 4 (ES4) to oversee and manage the grant process and provide technical assistance.
- **Aquatic Invasive Plant Program** 0.6 FTE ES4 and 0.1 FTE ES5 to oversee and manage the grant process and provide technical assistance; and 1.0 FTE Natural Resource Scientist 3 to conduct inventories of aquatic plants species statewide and perform follow-up inventories of Ecology grant-funded aquatic weed control projects to determine effectiveness.

### Workforce Assumptions:

Expenditures by Object		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
A	Salaries and Wages	(159,091)	(159,091)	(159,091)	(159,091)	(159,091)	(159,091)
B	Employee Benefits	(58,228)	(58,228)	(58,228)	(58,228)	(58,228)	(58,228)
E	Goods and Services	(9,360)	(9,360)	(9,360)	(9,360)	(9,360)	(9,360)
G	Travel	(5,853)	(5,853)	(5,853)	(5,853)	(5,853)	(5,853)
J	Capital Outlays	(3,438)	(3,438)	(3,438)	(3,438)	(3,438)	(3,438)
N	Grants, Benefits, and Client Services	(721,484)	(721,484)	(721,484)	(721,484)	(721,484)	(721,484)
T	Intra-Agency Reimbursements	(59,546)	(59,546)	(59,546)	(59,546)	(59,546)	(59,546)
<b>Total Objects</b>		<b>(1,017,000)</b>	<b>(1,017,000)</b>	<b>(1,017,000)</b>	<b>(1,017,000)</b>	<b>(1,017,000)</b>	<b>(1,017,000)</b>

### Staffing

Job Class	Salary	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
ENVIRONMENTAL SPECIALIST 4	70,959	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)
ENVIRONMENTAL SPECIALIST 5	78,412	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)	(0.10)
NATURAL RESOURCE SCIENTIST 3	80,291	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)
FISCAL ANALYST 2		(0.21)	(0.21)	(0.21)	(0.21)	(0.21)	(0.21)
IT APP DEVELOPMENT-JOURNEY		(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
<b>Total FTEs</b>		<b>(2.4)</b>	<b>(2.4)</b>	<b>(2.4)</b>	<b>(2.4)</b>	<b>(2.4)</b>	<b>(2.4)</b>

### Explanation of costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Freshwater Algae Grants (fund 10A) are reduced by \$211,043 per year and Freshwater Aquatic Invasive Plant Grants (fund 222) are reduced by \$510,441 per year.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits,

and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

***How is your proposal impacting equity in the state?***

This request affects communities located across the state in areas with considerable diversity, both culturally and economically. Improving the health of freshwater lakes provides social, environmental and economic health equity for all those who live, work, and play there. Protecting the waters essential for fish and other wildlife habitat helps restore these populations. Fish and game are especially important culturally, and as a food source. Reliance on fish and game consumption is often higher among Washington's tribal populations as a healthy source of protein.

## Strategic and Performance Outcomes

***Strategic Framework:***

This request is essential to implementing goals in Ecology's strategic plan to:

- Support and engage our communities, customers, and employees by impacting communities located in areas with considerable diversity, both culturally and economically. Improving the health of freshwater lakes provides social, environmental and economic health equity for all those who live, work, and play there.
- Reduce and prepare for climate impacts by restoring the natural conditions that prevent toxic algae blooms it improves habitat for fish and other species in Washington's freshwater lakes, which increases their resiliency to adapt to conditions caused by climate change.
- Prevent and reduce toxic threats and pollution by reducing algae blooms because toxic algae blooms can make people, pets and livestock sick.
- Protect and manage our state's waters by integrating restoration efforts that provide cool waters and healthy lakes that support fish and wildlife.

These grant funded projects help plan and implement restoration of natural conditions that prevent toxic algae blooms. Supporting habitat for fish and other species in Washington's freshwater lakes, which increases the resiliency for adapting to changing climate conditions, helps reduce toxic threats from algae blooms, and integrates restoration efforts to provide cool waters and healthy lakes that support fish and wildlife.

This request provides essential support to the Governor's Results Washington Goal 3: Sustainable Energy and a Clean Environment and Goal 4: Healthy and Safe Communities because invasive, non-native aquatic plants are a serious threat to the health of lakes, rivers, and streams in Washington State and excessive invasive plant growth impairs fish and wildlife habitat and restricts recreational activities. Restoring natural habitat for fish and other native species in Washington's freshwaters, and improving waterbodies in communities for safe recreation.

***Performance Outcomes:***

The outcome of this request will be a more efficient and effective program that results in fewer toxic algae blooms and aquatic weeds affecting the lakes and streams in our communities.

## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

If this request is approved, more funding and project implementation flexibility would be made available to state, tribes, and local government partners, which would be supported. Input from stakeholders has been focused on the need for additional resources to support these programs as the frequency and intensity of harmful algae blooms and invasive, non-native aquatic plant infestations are increasing in Washington waters.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

This request impacts budget bills by reducing appropriation on an ongoing basis in the operating budget and shifting the grant programs, and associated staff needs, to biennial capital projects so that funding for projects can cross biennial lines.

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

N/A

### **Stakeholder Response:**

Communities will benefit from additional project dollars being made available to help address toxic algae and invasive plants in their lakes, rivers, and streams.

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	(\$159)	(\$159)	(\$318)	(\$159)	(\$159)	(\$318)
Obj. B	(\$58)	(\$58)	(\$116)	(\$58)	(\$58)	(\$116)
Obj. E	(\$9)	(\$9)	(\$18)	(\$9)	(\$9)	(\$18)
Obj. G	(\$6)	(\$6)	(\$12)	(\$6)	(\$6)	(\$12)
Obj. J	(\$4)	(\$4)	(\$8)	(\$4)	(\$4)	(\$8)
Obj. N	(\$721)	(\$721)	(\$1,442)	(\$721)	(\$721)	(\$1,442)
Obj. T	(\$60)	(\$60)	(\$120)	(\$60)	(\$60)	(\$120)

## Agency Contact Information

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**Department of Ecology  
2021-2023 Operating Budget**

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## Agency Recommendation Summary

Ecology is unable to meet growing federal compliance obligations under Title VI of the Civil Rights Act. Lack of compliance exposes Ecology to legal liability, financial risk, and project delays. Gaps in compliance can also create barriers to public access, fair treatment, and meaningful involvement in Ecology's programs. This is particularly true for communities of color and limited English speaking populations. Additional staff resources are required to address requirements for disability access, language coordination, grievance procedures, and sub-recipient accountability. This work is critical to advancing nondiscrimination, equity, and environmental justice. Ecology is requesting funding for additional staff resources to advance environmental justice and Title VI compliance. (Model Toxics Control Operating Account)

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Staffing</b>						
FTEs	1.2	1.2	1.2	1.2	1.2	1.2
<b>Operating Expenditures</b>						
Fund 23P - 1	\$164	\$164	\$328	\$164	\$164	\$328
Total Expenditures	<b>\$164</b>	<b>\$164</b>	<b>\$328</b>	<b>\$164</b>	<b>\$164</b>	<b>\$328</b>

## Decision Package Description

Ecology is committed to ensuring all Washington residents have access to agency programs, activities, and decisions. Central to this commitment is Ecology's dedication to environmental justice (EJ) and meeting federal obligations under Title VI of the Civil Rights Act of 1964 (Title VI). Title VI is the principle law supporting efforts to ensure equitable access and participation in federally funded programs, especially for communities of color, indigenous people, and immigrant populations. Under Title VI, no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. This applies to both recipients and sub-recipients of federal financial assistance, whether the programs, activities, and services are federally funded or not. Ecology is a recipient of financial assistance from a number of federal sources, and the agency has numerous sub-recipients (non-federal entities that receive funds from Ecology to carry out part of Ecology's programs and activities). Ecology is required to meet federal Title VI obligations and to ensure sub-recipient compliance.

Title VI allows for any person who believes they have been subjected to discrimination or retaliation prohibited by Title VI to file a Title VI complaint. Ecology has been named in several Title VI discrimination complaints. All of these complaints have been reviewed by the Environmental Protection Agency (EPA) and closed without penalties. However, the concerns expressed in the complaints have been instrumental in elevating awareness about opportunities to strengthen Ecology's compliance.

For the last four years, Ecology has focused its Title VI compliance work on broadening language access services. This effort was partly in response to the Department of Labor and Industries (L&I) Title VI violation related to discrimination against people with limited English proficiency. Ecology used a one-year project position to develop compliance protocols based on federal guidance and the 2015 L&I settlement agreement. Ecology also made progress on improving Americans with Disabilities Act (ADA) and digital accessibility compliance, implementing Title VI and EJ guidance for rulemaking, and demographic analysis in project planning to ensure agency activities benefit diverse populations and are not discriminatory.

Despite these efforts, Ecology still falls considerably short of the standards required by Title VI.

In 2019, EPA's External Civil Rights Compliance Office published a "Procedural Safeguards Checklist for Recipients" that identifies key components of Title VI compliance. Ecology staff reviewed this checklist and identified numerous unmet agency obligations, as well as limited agency capacity to address the scope of compliance. Finally, Title VI compliance reporting requirements and oversight have recently expanded beyond EPA, and now include the Department of Homeland Security Federal Emergency Management Assistance.

Ecology is also working proactively to promote equity and environmental justice. In line with Washington's newly established Office of Equity, Ecology is developing strategic goals and measures to analyze service equity in our activities, so that agency work is inclusive, serves all customers, and targets environmental health disparities. Ecology staff are also working closely with the Environmental Justice Task Force to help shape the recommendations for the final report to the Governor and Legislature due October 31, 2020. A number of these draft recommendations reflect Ecology's current actions to address EJ, as well as agency plans to further institutionalize this work. Key efforts that align with the EJ Task Force's draft recommendations include integrating equity and EJ into the agency strategic plan, standardizing the review of EJ mapping in agency practices, and prioritizing agency activities (e.g., inspections, outreach, grants) in areas with high cumulative impacts and EJ considerations.

This request will add one additional EJ and Title VI position to focus on unmet and new Title VI obligations, and provide support related to the Office of Equity and EJ Task Force recommendations. This includes developing and administering Title VI compliance protocols that address

auditing, monitoring, tracking, training, and reporting. Adding another position will allow the existing agency EJ and Title VI lead to look beyond urgent projects and address longstanding, agency-wide EJ and Title VI needs to address environmental and health disparities. With this new position, Ecology will have a total of 2.0 FTEs focused on the ongoing work critical to strengthening the effectiveness of the agency's external civil rights program and supporting EJ and equity obligations.

Key tasks for this new position will include:

- Coordinating development of a Title VI grievance procedure to investigate and resolve discrimination complaints from the public.
- Developing a protocol for sub-recipient Title VI compliance reviews and maintain federally compliant disability access, language access, and public involvement plans.
- Serving as Language Access and Public Involvement Title VI standards lead.
- Overseeing Title VI compliance assessments for Ecology programs and activities.
- Aligning Ecology practices with recommendations from the newly established Office of Equity.
- Developing and delivering training that builds Ecology capacity to comply with Title VI, evaluate service equity, and support EJ.

#### **Impacts on Population Served:**

While all Washington residents are served by this compliance work, the specific focus is historically underserved populations. These are mainly communities of color and limited English speaking populations.

Washington State is approximately 33 percent people of color. African American, American Indian, Alaskan Native, Asian and Pacific American, and Hispanic/Latino populations have all increased in the last decade; and the Hispanic/Latino population is the fastest growing in the state, representing about 13 percent of the population. In Adams, Franklin, and Yakima counties, Latinx residents are the majority - making up over 50 percent of county populations.

Washington is one of ten states with the largest and fastest growing population of people with limited English proficiency. English is spoken less than "very well" in seven percent of Washington households, which means over half a million people in the state rely on languages other than English.

This request will directly serve these populations by making sure Ecology considers how language, technology, education, cultural, and accessibility barriers might block or limit access to agency programs. Reducing these barriers and preventing discrimination will ensure all populations benefit from state services, understand their rights, comply with regulations, and understand potential human health and environmental risks they might face. This is mostly relevant for Ecology's work tied to inspections, permitting, rulemaking, grants, environmental cleanups, and emergency response.

#### **Alternatives Explored:**

Requesting additional funding is the only option Ecology considered. In addition to the one current dedicated EJ & Title VI FTE, other Ecology staff have been intermittently available to assist with this work beyond their assigned duties. However, this has been an insufficient and ineffective approach to meeting Ecology's most basic compliance needs, and it is not sustainable.

#### **Consequences of Not Funding This Request:**

There are financial and legal risks associated with continuing to function at the current staffing level. Title VI allows a person to file an administrative complaint with federal agencies against Ecology (and sub-recipients) alleging discrimination. If a Title VI violation is found, the outcome may include informal resolution between Ecology and the complainant, a formal settlement agreement, or referral to the Department of Justice for legal action. The consequences for not funding this request could be diversion of Ecology resources to respond to a federal investigation and any settlement agreement, and the potential withholding or termination of federal funds as a result of the violation.

Further, not funding this request would impair Ecology's ability to meet critical Title VI obligations that may result in a failure to equitably serve Washington's diverse residents and uphold their right to participate in and benefit from government services.

## **Assumptions and Calculations**

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

This request expands Ecology's EJ and Title VI compliance activities, which are part of agency Activity A002 – Administration. This activity provides administrative functions that support the entire agency, including executive, governmental relations, communications, regional and field office administration, human resources, financial services, information services management, and administrative services management.

### ***Detailed Assumptions and Calculations:***

Beginning July 1, 2021 and ongoing, Ecology requires salaries, benefits, and associated staff costs to support 1.0 FTE at the Management Analyst 5 (MA5) level. This position is needed to help meet Ecology's growing federal compliance obligations under Title VI.

Key tasks for this new position will include:

- Coordinating development of a Title VI grievance procedure to investigate and resolve discrimination complaints from the public.
- Developing a protocol for sub-recipient Title VI compliance reviews and maintain federally compliant disability access, language access, and public involvement plans.
- Serving as Language Access and Public Involvement Title VI standards lead.
- Overseeing Title VI compliance assessments for Ecology programs and activities.
- Aligning Ecology practices with recommendations from the newly established Office of Equity.
- Developing and delivering training that builds Ecology capacity to comply with Title VI, evaluate service equity, and support EJ.

#### **Workforce Assumptions:**

<b>Expenditures by Object</b>		<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
A	Salaries and Wages	88,646	88,646	88,646	88,646	88,646	88,646
B	Employee Benefits	32,444	32,444	32,444	32,444	32,444	32,444
E	Goods and Services	5,724	5,724	5,724	5,724	5,724	5,724
G	Travel	2,787	2,787	2,787	2,787	2,787	2,787
J	Capital Outlays	1,637	1,637	1,637	1,637	1,637	1,637
T	Intra-Agency Reimbursements	33,179	33,179	33,179	33,179	33,179	33,179
<b>Total Objects</b>		<b>164,417</b>	<b>164,417</b>	<b>164,417</b>	<b>164,417</b>	<b>164,417</b>	<b>164,417</b>
<b>Staffing</b>							
<b>Job Class</b>	<b>Salary</b>	<b><u>FY 2022</u></b>	<b><u>FY 2023</u></b>	<b><u>FY 2024</u></b>	<b><u>FY 2025</u></b>	<b><u>FY 2026</u></b>	<b><u>FY 2027</u></b>
MANAGEMENT ANALYST 5	88,646	1.00	1.00	1.00	1.00	1.00	1.00
FISCAL ANALYST 2		0.10	0.10	0.10	0.10	0.10	0.10
IT APP DEVELOPMENT-JOURNEY		0.05	0.05	0.05	0.05	0.05	0.05
<b>Total FTEs</b>		<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>

#### **Explanation of costs by object:**

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36.6% of salaries.

Goods and Services are the agency average of \$5,724 per direct program FTE.

Travel is the agency average of \$2,787 per direct program FTE.

Equipment is the agency average of \$1,637 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 27.4% of direct program salaries and benefits, and is shown as object T. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development-Journey.

#### **How is your proposal impacting equity in the state?**

Across the United States, including Washington, low-income populations and communities of color are disproportionately burdened with environmental pollution and hazards in their communities. These populations are more likely to live in neighborhoods near industrial facilities and contaminated sites with poor air and water quality and without convenient access to fresh food and green spaces. Title VI nondiscrimination compliance is foundational to eliminating these environmental and health disparities and achieving environmental justice. This request will focus much-needed resources for Washington's most underserved, underrepresented, and overburdened populations. It will strive to reduce disparities by removing barriers to participation in decision-making, preventing and reducing environmental impacts, and increasing environmental benefits.

A critical part of this Title VI compliance work is evaluating service equity. This means preventing discrimination by looking at the distribution of agency services across populations and addressing service gaps. To do this work, Ecology will identify priority demographic and geographic communities through EJ mapping tools, including EPA's EJSCREEN and the Washington Department of Health's Environmental Health Disparities Map. These tools provide a consistent and transparent way to identify areas with the greatest cumulative impacts.

## Strategic and Performance Outcomes

### ***Strategic Framework:***

This request is essential to implementing all the goals in Ecology's strategic plan, because the requested position will ensure the work Ecology does reflects our commitment to nondiscrimination and environmental justice. Ecology aims to achieve the highest environmental standard for all of Washington's diverse residents, especially communities underserved, underrepresented, and most burdened by environmental and health impacts. As Ecology implements its strategic plan, we must ensure the rights of the public to:

- Access and benefit from our programs and services.
- Meaningfully engage with the agency.
- Partner with us to develop environmental solutions.

This request provides essential support to the Governor's Results Washington Goal 4: Healthy and Safe Communities, by ensuring our work strategically reduces environmental disparities and achieves healthy and safe communities for everyone. Environmental justice and Title VI compliance are critical to this goal so people:

- Know their rights.
- Don't face discriminatory processes and decisions.
- Can shape what happens in their communities.

This request also aligns with the purpose of the recently-created Office of Equity within the Office of the Governor (ESSHB 1783 (2020)) to promote equity in state agency programs to reduce disparities and improve outcomes.

### ***Performance Outcomes:***

The outcome of this request will be:

- Improved Title VI compliance.
- Reduced liability from compliance gaps.
- Improved public engagement and environmental outcomes for Washington communities.

Key deliverables include:

- Formal grievance procedures.
- Compliance plans.
- Employee training.



## Other Collateral Connections

### **State Workforce Impacts:**

N/A

### **Intergovernmental:**

Title VI extends to oversight and compliance review of Ecology's financial sub-recipients. Ecology anticipates that other government entities that receive federal funding through Ecology will also have direct federal recipient Title VI obligations and that Ecology oversight will not create additional or undue impacts. Ecology will continue to provide support and guidance on compliance best practices.

### **State Facilities Impacts:**

N/A

### **Changes from Current Law:**

N/A

### **Puget Sound Recovery:**

N/A

### **Legal or Administrative Mandates:**

Ecology was named in a Title VI Civil Rights administrative complaint (Case 35RNO-16-R10) in 2016, which was under jurisdictional review for two years, and dismissed in 2018. An Ecology sub-recipient was also named in a related complaint, and was found in violation. Engagement in these proceedings and the subsequent memorandum of agreement between the sub-recipient and EPA highlighted compliance concerns at Ecology. Problems identified by EPA include Ecology's need for nondiscrimination plans, internal auditing and accountability mechanisms, an agency Title VI grievance procedure for the public, and an oversight protocol for sub-recipient Title VI compliance. For these reasons, 70 percent of this position request relates to addressing Title VI compliance requirements.

### **Stakeholder Response:**

Environmental organizations, local governments, and members of the public continue to raise concerns about Ecology's EJ efforts and compliance with Title VI. This includes formal letters from external stakeholders questioning how the agency is integrating EJ into its activities. A recent letter from Public Health Seattle King County called for a "holistic racial and socioeconomic analysis that incorporates equity and social justice principles." Other stakeholders that have recently called for increased EJ and Title VI accountability include Front and Centered, Duwamish River Cleanup Coalition, Puget Sound Sage, Citizens for a Healthy Bay, Washington Environmental Council, Puget Soundkeeper Alliance, and Friends of Toppenish Creek.

## IT Addendum

### **Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$89	\$89	\$178	\$89	\$89	\$178
Obj. B	\$32	\$32	\$64	\$32	\$32	\$64
Obj. E	\$6	\$6	\$12	\$6	\$6	\$12
Obj. G	\$3	\$3	\$6	\$3	\$3	\$6
Obj. J	\$1	\$1	\$2	\$1	\$1	\$2
Obj. T	\$33	\$33	\$66	\$33	\$33	\$66

## Agency Contact Information

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Department of Ecology  
2021-23 Regular Budget Session  
Policy Level - RA - New or Increased Fee Requests

## Agency Recommendation Summary

Ecology will increase the following authorized fees in the 2021-23 Biennium: Underground Storage Tank Fee and Water Quality Permit Fee. These fees create dedicated revenue for specific environmental protection purposes and are paid by parties requesting the service.

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
<b>Revenue</b>						
176 - 0286	\$1,245	\$2,514	<b>\$3,759</b>	\$2,514	\$2,514	<b>\$5,028</b>
182 - 0299	\$95	\$194	<b>\$289</b>	\$194	\$194	<b>\$388</b>
Total Revenue	<b>\$1,340</b>	<b>\$2,708</b>	<b>\$4,048</b>	<b>\$2,708</b>	<b>\$2,708</b>	<b>\$5,416</b>

## Decision Package Description

Ecology manages about 52 different fund sources with a multitude of fee-funded programs. The Office of Financial Management encourages agencies, where feasible, to adjust fees on an annual or biennial basis to ensure revenue covers the cost of running the program. Ecology will increase the following fees in the 2021-23 Biennium to cover inflationary costs like increases in salary, benefits, and central service expenditures. Revenue for these fees is included in this request. No additional expenditure authority is needed at this time.

### UNDERGROUND STORAGE TANK FEE

1. Fee Name: Underground Storage Tank Fee

2. Current Tax or Fee Rate: The fee for Fiscal Year 2021 is \$181.83 per tank, effective July 1, 2020. RCW 90.76.030 gives Ecology authority to increase the tank fee according to the Fiscal Growth Factor (FGF) each year with a 15-month notification process. Ecology is required to give public notification of the fee increase by March 1 before the year for which the new fee is effective. In order to increase the UST fee effective July 1, 2022, Ecology will provide notice in March 2021 to the UST owners, and publish the new fee in the Washington State Register.

3. Proposed Rate:

FY 2022: \$192.58 per tank

FY 2023: \$203.73 per tank

4. Incremental Change for Each Year:

FY 2022: FGF of 5.91 percent, or \$10.75 per tank from FY 2021 base fee

FY 2023: FGF of 5.79 percent, or \$21.90 per tank from FY 2021 base fee

5. Expected Implementation Date: July 1, 2021 for Fiscal Year 2022 and July 1, 2022 for Fiscal Year 2023

6. Estimated Additional Revenue Generated by Increase:

**FY 2022:** Estimated revenue by applying the FGF to the current tank fee. ( $\$181.83 \times 1.0591 = \$192.58$ )

Ecology estimates the proposed fee increase will generate \$95,000 in new revenue for Fiscal Year 2022. The new revenue is calculated by using the projected number of tank renewals for Fiscal Year 2022. The tank renewals are based on a nine-year average of tank renewals. (8,862 tanks averaged during (2010-2018).

8,862 tanks x \$192.58 tank fee = \$1,706,000 *rounded to thousands*

8,862 tanks x \$181.83 tank fee = \$1,611,000 *rounded to thousands*

Estimated Revenue Increase = \$ 95,000

**FY 2023:** Estimated revenue by applying the FGF to the proposed Fiscal Year 2022 tank fee. ( $\$192.58 \times 1.0579 = \$203.73$ )

Ecology estimates the proposed fee increase will generate \$194,000 in new revenue for Fiscal Year 2023.

8,862 tanks x \$203.73 tank fee = \$1,805,000 *rounded to thousands*

8,862 tanks x \$181.83 tank fee = \$1,611,000 *rounded to thousands*

Estimated Revenue Increase = \$ 194,000

For 2021-23, the total estimated revenue is less than multiplying the number of regulated tanks by the tank fee for reasons such as:

- Non-compliant tank owners not paying fees when tanks are in temporary closure status. A tank license is needed to receive fuel; if a site is temporarily closed, owners may not pay tank fees.

- The number of tanks fluctuates as tanks close and new tanks are installed.
- A tank origination is billed, but the fee can be prorated if a tank endorsement is added to an existing business license. The intent is all endorsements at all locations are aligned to the one, overriding business license expiration date. This proration is unpredictable and the origination numbers vary from year to year. For this reason, projections have been based on renewals only.
- Current annual fee collections are on track for FY 2020 despite the COVID-19 economic downturn. Ecology will continue to monitor the situation closely and work with OFM for options should the revenue declines.

Placing funds in unallotted status for the 2019-21 Biennium and implementing tank fee increases of 5.91 percent in Fiscal Year 2022 and 5.79 percent in Fiscal Year 2023 will balance the UST Account at the end of the 2021-23 biennium. Without these steps, the fund balance projection for 2021-23 is negative -\$181,000. A two-month minimum fund balance based on the current estimated 2021-23 carryforward level would equal \$335,000.

7. Justification: Ecology's Underground Storage Tank (UST) program regulates more than 9,000 underground storage tanks used to store petroleum products. It is a federally delegated program from the Environmental Protection Agency (EPA). The program provides preventative inspections, technical assistance, and seeks to have all UST systems installed, managed, and monitored to prevent releases of toxics into the environment.

Tank fees were implemented in 1998 to fund the UST regulatory program. Currently, the fees do not cover the entire cost of the program, which is funded by a combination of federal grants, Model Toxics Control Operating Account (MTCA-Operating) funding, and the per tank fee. In previous fiscal years, federal cuts to EPA's budget have resulted in reductions in grant funding for USTs and cleanup of leaking tanks. Since Fiscal Year 2017, the level of federal grant awards has stabilized. However, the past reductions created a funding gap in the UST program. At the same time, operational costs continue to increase, for instance state mandated salary increases, health care benefits, and legal services. MTCA-Operating funding helps bridge the funding gap and provides state match for the federal grant. This gap will continue to grow without regular UST tank fee increases.

RCW 90.76.030 gives Ecology authority to increase the tank fee according to the FGF each year. By continuing to increase the tank fee each year by the FGF, the funding gap will be managed and not grow. If this gap continues to grow, funds will have to be diverted from other important state funded programs to cover the cost of regulating USTs, or the program will have to be cut back.

8. Changes in Who Pays: No Change

9. Changes in Methodology: No Change

10. RecSum Code: RA

11. Alternatives: Without a fee increase, Ecology will consider its options for managing the regulatory program. These options may include reducing the program or divert funds from other important state funded programs to cover the revenue gap.

12. Statutory Change Required? No statutory changes are required. Ecology has authority in RCW 90.76.090 to increase the fee up to the FGF each year.

## **WASTEWATER DISCHARGE PERMIT FEES**

1. Fee Name: Wastewater Discharge Permit Fees

2. Current Tax or Fee Rate: The fee rates are based on various factors, dependent on permit fee category, as outlined in Chapter 173-224 WAC.

3. Proposed Rate: PLACEHOLDER – Traditionally Wastewater Discharge Permit Fees are increased every two years to account for inflationary costs. With the downturn in the economy related to the COVID-19 pandemic, it is difficult to estimate what the economic impact will be to fees in Fiscal Years 2021 through 2023. Ecology is conservatively estimating a 10 percent drop in revenue over this three-year period due to fewer permittees obtaining coverage (from closed businesses and fewer construction projects), and more permittees qualifying for hardship fee discounts.

This could result in a 10 percent or more increase in certain fee categories, depending on economic influences and the resulting decrease or increase in Ecology's permit administration work. Ecology's workload could decrease due to salary or hiring restrictions, or increase if the agency is required to do more inspections and enforcement work. Fee increases next biennium will be based on the actual decrease in Fiscal Year 2021 revenue; inflationary cost increases (e.g., salaries, benefits, central service charges); and 2021-23 Biennium budget impacts (+ and -).

Ecology will draft the rule to change the fee structure in March 2021 and will have a better sense then what fee increase, if any, is needed. For this placeholder request, estimated fee increases are based on the FGFs for Fiscal Year 2022 and Fiscal Year 2023.

**FY 2022:** The rate structure in place in Fiscal Year 2021 will be carried over to Fiscal Year 2022 and increased by the rate necessary to fund base operations and proposed budget changes for Fiscal Year 2022. If there is not a significant loss in revenue due to the economic downturn, Ecology estimates fee increases will be around 5.79 percent, or the FGF, for all fee categories except municipal wastewater fees. The municipal wastewater fee category will not be increased because of the limitation based in statute, RCW 90.48.465.

**FY 2023:** The rate structure in place in Fiscal Year 2022 will be carried over to Fiscal Year 2023 and increased by the rate necessary to fund base operations and proposed budget changes for Fiscal Year 2023. If there is not a significant loss in revenue due to the economic downturn, Ecology estimates fee increases will be around 5.58%, or the FGF, for all fee categories except municipal wastewater fees. The municipal wastewater fee category will not be increased because of the limitation based in statute, RCW 90.48.465.

**4. Incremental Change for Each Year:**

FY 2022: The incremental change is estimated to increase 5.79%

FY 2023: The incremental change is estimated to increase 5.58%.

**5. Expected Implementation Date:** July 1, 2021 and July 1, 2022

**6. Estimated Additional Revenue Generated by Increase:**

FY 2022: \$1,245,000. Some of the increase will cover the projected revenue shortfall, and therefore will not be additional revenue.

FY 2023: Total \$2,514,000 = \$1,245,000 from Fiscal Year 2022 increase plus \$1,269,000 Fiscal Year 2023 estimated increase. Some of the increase will cover the projected revenue shortfall, and therefore will not be additional revenue.

**7. Justification:** This request is necessary to continue core services to administer Ecology's Water Quality Permit Program. Permit fees support the work of staff writing permits that set pollution limits, staff who provide technical support for solving pollution problems, and inspectors who monitor compliance through site visits.

If we do not have adequate revenue to cover our appropriation, the cash and fund balances in fund 176 may decline to the point where cuts in appropriations and services would be required. Permit backlog rates would not improve. Fewer inspections and regulatory oversight would be conducted, diminishing on-the-ground environmental protection. Ecology's ability to respond to permittees, stakeholders, and other government agencies' needs would be compromised.

**8. Changes in Who Pays:** No Change

**9. Changes in Methodology:** No Change

**10. RecSum Code:** RA

**11. Alternatives:** A number of alternatives have been considered. Ecology explored the option of not doing a fee increase for the 2021-23 Biennium. However, without a fee increase of some kind to keep pace with inflationary cost increases, there is a chance that the revenue collected next biennium may not sufficiently cover the appropriation level authorized by the legislature. Furthermore, if we do not increase fees at all, we lose an opportunity to continue moving toward payment equity between our over and underpaying fee categories, something that is very important to both Ecology and our stakeholders.

In previous years, Ecology pursued legislative support to eliminate the municipal fee cap. This approach did not get any traction from legislators or stakeholders. Ecology has also considered options such as applying a selective, larger percentage increase on fee categories not paying for current service levels, or setting a minimum fee. So far these options have not received support from stakeholders either.

Based on these factors, implementing a FGF increase for all non-capped fee categories to keep up with inflation and continue moving toward payment equity between fee categories is the only alternative that makes sense at this time.

**12. Statutory Change Required?** No statutory changes are required. Chapter 173-224 WAC will be revised to implement the fee changes. Regular revisions to chapter 173-224 WAC to adjust permit fees are already included in the program plan.

## Assumptions and Calculations

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

N/A

### ***Detailed Assumptions and Calculations:***

N/A

### ***Workforce Assumptions:***

N/A

### ***How is your proposal impacting equity in the state?***

N/A

## Strategic and Performance Outcomes

### ***Strategic Framework:***

N/A

### ***Performance Outcomes:***

N/A

## Other Collateral Connections

### ***State Workforce Impacts:***

N/A

### ***Intergovernmental:***

N/A

### ***State Facilities Impacts:***

N/A

### ***Changes from Current Law:***

N/A

### ***Puget Sound Recovery:***

N/A

### ***Legal or Administrative Mandates:***

N/A

### ***Stakeholder Response:***

N/A

## IT Addendum

### ***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No



## Agency Contact Information

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**Department of Ecology  
2021-2023 Operating Budget**

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Dollars in Thousands

**ABS 029 Summarized Revenue by Account and Source**  
**Department of Ecology**  
**Agency Level**  
**2021-23 Regular Budget Session**  
**BI - Biennial 2021-23 Initial**

	Maintenance Level		Policy Level		Annual Totals	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
<b>001 - General Fund</b>						
0285 - Water Resources Fees - S						
90 - Maintenance Level Revenue	295	315	0	0		
Total - 0285 - Water Resources Fees - S	295	315	0	0	295	315
						610
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	863	863	0	0		
Total - 0299 - Other Licenses Permi - S	863	863	0	0	863	863
						1,726
0311 - Dept of Commerce - F						
90 - Maintenance Level Revenue	7,199	7,585	0	0		
Total - 0311 - Dept of Commerce - F	7,199	7,585	0	0	7,199	7,585
						14,784
0315 - Dept of Interior - F						
90 - Maintenance Level Revenue	12,006	12,650	0	0		
MJ - WCC Member Wages and Benefits	18	41	0	0		
Total - 0315 - Dept of Interior - F	12,024	12,691	0	0	12,024	12,691
						24,715
0355 - Fed Rev Non-Assist - F						
90 - Maintenance Level Revenue	1,200	1,200	0	0		
Total - 0355 - Fed Rev Non-Assist - F	1,200	1,200	0	0	1,200	1,200
						2,400
0366 - Environ Protection A - F						
90 - Maintenance Level Revenue	38,087	40,130	0	0		
Total - 0366 - Environ Protection A - F	38,087	40,130	0	0	38,087	40,130
						78,217
0381 - Dept of Energy - F						
90 - Maintenance Level Revenue	3,729	3,929	0	0		
Total - 0381 - Dept of Energy - F	3,729	3,929	0	0	3,729	3,929
						7,658
0397 - Homeland Security - F						
90 - Maintenance Level Revenue	623	656	0	0		
Total - 0397 - Homeland Security - F	623	656	0	0	623	656
						1,279
0416 - Sale of Prop/Other - S						
90 - Maintenance Level Revenue	1	1	0	0		





**ABS 029 Summarized Revenue by Account and Source**  
**Department of Ecology**  
**Agency Level**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

	Maintenance Level		Policy Level		Annual Totals	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
<b>027 - Reclamation Account - State</b>	<b>1,597</b>	<b>1,627</b>			<b>1,597</b>	<b>1,627</b>
<b>Total - 027 - Reclamation Account</b>	<b>1,597</b>	<b>1,627</b>			<b>1,597</b>	<b>1,627</b>
<b>05W - State Drought Prep</b>						
0499 - Other Revenue - S						
90 - Maintenance Level Revenue	3	4	0	0		
Total - 0499 - Other Revenue - S	3	4	0	0	3	4
<b>05W - State Drought Prep - State</b>	<b>3</b>	<b>4</b>			<b>3</b>	<b>4</b>
<b>Total - 05W - State Drought Prep</b>	<b>3</b>	<b>4</b>			<b>3</b>	<b>4</b>
<b>072 - Improv-Water Supply</b>						
0866 - Loan Principal Repay - S						
90 - Maintenance Level Revenue	2	2	0	0		
Total - 0866 - Loan Principal Repay - S	2	2	0	0	2	2
<b>072 - Improv-Water Supply - State</b>	<b>2</b>	<b>2</b>			<b>2</b>	<b>2</b>
<b>Total - 072 - Improv-Water Supply</b>	<b>2</b>	<b>2</b>			<b>2</b>	<b>2</b>
<b>08R - Waste Tire Removal A</b>						
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	5	5	0	0		
Total - 0299 - Other Licenses Permi - S	5	5	0	0	5	5
<b>08R - Waste Tire Removal A - State</b>	<b>5</b>	<b>5</b>			<b>5</b>	<b>5</b>
<b>Total - 08R - Waste Tire Removal A</b>	<b>5</b>	<b>5</b>			<b>5</b>	<b>5</b>
<b>10G - Water Rights T Acct</b>						
0285 - Water Resources Fees - S						
90 - Maintenance Level Revenue	72	75	0	0		
Total - 0285 - Water Resources Fees - S	72	75	0	0	72	75
<b>10G - Water Rights T Acct - State</b>	<b>72</b>	<b>75</b>			<b>72</b>	<b>75</b>
<b>Biennial Total</b>	<b>3,224</b>	<b>3,224</b>			<b>3,224</b>	<b>3,224</b>

**ABS 029 Summarized Revenue by Account and Source**  
**Department of Ecology**  
**Agency Level**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

	Maintenance Level		Policy Level		Annual Totals	
	FY2022	FY2023	FY2022	FY2023	FY2022	Biennial Total
<b>Total - 10G - Water Rights T Acct</b>	<b>72</b>	<b>75</b>			<b>72</b>	<b>147</b>
<b>116 - Basic Data Account</b>						
0427 - Property/Resc Mgmt - S						
90 - Maintenance Level Revenue	50	50	0	0		
Total - 0427 - Property/Resc Mgmt - S	50	50	0	0	50	100
<b>116 - Basic Data Account - State</b>	<b>50</b>	<b>50</b>			<b>50</b>	<b>100</b>
<b>Total - 116 - Basic Data Account</b>	<b>50</b>	<b>50</b>			<b>50</b>	<b>100</b>
<b>11J - Electronic Recycling</b>						
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	355	355	0	0		
Total - 0299 - Other Licenses Permi - S	355	355	0	0	355	710
<b>11J - Electronic Recycling - State</b>	<b>355</b>	<b>355</b>			<b>355</b>	<b>710</b>
<b>Total - 11J - Electronic Recycling</b>	<b>355</b>	<b>355</b>			<b>355</b>	<b>710</b>
<b>16T - Product Stewardship</b>						
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	81	78	0	0		
Total - 0299 - Other Licenses Permi - S	81	78	0	0	81	159
<b>16T - Product Stewardship - State</b>	<b>81</b>	<b>78</b>			<b>81</b>	<b>159</b>
<b>Total - 16T - Product Stewardship</b>	<b>81</b>	<b>78</b>			<b>81</b>	<b>159</b>
<b>16V - Water Rights Process</b>						
0285 - Water Resources Fees - S						
90 - Maintenance Level Revenue	5	5	0	0		
Total - 0285 - Water Resources Fees - S	5	5	0	0	5	10
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	3	3	0	0		

**ABS 029 Summarized Revenue by Account and Source**  
**Department of Ecology**  
**Agency Level**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

	Maintenance Level		Policy Level		Annual Totals	
	FY2022	FY2023	FY2022	FY2023	FY2022	Biennial Total
Total - 0299 - Other Licenses Permi - S	3	3	0	0	3	6
<b>16V - Water Rights Process - State</b>	<b>8</b>	<b>8</b>			<b>8</b>	<b>16</b>
<b>Total - 16V - Water Rights Process</b>	<b>8</b>	<b>8</b>			<b>8</b>	<b>16</b>
<b>176 - Water Quality Permit</b>						
0286 - Water Quality Fees - S						
90 - Maintenance Level Revenue	21,500	21,500	0	0		
RA - New or Increased Fee Requests	0	0	1,245	2,514		
Total - 0286 - Water Quality Fees - S	21,500	21,500	1,245	2,514	22,745	46,759
<b>176 - Water Quality Permit - State</b>	<b>21,500</b>	<b>21,500</b>	<b>1,245</b>	<b>2,514</b>	<b>22,745</b>	<b>46,759</b>
<b>Total - 176 - Water Quality Permit</b>	<b>21,500</b>	<b>21,500</b>	<b>1,245</b>	<b>2,514</b>	<b>22,745</b>	<b>46,759</b>
<b>182 - Underground Storage</b>						
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	1,611	1,611	0	0		
RA - New or Increased Fee Requests	0	0	95	194		
Total - 0299 - Other Licenses Permi - S	1,611	1,611	95	194	1,706	3,511
0405 - Fines, Forfeits - S						
90 - Maintenance Level Revenue	30	30	0	0		
Total - 0405 - Fines, Forfeits - S	30	30	0	0	30	60
<b>182 - Underground Storage - State</b>	<b>1,641</b>	<b>1,641</b>	<b>95</b>	<b>194</b>	<b>1,736</b>	<b>3,571</b>
<b>Total - 182 - Underground Storage</b>	<b>1,641</b>	<b>1,641</b>	<b>95</b>	<b>194</b>	<b>1,736</b>	<b>3,571</b>
<b>199 - Biosolids Permit Acc</b>						
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	1,050	1,050	0	0		
DE - Biosolids Permitting Efficiencies	0	0	61	123		
Total - 0299 - Other Licenses Permi - S	1,050	1,050	61	123	1,111	2,284
<b>199 - Biosolids Permit Acc - State</b>	<b>1,050</b>	<b>1,050</b>	<b>61</b>	<b>123</b>	<b>1,111</b>	<b>2,284</b>

### ABS 029 Summarized Revenue by Account and Source

# Department of Ecology

## Agency Level

## BI - Biennial 2021-23 Initial

*Dollars in Thousands*

	Maintenance Level		Policy Level		Annual Totals	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
<b>Total - 199 - Biosolids Permit Acc</b>	<b>1,050</b>	<b>1,050</b>	<b>61</b>	<b>123</b>	<b>1,111</b>	<b>1,173</b>
<b>207 - Hazardous Waste</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	3,375	3,375	0	0		
Total - 0294 - Hazardous Waste Fees - S	3,375	3,375	0	0	3,375	3,375
<b>207 - Hazardous Waste - State</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>Total - 207 - Hazardous Waste</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>20R - Radioactive MW Acct</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	11,060	11,060	0	0		
DS - Hanford SEPA Evaluation Support	0	0	134	134		
DT - Hanford Unauthorized Unit Closures	0	0	169	169		
MH - Hanford Cleanup Litigation	800	800	0	0		
Total - 0294 - Hazardous Waste Fees - S	11,860	11,860	303	303	12,163	12,163
<b>20R - Radioactive MW Acct - State</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>Total - 20R - Radioactive MW Acct</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>216 - Air Pollution Ctl Ac</b>						
0225 - Burning Permit Fees - S						
90 - Maintenance Level Revenue	300	300	0	0		
Total - 0225 - Burning Permit Fees - S	300	300	0	0	300	300
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	1,251	1,251	0	0		
Total - 0299 - Other Licenses Permi - S	1,251	1,251	0	0	1,251	1,251
0405 - Fines, Forfeits - S						
90 - Maintenance Level Revenue	80	80	0	0		
Total - 0405 - Fines, Forfeits - S	80	80	0	0	80	80
<b>Total - 199 - Biosolids Permit Acc</b>	<b>1,050</b>	<b>1,050</b>	<b>61</b>	<b>123</b>	<b>1,111</b>	<b>1,173</b>
<b>207 - Hazardous Waste</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	3,375	3,375	0	0		
Total - 0294 - Hazardous Waste Fees - S	3,375	3,375	0	0	3,375	3,375
<b>207 - Hazardous Waste - State</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>Total - 207 - Hazardous Waste</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>20R - Radioactive MW Acct</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	11,060	11,060	0	0		
DS - Hanford SEPA Evaluation Support	0	0	134	134		
DT - Hanford Unauthorized Unit Closures	0	0	169	169		
MH - Hanford Cleanup Litigation	800	800	0	0		
Total - 0294 - Hazardous Waste Fees - S	11,860	11,860	303	303	12,163	12,163
<b>20R - Radioactive MW Acct - State</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>Total - 20R - Radioactive MW Acct</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>216 - Air Pollution Ctl Ac</b>						
0225 - Burning Permit Fees - S						
90 - Maintenance Level Revenue	300	300	0	0		
Total - 0225 - Burning Permit Fees - S	300	300	0	0	300	300
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	1,251	1,251	0	0		
Total - 0299 - Other Licenses Permi - S	1,251	1,251	0	0	1,251	1,251
0405 - Fines, Forfeits - S						
90 - Maintenance Level Revenue	80	80	0	0		
Total - 0405 - Fines, Forfeits - S	80	80	0	0	80	80
<b>Total - 199 - Biosolids Permit Acc</b>	<b>1,050</b>	<b>1,050</b>	<b>61</b>	<b>123</b>	<b>1,111</b>	<b>1,173</b>
<b>207 - Hazardous Waste</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	3,375	3,375	0	0		
Total - 0294 - Hazardous Waste Fees - S	3,375	3,375	0	0	3,375	3,375
<b>207 - Hazardous Waste - State</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>Total - 207 - Hazardous Waste</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>20R - Radioactive MW Acct</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	11,060	11,060	0	0		
DS - Hanford SEPA Evaluation Support	0	0	134	134		
DT - Hanford Unauthorized Unit Closures	0	0	169	169		
MH - Hanford Cleanup Litigation	800	800	0	0		
Total - 0294 - Hazardous Waste Fees - S	11,860	11,860	303	303	12,163	12,163
<b>20R - Radioactive MW Acct - State</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>Total - 20R - Radioactive MW Acct</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>216 - Air Pollution Ctl Ac</b>						
0225 - Burning Permit Fees - S						
90 - Maintenance Level Revenue	300	300	0	0		
Total - 0225 - Burning Permit Fees - S	300	300	0	0	300	300
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	1,251	1,251	0	0		
Total - 0299 - Other Licenses Permi - S	1,251	1,251	0	0	1,251	1,251
0405 - Fines, Forfeits - S						
90 - Maintenance Level Revenue	80	80	0	0		
Total - 0405 - Fines, Forfeits - S	80	80	0	0	80	80
<b>Total - 199 - Biosolids Permit Acc</b>	<b>1,050</b>	<b>1,050</b>	<b>61</b>	<b>123</b>	<b>1,111</b>	<b>1,173</b>
<b>207 - Hazardous Waste</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	3,375	3,375	0	0		
Total - 0294 - Hazardous Waste Fees - S	3,375	3,375	0	0	3,375	3,375
<b>207 - Hazardous Waste - State</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>Total - 207 - Hazardous Waste</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>20R - Radioactive MW Acct</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	11,060	11,060	0	0		
DS - Hanford SEPA Evaluation Support	0	0	134	134		
DT - Hanford Unauthorized Unit Closures	0	0	169	169		
MH - Hanford Cleanup Litigation	800	800	0	0		
Total - 0294 - Hazardous Waste Fees - S	11,860	11,860	303	303	12,163	12,163
<b>20R - Radioactive MW Acct - State</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>Total - 20R - Radioactive MW Acct</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>216 - Air Pollution Ctl Ac</b>						
0225 - Burning Permit Fees - S						
90 - Maintenance Level Revenue	300	300	0	0		
Total - 0225 - Burning Permit Fees - S	300	300	0	0	300	300
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	1,251	1,251	0	0		
Total - 0299 - Other Licenses Permi - S	1,251	1,251	0	0	1,251	1,251
0405 - Fines, Forfeits - S						
90 - Maintenance Level Revenue	80	80	0	0		
Total - 0405 - Fines, Forfeits - S	80	80	0	0	80	80
<b>Total - 199 - Biosolids Permit Acc</b>	<b>1,050</b>	<b>1,050</b>	<b>61</b>	<b>123</b>	<b>1,111</b>	<b>1,173</b>
<b>207 - Hazardous Waste</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	3,375	3,375	0	0		
Total - 0294 - Hazardous Waste Fees - S	3,375	3,375	0	0	3,375	3,375
<b>207 - Hazardous Waste - State</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>Total - 207 - Hazardous Waste</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>20R - Radioactive MW Acct</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	11,060	11,060	0	0		
DS - Hanford SEPA Evaluation Support	0	0	134	134		
DT - Hanford Unauthorized Unit Closures	0	0	169	169		
MH - Hanford Cleanup Litigation	800	800	0	0		
Total - 0294 - Hazardous Waste Fees - S	11,860	11,860	303	303	12,163	12,163
<b>20R - Radioactive MW Acct - State</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>Total - 20R - Radioactive MW Acct</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>216 - Air Pollution Ctl Ac</b>						
0225 - Burning Permit Fees - S						
90 - Maintenance Level Revenue	300	300	0	0		
Total - 0225 - Burning Permit Fees - S	300	300	0	0	300	300
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	1,251	1,251	0	0		
Total - 0299 - Other Licenses Permi - S	1,251	1,251	0	0	1,251	1,251
0405 - Fines, Forfeits - S						
90 - Maintenance Level Revenue	80	80	0	0		
Total - 0405 - Fines, Forfeits - S	80	80	0	0	80	80
<b>Total - 199 - Biosolids Permit Acc</b>	<b>1,050</b>	<b>1,050</b>	<b>61</b>	<b>123</b>	<b>1,111</b>	<b>1,173</b>
<b>207 - Hazardous Waste</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	3,375	3,375	0	0		
Total - 0294 - Hazardous Waste Fees - S	3,375	3,375	0	0	3,375	3,375
<b>207 - Hazardous Waste - State</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>Total - 207 - Hazardous Waste</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>20R - Radioactive MW Acct</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	11,060	11,060	0	0		
DS - Hanford SEPA Evaluation Support	0	0	134	134		
DT - Hanford Unauthorized Unit Closures	0	0	169	169		
MH - Hanford Cleanup Litigation	800	800	0	0		
Total - 0294 - Hazardous Waste Fees - S	11,860	11,860	303	303	12,163	12,163
<b>20R - Radioactive MW Acct - State</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>Total - 20R - Radioactive MW Acct</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>216 - Air Pollution Ctl Ac</b>						
0225 - Burning Permit Fees - S						
90 - Maintenance Level Revenue	300	300	0	0		
Total - 0225 - Burning Permit Fees - S	300	300	0	0	300	300
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	1,251	1,251	0	0		
Total - 0299 - Other Licenses Permi - S	1,251	1,251	0	0	1,251	1,251
0405 - Fines, Forfeits - S						
90 - Maintenance Level Revenue	80	80	0	0		
Total - 0405 - Fines, Forfeits - S	80	80	0	0	80	80
<b>Total - 199 - Biosolids Permit Acc</b>	<b>1,050</b>	<b>1,050</b>	<b>61</b>	<b>123</b>	<b>1,111</b>	<b>1,173</b>
<b>207 - Hazardous Waste</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	3,375	3,375	0	0		
Total - 0294 - Hazardous Waste Fees - S	3,375	3,375	0	0	3,375	3,375
<b>207 - Hazardous Waste - State</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>Total - 207 - Hazardous Waste</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>20R - Radioactive MW Acct</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	11,060	11,060	0	0		
DS - Hanford SEPA Evaluation Support	0	0	134	134		
DT - Hanford Unauthorized Unit Closures	0	0	169	169		
MH - Hanford Cleanup Litigation	800	800	0	0		
Total - 0294 - Hazardous Waste Fees - S	11,860	11,860	303	303	12,163	12,163
<b>20R - Radioactive MW Acct - State</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>Total - 20R - Radioactive MW Acct</b>	<b>11,860</b>	<b>11,860</b>	<b>303</b>	<b>303</b>	<b>12,163</b>	<b>12,163</b>
<b>216 - Air Pollution Ctl Ac</b>						
0225 - Burning Permit Fees - S						
90 - Maintenance Level Revenue	300	300	0	0		
Total - 0225 - Burning Permit Fees - S	300	300	0	0	300	300
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	1,251	1,251	0	0		
Total - 0299 - Other Licenses Permi - S	1,251	1,251	0	0	1,251	1,251
0405 - Fines, Forfeits - S						
90 - Maintenance Level Revenue	80	80	0	0		
Total - 0405 - Fines, Forfeits - S	80	80	0	0	80	80
<b>Total - 199 - Biosolids Permit Acc</b>	<b>1,050</b>	<b>1,050</b>	<b>61</b>	<b>123</b>	<b>1,111</b>	<b>1,173</b>
<b>207 - Hazardous Waste</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	3,375	3,375	0	0		
Total - 0294 - Hazardous Waste Fees - S	3,375	3,375	0	0	3,375	3,375
<b>207 - Hazardous Waste - State</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>Total - 207 - Hazardous Waste</b>	<b>3,375</b>	<b>3,375</b>			<b>3,375</b>	<b>3,375</b>
<b>20R - Radioactive MW Acct</b>						
0294 - Hazardous Waste Fees - S						
90 - Maintenance Level Revenue	11,060	11,060	0	0		
DS - Hanford SEPA Evaluation Support	0	0	134	134		
DT - Hanford Unauthorized Unit Closures	0	0	169	169		
MH - Hanford Cleanup Litigation	800	800	0	0		
Total - 0294 - Hazardous Waste Fees - S	11,860	11,860				

**ABS 029 Summarized Revenue by Account and Source**  
**Department of Ecology**  
**Agency Level**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

	Maintenance Level		Policy Level		Annual Totals	
	FY2022	FY2023	FY2022	FY2023	FY2022	Biennial Total
<b>216 - Air Pollution Ctl Ac - State</b>	<b>1,631</b>	<b>1,631</b>			<b>1,631</b>	<b>3,262</b>
<b>Total - 216 - Air Pollution Ctl Ac</b>	<b>1,631</b>	<b>1,631</b>			<b>1,631</b>	<b>3,262</b>
<b>219 - Air Operating Perm A</b>						
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	2,448	2,448	0	0		
DD - Meeting Air Operating Permit Needs	0	0	109	109		
Total - 0299 - Other Licenses Permi - S	2,448	2,448	109	109	2,557	5,114
<b>219 - Air Operating Perm A - State</b>	<b>2,448</b>	<b>2,448</b>	<b>109</b>	<b>109</b>	<b>2,557</b>	<b>5,114</b>
<b>Total - 219 - Air Operating Perm A</b>	<b>2,448</b>	<b>2,448</b>	<b>109</b>	<b>109</b>	<b>2,557</b>	<b>5,114</b>
<b>21H - WWT Plant Oper Cert</b>						
0271 - Sewage Trtmt Op Fee - S						
90 - Maintenance Level Revenue	201	206	0	0		
Total - 0271 - Sewage Trtmt Op Fee - S	201	206	0	0	201	407
<b>21H - WWT Plant Oper Cert - State</b>	<b>201</b>	<b>206</b>			<b>201</b>	<b>407</b>
<b>Total - 21H - WWT Plant Oper Cert</b>	<b>201</b>	<b>206</b>			<b>201</b>	<b>407</b>
<b>223 - Oil Spill Resp</b>						
0434 - Hazard Waste Cleanup - S						
90 - Maintenance Level Revenue	100	100	0	0		
Total - 0434 - Hazard Waste Cleanup - S	100	100	0	0	100	200
<b>223 - Oil Spill Resp - State</b>	<b>100</b>	<b>100</b>			<b>100</b>	<b>200</b>
<b>Total - 223 - Oil Spill Resp</b>	<b>100</b>	<b>100</b>			<b>100</b>	<b>200</b>
<b>22G - Photovolt Mod Rcycl</b>						
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	0	30	0	0		
Total - 0299 - Other Licenses Permi - S	0	30	0	0	30	30

**ABS 029 Summarized Revenue by Account and Source**  
**Department of Ecology**  
**Agency Level**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

	Maintenance Level		Policy Level		Annual Totals	
	FY2022	FY2023	FY2022	FY2023	FY2022	Biennial Total
<b>22G - Photovolt Mod Rcycl - State</b>		30			30	30
<b>Total - 22G - Photovolt Mod Rcycl</b>		30			30	30
<b>22K - Wtrshd Rstrtn Enhnc</b>						
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	250	250	0	0		
<b>Total - 0299 - Other Licenses Permi - S</b>	250	250	0	0	250	500
<b>22K - Wtrshd Rstrtn Enhnc - State</b>						
<b>Total - 22K - Wtrshd Rstrtn Enhnc</b>	250	250			250	500
	250				250	500
<b>23N - MTC Capital Account</b>						
0434 - Hazard Waste Cleanup - S						
90 - Maintenance Level Revenue	4,949	5,036	0	0		
<b>Total - 0434 - Hazard Waste Cleanup - S</b>	4,949	5,036	0	0	4,949	9,985
<b>23N - MTC Capital Account - State</b>						
<b>Total - 23N - MTC Capital Account</b>	4,949	5,036			4,949	9,985
	4,949	5,036			4,949	9,985
<b>23P - MTC Operating Acct</b>						
0405 - Fines, Forfeits - S						
90 - Maintenance Level Revenue	175	175	0	0		
<b>Total - 0405 - Fines, Forfeits - S</b>	175	175	0	0	175	350
0597 - Reimburs Contracts - P/L						
90 - Maintenance Level Revenue	249	250	0	0		
<b>Total - 0597 - Reimburs Contracts - P/L</b>	249	250	0	0	249	499
<b>23P - MTC Operating Acct - State</b>						
<b>23P - MTC Operating Acct - Private/Local</b>						
<b>Total - 23P - MTC Operating Acct</b>	175	175			175	350
	249	250			249	499
	424	425			424	849
<b>23V - Voluntary Cleanup Ac</b>						
0434 - Hazard Waste Cleanup - S						



**ABS 029 Summarized Revenue by Account and Source**  
**Department of Ecology**  
**Agency Level**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

	Maintenance Level		Policy Level		Annual Totals	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
90 - Maintenance Level Revenue	320	320	0	0		
Total - 0434 - Hazard Waste Cleanup - S	320	320	0	0	320	320
						640
<b>23V - Voluntary Cleanup Ac - State</b>	<b>320</b>	<b>320</b>			<b>320</b>	<b>320</b>
<b>Total - 23V - Voluntary Cleanup Ac</b>	<b>320</b>	<b>320</b>			<b>320</b>	<b>320</b>
						<b>640</b>
						<b>640</b>
<b>23W - Paint Prod Stewd Acc</b>						
0299 - Other Licenses Permi - S						
90 - Maintenance Level Revenue	33	33	0	0		
Total - 0299 - Other Licenses Permi - S	33	33	0	0	33	33
						66
<b>23W - Paint Prod Stewd Acc - State</b>	<b>33</b>	<b>33</b>			<b>33</b>	<b>33</b>
<b>Total - 23W - Paint Prod Stewd Acc</b>	<b>33</b>	<b>33</b>			<b>33</b>	<b>33</b>
						<b>66</b>
						<b>66</b>
<b>296 - Col River Bas Wtr Su</b>						
0285 - Water Resources Fees - S						
90 - Maintenance Level Revenue	550	570	0	0		
Total - 0285 - Water Resources Fees - S	550	570	0	0	550	570
						1,120
<b>296 - Col River Bas Wtr Su - State</b>	<b>550</b>	<b>570</b>			<b>550</b>	<b>570</b>
<b>Total - 296 - Col River Bas Wtr Su</b>	<b>550</b>	<b>570</b>			<b>550</b>	<b>570</b>
						<b>1,120</b>
						<b>1,120</b>
<b>408 - Coastal Protec Acct</b>						
0405 - Fines, Forfeits - S						
90 - Maintenance Level Revenue	250	250	0	0		
Total - 0405 - Fines, Forfeits - S	250	250	0	0	250	250
						500
0499 - Other Revenue - S						
90 - Maintenance Level Revenue	45	45	0	0		
Total - 0499 - Other Revenue - S	45	45	0	0	45	45
						90
<b>408 - Coastal Protec Acct - State</b>	<b>295</b>	<b>295</b>			<b>295</b>	<b>295</b>
<b>Total - 408 - Coastal Protec Acct</b>	<b>295</b>	<b>295</b>			<b>295</b>	<b>295</b>
						<b>590</b>
						<b>590</b>

**ABS 029 Summarized Revenue by Account and Source**  
**Department of Ecology**  
**Agency Level**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

	Maintenance Level		Policy Level		Annual Totals		Biennial Total
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023	
<b>500 - Perpetual Surv/Maint</b>							
0427 - Property/Resc Mgmt - S							
90 - Maintenance Level Revenue	34	34	0	0			
Total - 0427 - Property/Resc Mgmt - S	34	34	0	0	34	34	68
<b>500 - Perpetual Surv/Maint - State</b>							
Total - 500 - Perpetual Surv/Maint	34	34			34	34	68
<b>564 - Water Pollution Cont</b>							
0420 - Charges for Services - S							
90 - Maintenance Level Revenue	5,220	5,533	0	0			
Total - 0420 - Charges for Services - S	5,220	5,533	0	0	5,220	5,533	10,753
<b>564 - Water Pollution Cont - State</b>							
Total - 564 - Water Pollution Cont	5,220	5,533			5,220	5,533	10,753
<b>727 - Water Pollution Cont</b>							
0366 - Environ Protection A - F							
90 - Maintenance Level Revenue	78,252	78,253	0	0			
Total - 0366 - Environ Protection A - F	78,252	78,253	0	0	78,252	78,253	156,505
0409 - Interest Income - S							
90 - Maintenance Level Revenue	17,075	16,130	0	0			
Total - 0409 - Interest Income - S	17,075	16,130	0	0	17,075	16,130	33,205
0866 - Loan Principal Repay - S							
90 - Maintenance Level Revenue	64,503	65,739	0	0			
Total - 0866 - Loan Principal Repay - S	64,503	65,739	0	0	64,503	65,739	130,242
<b>727 - Water Pollution Cont - State</b>							
Total - 727 - Water Pollution Cont	81,578	81,869			81,578	81,869	163,447
<b>727 - Water Pollution Cont - Federal</b>							
Total - 727 - Water Pollution Cont	78,252	78,253			78,252	78,253	156,505
	159,830	160,122			159,830	160,122	319,952
<b>746 - Hanford Econ Invest</b>							
0294 - Hazardous Waste Fees - S							

**ABS 029 Summarized Revenue by Account and Source**  
**Department of Ecology**  
**Agency Level**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

	Maintenance Level		Policy Level		Annual Totals	
	FY2022	FY2023	FY2022	FY2023	FY2022	FY2023
90 - Maintenance Level Revenue	86	86	0	0		
Total - 0294 - Hazardous Waste Fees - S	86	86	0	0	86	86
						172
<b>746 - Hanford Econ Invest - State</b>	<b>86</b>	<b>86</b>			<b>86</b>	<b>86</b>
<b>Total - 746 - Hanford Econ Invest</b>	<b>86</b>	<b>86</b>			<b>86</b>	<b>86</b>
						172
<b>Agency: 461 ECY - State</b>	<b>140,647</b>	<b>141,444</b>	<b>1,813</b>	<b>3,243</b>	<b>142,460</b>	<b>144,687</b>
<b>Agency: 461 ECY - Federal</b>	<b>141,114</b>	<b>144,444</b>			<b>141,114</b>	<b>144,444</b>
<b>Agency: 461 ECY - Private/Local</b>	<b>36,882</b>	<b>41,609</b>			<b>36,882</b>	<b>41,609</b>
<b>Total - Agency: 461 ECY</b>	<b>318,643</b>	<b>327,497</b>	<b>1,813</b>	<b>3,243</b>	<b>320,456</b>	<b>330,740</b>
						287,147
						285,558
						78,491
						651,196

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**State of Washington  
Request for Fees and Taxes  
2021-23 Biennium**

State of Washington  
Request for Fees and Taxes  
2021-23 Biennium

AGENCY	Code 461	Title Department of Ecology
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Incremental Revenue Dollars in Thousands												
GF-S							Other Funds					

Additional Comments:

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# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
001 - General Fund	02	85	Water Resources Fees	<p>Chapter 90.03 RCW allows the Department of Ecology to levy a charge based upon the amount of water proposed to be appropriated from state waters, and to charge a fee for engineering plan review and inspection of dams. Chapter 90.03 RCW directs that eighty percent of the fee will be deposited into General Fund State while the remaining twenty percent will be deposited into the Water Rights Tracking System Account.</p> <p>1. Dam Safety Fee (000009): Chapter 90.03 RCW authorizes Ecology to levy fees for the review of plans and specification of dams. Ecology can charge the facility owner the actual cost of the review of plans and specifications of storage dams. Fee for review of plans and specifications are established by 173-175 WAC and are adjusted annually by the fiscal growth factor per chapter 43.135 RCW.</p> <p>2. Water Rights Tracking System Fee (000011): Chapter 90.03 RCW authorizes Ecology to levy a fee based upon the amount of water proposed to be appropriated from state waters, and to charge a fee for engineering plan reviews of dams.</p> <p>3. Dam Safety Inspection Fee (000012): Chapter 90.03 RCW authorizes Ecology to levy fees for the inspection of hydraulic works to assure safety. Ecology can charge the facility owner the actual cost of the inspection. The review of periodic inspection fees are established in 173-175 WAC and are adjusted annually by the fiscal growth factor per chapter 43.135 RCW.</p>
001 - General Fund	02	99	Other Licenses, Permits, and Fees	<p>1. Laboratory Certification Fees (000030): Chapter 43.21A RCW authorizes the Department of Ecology to design a laboratory certification program for those entities which conduct tests or prepare data for submittal to the department. It also authorizes the department to charge fees sufficient to defer the cost of the certification process. Approximately 460 laboratories are certified. Fees are based on the requested scopes of accreditation.</p> <p>2. Incinerator and Landfill Operator Certification Fees (000045): Chapter 70.95D RCW authorizes an Incinerator and Landfill Operator Certification program. Incinerator Certification fees are as follows: application fee \$50, training materials \$160 for incinerator, \$200 certification fee for operators (not inspectors), and \$200 recertification fee for operators (not inspectors) for a three-year period. It is estimated that we would have 5 new operator certifications each year along with 30 recertifications each year.</p>

# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
001 - General Fund	03	01-99	Federal Revenue	All federal revenue estimates are based upon historical data as well as current ongoing negotiations. Currently including Department of Commerce, Department of Defense, Department of the Interior, Environmental Protection Agency, Homeland Security, and Federal Assistance-Other.
001 - General Fund	03	55	Federal Revenue Non-Assistance	Federal non-grant revenue is included here. The WCC program contracts with Federal agencies to perform environmental restoration work, primarily the US Forest Service, National Park Service and Fish and Wildlife Service. This reimbursement, while Federal, is not a grant and is recognized in this source.
001 - General Fund	04	05	Fines, Forfeits and Seizures	The Department of Ecology is authorized, through various state laws, to levy fines on individuals and/or entities that do not comply with specific legislation. It is estimated that future revenue will remain at current levels, (e.g. Water Resources and Spills [RCW 88.46.090] penalties).
001 - General Fund	04	09	Interest Income (Local investment)	Water Quality Account Loans: Chapter 70.146 RCW authorized the department to loan grant funds from the Water Quality Account. As of July 1, 2009, the Water Quality Account was abolished and all revenue is now deposited into the State General Fund. Revenue estimates are derived from outstanding loan repayments due during the biennium.
001 - General Fund	04	16	Sale of Property - Other	Surplus Autos (AUTOSS): Revenue generated from the sale of vehicles that the Department of Ecology sends to the Department of Enterprise Services for surplus.
001 - General Fund	04	99	Other Revenue	Miscellaneous revenue from various sources and programs across the Department of Ecology that changes biennium to biennium.
001 - General Fund	05	41	Private/Local Contributions and Grants	Contributions and grants from nonfederal sources external to the state. Similar to federal grants, the expenditure of these private/local contribution and grant revenues are restricted by contract or agreement. This source could also include donations to Ecology facilities and programs. Revenue from this source is not estimated, budgeted, or allotted because it is small and infrequent.
001 - General Fund	05	46	Federal Revenue - Pass Through	General Fund Private/Local Pass through Federal Revenue is comprised of federal revenue that is passed through to Ecology via private or local organizations. Revenue estimates are based upon historical data.

# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
001 - General Fund	05	97	Reimbursable Contracts (Reimbursable P/L Contributions)	<p>General Fund private/local reimbursable contracts revenue source is comprised of the following:</p> <ol style="list-style-type: none"> <li>1. Hanford Sublease Rent (000052): The State of Washington leases 100 acres of the Hanford Reservation from the U.S. Department of Energy. The Department of Ecology subleases the 100 acres to US Ecology Inc. for operation of a commercial low-level radioactive waste disposal facility. The sublease rate is adjusted every three years based on the consumer price index.</li> <li>2. Washington Conservation Corps Revenues (Various): Revenues from services provided to local governments by Washington Conservation Corps crews.</li> <li>3. Cost Reimbursements (CR0000): Voluntary cost-reimbursement monies will be collected under cost-recovery law to reimburse for permitting activities.</li> <li>4. Other Private Local (OTH000): Other reimbursable contracts with private and local entities for environmental review and other activities.</li> </ol>
001 - General Fund	08	66	Loan Principal Repayment	Water Quality Account Loans: Chapter 70.146 RCW authorized the department to loan grant funds from the Water Quality Account. As of July 1, 2009, the Water Quality Account was abolished and all revenue is now deposited into the State General Fund. Revenue estimates are derived from outstanding loan repayments due during the biennium.
027 - Reclamation Account	02	66	Power Licenses	Power License Fees (000001, 000002): Chapter 90.16.050 RCW authorizes the department to charge users of water for power development an annual fee based upon the theoretical waterpower that they will produce in horsepower.

# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
027 - Reclamation Account	02	87	Well Construction and Licensing	<p>1. Water Well Operator's License Fee (000103): RCW 18.104.040, 18.104.070 and 173-162-070; a \$75 application fee is charged for each new operator or training license. An existing license is renewable for two years upon payment of a \$75 fee. Chapter 18.104 RCW authorizes Ecology to collect well drilling licensing fee and fees associated with the drilling of all wells. It is anticipated that 850 licenses will be issued or renewed each year during the biennium. It is also assumed that 6,000 wells per year will be installed during the biennium.</p> <p>2. Well Construction &amp; Inspection Fee (000100-102; 000104-109): RCW 18.104.055 authorizes the Department of Ecology to collect well drilling licensing fees and fees associated with the construction of all water wells. Fee is due per occurrence. Counties may receive portion of fee generated revenue to cover partial cost of delegated inspection authority. Chapter 18.104 RCW authorizes Ecology to collect well drilling licensing fee and fees associated with the drilling of all wells. It is anticipated that 850 licenses will be issued or renewed each year during the biennium. It is also assumed that 6,000 wells per year will be installed during the biennium.</p> <p>□</p>
027 - Reclamation Account	04	05	Fines, Forfeits and Seizures	Well Driller Penalties (000051): Ecology can levee penalties for violation of the well construction laws and rules.
032 - State Emergency Water Projects Revolving Account	04	09	Local Investment Interest	Chapter 43.83B RCW authorizes the department to loan grant funds from the State Emergency Water Projects Revolving Fund.
032 - State Emergency Water Projects Revolving Account	08	66	Loan Principal Repayment	Chapter 43.83B RCW authorizes the department to loan/grant funds from the State Emergency Water Projects Revolving Fund.
044 - Waste Reduction, Recycling, and Litter Control Account	04	05	Fines, Forfeits and Seizures (Litter Control Revenue)	RCW 70.93.070 authorizes the collection of penalties for violations of the Waste Reduction, Recycling, and Model Litter Control Act. Revenue from this source is not estimated, budgeted, or allotted because it is small and infrequent.
05W - State Drought Preparedness Account	04	99	State Charges & Misc. Revenue	ESHB 1092 Chapter 520, Laws of 2007 – 2007-09 Capital Budget proviso directs the department to recover all costs from participating domestic water users (cabin owners) for the costs of securing a water right or rights (in WRIA 37, 38 & 39 that have a surface water right with a priority date later than May 10, 1905) associated with the annual operational costs owed to the United States Bureau of Reclamation. Funds recovered for this purpose are to be deposited to the State Drought Preparedness Account.
05W - State Drought Preparedness Account	08	66	Loan Principal Repayment	Chapter 43.83B RCW authorizes the department to loan/grant funds from the State Drought Preparedness Account. Revenue estimates were derived from the outstanding loan repayments due during the biennium.

# Revenue Descriptions

Department of Ecology  
September 2020

Account	Major Source	Source	Source Name	Revenue Description
072 - State & Local Improvements Revolving Account (Water Supply Facilities)	04	09	Local Investment Interest	Chapter 43.83B RCW authorizes the department to loan/grant funds from the State and Local Improvements Revolving Account - Water Supply Facilities (Referendum 38). Revenue estimates are derived from the outstanding loan/grant interest payments due during the biennium.
072 - State & Local Improvements Revolving Account (Water Supply Facilities)	08	66	Loan Principal Repayment	Chapter 43.83B RCW authorizes the department to loan/grant funds from the State and Local Improvements Revolving Account Water Supply Facilities (Referendum 38). Revenue estimates are derived from the outstanding loan repayments due during the biennium.
08R - Waste Tire Removal Account	02	99	Other Licenses, Permits, and Fees	The Department is authorized to use funds from the Waste Tire Carrier and Storage License account to carry out the cleanup of unauthorized waste tire piles, and implement measures that prevent future accumulation of unauthorized waste tire piles per chapter 70.95.555 RCW and 173-350-350 (2) and (3) WAC.
10G - Water Rights Tracking System Account	02	85	Water Resources Fees	<p>Chapter 90.03 RCW allows the Department of Ecology to levy a charge based upon the amount of water proposed to be appropriated from state waters, and to charge a fee for engineering plan review and inspection of dams. Chapter 90.03 RCW directs that eighty percent of the fee will be deposited into General Fund State while the remaining twenty percent will be deposited into the Water Rights Tracking System Account.</p> <p>1. Dam Safety Fee (000009): Chapter 90.03 RCW authorizes Ecology to levy fees for the review of plans and specification of dams. Ecology can charge the facility owner the actual cost of the review of plans and specifications of storage dams. Fee for review of plans and specifications are established by 173-175 WAC and are adjusted annually by the fiscal growth factor per chapter 43.135 RCW.</p> <p>2. Water Rights Tracking System Fee (000011): Chapter 90.03 RCW authorizes Ecology to levy a fee based upon the amount of water proposed to be appropriated from state waters, and to charge a fee for engineering plan reviews of dams.</p> <p>3. Dam Safety Inspection Fee (000012): Chapter 90.03 RCW authorizes Ecology to levy fees for the inspection of hydraulic works to assure safety. Ecology can charge the facility owner the actual cost of the inspection. The review of periodic inspection fees are established in 173-175 WAC and are adjusted annually by the fiscal growth factor per chapter 43.135 RCW.</p>
116 - Basic Data Account	04	27	Property and Resources Management (Basic Data)	Chapters 43.21 RCW authorizes the department to accept contributions from persons and entities who require information regarding stream flow, ground water and water quality data, or other hydrographic information. Revenue estimates are based upon future information needs and historic trends.

# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
11J - Electronic Products Recycling Account	02	99	Other Licenses, Permits, and Fees	Registration/Renewal Fee (000001): RCW 70.95N.130 creates the Electronic Products Recycling Account, to fund Ecology oversight of electronic products recovery. Ecology is directed to charge fees to cover the costs of the program. Revenue is based on Ecology's authorized spending level for administering the program; fees are calculated based upon market share to create the needed revenue. Collection is approximately \$355,000 per fiscal year.
11J - Electronic Products Recycling Account	04	05	Fines, Forfeits and Seizures	Electronic Products Recycling Penalty (000061): Electronic products recycling penalties authorized under chapter 70.95N.260 may be assessed against manufacturers that do not comply with the manufacturer registration requirements under RCW 70.95N.040 and deposited into the account. No revenue is estimated for this source as collection is uncommon and unpredictable.
15H - Cleanup Settlement Account	04	99	Other Revenue	RCW 70.105D, Model Toxics Control Act, provides authority for the State to enter into settlement agreements with potentially liable parties for payment of funds to be used in future remedial actions or natural resource restoration at sites where the parties are responsible for these actions. In the 2008 Legislative Session, SB 6722 established Fund 15H, Cleanup Settlement Account, to receive these payments of funds to be used for future remedial actions or natural resource restoration.
16T- Product Stewardship Programs Account	02	99	Other Licenses, Permits, and Fees	Mercury Light Generation Fee (000025): In the 2010 Legislative Session, the Legislature passed ESSB 5543, which established the Product Stewardship Programs Account (16T), and authorized Ecology to charge a fee to be paid by producers of mercury-containing lights that are sold in or into Washington State. In 2014, the Legislature passed ESHB 2246 which updated the original RCW 70.275 allowing the Product Stewardship Organization (PSO) to apply an Environmental Handling Charge (EHC) to each bulb sold. In 2017, the Legislature passed Senate Bill 5762 to allow the PSO, using funds from the EHC, to pay \$3,000 per participating producer to Ecology to cover the program's administration and enforcement costs.
16V- Water Rights Processing Account	02	85	Water Resources Fees	Expedited Water Right Processing Fee (000013): Chapter 90.03 RCW authorizes the department to process surface water applications using expedited processing of applications within the same water source. This would allow Ecology staff to recover costs of processing applications for those that participate.
16V- Water Rights Processing Account	02	99	Other Licenses, Permits, and Fees	Certified Water Right Examiner Fees (000813): Chapter 90.03 RCW authorizes the department to establish and collect fees for the examination, certification, and renewal of certification of water right examiners. Fees may be adjusted by rule.

# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
176 - Water Quality Permit Account	02	86	Water Quality Fees (Permits)	Ecology establishes fees to recover expenses for issuing and administering wastewater discharge permits under RCW 90.48.465. Fees are based on factors relating to the complexity of permit issuance and compliance. The Water Quality program will administer approximately 6,500 discharge permits.
176 - Water Quality Permit Account	04	09	State Charges & Miscellaneous Revenue	Chapter 90.48.465 RCW authorizes the department to administer wastewater discharge permits. This source represents various miscellaneous contributions to the fund (e.g. revenue from surcharge on delinquent permits transferred to collection agencies; revenue from application fee; and recovery of revenue from prior time period). Revenue estimates are derived using prior time period actuals.
182 - Underground Storage Tank Account	02	99	Other Licenses, Permits, and Fees	Underground Storage Tank Licenses (000033): Chapter 90.76 RCW authorizes the department to develop an underground storage tank program. It also authorizes the department to charge a per tank fee. The fee is currently set at \$181.83 per tank. Revenue estimates were derived from the current underground storage tank database, actual receipts, and tank removals and tank installations.
182 - Underground Storage Tank Account	04	05	Fines, Forfeits and Seizures	Underground Storage Tank Penalties (000039): Chapter 90.76 RCW authorizes the department to issue penalties for infractions discovered during periodic inspections of Underground Storage Tank systems. These penalties vary in amount, depending on the severity of the infractions.
199 - Biosolids Permit Account	02	99	Other Licenses, Permits, and Fees	Biosolids Permit (000095): RCW 70.95J.025 authorizes the department to collect permit fees to support permitting and inspecting biosolids generation facilities and application sites. Revenue collection is stable, and is based upon the amount generated or used. Collections are expected to be approximately \$1,050,000 per fiscal year.
199 - Biosolids Permit Account	04	05	Fines, Forfeits and Seizures	Biosolids Penalty (000052): Biosolids penalties of up to five thousand dollars a day for each violation authorized under chapter 70.95J.070 shall be deposited into the account. Revenue is not estimated for penalties as they are rare and difficult to predict.



# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
207 - Hazardous Waste Assistance Account	02	94	Hazardous Waste Fees	Hazardous Waste Generation and Planning Fees (000024, 000025): Chapter 70.95E RCW authorizes the Department to collect fees from hazardous waste generators to conduct a program to reduce such waste. The fees are collected annually and consist of two parts, a hazardous waste generation fee and a planning fee. The \$55 hazardous waste generation fee is applied to about 39,000 potential waste generators. The fee is adjusted annually for inflation if the adjustment is at least a \$1 increment. The planning fee varies by amount of waste generated and was capped at a base amount of \$10,000 per facility in 1992 and adjusted annually for inflation which currently puts the cap at \$21,638 per facility. The overall cap for the planning fee is also adjusted annually for inflation and is currently capped at \$2,163,771. The planning fee is applied to about 495 firms.
207 - Hazardous Waste Assistance Account	04	09	State Charges & Misc. Revenue	Hazardous Waste Generation and Planning Fee Interest (000024): In administration of Chapter 70.95E for the enforcement and collection of fees from hazardous waste generators, the department may apply RCW 43.17.240 which allows the department to charge interest on the costs associated with conducting a program to reduce such waste.
20R - Radioactive Mixed Waste Account	02	94	Hazardous Waste Fees	Mixed Waste Fees (000300-304): Chapter 70.105.280 RCW authorizes the department to assess the Mixed Waste Management Fee for regulation of radioactive mixed waste facilities. The Nuclear Waste Program bills the US Department of Energy at Hanford and three other mixed waste facilities. The Mixed Waste Management Fee is adjusted annually to fund program costs to implement 70.105 RCW and WAC 173-303 at radioactive mixed waste facilities.
216 - Air Pollution Control Account	02	25	Agricultural Burning Permit Fees	Agricultural Burning Permit Fees (000037): Chapter 70.94.6528 RCW allows for collection of fees for agricultural burning permits. Fees are assessed at the statutory cap of \$3.75 per acre for field stubble burning and \$1.00 per ton for agricultural pile burning. The fees collected will cover the costs of the agricultural burn program and are divided between local administration, research, and smoke management.

# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
216 - Air Pollution Control Account	02	99	Facility Permit Fees	<p>1. Air Fees (000404): Chapter 70.94 RCW allows for fees to be collected to cover the cost of certain agency air quality permitting activities, including New Source Review, Notice of Construction, and Control Technology reviews.</p> <p>2. Air Contaminate Source Registration Fee (000800): Chapter 70.94.151 RCW allows for the collection of fees from certain small to mid-sized air emission sources. Annual fees are set in rule based on a workload model and vary per source based on pollutants and annual emissions.</p> <p>3. Greenhouse Gas Reporting Fee (000811): Chapter 70.94.151 RCW allows Ecology to collect annual fees from facilities and suppliers required to report greenhouse gas emissions. The fees cover the administrative costs of the greenhouse gas reporting program.</p>
216 - Air Pollution Control Account	04	05	Fines, Forfeits and Seizures	Air Penalty (000041): Chapter 70.94 RCW authorizes Ecology to levy fines on individuals and/or entities that do not comply with Clean Air legislation.
217 - Oil Spill Prevention Account	04	34	Hazardous Waste Cleanup Recoveries	Spills/Oil Related Cost Recovery (CP0022): Chapter 90.56 RCW authorizes the department to recover costs relating to the unlawful discharge of oil into waters of the state.
219 - Air Operating Permit Account	02	99	Other Licenses, Permits, and Fees	Air Operating Fees (000803, 000807): RCW 70.94.162 authorizes Ecology to collect fees to administer an Air Operating Permit Program for large industrial sources. Fees established are based on a sliding scale and cover all direct and indirect program costs.
21H - Wastewater Treatment Plan Operation Certification Account	02	71	Other Licenses, Permits, and Fees	RCW 70.95B.095 authorizes Ecology to establish rules for the collection of fees for the issuance and renewal of sewage treatment plant operator licenses. Revenue estimates are based on the number of new and renewal of applications multiplied by the rates (Group I application fee \$50; other groups application fee \$67; renewal fee \$98).
223 - Oil Spill Response Account	04	34	Hazardous Waste Cleanup Recoveries	Spills/Oil Related Cost Recovery (CP0022): Chapter 90.56 RCW authorizes the department to recover costs relating to the unlawful discharge of oil into waters of the state. Revenue estimates were derived from historical data.
22G - Photovoltaic Module Recycling Account	02	99	Other Licenses, Permits, and Fees	Chapter 70.355.010 RCW authorizes Ecology to collect fees from participating manufacturers to recover costs associated with plan guidance, review, and approval of photovoltaic module stewardship and takeback programs.
22K - Watershed Restoration and Enhancement Act Account	02	99	Other Licenses, Permits, and Fees	The Department receives funds from local governments for collection of fees on building permits for buildings that rely on a permit exempt well for a water source.

# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
23N - Model Toxics Control Capital Account	04	09	Local Investment Interest	TCP Interest-Cost Recovery (ECYINT): Chapter 70.105D RCW allows the department to charge interest on the costs associated with cleaning up a hazardous waste site. Revenue estimates are based upon historical data.
23N - Model Toxics Control Capital Account	04	34	Hazardous Waste Cleanup Recoveries	1. Cost Recovery (ECY000, CP0020, CP0022, RCRA00, CP0021, ECK00): Chapter 70.105D RCW allows the department to recover costs associated with the cost of cleaning up a hazardous waste site. Revenues are based on historical data for funds recovered from hazardous waste cleanup activities.
23P - Model Toxics Control Operating Account	04	05	Fines, Forfeits and Seizures	HW/TCP Penalty (000043): Chapter 70.105D provides penalty provisions for the department. Revenue estimates are based upon historical data.
23P - Model Toxics Control Operating Account	05	97	Reimbursable Private/Local Contracts	Recovered LUST (00009B): State Toxics private local contributions are comprised of expenditures of recovered LUST funds. Revenues are based on historical data.
23V - Voluntary Cleanup Account	04	34	Hazardous Waste Cleanup Recoveries	Fees and Cost Recovery (5X0000, 5X0001, 5X0000): Chapter 70.105D.180 RCW provides additional incentives for Potentially Liable Parties (PLP) to initiate independent cleanups through the Voluntary Cleanup Program's expedited process. The department may charge fees, cost recovery, or both to recoup the costs of providing this service. Revenues are based on assumptions about the demand for the new expedited process started on July 1, 2020.
23W - Paint Product Stewardship Account	02	99	Other Licenses, Permits, and Fees	RCW 70.375.060 authorizes the department to collect fees from a paint stewardship organization. The total amount of fees collected must not exceed the amount necessary to reimburse costs incurred by the department to enforce and administer this chapter. The fee must be paid annually, and may not exceed five percent of the aggregate assessment added to the cost of all architectural paint sold by producers in the state for the preceding calendar year.
277 - State Agency Parking Account	04	02	Income From Property	The Department is authorized to assess employee parking fees which are deposited into this account to pay for commute trip reduction incentives per RCW 43.01.240.

# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
296 - Col Rvr Basin Water Supply Rev Recovery Account	02	85	Water Resources Fees	Columbia Basin Water Supply Permit Recovery (KGHOSP, LAKROS, SULLAK, WWALLA): Chapter 90.90.100 RCW authorizes the Columbia River Basin Water Supply Revenue Recovery Account. Revenue to this account includes all receipts from direct appropriations from the legislature, moneys directed to the account pursuant to RCW 90.90.020 (Allocation and Development of Water Supplies) and 90.90.030 (Voluntary Regional Agreements), revenue from water service contracts described in this chapter, or moneys directed into the account from any other sources. Revenue from 90.90.020 and 90.90.030 RCW are collected from entities paying fees from receiving water developed from the Columbia River Program through permitting or contracting of the newly developed water.
408 - Coastal Protection Account	04	05	Fines, Forfeits and Seizures	Spills and Water Quality Penalties (000044, 000046): Chapter 90.48 RCW authorizes the department to recover costs relating to the unlawful discharge of oil into waters of the state, as well as providing for penalties. Revenue estimates are derived from historical data.
408 - Coastal Protection Account	04	99	Other Revenue	Resource Damage Assessments (RDAC00, RDAN00, RDAS00): Chapter 90.48 and 90.56 RCW authorize charging a fee for resource damage assessment. Revenue estimates are derived from historical data.
500 - Perpetual Surveillance Account	04	27	Property and Resources Management	Perpetual Surveillance and Maintenance Surcharge (000023): The department shall impose and collect fees from parties disposing of radioactive wastes for waste management purposes. The department collects a charge per cubic foot of waste received by US Ecology (a private corporation). Revenue estimates are based on a projection of the annual volume of waste to be disposed at the facility.
564 - Water Pollution Control Revolving Administration Account	04	20	Charge for Services	Chapter 90.50A RCW authorizes an administrative charge as a portion of the debt service for loans issued under the Water Pollution Control Revolving Fund Program. 1% of the outstanding loan balances are collected when loan payments are made for each loan in repayment. The 1% administrative charge is deposited into fund 564. Funds can be used for conducting application processes, managing loan agreements, collecting loan payments, managing funds, providing technical assistance, and meeting state and federal reporting requirements as well as information and data system costs associated with loan tracking and fund management.

# Revenue Descriptions

## Department of Ecology

September 2020

Account	Major Source	Source	Source Name	Revenue Description
727 - Water Pollution Control Revolving Account	03	66	Environmental Protection Agency	The Department receives funds from the Environmental Protection Agency to provide capitalization grants. EPA policies allow disbursement of grant funds on a cost-reimbursement basis.
727 - Water Pollution Control Revolving Account	04	09	Local Investment Interest	The Department is authorized to loan/grant funds from the Water Pollution Control Revolving Account. Revenue estimates are derived from outstanding loan/grant interest payments due during the biennium.
727 - Water Pollution Control Revolving Account	08	66	Loan Principal Repayment	The department is authorized to loan/grant funds from the Water Pollution Control Revolving Account. Revenue estimates are derived from loan repayments due during the biennium.
746 - Hanford Area Economic Investment Account	02	94	Hazardous Waste Fees	Radioactive Waste Surcharge (000023): The Department deposits a surcharge into the Hanford Area Economic Investment Account per cubic foot of low level radioactive waste disposed at Hanford. Revenue estimates are based on the amount of cubic feet being received annually. A surcharge of \$6.50 is collected for each cubic foot of radioactive waste received at the disposal facility. Benton County receives \$2.00 for each cubic foot of waste and the remaining \$4.50 is deposited into the Hanford Area Economic Investment Account. Revenue estimates are based on a projection of the annual volume of waste to be disposed at the facility.



Dollars in Thousands

**ABS030 Working Capital Reserve  
461 Department of Ecology  
2021-23 Regular Budget Session  
BI - Biennial 2021-23 Initial**

FUND ADMINISTRATOR AGENCY ONLY		RECOMMENDED ENDING FUND BALANCE	
FUND	FUND TITLE	2019-21 Current Biennium	2021-23 Ensuing Biennium
027	Reclamation Account	100	100
032	St Emergency Water Projects Revolv	3	3
044	Waste Reduct/Recycle/Litter Control	1,200	1,200
05W	State Drought Preparedness Response	1	1
10A	Aquatic Algae Control Account	30	30
10G	Water Rights Tracking System Acct	5	5
10P	Columbia River Basin Water Supply	100	100
160	Wood Stove Education/Enforcement	50	40
16T	Product Stewardship Programs Acct	15	0
176	Water Quality Permit Account	3,700	3,700
18B	Col River Basin Tax Bond Wtr Sup	100	100
199	Biosolids Permit Account	160	160
207	Hazardous Waste Assistance Account	350	350
20R	Radioactive Mixed Waste Acct	2,000	2,000

**ABS030 Working Capital Reserve**  
**461 Department of Ecology**  
**BI - Biennial 2021-23 Initial**  
*Dollars in Thousands*

FUND ADMINISTRATOR AGENCY ONLY		RECOMMENDED ENDING FUND BALANCE	
FUND	FUND TITLE	2019-21 Current Biennium	2021-23 Ensuing Biennium
216	Air Pollution Control Account	370	450
217	Oil Spill Prevention Account	800	700
219	Air Operating Permit Account	675	1,000
21H	Wastewater Treatmt Plant Oper Cert	0	69
222	Freshwater Aquatic Weeds Account	70	70
23P	Model Toxics Control Operating Acct	11,500	11,500
564	Water Pollution Control Revol Admin	150	150
727	Water Pollution Control Revolving	2,000	2,000



Code	Title
461	Department of Ecology

### 2021-23 Federal Funding Estimates

Activity	CFDA No.	Agency / CFDA Title	State Fiscal Year	State Match Amounts	State Match Source
<b>Agency Total</b>					
		FY 2020	64,124,176	27,699,616	
		FY 2021	64,161,398	27,731,706	
		FY 2022	73,805,555	29,632,826	
		FY 2023	73,986,680	29,630,768	
		FY 2024	64,328,101	27,713,241	
		FY 2025	64,445,735	27,713,241	
<b>A036</b>	<b>11.419</b>	<b>Administration</b>			
		<b>Coastal Zone Management Sections 306, 309, 310</b>			
		FY 2020	2,979,000	2,521,000	23P, 057
		FY 2021	2,979,000	2,521,000	23P, 057
		FY 2022	2,994,000	2,536,000	23P, 057
		FY 2023	2,994,000	2,536,000	23P, 057
		FY 2024	2,994,000	2,536,000	23P, 057
		FY 2025	2,994,000	2,536,000	23P, 057
<b>A042</b>	<b>11.420</b>	<b>National Oceanic and Atmospheric Administration</b>			
		<b>Coastal Zone Management Section 315</b>			
		FY 2020	1,035,000	310,500	23P
		FY 2021	1,035,000	310,500	23P
		FY 2022	1,035,000	310,500	23P
		FY 2023	1,035,000	310,500	23P
		FY 2024	1,035,000	310,500	23P
		FY 2025	1,035,000	310,500	23P
<b>A036</b>	<b>12.107</b>	<b>US Army Corps of Engineers</b>			
		<b>Washington Conservation Corps/US ACE Walla Walla</b>			
		FY 2020	36,610	-	n/a
		FY 2021	36,610	-	n/a
		FY 2022	36,610	-	n/a
		FY 2023	36,610	-	n/a
		FY 2024	36,610	-	n/a
		FY 2025	36,610	-	n/a

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### 2021-23 Federal Funding Estimates

Activity	CFDA No.	Agency / CFDA Title	State Fiscal Year	State Match Amounts	State Match Source
A056	15.231	U.S. Department of Interior, Bureau of Land Management Washington Conservation Corps/BLM Spokane			
		FY 2020	47,619	15,873	23P
		FY 2021	47,619	15,873	23P
		FY 2022	47,619	15,873	23P
		FY 2023	47,619	15,873	23P
		FY 2024	47,619	15,873	23P
		FY 2025	47,619	15,873	23P
A056	15.608	U.S. Department of Interior, Fish and Wildlife Service Washington Conservation Corps/Nisqually Wildlife Refuge			
		FY 2020	86,625	28,875	23P
		FY 2021	86,625	28,875	23P
		FY 2022	86,625	28,875	23P
		FY 2023	86,625	28,875	23P
		FY 2024	86,625	28,875	23P
		FY 2025	86,625	28,875	23P
A038	15.614	U.S. Fish and Wildlife Service National Coastal Wetland Conservation (Capital)			
		FY 2020	4,000,000	-	n/a
		FY 2021	4,000,000	-	n/a
		FY 2022	4,000,000	-	n/a
		FY 2023	4,000,000	-	n/a
		FY 2024	4,000,000	-	n/a
		FY 2025	4,000,000	-	n/a
A036	15.808	U.S. Geological Survey Studies of Morphology and Habitat			
		FY 2020	145,000	-	n/a
		FY 2021	145,000	-	n/a
		FY 2022	145,000	-	n/a
		FY 2023	145,000	-	n/a
		FY 2024	145,000	-	n/a
		FY 2025	145,000	-	n/a

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### 2021-23 Federal Funding Estimates

Activity	CFDA No.	Agency / CFDA Title	State Fiscal Year	State Match Amounts	State Match Source
A056	15.931	U.S. Department of Interior, National Park Service Washington Conservation Corps/North Cascades			
		FY 2020	85,000	28,333	23P
		FY 2021	85,000	28,333	23P
		FY 2022	85,000	28,333	23P
		FY 2023	85,000	28,333	23P
		FY 2024	85,000	28,333	23P
		FY 2025	85,000	28,333	23P
A056	15.931	U.S. Department of Interior, National Park Service Washington Conservation Corps/Olympic National Park			
		FY 2020	181,500	57,750	23P
		FY 2021	181,500	57,750	23P
		FY 2022	181,500	57,750	23P
		FY 2023	181,500	57,750	23P
		FY 2024	181,500	57,750	23P
		FY 2025	181,500	57,750	23P
A056	15.931	U.S. Department of Interior, National Park Service Washington Conservation Corps/Mount Rainier National Park			
		FY 2020	60,000	20,000	23P
		FY 2021	60,000	20,000	23P
		FY 2022	60,000	20,000	23P
		FY 2023	60,000	20,000	23P
		FY 2024	60,000	20,000	23P
		FY 2025	60,000	20,000	23P
A025	66.034	Environmental Protection Agency Surveys, Studies, Investigations & Special Purpose Rel to Clean Air Act / NATTs			
		FY 2020	60,000	-	n/a
		FY 2021	60,000	-	n/a
		FY 2022	60,000	-	n/a
		FY 2023	60,000	-	n/a
		FY 2024	60,000	-	n/a
		FY 2025	60,000	-	n/a

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### 2021-23 Federal Funding Estimates

Activity	CFDA No.	Agency / CFDA Title	State Fiscal Year	State Match Amounts	State Match Source
A025	66.034	Environmental Protection Agency Surveys, Studies, Investigations & Special Purpose Rel to Clean Air Act / PM 2.5			
		FY 2020	560,000	-	n/a
		FY 2021	560,000	-	n/a
		FY 2022	560,000	-	n/a
		FY 2023	560,000	-	n/a
		FY 2024	560,000	-	n/a
		FY 2025	560,000	-	n/a
A051	66.040	Environmental Protection Agency National Clean Diesel Funding Assistance / DERA			
		FY 2020	355,116	276,733	216-U07
		FY 2021	486,939	324,626	216-A25
		FY 2022	522,450	348,300	23N
		FY 2023	504,695	336,463	23N
		FY 2024	504,695	336,463	23N
		FY 2025	504,695	336,463	23N
A008	66.123	Environmental Protection Agency Puget Sound Action Agenda: Technical Investigations & Implementation Assist.			
		FY 2020	5,000,000	5,000,000	057, 727
		FY 2021	5,000,000	5,000,000	057, 727
		FY 2022	5,000,000	5,000,000	057, 727
		FY 2023	5,000,000	5,000,000	057, 727
		FY 2024	5,000,000	5,000,000	057, 727
		FY 2025	5,000,000	5,000,000	057, 727
A027	66.419	Environmental Protection Agency Monitoring Strategies Grant			
		FY 2020	151,000	-	n/a
		FY 2021	163,000	-	n/a
		FY 2022	151,000	-	n/a
		FY 2023	151,000	-	n/a
		FY 2024	151,000	-	n/a
		FY 2025	151,000	-	n/a

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Activity	CFDA No.	Agency / CFDA Title	State Fiscal Year	State Match Amounts	State Match Source
A027	66.419	Environmental Protection Agency BEACH Program			
		FY 2020	241,000	-	n/a
		FY 2021	237,000	-	n/a
		FY 2022	237,000	-	n/a
		FY 2023	237,000	-	n/a
		FY 2024	237,000	-	n/a
		FY 2025	237,000	-	n/a
A006	66.454	Environmental Protection Agency Water Quality Management & Planning CWA 604(b)			
		FY 2020	233,000	-	n/a
		FY 2021	233,000	-	n/a
		FY 2022	279,000	-	n/a
		FY 2023	279,000	-	n/a
		FY 2024	279,000	-	n/a
		FY 2025	279,000	-	n/a
A006, A049, A043, A027	66.460	Environmental Protection Agency Nonpoint Source Implementation Grants 319 (h)			
		FY 2020	3,088,000	2,058,667	23P, 23R, 057
		FY 2021	3,088,000	2,058,667	23P, 23R, 057
		FY 2022	3,021,000	2,014,000	23P, 23R, 057
		FY 2023	3,021,000	2,014,000	23P, 23R, 057
		FY 2024	3,021,000	2,014,000	23P, 23R, 057
		FY 2025	3,021,000	2,014,000	23P, 23R, 057
A038	66.461	Environmental Protection Agency Regional Wetland Development grants			
		FY 2020	100,000	33,334	23P
		FY 2021	100,000	33,334	23P
		FY 2022	100,000	33,334	23P
		FY 2023	100,000	33,334	23P
		FY 2024	100,000	33,334	23P
		FY 2025	100,000	33,334	23P

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Activity	CFDA No.	Agency / CFDA Title	State Fiscal Year	State Match Amounts	State Match Source
A043	66.505	Environmental Protection Agency Water Pollution Control			
		FY 2020	28,000,000	5,600,000	355
		FY 2021	28,000,000	5,600,000	355
		FY 2022	37,500,000	7,500,000	355
		FY 2023	37,500,000	7,500,000	355
		FY 2024	28,000,000	5,600,000	355
		FY 2025	28,000,000	5,600,000	355
A007, A027, A034, A043, A049	66.605	Environmental Protection Agency Performance Partnership Grant			
		FY 2020	8,960,000	10,663,259	001, 23P, 23N, 160, 216
		FY 2021	8,960,000	10,663,259	001, 23P, 23N, 160, 216
		FY 2022	8,895,000	10,662,000	001, 23P, 23N, 160, 216
		FY 2023	8,895,000	10,662,000	001, 23P, 23N, 160, 216
		FY 2024	8,895,000	10,662,000	001, 23P, 23N, 160, 216
		FY 2025	8,895,000	10,662,000	001, 23P, 23N, 160, 216
A037	66.605	Environmental Protection Agency Performance Partnership Grant			
		FY 2020	103,315	-	n/a
		FY 2021	103,315	-	n/a
		FY 2022	103,315	-	n/a
		FY 2023	103,315	-	n/a
		FY 2024	103,315	-	n/a
		FY 2025	103,315	-	n/a
A052, A065	66.708	Environmental Protection Agency Pollution Prevention Grants Program - P2 Grant			
		FY 2020	98,935	98,935	23P
		FY 2021	101,914	101,914	23P
		FY 2022	101,914	101,914	23P
		FY 2023	101,914	101,914	23P
		FY 2024	101,914	101,914	23P
		FY 2025	101,914	101,914	23P

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Activity	CFDA No.	Agency / CFDA Title	State Fiscal Year	State Match Amounts	State Match Source
A019, A021, A022, A031	66.801	Environmental Protection Agency Hazardous Waste Management State Program Support			
		FY 2020	1,806,910	602,302	23P
		FY 2021	1,806,910	602,302	23P
		FY 2022	1,752,910	584,232	23P
		FY 2023	1,752,910	584,232	23P
		FY 2024	1,700,122	566,705	23P
		FY 2025	1,700,122	566,705	23P
A005	66.802	Environmental Protection Agency Superfund State, Political Subdivision & Indian Tribe Site Specific Coop Agreement			
		FY 2020	611,675	-	n/a
		FY 2021	611,675	-	n/a
		FY 2022	611,675	-	n/a
		FY 2023	611,675	-	n/a
		FY 2024	391,675	-	n/a
		FY 2025	391,675	-	n/a
A023	66.804	Environmental Protection Agency State & Tribal Underground Storage Tank Program (LUST Prevention & STAG)			
		FY 2020	443,000	147,666	23P
		FY 2021	463,525	154,508	23P
		FY 2022	513,525	171,175	23P
		FY 2023	513,525	171,175	23P
		FY 2024	513,525	171,175	23P
		FY 2025	513,525	171,175	23P
A005	66.805	Environmental Protection Agency Leaking Underground Storage Tank Fund Program (LUST)			
		FY 2020	746,000	82,889	23P
		FY 2021	515,378	57,265	23P
		FY 2022	603,372	67,040	23P
		FY 2023	691,372	76,819	23P
		FY 2024	691,372	76,819	23P
		FY 2025	691,372	76,819	23P



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Activity	CFDA No.	Agency / CFDA Title	State Fiscal Year	State Match Amounts	State Match Source
A005	66.809	Environmental Protection Agency Superfund State and Indian Tribe Core Program Cooperative Agreements (CORE)			
		FY 2020	112,500	12,500	23P
		FY 2021	112,500	12,500	23P
		FY 2022	112,500	12,500	23P
		FY 2023	112,500	12,500	23P
		FY 2024	112,500	12,500	23P
		FY 2025	112,500	12,500	23P
A005	66.817	Environmental Protection Agency State & Tribal Response Program Grants (STRP)			
		FY 2020	916,492	-	n/a
		FY 2021	916,492	-	n/a
		FY 2022	916,492	-	n/a
		FY 2023	916,492	-	n/a
		FY 2024	916,492	-	n/a
		FY 2025	916,492	-	n/a
A014	81.104	US Department of Energy Oversight of CERCLA practices at the Hanford Site			
		FY 2020	3,483,879	-	n/a
		FY 2021	3,588,396	-	n/a
		FY 2022	3,696,048	-	n/a
		FY 2023	3,806,928	-	n/a
		FY 2024	3,921,137	-	n/a
		FY 2025	4,038,771	-	n/a
A040	97.023	Federal Emergency Management Agency National Flood Insurance Program - Community Assistance Program			
		FY 2020	160,000	40,000	02P
		FY 2021	160,000	40,000	02P
		FY 2022	160,000	40,000	02P
		FY 2023	160,000	40,000	02P
		FY 2024	160,000	40,000	02P
		FY 2025	160,000	40,000	02P

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Activity	CFDA No.	Agency / CFDA Title	State Fiscal Year	State Match Amounts	State Match Source
A011	97.041	Federal Emergency Management Agency National Dam Safety			
		FY 2020	101,000	101,000	001
		FY 2021	101,000	101,000	001
		FY 2022	101,000	101,000	001
		FY 2023	101,000	101,000	001
		FY 2024	101,000	101,000	001
		FY 2025	101,000	101,000	001
A040	97.045	Federal Emergency Management Agency Cooperating Technical Partners			
		FY 2020	136,000	-	n/a
		FY 2021	136,000	-	n/a
		FY 2022	136,000	-	n/a
		FY 2023	136,000	-	n/a
		FY 2024	136,000	-	n/a
		FY 2025	136,000	-	n/a

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CFDA No.	Agency / CFDA Title	(A) Federal Fiscal Year	(B) State Fiscal Year	(C) Federal Funds % of Agency Budget for State FY	(D) Federal Grant Projections Under a 5% Reduction	(E) Federal Grant Projections Under a 25% Reduction	(F) Probability Grant Will be Subject to Reduction (1 to 5)	(G) Agency Plans to Implement Reduction (1 to 5)	Comments
<b>Agency Total</b>									
	FY 2020	64,124,176	64,124,176	5.8%	60,917,967	48,093,132			
	FY 2021	64,161,398	64,161,398	5.8%	60,953,328	48,121,049			
	FY 2022	73,805,348	73,805,555	6.7%	70,115,081	55,354,011			
	FY 2023	73,986,473	73,986,680	6.7%	70,287,149	55,489,855			
	FY 2024	64,328,101	64,328,101	5.8%	61,111,696	48,246,076			
	FY 2025	64,445,735	64,445,735	5.9%	61,223,448	48,334,301			
11.419	<b>Oceanic and Coastal Zone Management Sections 306, 309, 310</b>								
	FY 2020	2,979,000	2,979,000	0.36%	2,830,050	2,234,250	1	3	Comment: These grants support approximately 35 state employees every fiscal year. There are no other expenditures supported by this grant.
	FY 2021	2,979,000	2,979,000	0.36%	2,830,050	2,234,250	1	3	
	FY 2022	2,994,000	2,994,000	0.27%	2,844,300	2,245,500	1	3	
	FY 2023	2,994,000	2,994,000	0.27%	2,844,300	2,245,500	1	3	
	FY 2024	2,994,000	2,994,000	0.27%	2,844,300	2,245,500	1	3	
	FY 2025	2,994,000	2,994,000	0.27%	2,844,300	2,245,500	1	3	
11.420	<b>National Oceanic and Atmospheric Administration Coastal Zone Management Section 315</b>								
	FY 2020	1,035,000	1,035,000	0.13%	983,250	776,250	1	3	Comment: These grants support approximately 8 state employees every fiscal year. There are no other expenditures supported by this grant.
	FY 2021	1,035,000	1,035,000	0.13%	983,250	776,250	1	3	
	FY 2022	1,035,000	1,035,000	0.09%	983,250	776,250	1	3	
	FY 2023	1,035,000	1,035,000	0.09%	983,250	776,250	1	3	
	FY 2024	1,035,000	1,035,000	0.09%	983,250	776,250	1	3	
	FY 2025	1,035,000	1,035,000	0.09%	983,250	776,250	1	3	
12.107	<b>US Army Corps of Engineers Washington Conservation Corps/US ACE Walla Walla</b>								
	FY 2020	36,610	36,610	0.00%	34,780	27,458	1	4	Comment: Project employees would be placed on other projects.
	FY 2021	36,610	36,610	0.00%	34,780	27,458	1	4	
	FY 2022	36,610	36,610	0.00%	34,780	27,458	1	4	
	FY 2023	36,610	36,610	0.00%	34,780	27,458	1	4	
	FY 2024	36,610	36,610	0.00%	34,780	27,458	1	4	
	FY 2025	36,610	36,610	0.00%	34,780	27,458	1	4	
15.231	<b>U.S. Department of Interior, Bureau of Land Management Washington Conservation Corps/BLM Spokane</b>								
	FY 2020	47,619	47,619	0.01%	45,238	35,714	1	4	Comment: Project employees would be placed on other projects.
	FY 2021	47,619	47,619	0.01%	45,238	35,714	1	4	
	FY 2022	47,619	47,619	0.00%	45,238	35,714	1	4	
	FY 2023	47,619	47,619	0.00%	45,238	35,714	1	4	
	FY 2024	47,619	47,619	0.00%	45,238	35,714	1	4	
	FY 2025	47,619	47,619	0.00%	45,238	35,714	1	4	
15.608	<b>U.S. Department of Interior, Fish and Wildlife Service Washington Conservation Corps/Nisqually Wildlife Refuge</b>								
	FY 2020	86,625	86,625	0.01%	82,294	64,969	1	4	Comment: Project employees would be placed on other projects.
	FY 2021	86,625	86,625	0.01%	82,294	64,969	1	4	
	FY 2022	86,625	86,625	0.01%	82,294	64,969	1	4	
	FY 2023	86,625	86,625	0.01%	82,294	64,969	1	4	
	FY 2024	86,625	86,625	0.01%	82,294	64,969	1	4	
	FY 2025	86,625	86,625	0.01%	82,294	64,969	1	4	
15.614	<b>U.S. Fish and Wildlife Service National Coastal Wetland Conservation (Capital)</b>								
	FY 2020	4,000,000	4,000,000	0.49%	3,800,000	3,000,000	1	2, 3	Comment: This grant supports approximately 0.40 FTE. This grant also pays for contracts with conservation entities to purchase wetlands.
	FY 2021	4,000,000	4,000,000	0.49%	3,800,000	3,000,000	1	2, 3	
	FY 2022	4,000,000	4,000,000	0.36%	3,800,000	3,000,000	1	2, 3	
	FY 2023	4,000,000	4,000,000	0.36%	3,800,000	3,000,000	1	2, 3	
	FY 2024	4,000,000	4,000,000	0.36%	3,800,000	3,000,000	1	2, 3	
	FY 2025	4,000,000	4,000,000	0.36%	3,800,000	3,000,000	1	2, 3	

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15.808	U.S. Geological Survey Studies of Morphology and Habitat								Comment: This award supports approximately 0.20 FTE.
	FY 2020	145,000	145,000	0.02%	137,750	108,750	1	3	
	FY 2021	145,000	145,000	0.02%	137,750	108,750	1	3	
	FY 2022	145,000	145,000	0.01%	137,750	108,750	1	3	
	FY 2023	145,000	145,000	0.01%	137,750	108,750	1	3	
	FY 2024	145,000	145,000	0.01%	137,750	108,750	1	3	
	FY 2025	145,000	145,000	0.01%	137,750	108,750	1	3	
15.931	U.S. Department of Interior, National Park Service Washington Conservation Corps/North Cascades								Comment: WCC North Cascades. Project employees would be placed on other projects.
	FY 2020	85,000	85,000	0.01%	80,750	63,750	1	4	
	FY 2021	85,000	85,000	0.01%	80,750	63,750	1	4	
	FY 2022	85,000	85,000	0.01%	80,750	63,750	1	4	
	FY 2023	85,000	85,000	0.01%	80,750	63,750	1	4	
	FY 2024	85,000	85,000	0.01%	80,750	63,750	1	4	
	FY 2025	85,000	85,000	0.01%	80,750	63,750	1	4	
15.931	U.S. Department of Interior, National Park Service Washington Conservation Corps/Olympic National Park								Comment: WCC Olympic National Park. Project employees would be placed on other projects.
	FY 2020	181,500	181,500	0.02%	172,425	136,125	1	4	
	FY 2021	181,500	181,500	0.02%	172,425	136,125	1	4	
	FY 2022	181,500	181,500	0.02%	172,425	136,125	1	4	
	FY 2023	181,500	181,500	0.02%	172,425	136,125	1	4	
	FY 2024	181,500	181,500	0.02%	172,425	136,125	1	4	
	FY 2025	181,500	181,500	0.02%	172,425	136,125	1	4	
15.931	U.S. Department of Interior, National Park Service Washington Conservation Corps/Mount Rainier National Park								Comment: WCC Mt. Rainier National Park. Project employees would be placed on other projects.
	FY 2020	60,000	60,000	0.01%	57,000	45,000	1	4	
	FY 2021	60,000	60,000	0.01%	57,000	45,000	1	4	
	FY 2022	60,000	60,000	0.01%	57,000	45,000	1	4	
	FY 2023	60,000	60,000	0.01%	57,000	45,000	1	4	
	FY 2024	60,000	60,000	0.01%	57,000	45,000	1	4	
	FY 2025	60,000	60,000	0.01%	57,000	45,000	1	4	
66.034	Environmental Protection Agency Surveys, Studies, Investigations & Special Purpose Rel to Clean Air Act / NATTs								Comment: NATTs
	FY 2020	60,000	60,000	0.01%	57,000	45,000	1	4,5	
	FY 2021	60,000	60,000	0.01%	57,000	45,000	1	4,5	
	FY 2022	60,000	60,000	0.01%	57,000	45,000	1	4,5	
	FY 2023	60,000	60,000	0.01%	57,000	45,000	1	4,5	
	FY 2024	60,000	60,000	0.01%	57,000	45,000	1	4,5	
	FY 2025	60,000	60,000	0.01%	57,000	45,000	1	4,5	
66.034	Environmental Protection Agency Surveys, Studies, Investigations & Special Purpose Rel to Clean Air Act / PM 2.5								Comment: PM 2.5
	FY 2020	560,000	560,000	0.07%	532,000	420,000	3	2,4	
	FY 2021	560,000	560,000	0.07%	532,000	420,000	3	2,4	
	FY 2022	560,000	560,000	0.05%	532,000	420,000	3	2,4	
	FY 2023	560,000	560,000	0.05%	532,000	420,000	3	2,4	
	FY 2024	560,000	560,000	0.05%	532,000	420,000	3	2,4	
	FY 2025	560,000	560,000	0.05%	532,000	420,000	3	2,4	
66.040	Environmental Protection Agency National Clean Diesel Funding Assistance / DERA								Comment: DERA. Match is optional on this grant - when match is committed, EPA increases the federal portion of the grant by approximately 1/2 of the match. Beginning in 2019-21 all match is expected to be capital funding. Match in 2021-23 and beyond is assumed from Model Toxics Control Capital Account.
	FY 2020	355,116	355,116	0.04%	337,360	266,337	2	2,4	
	FY 2021	486,939	486,939	0.06%	462,592	365,204	2	2,4	
	FY 2022	522,450	522,450	0.05%	496,328	391,838	2	2,4	
	FY 2023	504,695	504,695	0.05%	479,460	378,521	2	2,4	
	FY 2024	504,695	504,695	0.05%	479,460	378,521	2	2,4	
	FY 2025	504,695	504,695	0.05%	479,460	378,521	2	2,4	

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66.123	Environmental Protection Agency Puget Sound Action Agenda: Technical Investigations and Implementation Assistance Program								Comment: Ecy received annual awards for the NEP Stormwater Strategic Initiative (SI) grant through FFY2020. EPA will initiate a new competitive process for the next round of NEP grants in summer/fall 2020. We anticipate similar incremental awards over the next 5 years (6/1/21 - 6/30/26).
	FY 2020	5,000,000	5,000,000	0.61%	4,750,000	3,750,000	1	1,2	
	FY 2021	5,000,000	5,000,000	0.61%	4,750,000	3,750,000	1	1,2	
	FY 2022	5,000,000	5,000,000	0.45%	4,750,000	3,750,000	1	1,2	
	FY 2023	5,000,000	5,000,000	0.45%	4,750,000	3,750,000	1	1,2	
	FY 2024	5,000,000	5,000,000	0.45%	4,750,000	3,750,000	1	1,2	
	FY 2025	5,000,000	5,000,000	0.45%	4,750,000	3,750,000	1	1,2	
66.419	Environmental Protection Agency Monitoring Strategies Grant								Comment: Prior to FY 2020, EAP would usually receive two Monitoring Strategies grants, one for biological monitoring and one for a rotating purpose (rivers and streams, lakes, etc...). Currently EAP receives only the Monitoring Strategy grant for biological monitoring.
	FY 2020	151,000	151,000	0.02%	143,450	113,250	1	1	
	FY 2021	163,000	163,000	0.02%	154,850	122,250	1	1	
	FY 2022	151,000	151,000	0.01%	143,450	113,250	1	1	
	FY 2023	151,000	151,000	0.01%	143,450	113,250	1	1	
	FY 2024	151,000	151,000	0.01%	143,450	113,250	1	1	
	FY 2025	151,000	151,000	0.01%	143,450	113,250	1	1	
66.419	Environmental Protection Agency BEACH Program								Comment: While this program does not issue grants, it does pass through funding to the Dept. of Health and Local Health Jurisdictions.
	FY 2020	241,000	241,000	0.03%	228,950	180,750	1	1,2	
	FY 2021	237,000	237,000	0.03%	225,150	177,750	1	1,2	
	FY 2022	237,000	237,000	0.02%	225,150	177,750	1	1,2	
	FY 2023	237,000	237,000	0.02%	225,150	177,750	1	1,2	
	FY 2024	237,000	237,000	0.02%	225,150	177,750	1	1,2	
	FY 2025	237,000	237,000	0.02%	225,150	177,750	1	1,2	
66.454	Environmental Protection Agency Water Quality Management & Planning CWA 604(b)								Comment: Grant has remained stable for a number of years. May fluctuate between \$230,000 and \$279,000 per year.
	FY 2020	233,000	233,000	0.03%	221,350	174,750	2	1	
	FY 2021	233,000	233,000	0.03%	221,350	174,750	2	1	
	FY 2022	279,000	279,000	0.03%	265,050	209,250	2	1	
	FY 2023	279,000	279,000	0.03%	265,050	209,250	2	1	
	FY 2024	279,000	279,000	0.03%	265,050	209,250	2	1	
	FY 2025	279,000	279,000	0.03%	265,050	209,250	2	1	
66.460	Environmental Protection Agency Nonpoint Source Implementation Grants 319 (h)								Comment: Grant has been relatively stable. Ecy expects a similar award during the 21-23 Biennium.
	FY 2020	3,088,000	3,088,000	0.38%	2,933,600	2,316,000	1	1,2	
	FY 2021	3,088,000	3,088,000	0.38%	2,933,600	2,316,000	1	1,2	
	FY 2022	3,021,000	3,021,000	0.27%	2,869,950	2,265,750	1	1,2	
	FY 2023	3,021,000	3,021,000	0.27%	2,869,950	2,265,750	1	1,2	
	FY 2024	3,021,000	3,021,000	0.27%	2,869,950	2,265,750	1	1,2	
	FY 2025	3,021,000	3,021,000	0.27%	2,869,950	2,265,750	1	1,2	
66.461	Environmental Protection Agency Regional Wetland Development grants								Comment: This grant supports approximately 1.5 state employees every fiscal year.
	FY 2020	100,000	100,000	0.01%	95,000	75,000	2	3, 4	
	FY 2021	100,000	100,000	0.01%	95,000	75,000	2	3, 4	
	FY 2022	100,000	100,000	0.01%	95,000	75,000	2	3, 4	
	FY 2023	100,000	100,000	0.01%	95,000	75,000	2	3, 4	
	FY 2024	100,000	100,000	0.01%	95,000	75,000	2	3, 4	
	FY 2025	100,000	100,000	0.01%	95,000	75,000	2	3, 4	
66.505	Environmental Protection Agency Water Pollution Control								Comment: This grant has been stable over the last several biennia. Ecy expects a larger award during the 21-23 biennium due to a federal stimulus related to COVID-19.  CFDA for current CAP grant is 66.458.
	FY 2020	28,000,000	28,000,000	3.40%	26,600,000	21,000,000	1	1	
	FY 2021	28,000,000	28,000,000	3.40%	26,600,000	21,000,000	1	1	
	FY 2022	37,500,000	37,500,000	4.56%	35,625,000	28,125,000	1	1	
	FY 2023	37,500,000	37,500,000	4.56%	35,625,000	28,125,000	1	1	
	FY 2024	28,000,000	28,000,000	3.40%	26,600,000	21,000,000	1	1	
	FY 2025	28,000,000	28,000,000	3.40%	26,600,000	21,000,000	1	1	

Code	Title
461	Department of Ecology

**PROPOSED 2021-23 Federal Funding Estimates Summary for RCW 43.88.096**

CFDA No.	Agency / CFDA Title	(A) Federal Fiscal Year	(B) State Fiscal Year	(C) Federal Funds % of Agency Budget for State FY	(D) Federal Grant Projections Under a 5% Reduction	(E) Federal Grant Projections Under a 25% Reduction	(F) Probability Grant Will be Subject to Reduction (1 to 5)	(G) Agency Plans to Implement Reduction (1 to 5)	Comments
66.605	Environmental Protection Agency Performance Partnership Grant								
	FY 2020	8,960,000	8,960,000	1.09%	8,512,000	6,720,000	2	1	Comment: Grant has been relatively stable through the years. ECY expects a similar award during the 21-23 Biennium.
	FY 2021	8,960,000	8,960,000	1.09%	8,512,000	6,720,000	2	1	
	FY 2022	8,895,000	8,895,000	1.08%	8,450,250	6,671,250	2	1	
	FY 2023	8,895,000	8,895,000	1.08%	8,450,250	6,671,250	2	1	
	FY 2024	8,895,000	8,895,000	1.08%	8,450,250	6,671,250	2	1	
	FY 2025	8,895,000	8,895,000	1.08%	8,450,250	6,671,250	2	1	
66.605	Environmental Protection Agency Performance Partnership Grant								
	FY 2020	103,315	103,315	0.01%	98,149	77,486	1	3	Comment: This grant supports approximately 0.90 state employees every fiscal year. There are no other expenditures supported by this grant.
	FY 2021	103,315	103,315	0.01%	98,149	77,486	1	3	
	FY 2022	103,315	103,315	0.01%	98,149	77,486	1	3	
	FY 2023	103,315	103,315	0.01%	98,149	77,486	1	3	
	FY 2024	103,315	103,315	0.01%	98,149	77,486	1	3	
	FY 2025	103,315	103,315	0.01%	98,149	77,486	1	3	
66.708	Environmental Protection Agency Pollution Prevention Grants Program - P2 Grant								
	FY 2020	98,935	98,935	0.01%	93,988	74,201	2	1	Comment: Grant decreased -18.8% from FY 2016 level. Moved to a 2-yr grant award format. No indication of potential reduction. New FFY20-23 P2 grant is for a 3-yr period starting 10/1/2020 and going through 9/30/2023.
	FY 2021	101,914	101,914	0.01%	96,818	76,436	2	1	
	FY 2022	101,914	101,914	0.01%	96,818	76,436	2	1	
	FY 2023	101,914	101,914	0.01%	96,818	76,436	2	1	
	FY 2024	101,914	101,914	0.01%	96,818	76,436	2	1	
	FY 2025	101,914	101,914	0.01%	96,818	76,436	2	1	
66.801	Environmental Protection Agency Hazardous Waste Management State Program Support								
	FY 2020	1,806,910	1,806,910	0.22%	1,716,565	1,355,183	4	4	Comment: Grant subject to -.03% decrease from prior award.
	FY 2021	1,806,910	1,806,910	0.22%	1,716,565	1,355,183	4	4	
	FY 2022	1,752,703	1,752,910	0.21%	1,665,068	1,314,527	4	4	
	FY 2023	1,752,703	1,752,910	0.21%	1,665,068	1,314,527	4	4	
	FY 2024	1,700,122	1,700,122	0.21%	1,615,116	1,275,092	4	4	
	FY 2025	1,700,122	1,700,122	0.21%	1,615,116	1,275,092	4	4	
66.802	Environmental Protection Agency Superfund State, Political Subdivision & Indian Tribe Site Specific Coop Agreement								
	FY 2020	611,675	611,675	0.07%	581,091	458,756	1	4	Comment: Three agreements include Upper Columbia, Commencement Bay and Multi-Site. Anticipate no Commencement Bay funding after FY 23.
	FY 2021	611,675	611,675	0.07%	581,091	458,756	1	4	
	FY 2022	611,675	611,675	0.07%	581,091	458,756	1	4	
	FY 2023	611,675	611,675	0.07%	581,091	458,756	1	4	
	FY 2024	391,675	391,675	0.05%	372,091	293,756	1	4	
	FY 2025	391,675	391,675	0.05%	372,091	293,756	1	4	
66.804	Environmental Protection Agency State & Tribal Underground Storage Tank Program (LUST Prevention & STAG)								
	FY 2020	443,000	443,000	0.05%	420,850	332,250	3	1,4	Comment: Two agreements include LUST Prevention and STAG. Verbal agreements with EPA March 2020 possible increase of \$50,000 for STAG FY 22 and forward.
	FY 2021	463,525	463,525	0.06%	440,349	347,644	3	1,4	
	FY 2022	513,525	513,525	0.06%	487,849	385,144	3	1,4	
	FY 2023	513,525	513,525	0.06%	487,849	385,144	3	1,4	
	FY 2024	513,525	513,525	0.06%	487,849	385,144	3	1,4	
	FY 2025	513,525	513,525	0.06%	487,849	385,144	3	1,4	
66.805	Environmental Protection Agency Leaking Underground Storage Tank Fund Program (LUST)								
	FY 2020	746,000	746,000	0.09%	708,700	559,500	3	1,4	Comment: Verbal agreements with EPA based on performance for FY 21 possible increases of \$88,000 for FY 22 and another \$88,000 for FY 23. March 30, 2020
	FY 2021	515,378	515,378	0.06%	489,609	386,534	3	1,4	
	FY 2022	603,372	603,372	0.07%	573,203	452,529	3	1,4	
	FY 2023	691,372	691,372	0.08%	656,803	518,529	3	1,4	
	FY 2024	691,372	691,372	0.08%	656,803	518,529	3	1,4	
	FY 2025	691,372	691,372	0.08%	656,803	518,529	3	1,4	



Code	Title
461	Department of Ecology

**PROPOSED 2021-23 Federal Funding Estimates Summary for RCW 43.88.096**

CFDA No.	Agency / CFDA Title	(A) Federal Fiscal Year	(B) State Fiscal Year	(C) Federal Funds % of Agency Budget for State FY	(D) Federal Grant Projections Under a 5% Reduction	(E) Federal Grant Projections Under a 25% Reduction	(F) Probability Grant Will be Subject to Reduction (1 to 5)	(G) Agency Plans to Implement Reduction (1 to 5)	Comments
66.809	Environmental Protection Agency Superfund State and Indian Tribe Core Program Cooperative Agreements (CORE)								Comment:
	FY 2020	112,500	112,500	0.01%	106,875	84,375	1	1,4	
	FY 2021	112,500	112,500	0.01%	106,875	84,375	1	1,4	
	FY 2022	112,500	112,500	0.01%	106,875	84,375	1	1,4	
	FY 2023	112,500	112,500	0.01%	106,875	84,375	1	1,4	
	FY 2024	112,500	112,500	0.01%	106,875	84,375	1	1,4	
	FY 2025	112,500	112,500	0.01%	106,875	84,375	1	1,4	
66.817	Environmental Protection Agency State & Tribal Response Program Grants (STRP)								Comment:
	FY 2020	916,492	916,492	0.11%	870,667	687,369	2	1,4	
	FY 2021	916,492	916,492	0.11%	870,667	687,369	2	1,4	
	FY 2022	916,492	916,492	0.11%	870,667	687,369	2	1,4	
	FY 2023	916,492	916,492	0.11%	870,667	687,369	2	1,4	
	FY 2024	916,492	916,492	0.11%	870,667	687,369	2	1,4	
	FY 2025	916,492	916,492	0.11%	870,667	687,369	2	1,4	
81.104	US Department of Energy Oversight of CERCLA practices at the Hanford Site								Comment: Grant amount reduction is due to lower workload, and not due to federal funding reduction.
	FY 2020	3,483,879	3,483,879	0.42%	3,309,685	2,612,909	1	1	
	FY 2021	3,588,396	3,588,396	0.44%	3,408,976	2,691,297	1	1	
	FY 2022	3,696,048	3,696,048	0.45%	3,511,246	2,772,036	1	1	
	FY 2023	3,806,928	3,806,928	0.46%	3,616,582	2,855,196	1	1	
	FY 2024	3,921,137	3,921,137	0.48%	3,725,080	2,940,853	1	1	
	FY 2025	4,038,771	4,038,771	0.49%	3,836,832	3,029,078	1	1	
97.023	Federal Emergency Management Agency National Flood Insurance Program - Community Assistance Program								Comment: This grant support approximately 1.6 state employees every fiscal year. There are no other expenditures.
	FY 2020	160,000	160,000	0.02%	152,000	120,000	1	3	
	FY 2021	160,000	160,000	0.02%	152,000	120,000	1	3	
	FY 2022	160,000	160,000	0.02%	152,000	120,000	1	3	
	FY 2023	160,000	160,000	0.02%	152,000	120,000	1	3	
	FY 2024	160,000	160,000	0.02%	152,000	120,000	1	3	
	FY 2025	160,000	160,000	0.02%	152,000	120,000	1	3	
97.041	Federal Emergency Management Agency National Dam Safety								Comment: This grant supports approximately 1.0 state employee every fiscal year. There are no other expenditures.
	FY 2020	101,000	101,000	0.01%	95,950	75,750	1	1	
	FY 2021	101,000	101,000	0.01%	95,950	75,750	1	1	
	FY 2022	101,000	101,000	0.01%	95,950	75,750	1	1	
	FY 2023	101,000	101,000	0.01%	95,950	75,750	1	1	
	FY 2024	101,000	101,000	0.01%	95,950	75,750	1	1	
	FY 2025	101,000	101,000	0.01%	95,950	75,750	1	1	
97.045	Federal Emergency Management Agency Cooperating Technical Partners								Comment: This grant supports approximately 1.0 state employee every fiscal year. There are no other expenditures.
	FY 2020	136,000	136,000	0.02%	129,200	102,000	1	3	
	FY 2021	136,000	136,000	0.02%	129,200	102,000	1	3	
	FY 2022	136,000	136,000	0.02%	129,200	102,000	1	3	
	FY 2023	136,000	136,000	0.02%	129,200	102,000	1	3	
	FY 2024	136,000	136,000	0.02%	129,200	102,000	1	3	
	FY 2025	136,000	136,000	0.02%	129,200	102,000	1	3	

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# 2021-23 Biennium Requested Fund Transfers

## Department of Ecology

September 2020

Purpose: This table summarizes Treasurer fund transfers identified by Ecology for inclusion in the 2021-23 Biennium Budget. Includes items 6 and 7 that are appropriations or other transactions made to achieve a transfer or repayment of funds.

Item	Budget Reference	Account From	Account To	FY 22 Amt	FY 23 Amt	Biennium Total	Explanation & Statutory Citation
1	Capital Project 40000339	State Taxable Building Construction Account ( <a href="#">355</a> )	Water Pollution Control State Revolving Account – Federal ( <a href="#">727</a> )	\$7.5 million	\$7.5 million	\$15 million	The Washington State Water Pollution Control Revolving Fund (SRF), established under <a href="#">Chapter 90.50A RCW</a> , implements the state's loan program to provide low- interest loans to public entities for high priority water quality projects statewide. Twenty percent state match toward federal capitalization dollars is required. The state provides the match funds as federal dollars are actually spent. Ecology bases the \$15 million requested match on the full 20 percent match needed for new appropriations and reappropriations of federal SRF loans and including the carry-forward match from the 2019-21 Biennium budget. For the 2021-23 Biennium, a total of \$75 million is the basis for the required 20 percent state match.
2	Operating	Water Pollution Control Revolving Administrative Account ( <a href="#">564</a> )	Water Pollution Control Revolving Program ( <a href="#">727</a> )	\$6 million	\$0	\$6 million	Currently, Administrative Rate is calculated as 1% of the declining principal loan balances in the Water Pollution Control Revolving Account. Per RCW 90.50A.090. Request transfer of \$6 million back to 727 to maintain a projected balance of \$2.8 million in the Administrative Account.

Item	Budget Reference	Account From	Account To	FY 22 Amt	FY 23 Amt	Biennium Total	Explanation & Statutory Citation
3	Operating	State General Fund ( <a href="#">001</a> )	Flood Control Assistance Account - FCAA ( <a href="#">02P</a> )	\$2 million	\$2 million	\$4 million	According to <a href="#">RCW 86.26.007</a> , the state treasurer is required to transfer \$4 million from the General Fund to the Flood Control Assistance Account each biennium.
4	Capital	Waste Tire Removal Account ( <a href="#">08R</a> )	Motor Vehicle Account ( <a href="#">108</a> )	\$7 million	\$0	\$7 million	<a href="#">RCW 70.95.532</a> statute allows for any cash balance over \$1M on September of odd numbered years to be transferred to the Motor Vehicle Account. Ecology's estimate is based on the ending fund balance.
5		State General Fund ( <a href="#">001</a> )	Site Closure Account ( <a href="#">125</a> )	\$1.129 million	\$1.145 million	\$2.274 million	In the 2003-05 Biennium, the Legislature transferred \$13.8 million from the Site Closure Account to the general fund. Beginning July 1, 2008, and each July 1st thereafter, the treasurer shall transfer from the state general fund to the site closure account the sum of nine hundred sixty-six thousand dollars. The nine hundred sixty-six thousand dollars transferred on July 1, 2009, and thereafter shall be adjusted to a level equal to the percentage increase in the United States implicit price deflator for personal consumption. The last transfer under shall occur on July 1, 2033. The amount shown is based on an assumed 2% increase from July 1, 2018 transfer of \$1,104,291. ( <a href="#">RCW 43.200.080 3(a)</a> , <a href="#">(b)</a> )

Item	Budget Reference	Account From	Account To	FY 22 Amt	FY 23 Amt	Biennium Total	Explanation & Statutory Citation
6		Columbia River Water Delivery Account ( <a href="#">15K</a> )	Confederated Tribes of the Colville Reservation				<p><a href="#">RCW 90.90.060</a> outlines provisions whereby the state and the Confederated Tribes of the Colville Reservation and the Spokane Tribe of Indians agree to support additional releases of water from Lake Roosevelt. The state also agrees to share a portion of the benefits derived from Lake Roosevelt water releases, and to mitigate for any impacts such releases may have upon the tribes.</p> <p>Enacted budgets include the benefit in the back of the budget section titled State Revenues For Distribution. The Columbia River Water Delivery Account (Account 15K) is administered by Ecology, but is an administrative account of the State General Fund. Amounts are defined per <a href="#">RCW 90.90.070</a>.</p>
7		Columbia River Water Delivery Account ( <a href="#">15K</a> )	Spokane Tribe of Indians				See note above.

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# Department of Ecology

## 2021-23 Operating Budget Requests Supporting the Puget Sound Action Agenda

September 4, 2020

Decision Package	Sub-strategy and Near Term Action (NTA)	Ongoing Program	Orca Task Force Recommendation	2018 Regional Priority Approach	Federal Leveraging	Local Leveraging	Puget Sound Dollars	Total Request Dollars
1. PL EB Aquaculture Section 401 Permitting	<p>1.4: Ensure full, effective compensatory mitigation for impacts that cannot be avoided</p> <p>3.2: Retain economically viable working forests and farms</p> <p>8.1: Use complete, accurate and recent information in shoreline planning and decision-making at the site-specific and regional levels</p> <p>9.1: Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem</p> <p>9.4: Provide education and technical assistance to prevent and reduce releases of pollution</p> <p>9.6: Increase compliance with and enforcement of environmental laws, regulations, and permits</p> <p>10.4: Control sources of pollutants</p> <p>19.2: Restore and enhance native shellfish populations</p> <p>19.3: Ensure environmentally responsible shellfish aquaculture based on sound science</p>			CHIN2, CHIN6, ORCA1, SA3			\$ 1,146,107	\$ 1,432,634
2. PL EA Federal Waters of the U.S. Rollback				CHIN1, CHIN1.10, CHIN2, CHIN2.4, FP2, FP2.2, EST2, EST2.4, LDC1, LDC1.4			\$ 889,262	\$ 1,482,104
3. PL DV Increased Water Cleanup Plans	<p>19.1: Complete total maximum daily load studies and other necessary water cleanup plans for Puget Sound to set pollution discharge limits and determine responses to water quality impairments</p>	OGP_ECY36: Water Quality - Clean Up Polluted Waters - standards and water quality improvement plans (TMDLs)		CHIN2.5 BIB5			\$ 1,461,260	\$ 3,896,682
4. PL DW Safer Products for Washington	<p>9.1: Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem</p> <p>9.2: Promote the development and use of safer alternatives to toxic chemicals</p> <p>9.4: Provide education and technical assistance to prevent and reduce releases of pollution</p> <p>NTAs: 2018-0465</p>	OGP_ECY5: Reducing Toxic Threats, Toxics Reduction Technical visits and special projects.	29, 30, 31, 33	CHIN4.8 TIF1.1 ORCA1.1			\$ 1,251,384	\$ 1,553,204
5. PL DI Preventing Federal Nonattainment	<p>9.1: Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem</p> <p>9.3: Adopt and implement plans and control strategies to reduce pollutant releases into Puget Sound from air emissions by preventing or reducing emissions of criteria pollutants, which is transported into Puget Sound through air deposition and stormwater runoff</p>			TIF1.1 TIF4.1		Some projects may require investments from local governments or local clean air agencies. Project selection will favor projects with local participation and/or engaged local partners.	\$ 1,236,860	\$ 2,061,434
6. PL DP Floodplain Management Grants	<p>5.2: Align policies, regulations, planning, and agency coordination to support multi-benefit floodplain management, incorporating climate change forecasts</p> <p>5.3: Protect and maintain intact and functional floodplains</p> <p>5.4: Implement and maintain priority floodplain restoration projects and the following Sub-strategy Regional Priorities</p>	OGP_ECY14: Shorelands- Floodplain Management	45	FP1.1, FP1.2, FP1.3, FP1.4, FP2.1, FP3.2, FP3.3, FP3.4	State-funded flood plans can serve as federal hazard mitigation plans, enabling communities to receive FEMA mitigation grants.	Flood grant are matched by local dollars	\$ 960,000	\$ 3,200,000



# Department of Ecology

## 2021-23 Operating Budget Requests Supporting the Puget Sound Action Agenda

September 4, 2020

Decision Package	Sub-strategy and Near Term Action (NTA)	Ongoing Program	Orca Task Force Recommendation	2018 Regional Priority Approach	Federal Leveraging	Local Leveraging	Puget Sound Dollars	Total Request Dollars
7. PL DI Antifouling Paint Technical Review	<p>6.4: Protect and recover steelhead and other imperiled salmonid species</p> <p>9.1: Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem</p> <p>9.2: Promote the development and use of safer alternatives to toxic chemicals</p> <p>9.3: Adopt and implement plans and control strategies to reduce pollutant releases into Puget Sound from air emissions</p> <p>9.4: Provide education and technical assistance to prevent and reduce releases of pollution</p> <p>9.5: Control wastewater and other sources of pollution such as oil and toxics from boats and vessels</p> <p>9.6: Increase compliance with and enforcement of environmental laws, regulations, and permits</p> <p>17.1: Protect intact marine ecosystems particularly in sensitive areas and for sensitive species</p> <p>19.1: Improve water quality to prevent downgrade and achieve upgrades of important current tribal, commercial and recreational shellfish harvesting areas</p> <p>26.2: Develop and promote science-based targeted communications and behavior change strategies across the region</p> <p>26.7: Review practices and issues that require solutions beyond the Puget Sound region such as automotive, manufacturing and distribution of toxins, and pharmaceutical waste management. Develop strategies and partnerships outside the Puget Sound region to address issues</p> <p>NTAs: 2018-0335, 2018-0518, 2018-0750</p>	<p>OGP_ECY5: Reducing Toxic Threats, Toxics Reduction Technical visits and special projects.</p>	29, 30, 31, 33	CHIN4.8 TIF1.1 ORCA1.1			\$ 350,953	\$ 377,369
8. PL DE Biosolids Permitting Efficiencies		<p>OGP_ECY41: Solid Waste Management - Biosolids management</p>		CHIN 1.10 CHIN 2.5			\$ 160,800	\$ 268,000
9. PL DN Equipment Cache Grant Delay	<p>20.2: Strengthen and integrate spill response readiness of the state, tribes and local governments.</p>	<p>OGP_ECY28: Spill response</p>		CHIN6.2			\$ 242,000	\$ 242,000
10. PL DU Shift to Voluntary Cleanup Account	<p>9.1: Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem.</p> <p>10.3: Fix problems caused by existing development.</p> <p>10.4: Control sources of pollutants.</p> <p>21.2: Clean up contaminated sites within and near Puget Sound.</p>	<p>OGP_ECY25: Toxic Cleanup Program - Voluntary Cleanup Program</p>	31	TIF 1.1 TIF 3.1			\$ 126,076	\$ 172,000

# Department of Ecology

## 2021-23 Operating Budget Requests Supporting the Puget Sound Action Agenda

September 4, 2020

Decision Package	Sub-strategy and Near Term Action (NTA)	Ongoing Program	Orca Task Force Recommendation	2018 Regional Priority Approach	Federal Leveraging	Local Leveraging	Puget Sound Dollars	Total Request Dollars
11. PL/DQ 15% Reduction: Shift GF-S to MITCA	<p><b>14.1:</b> Reduce the concentrations of contaminant sources of pollution conveyed to wastewater treatment plants through education and appropriate regulations, including improving pretreatment requirements</p> <p><b>1.2:</b> Support local governments to adopt and implement plans, regulations, and policies consistent with protection and recovery targets, and incorporate climate change forecasts</p> <p><b>21.1:</b> Complete total maximum daily load (TMDL) studies and other necessary water cleanup plans for Puget Sound to set pollution discharge limits and determine response strategies to address water quality impairments</p> <p><b>10.4-1:</b> Promote source control and technical assistance programs at the local level</p> <p><b>10.4-2:</b> Reduce pollutants from onsite sewage system sources, agriculture operations, and/or toxics from residential and commercial uses</p> <p><b>10.4-3:</b> Promote enforcement and compliance related to pollution source control</p> <p><b>NTAs:</b> 2018-0812, 2018-0943, 2018-0225, 2018-0450, 2018-0509</p>	<p>OGP_ECY 8: Shorelands – Wetland Mitigation Compliance Program.</p> <p>OGP_ECY 36: Water Quality - Clean Up Polluted Waters - standards and water quality improvement plans (TMDLs).</p>	3, 8, 32, 33, 39, 40, 44, 47	CHIN4.2, CHIN2.5, CHIN 1.10, BIB3.1, SHELL 1.3, SHELL1.4, TIF1.1			\$ -	\$ -
12. ML ME Public Participation Grants		OGP_ECY45: Solid Waste Management - Public Participation Grants		TIF1.1 FUND1.2			\$ 815,400	\$ 1,359,000
<b>Total Operating Request in Support of the Puget Sound Action Agenda</b>							<b>\$ 8,640,103</b>	

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Department of Ecology  
2021-2023 Operating Budget

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Central Service Fund Splits - 2021-23

461-Department of Ecology

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All Columns by Agency must equal 100%												
Agency	Account and Approp Title	Auditor	AttGen	OAH	Facilities & Services Only	CTS	Debt Services	Workers' Comp	All Other	Risk Mgmt Division	Self Insurance	
<b>Percent Totals (only applies when one agency chosen)</b>												
461-Department of Ecology	001-1 General Fund-State	11.3%	27.9%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%	11.3%
461-Department of Ecology	027-1 Reclamation Account-State	0.8%	1.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
461-Department of Ecology	02P-1 Flood Control Assistance Account-State	0.8%	0.6%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
461-Department of Ecology	044-1 Waste Reduct/Recycle/Litter Control-State	3.4%	1.0%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
461-Department of Ecology	163-1 Worker/Comm Right to Know	0.5%	0.0%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
461-Department of Ecology	176-1 Water Quality Permit Account-State	12.9%	10.8%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
461-Department of Ecology	182-1 Underground Storage Tank Account-State	1.1%	1.6%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
461-Department of Ecology	199-1 Biosolids Permit Account-State	0.6%	0.0%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
461-Department of Ecology	207-1 Hazardous Waste Assistance Account-State	1.9%	1.2%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
461-Department of Ecology	20R-1 Radioactive Mixed Waste Account-State	5.7%	7.5%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%	5.7%
461-Department of Ecology	216-1 Air Pollution Control Account-State	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
461-Department of Ecology	217-1 Oil Spill Prevention Account-State	2.1%	0.9%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
461-Department of Ecology	219-1 Air Operating Permit Account-State	1.2%	0.9%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
461-Department of Ecology	564-1 Water Pollution Ctrl Revl Admin-State	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
461-Department of Ecology	23P-1 Model Toxics Control Operating Account	55.5%	43.7%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%	55.5%

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**Department of Ecology**  
**Enterprise Risk Management - Risk Register Update**  
**September 2020**

Purpose: The following is a condensed version of Ecology's Enterprise Risk Management - Risk Register Update September 2020. The Risk Register provides a risk score for agency risks as required by Executive Order 16-06 - State Agency Enterprise Risk Management and the 2021-23 Biennium budget submittal.

Summary Agency and Risk Information			Risk Analysis						
Risk Name	Risk Description	Risk Category	Current Controls	Gap Analysis	Residual Likelihood Score	Residual Impact Score	Residual Risk Score	Risk Treatment Type	Risk Treatment Plan
Hanford Cleanup	Hanford: If Congress does not appropriate adequate funds to the Department of Energy and maintain key laws, cleanup could be delayed or stalled indefinitely, leaving us with a problematic legacy of contamination and no way to address it.	Legal_Compliance	Governor's Washington D.C. Office works as a liaison to Congress on issues related to Hanford.	Current controls are adequate.	4.4	4.5	19.80	X Accept and Monitor _ Avoid _ Reduce likelihood or impact X Transfer	Current controls are adequate.
	The COVID-19 pandemic has changed how Ecology does its work and could negatively impact all of Ecology's strategic goals, missions, and strategies. The health risks to individual employees and the potential spreading of COVID-19 between staff could cause slowdowns to work, negative workplace morale, and loss of life. Restrictions on in person meetings create risks to complex projects and Ecology's reputation.	Strategic_Operational	Ecology has maximized teleworking for all staff, with at times 99% of staff working from home. The COOP has been updated and activated, with the Incident Management Team and Executive Leadership Team meeting multiple times a week. Ecology leadership has adapted policies and procedures to keep staff safe while performing their duties; including field work. PPE is available to all staff and required while in any Ecology facility or where there is any risk of coming into contact with others. Ecology is successfully meeting its obligations and effects to Ecology's strategic goals, missions, and strategies are being successfully mediated.	Current controls are adequate.	4.35	4.50	19.58	X Accept and Monitor _ Avoid X Reduce likelihood or impact _ Transfer	Ecology will continue to monitor the situation and adapt as needed. The Incident Management Team and Executive Leadership Team will meet regularly to assess and make changes as needed.
Records Management and Public Disclosure	Growing demand for public records combined with an inadequate system could result in incomplete records, frustrated staff, inefficient operations and penalties against the agency.	Legal_Compliance	Ecology has increased PRA compliance and internal governance. Agency is currently working on ECM strategy and funding to implement.	The agency is using older IT solutions that do not allow for enterprise searching or modern electronic file management. Modern IT solutions are needed.	4.3	4.4	18.92	_ Accept and Monitor _ Avoid X Reduce likelihood or impact _ Transfer	Vendor to analyze Ecology's current needs and provide a study with recommendations. Ecology will review study/recommendations and create a strategy for implementation and funding.
	Significant federal rollbacks could affect ability to achieve mission and result in loss of environmental protection.	Legal_Compliance	Seeking funding in 2021 for staff. Ecology works to educate elected officials about resources needed to achieve agency mission.	Adding staffing is mandatory to meet expectations. Current controls are adequate.	4.2	4.3	18.06	X Accept and Monitor _ Avoid _ Reduce likelihood or impact _ Transfer	Hire upto 12 staff. Current controls are adequate.
Federal Environmental Rollbacks	If staff leave for higher-paying jobs, then productivity could suffer, deadlines could get missed, and other staff could get burned out trying to keep projects going (poor morale results).	Legal_Compliance	Salaries are not totally controlled internally, but agency works to support growth opportunities for staff.	Current controls are adequate.	4.15	4.3	17.85	X Accept and Monitor _ Avoid _ Reduce likelihood or impact _ Transfer	Current controls are adequate.
Staff Retention/ Salaries	If an oil spill occurs, it could result in environmental and socioeconomic impacts, policy changes, reputation damage, and injuries to responders.	Strategic_Operational	Ecology works to successfully implement new legislation that increases prevention and preparedness at oil handling facilities and in maritime and rail industries, and improves response capacity throughout the state in support of the agency's mission.	Current controls are adequate.	4.2	4.2	17.64	X Accept and Monitor _ Avoid _ Reduce likelihood or impact _ Transfer	Current controls are adequate.
Environmental Protection		Health_Safety		Current controls are adequate.	4.2	4.2			Current controls are adequate.

Summary Agency and Risk Information			Risk Analysis						
Risk Name	Risk Description	Risk Category	Current Controls	Gap Analysis	Residual Likelihood Score	Residual Impact Score	Residual Risk Score	Risk Treatment Type	Risk Treatment Plan
Civil Rights - ADA, E1, Title VI, language access, digital access, and diversity	Civil Rights compliance (to include ADA, Environmental Justice, Title VI, language access, digital access, and diversity) is important to Ecology's mission and culture. Without strong civil rights policies and procedures there may be legal and reputational consequences.	Strategic_Operational	Policies and procedures are in place and improvements are being made. The Agency has a ADA and Accessibility steering committee that directs activities. Ecology has specific staff that focus on Civil Rights issues, including an E1 Coordinator, ADA Coordinator, internal translation and language services, and a digital accessibility expert. Programs and Admin sections have appointed staff to help create more accessible documents and a review of Ecology's current documents is in progress.	Ecology's efforts need strong leadership and collaboration throughout the agency. Efforts are disjointed at times and long term planning could be improved.	4.15	4.20	17.43	Accept and Monitor Avoid X Reduce likelihood or impact Transfer	The Steering Committee is considering how best to continue advancing ADA and Accessibility within Ecology. Ecology leadership is developing plans to continue improving all aspects of Civil Rights within Ecology.
	Financial Data System Integrity	Failure of key financial data systems could result in strategic/operational issues for the agency.	Strategic_Operational	eHub phase 1 initiated implementation, and phase 2 system replacement is underway. We are engaging in the One Washington state-wide financial systems update process, and submitting a budget request to cover limited allowed costs for this major update.	In progress. Older priority systems replacements are underway and progress is being made. Additional system updates and integration will be needed after eHub work implementation.	4.1	4.2	17.22	Accept and Monitor Avoid X Reduce likelihood or impact Transfer
IT Security	If there are IT security incidents such as malware, it could result in agency's business technology and data being compromised, work stoppage and/or data loss.	Reputational	Ecology uses Incident Response management to identify and mitigate the source of security breaches. Ecology routinely uses proactive and preventative measures to monitor and protect the network and prevent security breaches or incidents. Ecology supports annual agency-wide IT Security Awareness Training and encourages employees to report concerns or suspicious activity immediately			4	16.80	X Accept and Monitor Avoid Reduce likelihood or impact Transfer	Current controls are adequate.
SEPA - Efficient and timely environmental review as lead agency	Large projects that require development of an Environmental Impact Statement require significant resources and time to complete. If Ecology lacks the expertise in project management and state contracting requirements, delays in the EIS development could occur. A complete and thorough EIS that incorporates climate resiliency and consideration of feedback from communities with environmental justice concerns is vital for making sound and defensible permitting decisions.	Reputational	Ecology has limited specialists that focus on EIS support and development. Less specialized staff are pulled away from program work to fill staffing gaps. Planning for future EIS and SEPA work is difficult because the need for EIS development is unpredictable.	Current controls are adequate.		4.2	16.40	X Accept and Monitor Avoid Reduce likelihood or impact Transfer	Current controls are adequate.
Facility Security	If security measures and systems are not in place to prepare for an active threat event at an Ecology facility, loss of life and extensive damage could occur.	Health_Safety	Security policies and procedures are in place and enforced. A key card system is being used in Ecology facilities, but the system is antiquated, prone to breakage, on an unsupported Microsoft server, and needs to be replaced.	Ecology is in the process of updating security policies and adding security features at facilities statewide, including replacement of the current key card system. Training and communication will help in-progress security updates succeed.		4.10	16.38	Accept and Monitor Avoid X Reduce likelihood or impact Transfer	Ecology's Key Card System is due to be replaced in late 2020 and early 2021.

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Risk Name	Risk Description	Risk Category	Current Controls	Gap Analysis	Residual Likelihood Score	Residual Impact Score	Residual Risk Score	Risk Treatment Type	Risk Treatment Plan
Water Rights	If Ecology fails to address senior tribal water rights, there is a potential future risk that state water rights holders could be subjected to preemption or curtailment, resulting in significant financial and legal challenges.	Legal, Compliance	Ecology provides clarity on water rights issues to stakeholders, and a past adjudication has resolved one watershed.	Current controls are adequate, although existing controls won't prevent future conflicts entirely and adjudications are needed in 61 watersheds.	3.9	4.2	16.38	X Accept and Monitor _ Avoid _ Reduce likelihood or impact _ Transfer	Current controls are adequate.
			Opportunities exist to mature the evaluation of systems and infrastructure nearing end of life to determine appropriate next steps to proactively maintain, replace, upgrade, or augment. This includes leveraging the Portfolio Management Process to identify the scope, impact, risk, cost, project duration, etc to assess OCIO oversight, compliance with State IT Policies, and agency coordination.				15.60	_ Accept and Monitor X Reduce likelihood or impact _ Transfer	
Data System and Infrastructure Integrity	If old database, systems, or infrastructure fail it could result in loss of data and system availability unless they are adequately backed up and restore procedures are in place.	Strategic, Operational	Ecology programs work with IT to assess and upgrade or replace databases as needed; including eHub 1 and eHub 2 to replace aging systems, and M&M to mature back up and recovery processes and practices.		3.9	4			See Current Controls and Gap Analysis
Court Rulings	Significant negative court decisions could affect ability to achieve mission and result in misdirection of resources.	Legal, Compliance	Ecology actively consults with AGO on legal issues.		4	3.85	15.40	X Accept and Monitor _ Avoid _ Reduce likelihood or impact _ Transfer	Current controls are adequate.
Succession Planning	If Ecology does not have a plan for knowledge transfer/retention for retiring employees, it could result in lower productivity and effectiveness as well as loss of institutional knowledge.	Strategic, Operational	Ecology uses desk manuals, double-fills positions when possible, and transfers electronic materials to position incumbents.	Current controls are adequate but some inconsistencies exist and controls could be improved.		4	15.40	X Accept and Monitor _ Avoid _ Reduce likelihood or impact _ Transfer	Current controls are adequate.
Facility Preservation	If Ecology does not address improvements and deferred maintenance needs at agency facilities, conditions will degrade and could result in higher costs for energy and repairs.	Financial	Facility planning is an ongoing effort; Ecology works with OFM, DES, and internal stakeholders to plan and fund facility projects statewide.		3.85		15.20	X Accept and Monitor _ Avoid _ Reduce likelihood or impact _ Transfer	Current controls are adequate.
Regulatory Compliance/Enforcement	Negative stories related to compliance action could cause Ecology to lose confidence from funders and the public, and affect performance with strategic initiatives.		Ecology actively conducts stakeholder outreach & public involvement (prevention), and communicates actively about misinformation.		3.8	4	14.06	X Accept and Monitor _ Avoid _ Reduce likelihood or impact _ Transfer	Current controls are adequate.
Disaster and Pandemic Preparedness	If Ecology is unprepared for the short and long-term impacts of a disaster, we could be unable to fulfill Ecology's mission and goals.	Reputational	Ecology updates and exercises its COOP annually, participates in the Great Shake Out and other emergency management exercises, and actively works with EMD.	Current controls are adequate but opportunities exist that include better training, exercises, and resources/supplies.	3.8	3.7	13.95	X Accept and Monitor _ Avoid _ Reduce likelihood or impact _ Transfer	Current controls are adequate.
		Health, Safety			3.1	4.5			Current controls are adequate.

Summary Agency and Risk Information				Risk Analysis					
Risk Name	Risk Description	Risk Category	Current Controls	Gap Analysis	Residual Likelihood Score	Residual Impact Score	Residual Risk Score	Risk Treatment Type	Risk Treatment Plan
Employee Health & Safety	If the Agency does not actively address employee health and safety concerns, it could result in loss of productivity, litigation, and reputation damage	Health_Safety	Ecology actively addresses all health & safety concerns through planning, employee reporting, a safety committee, and has two full-time staff dedicated to this effort.	-	2.7	3.9	10.53	X Accept and Monitor - Avoid - Reduce likelihood or impact - Transfer	-
	If Ecology does not provide consistent training on contracts, grants, loans, and project management, poor oversight and inefficient use of state funds could result.		Almost 70% of the agency budget is passed through to others. Ecology provides training opportunities and directs staff to take pertinent DES training.	-		3.9	7.92	X Accept and Monitor - Avoid - Reduce likelihood or impact - Transfer	-
Contract, Grant, Loan and Project Management	Significant negative legislative actions could affect ability to achieve mission and result in misdirection of resources.	Financial	Ecology works to educate elected officials about resources needed to achieve agency mission.	-	2.4	3.3	8.50	X Accept and Monitor - Avoid - Reduce likelihood or impact - Transfer	-
Legislative Actions	Ecology collects hazardous waste through its spill response and compliance and inspection activities, and temporarily stores it at Ecology facilities. If this hazardous waste is not properly stored and disposed of it could cause negative health and environmental consequences.	Legal_Compliance	Hazardous waste is stored in specialized accumulation areas and safety measures are taken. Staff has proper training and appropriate signage is used. Waste is disposed of efficiently and correctly.	-	2.5	3.4	8.25	X Accept and Monitor - Avoid - Reduce likelihood or impact - Transfer	-
Hazardous Waste at Ecology Facilities		Health_Safety			2.50	3.30			Current controls are adequate and enhancements will be put in place during FY21.