

Operating 10/02/2017 \$ in thousands - Biennialized FTEs	2018 Supplemental Budget Request			
	FTE	GF-State	Other	Total
<b>2017-19 Base Budget</b>	<b>1,611.9</b>	<b>42,288</b>	<b>453,233</b>	<b>495,521</b>
<b>Maintenance Level Changes</b>				
1. WCC Min Wage & Sup Reallocation		1,466	(293)	<b>1,173</b>
2. Minimum Wage Increases- Facilities		54	245	<b>299</b>
<b>Policy Level Changes</b>				
<b>Prevent and Reduce Toxic Threats</b>				
3. Funding Oil Spills Program	0.9		429	<b>429</b>
4. Funding Oil Spill Planning-Nonfuel	0.4		81	<b>81</b>
5. Regulating Antifouling Paint	0.4	80		<b>80</b>
<b>Other</b>				
6. Modernize and Migrate Data Center	1.2	180	1,363	<b>1,543</b>
7. Bellingham Field Office Relocation		71	322	<b>393</b>
<b>Total Changes</b>	<b>2.8</b>	<b>1,851</b>	<b>2,147</b>	<b>3,998</b>
<b>Total Proposed Operating Budget Request</b>	<b>1,614.7</b>	<b>44,139</b>	<b>455,380</b>	<b>499,519</b>

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

As the lead environmental agency in Washington, the Department of Ecology is dedicated to addressing many challenges facing our natural resources. Making smart investments with fewer resources in priority areas is important to both the economic success and environmental health of our state. At Ecology, we are specifically focused on:

- Reducing and preparing for climate impacts.
- Preventing and reducing toxic threats.
- Delivering integrated water solutions.
- Protecting and restoring Puget Sound.

Ecology’s Operating Budget request totals \$3.9 million. These requests are needed to:

- Implement voter passed initiatives related to the state minimum wage.
- Fund enacted oil spill prevention and preparedness legislation from the 2015 and 2017 sessions where ongoing appropriations were not provided. The Oil Spill Prevention Account (OSPA) is facing a \$2.2 million shortfall and Ecology is pursuing revenue legislation to fund this important work.
- Modernize and migrate the agency data center per requirements from the Office of the Chief Information Officer.
- Relocate our Bellingham Field Office per signed lease agreements as approved by the Department of Enterprise Services (DES) and Office of Financial Management (OFM) Facilities Oversight Program.

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

### Maintenance Level

1. **WCC Minimum Wage and Supervisor Reallocation. \$1,173,000.** Ecology's Washington Conservation Corps (WCC) provides work experience to young adults and returning veterans in disaster response and

environmental and public health protection and restoration. The WCC uses a cost-share model, where partner organizations pay 75 percent of the costs for WCC services, and the state pays 25 percent. Ecology is requesting state funding to cover minimum wage increases and supervisor reallocations that were not adequately funded through the enacted 2017-19 Operating Budget. Providing state funding will help maintain the cost-share model so WCC can preserve its diverse portfolio of partner organizations and help small non-profits and rural counties and cities afford WCC services. (General Fund-State)

- 2. Minimum Wage Increases – Facilities. \$299,000.** Washington State passed incremental, annual minimum wage increases starting in January of 2017 to 2020. The increases go from \$9.47 an hour in 2016 to \$13.50 in 2020. Ecology is requesting additional appropriation to cover the costs for minimum wage and prevailing wage increases in existing service and maintenance contracts for Ecology facilities. (Various accounts)

## Policy Level

### Prevent and Reduce Toxic Threats

- 3. Funding Oil Spills Program. \$429,000, 0.9 FTE.** In April 2015, the Governor and Legislature passed the Oil Transportation Safety Act (Act) to address the rapid changes in how crude oil is moving through rail corridors and over Washington waters, creating new spill risks. This new work was funded in part by a one-time \$2.225 million transfer from the Oil Spill Response Account (OSRA) to the Oil Spill Prevention Account (OSPA) for the 2015-17 Biennium. The Legislature also added oil imported by rail to the oil spill administration tax. But, Ecology's prevention and preparedness work for all regulated industry sectors is ongoing, and there is not sufficient revenue to continue to implement all aspects of our regulatory obligations. Based on the September 2017 revenue forecast and the 2018 Operating Supplemental Budget request, Ecology estimates a \$2.2 million shortfall in the OSPA for the 2017-19 Biennium; a \$5.5 million shortfall in the 2019-21 Biennium; and even greater shortfalls in future biennia. Ecology's related agency request legislation—Stabilizing Oil Spill Prevention and Preparedness Revenue—proposes two solutions to solve the revenue shortfall; (1) adding pipelines to the barrel tax, and (2) implementing a new oil spill prevention and preparedness fee so that all sectors are paying the costs for oil spill prevention and preparedness in Washington. This request is for the new work associated with implementing the oil spill prevention and preparedness fee. Related to Puget Sound Action Agenda implementation. (Oil Spill Prevention Account)
- 4. Funding Oil Spill Planning – Nonfuel. \$81,000, 0.4 FTE.** In April 2017, the Governor and Legislature passed Engrossed Substitute House Bill (ESHB) 1136, exempting short-line railroads that haul nonfuel oils from oil spill contingency planning requirements. The bill amended RCW 90.56.210 to require smaller railroads that transport non-crude oils (such as gas, diesel, motor oils, and vegetable oils) to develop and implement more limited oil spill contingency plans, rather than full contingency plans and conducting drills. Implementation funding was not provided in the enacted budget. This request is for funding to implement ESHB 1136. (Oil Spill Prevention Account)
- 5. Regulating Antifouling Paint. \$79,703, 0.8 FTE.** A new report from Ecology found that Washington's ban on the use of copper antifouling boat paint could lead to increased environmental harm by forcing boaters to use alternatives that may be even more toxic. In 2011, the Washington State Legislature passed Substitute Senate Bill 5436, intending to phase out use of copper-based antifouling paints for recreational water vessels. The law takes effect January 1, 2018. It prohibits manufacturers, wholesalers, retailers, and distributors from selling recreational water vessels manufactured after January 1, 2018, with antifouling paint containing copper. An Ecology survey found that existing antifouling paints that use copper alternatives are likely to have a more harmful effect on the environment than copper. Ecology is requesting resources to perform additional studies needed to determine the effects of antifouling paints on marine organisms and water quality. Ecology is also proposing agency request legislation to delay the ban on use of

copper antifouling paints until January 1, 2021, to give time for the research and to report back to the Legislature on the environmental impacts of antifouling paints, the availability of safer alternatives, and recommendations for going forward. Related to Puget Sound Action Agenda implementation. (General Fund-State)

## Other

6. **Modernize and Migrate Data Center. \$1,543,000, 1.2 FTEs.** Ecology is required by RCW 43.105.375 and the Office of the Chief Information Officer Policy 184 to migrate out of its agency data center. Ecology plans to modernize and migrate the agency business applications into the State Data Center and/or cloud environment by June 2021. Significant time and resources are required to implement this plan because the Ecology data center equipment is at, or nearing, its end-of-life and must be replaced. Ecology must also update over 220 business applications to meet the standards required in the new data center environments. (Various accounts)
7. **Bellingham Field Office Relocation. \$393,000.** The Office of Financial Management Facilities Oversight Program has authorized the relocation of Ecology's Bellingham Field Office. Originally, the relocation was to occur before June 30, 2017, but that timeline has shifted to December 2017. The circumstances delaying the project were beyond Ecology's control. It took longer than anticipated to secure a new facility lease, and there were construction delays in building the new facility. Ecology requests one-time appropriation for the relocation, and an ongoing appropriation reduction for lease savings in the new facility. (Various accounts)

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Capital 10/02/17 \$ in thousands - Annual FTEs		2018 Supplemental Budget Request			
		SBCA	MTCA	Other	Total
<b>MTCA Reappropriation Bond Swap</b> (does not include total reappropriation amount - only the amount requested for bond back fill)					
1	30000458 Remedial Action Grants	23,822	(24,572)		(750)
2	30000535 Stormwater Financial Assistance	26,536	(26,536)		-
3	92000076 Stormwater Financial Assistance	12,347	(12,347)		-
4	30000542 Clean Up Toxics Sites - Puget Sound	4,400	(4,400)		-
5	30000432 Eastern WA Clean Sites Initiative	2,200	(2,200)		-
<b>Subtotal MTCA Bond Swap</b>		<b>69,305</b>	<b>(70,055)</b>		<b>(750)</b>
<b>Protect and Restore Puget Sound</b>					
6	2015-17 Restored Clean Up Toxics Sites Puget Sound	5,412			5,412
7	Clean Up Toxics Sites Puget Sound	20,140			20,140
<b>Deliver Integrated Water Solutions</b>					
8	Water Pollution Control Revolving Program			210,000	210,000
9	2015-17 Restored Stormwater Financial Assistance	30,100			30,100
10	Floodplains by Design	70,000			70,000
11	Stormwater Financial Assistance Program	44,200			44,200
12	Centennial Clean Water Program	60,000			60,000
13	Catastrophic Flood Relief	50,000		10,000	60,000
14	Columbia River Water Supply Development Program	4,500		30,500	35,000
15	Yakima River Basin Water Supply	31,100			31,100
16	Water Availability	20,000			20,000
17	Sunnyside Valley Irrigation Dist. Water Conservation	4,684			4,684
18	Watershed Plan Implementation & Flow Achievement	10,000			10,000
19	Water Irrigation Efficiencies Program	6,128			6,128
<b>Prevent and Reduce Toxic Threats</b>					
20	2015-17 Restored Eastern WA Clean Sites Initiative	2,936			2,936
21	Remedial Action Grants	28,643			28,643
22	Coordinated Prevention Grants	15,000			15,000
23	ASARCO Cleanup			28,760	28,760
24	Mount Baker Properties Cleanup & Affordable Housing Development	5,100			5,100
25	Eastern WA Clean Sites Initiative	5,233			5,233
26	Reducing Toxic Diesel Emissions	5,000			5,000
27	Reducing Toxic Woodstove Emissions	4,000			4,000
28	Leaking Tank Model Remedies	1,887			1,887
29	Swift Creek Natural Asbestos Flood Control & Cleanup	5,813			5,813
30	Waste Tire Pile Cleanup and Prevention			1,000	1,000
<b>Facilities Related</b>					
31	Eastern Regional Office Improvements & Stormwater Treatment	1,920			1,920
32	Lacey HQ Facility Preservation Projects	2,084			2,084
<b>Total Proposed Capital Budget Request</b>		<b>503,185</b>	<b>(70,055)</b>	<b>280,260</b>	<b>713,390</b>

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

Ecology's Capital Budget request promotes local economic development (e.g., cleaning up contaminated sites for redevelopment); creates jobs; addresses local environmental and public health priorities; provides financial

incentives for compliance with state laws; and provides funding for many local government priorities. At Ecology, we are specifically focused on:

- Reducing and preparing for climate impacts.
- Preventing and reducing toxic threats.
- Delivering integrated water solutions.
- Protecting and restoring Puget Sound.

Ecology's Capital Budget request totals \$713 million for new projects, and \$69.3 million in backfill funding to address the projected shortfall in the Model Toxics Control Act (MTCA) accounts, and fund toxic site cleanup and stormwater projects that have been delayed due to this shortfall.

## September 2017 MTCA Revenue Forecast

Since the February 2014 revenue forecast, actual and projected revenue for the MTCA accounts has dropped by \$388 million (\$187 million in 2015-17 and \$201 million in 2017-19). This has left a projected overall MTCA fund balance for 2017-19 of negative \$69 million.

The major source of revenue for these accounts is the Hazardous Substance Tax (HST), a 0.7 percent tax on the wholesale value of the first possession of hazardous substances in Washington. The HST has not been increased or adjusted for inflation in 28 years. HST is both a volume and value based tax with about 90 percent of the revenue coming from petroleum products. With the significant drop in petroleum prices over the last two years, forecasted revenue collections are substantially down, and projected revenue is insufficient to cover the reappropriations required for the 2017-19 Biennium. The primary drivers causing the projected negative MTCA balances include:

- Reduced value of crude oil. Barrel prices were \$104 in the summer of 2014, dropped below \$30 in January 2016 and are around \$51 in October 2017. The correlated decrease in HST revenue left an enormous overall reduction in capacity for funds the size of MTCA.
- An additional \$240 million in appropriations, above the projected fund balances, were made in the past two enacted biennial budgets. This was done by assuming the spending of the appropriated dollars would occur in future biennia (an additional \$119 million was appropriated in 2013-15, and an additional \$121 million was appropriated in 2015-17). These future commitments are now due and significantly reduce available fund balance capacity.
- MTCA appropriations have been expanded in recent biennia to several agencies (from five agencies in 2003-05 biennia to 11 agencies today).
- Up to \$26 million in loans were provided to MTCA from other dedicated accounts in the enacted budgets, and these repayments are due in the next two biennia.
- Since the 2007-09 Biennium, \$75 million of work previously funded by General Fund-State (GF-S) has been shifted to MTCA (about \$64 million to Ecology and \$11 million to other agencies).

## Addressing the MTCA Revenue Shortfall

Ecology's request follows the general approach in the 2017 legislative capital budgets proposed by both the House and Senate at the end of the third special session. We are asking for \$69.3 million in SBCA backfill funding for 2017-19 capital expenditures so the MTCA-funded projects that have been delayed due to the revenue shortfall can proceed (this request will be updated based on the November revenue forecast).

## MTCA Reappropriation Bond Backfill

1. **30000458 2015-17 Remedial Action Grants. \$23.8 million fund shift; \$750,000 lapse.** The enacted 2016 Supplemental Capital Budget provided \$60.1 million in Local Toxics Control Account (LTCA) appropriation for new Remedial Action Grants in the 2015-17 Biennium. About half of the appropriation was future expenditures assumed in the enacted budget to be delayed and spent in the 2017-19 Biennium. This request provides backfill funding for reappropriations authorized in the enacted 2015-17 Capital Budget for projects that continue to be delayed due to the MTCA revenue shortfall. Providing backfill



funding will keep important work on schedule and in line with the original legislative budget assumptions. Related to Puget Sound Action Agenda implementation. (SBCA, LTCA)

2. **30000535 2015-17 Stormwater Financial Assistance. \$26.5 million fund shift.** The enacted 2016 Supplemental Capital Budget reduced this project by \$21.8 million to address the MTCA revenue shortfall, leaving \$31.2 million in LTCA for new stormwater grants. Of this, \$26.5 million in future expenditures was assumed in the enacted budget to be delayed and spent in the 2017-19 Biennium. This request provides backfill funding for reappropriations authorized in the enacted 2015-17 Capital Budget for projects that continue to be delayed due to the MTCA revenue shortfall. Providing backfill funding will continue important stormwater work and keep it in line with the original legislative budget assumptions. Related to Puget Sound Action Agenda implementation. (SBCA, LTCA)
3. **92000076 2013-15 Stormwater Financial Assistance. \$12.3 million fund shift.** The enacted 2013-15 Supplemental Capital Budget provided \$100 million for new stormwater grants. When the 2015-17 biennial budget was passed, \$12.3 million of the appropriation was assumed to be spent in the 2017-19 Biennium, which resulted in delaying stormwater projects. This request provides backfill funding for reappropriations authorized in the enacted 2013-15 Capital Budget for projects that continue to be delayed due to the MTCA revenue shortfall. Providing backfill funding will continue important stormwater work and keep it in line with the original legislative budget assumptions. Related to Puget Sound Action Agenda implementation. (SBCA, Environmental Legacy Stewardship Account (ELSA))
4. **30000542 2015-17 Clean Up Toxics Sites – Puget Sound. \$4.4 million fund shift.** The enacted 2016 Supplemental Capital Budget provided \$18.6 million in State Toxics Control Account (STCA) appropriation for new cleanup projects in the 2015-17 Biennium. About half of the appropriation was future expenditures assumed in the enacted budget to be delayed and spent in the 2017-19 Biennium. This request provides backfill funding for reappropriations authorized in the enacted 2015-17 Capital Budget for projects that continue to be delayed due to the MTCA revenue shortfall. Providing backfill funding will keep important work on schedule and in line with the original legislative budget assumptions. Related to Puget Sound Action Agenda implementation. (SBCA, STCA)
5. **30000432 2015-17 Eastern Washington Clean Sites Initiative. \$2.2 million fund shift.** The enacted 2016 Supplemental Capital Budget provided \$11.0 million in STCA appropriation for new Eastern Washington Clean Sites Initiative projects in the 2015-17 Biennium. About one-third of the appropriation was future expenditures assumed in the enacted budget to be delayed and spent in the 2017-19 Biennium. This request provides backfill funding for reappropriations authorized in the enacted 2015-17 Capital Budget for projects that continue to be delayed due to the MTCA revenue shortfall. Providing backfill funding will keep important work on schedule and in line with the original legislative budget assumptions. (SBCA, STCA)

## Protect and Restore Puget Sound

6. **2015-17 Restored Clean Up Toxics Sites Puget Sound. \$5.4 million.** A significant source of pollution to Puget Sound is contaminated sites around the basin and its shorelines. For more than ten years, Ecology has been identifying and cleaning up contaminated sites in the Puget Sound basin. This emphasis on Puget Sound bay-wide cleanup and surrounding areas has highlighted a valuable link between toxic site cleanup and habitat restoration. The enacted 2016 Supplemental Capital Budget reduced three reappropriations for Puget Sound cleanup projects to balance the MTCA accounts in response to the drop in revenue at that time. Proviso language in the budget bill specifies the Legislature intends to restore the reductions in future biennia. This request restores those reductions to keep important cleanup work moving forward in the 2017-19 Biennium, consistent with legislative direction. Related to Puget Sound Action Agenda implementation. (SBCA)
7. **Clean Up Toxics Sites Puget Sound. \$20.1 million.** A significant source of pollution to Puget Sound is contaminated sites around the basin and its shorelines. For more than ten years, Ecology has been

identifying and cleaning up contaminated sites in the Puget Sound basin. This emphasis on Puget Sound bay-wide cleanup and surrounding areas has highlighted a valuable link between toxic site cleanup and habitat restoration. This request will support projects that integrate shoreline habitat restoration opportunities with cleanup projects to protect public and environmental health, create jobs, and promote economic development. Related to Puget Sound Action Agenda implementation. (SBCA)

## Deliver Integrated Water Solutions

- 8. Water Pollution Control Revolving Program. \$210 million.** Congress established the Clean Water State Revolving Fund (CWSRF) under Title VI of the Federal Clean Water Act to capitalize state-run, low-interest loan programs to finance water quality facilities and activities. The Washington State Water Pollution Control Revolving Account (WPCRA) or Clean Water State Revolving Fund (SRF), established under Chapter 90.50A RCW, implemented the loan program to provide low-interest loans to local governments, special purpose districts, and federally recognized tribes for high-priority water quality projects statewide. Ecology uses these funds to finance planning, designing, acquiring, constructing, and improving water pollution control facilities and for related nonpoint source activities that help meet state and federal water pollution control requirements. Ecology is requesting appropriation to continue essential work through this loan program. We are also requesting \$10 million from the State TAXABLE Building Construction Account be transferred to the WPCRA to meet federal match obligations. Related to Puget Sound Action Agenda implementation. (Water Pollution Control Revolving Account)
- 9. 2015-17 Restored Stormwater Financial Assistance. \$30.1 million.** Ecology's Stormwater Financial Assistance Program (SFAP) provides grants to public entities to finance stormwater retrofit projects that treat polluted stormwater in priority areas throughout the state. The SFAP distributes funds to the highest priority projects through a competitive rating and ranking process to ensure projects provide good water quality value and address problems from existing urban development. The work accomplished by local governments will help reduce toxics and other pollution from entering our waterways and protect our marine waters, estuaries, lakes, rivers, and groundwater resources throughout the state. The 2016 enacted Supplemental Capital Budget reduced four reappropriations for SFAP projects to balance the MTCA accounts in response to the drop in revenue at that time. Proviso language in the budget bill specifies that the Legislature intends to restore the reductions in future biennia. This request restores those four reductions to keep important stormwater work moving forward in the 2017-19 Biennium. Related to Puget Sound Action Agenda implementation. (SBCA)
- 10. Floodplains by Design. \$70 million.** Flooding is the number one natural hazard in Washington. It has caused more than \$2 billion in damages to the state since 1980, with the highly populated areas in Western Washington most at risk. In the past, solutions to flooding problems were often out of sync with other ecosystem protection or restoration activities. This request will continue the efforts started in the 2013-15 Biennium and fund new projects that provide both flood hazard reduction and ecosystem benefits in communities prone to flooding. Related to Puget Sound Action Agenda implementation. (SBCA)
- 11. Stormwater Financial Assistance Program. \$44.2 million.** This request for 2017-19 SFAP projects will provide grants to local governments to finance stormwater retrofit projects that treat polluted stormwater in priority areas throughout the state. The SFAP will distribute funds to the highest priority projects through a competitive rating and ranking process to ensure projects provide good water quality value and address problems from existing urban development. The work accomplished by local governments will help reduce toxics and other pollution from entering our waterways and protect our marine waters, estuaries, lakes, rivers, and groundwater resources throughout the state. Related to Puget Sound Action Agenda implementation. (SBCA)
- 12. Centennial Clean Water Program. \$60 million.** This request for Ecology's Centennial Clean Water Program (CCWP) will provide grants to public entities to address high-priority statewide water quality needs, such as construction of water pollution control facilities and to plan and implement nonpoint



pollution control activities. Ecology distributes the funds through an integrated, statewide competitive rating and ranking process. The work done is an integral and essential part of the state's strategy to reduce pollution and protect our marine waters, estuaries, lakes, rivers, and groundwater resources. Related to Puget Sound Action Agenda implementation. (SBCA)

- 13. Catastrophic Flood Relief. \$60 million.** During the 2016 Legislative Session, House Bill (HB) 2856 established the Office of Chehalis Basin (OCB) within Ecology. Its primary purpose is to aggressively pursue implementation of an integrated strategy and administer funding for long-term flood damage reduction and aquatic species restoration in the Chehalis River Basin. The bill also established a new board, to be staffed by Ecology, representing local governments, tribes, and state agencies. The board will oversee the strategy implementation and develop budget recommendations. In November 2016, the Governor's Chehalis Basin Work Group recommended a work plan and associated investment level for implementing the Chehalis Basin Strategy. This request is for funding the OCB and new grants, contracts, and interagency agreements in the 2017-19 Biennium for Chehalis Basin flood management and habitat restoration. (SBCA, General Fund-Federal)
- 14. Columbia River Water Supply Development Program. \$35 million.** Ecology is requesting new appropriation to continue implementing the Columbia River Basin Water Supply Development Program (Chapter 90.90 RCW). This request will fund projects that are in various stages of completion and provide the Office of Columbia River with resources needed to achieve substantial progress in the 2017-19 Biennium. Specifically, these funds will provide an alternative to groundwater for agricultural users in the Odessa Subarea aquifer; deliver new sources of water supply for pending water right applications; develop a new, uninterrupted water supply for those presently subject to interruption during times of drought or low flows; develop new municipal, domestic, industrial, and irrigation water throughout the Columbia River Basin; and place one-third of these new water supplies in-stream to meet flow needs of fish. With this request, Ecology will deliver additional water supplies for agricultural purposes, meet the water needs for growing communities, make several existing water uses more efficient, and improve stream-flow conditions for fish and wildlife. (SBCA, State Taxable Building Construction Account, Columbia River Basin Water Supply Development Account, Columbia River Basin Water Supply Revenue Recovery Account)
- 15. Yakima River Basin Water Supply. \$31.1 million.** Current water resources infrastructure, programs, and policies in the Yakima River Basin have not been able to consistently meet the environmental and economic demands that support basin aquatic resources, fish and wildlife habitat, dry-year irrigation, and municipal water supplies. A diverse set of local stakeholders developed the Yakima River Basin Integrated Water Resources Management Plan to provide a comprehensive, long-term water resources and habitat improvement program to address this situation. Ecology is requesting \$31.1 million to continue implementing this program in cooperation with the U.S. Bureau of Reclamation and local stakeholders. This program will support the regional economy and protect the environment. (SBCA)
- 16. Water Availability. \$20 million.** Several communities across the state are facing challenges in providing water supply availability determinations for new exempt water wells due to the Supreme Court decision known as "Hirst." The decision has created uncertainty related to legal water availability and associated local government permit decisions. This new request will fund basin-wide assessments and mitigation projects that help address water supply challenges in the 15 watershed areas impacted by the Hirst decision. Implementing this program will support the regional economy and protect the environment. Related to Puget Sound Action Agenda implementation. (SBCA)
- 17. Sunnyside Valley Irrigation District Water Conservation. \$4.7 million.** The United States Bureau of Reclamation manages conservation improvements required by the Sunnyside Division Water Rights Settlement Agreement in the Yakima Basin Water Rights Adjudication. (State of Washington, Department of Ecology vs. James J. Acquavella, et al.) These are multi-year projects, and Ecology is requesting additional funding to cover our required state match of 17.5 percent of total project costs for the next four or

five biennia. The Sunnyside Valley Irrigation District Phase 2B project cost is estimated at \$80 million (\$14 million Ecology cost share) over a 15-year construction period. The Roza project cost is estimated at \$20 million (\$3.5 million Ecology cost share) over a six-year construction period. This request includes \$4.68 million to continue the construction schedule for the state's share of the Yakima River Basin Water Enhancement Project in the 2017-19 Biennium. (SBCA)

- 18. Watershed Plan Implementation and Flow Achievement. \$10 million.** In many areas of the state, uninterrupted water supplies are not available for new uses. This situation is especially acute in rural areas where individuals rely on permit-exempt wells for their drinking water supply. Tools to provide water supply for new users include developing water banks, creating storage and re-timing runoff, and promoting conservation. Stream flows can be boosted by acquiring water from senior water right holders and retiring the water right to provide temporary or permanent instream flow benefits using the trust water program. Significant capital water supply needs have been identified in 29 completed local watershed plans. These plans cover all, or parts of, 38 statewide Water Resource Inventory Areas and non-planning basins. Needs include rehabilitating existing water systems, water conservation, and acquiring existing water rights for instream flow and other rural water supply needs. Ecology is requesting a new appropriation to finance capital projects and water acquisition to implement locally developed watershed plans. These projects and acquisitions will help the state, local governments, and other stakeholders meet future rural water supply needs and achieve recommended instream flows. Related to Puget Sound Action Agenda implementation. (SBCA)
- 19. Water Irrigation Efficiencies Program. \$6.1 million.** The Water Irrigation Efficiencies Program is a statewide effort to improve how water is delivered and applied on agricultural lands. Projects funded through this program provide improved on-farm water application so water use is more efficient, while still allowing the producer to grow crops. Program funding is also used to improve water conveyance to reduce water loss through leakage and evaporation. Water saved in this program is placed into the state Trust Water Right Program for instream purposes. Ecology requests a new appropriation as pass-through funds for the Washington State Conservation Commission and conservation districts to help the agricultural community implement water conservation measures and irrigation efficiencies projects. (SBCA)

## Prevent and Reduce Toxic Threats

- 20. 2015-17 Restored Eastern Washington Clean Sites Initiative. \$2.9 million.** There are properties in Eastern Washington contaminated with hazardous wastes that have been abandoned or have owners unwilling or unable to pay for site investigation and cleanup. Without cleanup, these sites pose threats to public health, the environment, groundwater, and fish and wildlife resources. Cleaning up these sites protects public and environmental health, creates jobs, and promotes economic growth as the sites are redeveloped. The enacted 2016 Supplemental Capital Budget reduced two reappropriations for Eastern Washington cleanup projects to balance the MTCA accounts in response to the drop in revenue at that time. Proviso language in the budget bill specifies the Legislature intends to restore the reductions in future biennia. This request restores those reductions to keep important cleanup work moving forward in the 2017-19 Biennium, consistent with legislative direction. (SBCA)
- 21. Remedial Action Grants. \$28.6 million.** Ecology manages the Remedial Action Grant program to help local governments clean up contaminated sites in Washington. This request will fund pass-through grants for ready-to-proceed projects and actual spending requirements for the 2017-19 Biennium. Remedial Action Grants support cleanup at contaminated industrial sites that impact the air, land, and water resources of the state, and continued cleanup of Puget Sound. This grant funding will protect public and environmental health, create jobs, promote economic redevelopment by allowing contaminated properties to be redeveloped, and leverage local match funding for this work. Related to Puget Sound Action Agenda implementation. (SBCA)
- 22. Coordinated Prevention Grants – Local Solid Waste Financial Assistance. \$15 million.** The Local Solid Waste Financial Assistance Program (formerly known as the Coordinated Prevention Grant Program) supports required local solid and hazardous waste plans and resource conservation through waste reduction,

recycling, and reuse programs. Local Solid Waste Financial Assistance enforcement grants help local governments ensure solid waste facilities comply with applicable laws to protect human health and the environment and reduce human exposure to toxins. For the 2017-19 Biennium, Ecology requested \$28.2 million (the 2013-15 Biennium funding level) in grant funding for the two-year period for the Local Solid Waste Financial Assistance program. Since the Legislature did not pass a 2017-19 Capital Budget during the 2017 Legislative Session, Ecology is reducing the request to \$15.0 million so local governments can successfully implement solid waste programs in the second year of the biennium. (SBCA)

- 23. ASARCO Cleanup. \$28.8 million.** This request continues cleanup work related to ASARCO smelter sites in Everett and Tacoma. ASARCO operated smelters in Everett and Tacoma that released arsenic, lead, and other contamination into the air. The pollution settled down to earth in Everett and in the Tacoma Smelter Plume. In Tacoma, the smelter operated from 1890 to 1986, and contaminated over 1,000 square miles in the lower Puget Sound. The Everett site operated from 1894 to 1912, and caused smaller-scale contamination. This request will protect public and environmental health, create jobs, and promote economic development by allowing contaminated properties to be redeveloped. Related to Puget Sound Action Agenda implementation. (Cleanup Settlement Account)
- 24. Mount Baker Properties Cleanup and Affordable Housing Development. \$5.1 million.** The Mount Baker Housing Association (MBHA) is a not-for-profit organization with a mission to create quality, affordable housing in southeast Seattle. The organization is in the process of redeveloping five contaminated properties for affordable housing. Ecology and the MBHA entered into a Prospective Purchaser Consent Decree (PPCD). The objective of the PPCD is to facilitate site cleanup by the MBHA to allow for redevelopment and reuse as transit-oriented affordable housing. Ecology will pass through this funding to the MBHA as outlined in the PPCD. This request supports development and completion of the plans and specifications to finalize the Cleanup Action Plan, conduct pilot testing of the groundwater treatment, complete the engineering design report, and conduct related public notice and outreach. (SBCA)
- 25. Eastern Washington Clean Sites Initiative. \$5.2 million.** There are properties in Eastern Washington contaminated with hazardous wastes that have been abandoned or have owners unwilling or unable to pay for site investigation and cleanup. Without cleanup, these sites pose threats to public health, the environment, groundwater, and fish and wildlife resources. Cleaning up these sites protects public and environmental health, creates jobs, and promotes economic growth as the sites are redeveloped. This request will continue the initiative to have a statewide cleanup program by making investments outside of the Puget Sound basin and Western Washington. (SBCA)
- 26. Reducing Toxic Diesel Emissions. \$5 million.** Diesel exhaust is Washington's worst toxic air pollutant. Diesel exhaust causes and worsens heart disease, lung disease, asthma, and cancer. It contributes to more than 70 percent of Washington's airborne cancer risk according to Ecology's 2008 Toxic Air Pollutants Study. Nearly five million people in Washington live or work near ports and transportation corridors where they are exposed to high levels of diesel exhaust daily. Diesel engines last for decades. Without programs to clean them up, they will continue to harm public health. This request will significantly reduce health threats through vehicle/equipment replacement and idle reduction for dirtier diesel engines operating in high-exposure communities. Also, past state-funded diesel projects in Washington have typically leveraged significant federal, local-public, and private funds. Ecology requests grant funding for local entities to reduce diesel emissions in high-risk areas across the state. Related to Puget Sound Action Agenda implementation. (SBCA)
- 27. Reducing Toxic Woodstove Emissions. \$4 million.** Smoke from wood burning stoves causes significant health problems, including asthma, lung disease, heart disease, stroke, and premature death. This request will reduce emissions from old, high-polluting wood stoves in communities facing significant public health threats from wood smoke. Funds will be used to replace woodstoves with cleaner home heating options and deploy cleaner burning emission control solutions, eliminating up to 100 tons of fine particle pollution each year. Priority areas include communities at high risk of violating national ambient air quality standards to

prevent violations and avoid significant economic, environmental, and public health consequences. Related to Puget Sound Action Agenda implementation. (SBCA)

- 28. Leaking Tank Model Remedies. \$1.9 million.** Model remedies are cleanup actions that Ecology has pre-approved for specific categories of contaminated sites. This is to streamline the cleanup process by providing protective cleanup actions that are faster and less expensive. In response to legislation passed in 2013, Ecology is developing model remedies to address leaking fuel tanks and other common types of contaminated sites to help quickly and effectively restore the environment and protect public health. Ecology is focusing on model remedies for sites with petroleum contamination, with an emphasis on over 3,000 Leaking Underground Storage Tank (LUST) sites. These sites pose risks to Washington’s ground and surface water resources, and their continued listing on the hazardous sites list creates a barrier to economic and community redevelopment. This request will focus funding toward developing, implementing, and evaluating these model remedies. Related to Puget Sound Action Agenda implementation. (SBCA)
- 29. Swift Creek Natural Asbestos Flood Control and Cleanup. \$5.8 million.** Swift Creek is a small creek in the northeastern lowlands of Whatcom County. An ongoing landslide that started in the late 1930s or early 1940s resulted in a large load of naturally occurring asbestos and heavy metal contaminated sediment continuously filling up the creek bed. This request will fund construction of sediment traps and debris-flow deflection levees and complete design and permitting for large sedimentation basins. These remediation actions will minimize public and environmental health impacts associated with exposure to asbestos. This request offers an interim solution that will address the historic liability of dredging and managing the sediment by stockpiling it next to the creek. It will also fund facilities needed to capture sediment over the next 10 to 15 years, depending on the rate of sedimentation. It provides time to develop a long-term strategy to either stabilize the slide or provide ongoing sediment management with help from the Army Corps of Engineers. (SBCA)
- 30. Waste Tire Pile Cleanup and Prevention. \$1 million.** Illegally dumped tires in Washington continue to pose public health and environmental threats. Tire piles pose risks for highly toxic fires, pollutant leaching and run-off, and provide habitat for mosquitoes and other disease carriers. Ecology is requesting \$1.0 million to continue funding for preventing and removing waste tire piles, enforcement, and education on tire storage and hauling regulations. (Waste Tire Removal Account)

## Facilities Related

- 31. Eastern Regional Office Improvements and Stormwater Treatment. \$1.9 million.** Ecology’s Eastern Regional Office facility in Spokane is a state-owned office building that has been occupied since the 1980s. The parking lot is degraded so severely that it is a safety hazard. The parking lot repairs needed are extensive enough to trigger the City of Spokane’s regulatory requirements for stormwater, so Ecology must add onsite treatment with this project. Ecology proposes to purchase two adjacent land parcels to reconstruct the parking lot, install a stormwater treatment system, and complete landscaping as required by Spokane Municipal Code. This project will also provide space for future improvements to consolidate business operations and eliminate off-site leases. (SBCA)
- 32. Lacey HQ Facility Preservation Projects. \$2.1 million.** Ecology’s Lacey HQ facility is more than 20 years old. Regular maintenance is required to keep this facility in good condition and ensure building operations are safe and efficient. The specific projects included in this request for the 2017-19 Biennium address critical needs that cannot be deferred to a later time. These include:
- Preserving the facility’s parking garage.
  - Improving the condition of asphalt surfaces on access roads and parking areas and adjacent stormwater infrastructure.
  - Replacing failing HVAC fan motor components.

Completing these projects will preserve the condition of the HQ facility, help maintain its value over time, and protect the building from needing more costly repairs down the road. (SBCA)