

12/14/2016 \$ in thousands - Biennialized FTEs	FTE	GF-State	Other	Total
<b>2017-19 Carryforward Level</b>	<b>1,603.4</b>	<b>49,974</b>	<b>438,634</b>	<b>488,608</b>
<b>Maintenance Level Changes</b>				
1 Public Participation Grants			(1,359)	(1,359)
2 Other ML Changes		242	1,628	1,870
<b>Policy Level Changes</b>				
<b>Deliver Integrated Water Solutions</b>				
3 State Revolving Fund Administration			540	540
4 WSU Stormwater Center			500	500
5 Low-Impact Development Training	(1.4)		(1,981)	(1,981)
6 Flood Plan Grant Reduction			(2,000)	(2,000)
7 Shoreline Grant Reduction			(1,800)	(1,800)
8 Stormwater Grant Reduction			(1,100)	(1,100)
<b>Reduce and Prepare for Climate Impacts</b>				
9 Clean Air Rule	20.5	4,567		4,567
<b>Prevent and Reduce Toxic Threats</b>				
10 Funding Oil Spills Program (Policy bill only)				
11 Litter Account Reduction			(5,500)	(5,500)
12 Hanford Dangerous Waste Permitting	3.9		872	872
13 Increased Operating Permit Activity	2.1		406	406
14 Hanford Compliance Inspections	1.2		214	214
15 Low-Level Radioactive Waste Transfer	(1.2)		(734)	(734)
16 Balance To Available Revenue			(150)	(150)
<b>Other</b>				
17 Integrated Revenue Management	2.2	458	2,367	2,825
18 Field Office Lease Adjustments		8	38	46
19 Other Central Services and Global Changes		91	407	498
20 Corps Minimum Wage Increase (late request)			1,856	1,856
21 Other Compensation changes		2,208	13,333	15,541
22 MTCA Staff Level Reduction	(20.0)		(5,000)	(5,000)
<b>Total Budget Impact</b>	<b>7.3</b>	<b>7,574</b>	<b>2,537</b>	<b>10,111</b>
<b>Total Proposed Operating Budget</b>	<b>1,610.7</b>	<b>57,548</b>	<b>441,171</b>	<b>498,719</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

The Governor's Operating Budget proposal for Ecology totals \$10.1 million above carry-forward level. This budget was developed recognizing economic recovery is slow, and several agency funds are projected to have shortfalls. Some proposed appropriations in the agency operating and capital budgets are dependent upon revenue proposals. Specifically, these include implementing a tax on carbon pollution, a surcharge on the

Hazardous Substance Tax (HST) to help stabilize the Model Toxics Control Act (MTCA) accounts, and a barrel tax increase to fund current oil spill prevention and management efforts.

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

## Maintenance Level

- 1. Public Participation Grants. (\$1,359,000).** Public participation grants (PPG) help citizen groups and non-profit, public-interest organizations engage public involvement and education in waste-reduction efforts and state oversight of toxic-cleanup projects, including those located at Hanford and along Puget Sound. Funding is reduced on an ongoing basis to ensure resources for PPG are equal to one percent of HST tax collections, per RCW 70.105D.070. (Environmental Legacy Stewardship Account (ELSA))
- 2. Other ML Changes. \$1,870,000.** Ongoing adjustments are provided for changes in agencywide costs for items like pension and DRS rate changes, workers compensation, self-insurance premiums, state data center, central services costs, audit and legal services, etc. (Various Accounts)

## Policy Level

### Deliver Integrated Water Solutions

- 3. State Revolving Fund Administration. \$540,000.** The Department of Ecology manages a water pollution facility loan program that provides low-interest financing to local governments for infrastructure projects designed to protect and restore water quality in local communities. Administrative oversight of the loan program has historically been funded through federal grants; however, Chapter 96, Laws of 2013 established a new loan administration charge for the loan program, allowing funding to be shifted to a new, dedicated account. The last phase of this shift will take place during the 2017-19 Biennium. A total of \$1.25 million is shifted permanently from the Water Pollution Control Revolving Account to the new Water Pollution Control Revolving Administration Account. In addition, funding in the latter account is increased \$540,000 to correct a technical error in computing the 2017-19 base funding level for this program. (Water Pollution Control Revolving Administration Account; Water Pollution Control Revolving Account-State and Federal)
- 4. WSU Stormwater Center. \$500,000.** One-time funding is provided for the Washington State University Stormwater Center to study the relationship between urban stormwater runoff and mortality in salmon returning to spawn in urban creeks. (ELSA)
- 5. Low-Impact Development Training. (\$1,981,000), (1.4) FTEs.** Since fiscal year 2013, the Department of Ecology has provided a low-impact development (LID) technical training program at no cost to local governments, private businesses, and stormwater permittees. This training prepares these entities to meet future LID requirements in municipal stormwater permits. The original appropriation was envisioned to be made available for five years, from July 1, 2012, through June 30, 2017. Based on that intent, funding and FTE staff are eliminated permanently. (State Toxics Control Account (STCA))
- 6. Flood Plan Grant Reduction. (\$2,000,000).** The Flood Control Assistance Account program provides grants and technical assistance to local governments for flood damage reduction projects and flood hazard management plans. The Flood Control Assistance Account that funds this work receives its revenue from transfers from General Fund-State. Continuing a temporary reduction that began during the 2009-11

Biennium, funding is reduced on a one-time basis for competitive grants to local governments for flood hazard reduction projects. (Flood Control Assistance Account)

7. **Shoreline Grant Reduction. (\$1,800,000).** The Department of Ecology provides financial assistance to local governments required by statute to periodically update their shoreline master plans. In the 2016 Supplemental Budget, Ecology's funding for shoreline grants to local governments was reduced to help address the MTCA shortfall. The shortfall is projected to continue beyond 2015-17; therefore, the shoreline grant reduction is biennialized and extended, one-time, through the 2017-19 Biennium. (ELSA)
8. **Stormwater Grant Reduction. (\$1,100,000).** In the 2016 Supplemental Budget, stormwater capacity grants to local governments were reduced \$2.9 million to help address the MTCA shortfall. The shortfall is continuing past the 2015-17 Biennium; therefore, \$1.1 million of stormwater capacity grant reductions will continue, one-time, through the 2017-19 Biennium. (ELSA)

### Reduce and Prepare for Climate Impacts

9. **Clean Air Rule. \$4,567,000, 20.5 FTEs.** Ongoing funding and staff are provided for implementation of Ecology's 2016 Clean Air Rule. This rule caps and gradually reduces greenhouse gas emissions for about 24 stationary sources and, starting in 2020, about 15-18 energy-intensive/trade-dependent emitters and petroleum fuel suppliers. Regulated entities must meet their emission caps or purchase "emission reduction units" (ERUs, representing carbon reductions achieved through the actions of others). Ecology's rule-related activities include operating an on-line greenhouse gas emissions-reduction registry, establishing baseline emission levels for most regulated entities, issuing regulatory orders for compliance, establishing greenhouse gas emission baselines and compliance pathways for energy-intense and trade-exposed entities, implementing and auditing products from a third-party verification program, providing technical assistance to regulated entities, managing and tracking reserve ERUs, developing protocols and verifying projects used to generate ERUs, updating policy, and coordinating with other established carbon markets and affected state agencies. (General Fund-State)

### Prevent and Reduce Toxic Threats

10. **Funding Oil Spills Program Policy Bill.** In April 2015, the Governor and Legislature passed the Oil Transportation Safety Act to address rapid changes in how crude oil is moving through rail corridors and over Washington waters, creating new safety and environmental risks. One-time funding was used in the current biennium to fund this new work, and Ecology projects a \$4 million shortfall next biennium to continue this important work. The Governor's legislative proposal will provide additional revenue to cover the shortfall through an increase in the barrel tax.
11. **Litter Account Reduction. (\$5,500,000).** Extending a reduction began in 2009, funding is reduced on a one-time basis in the Waste Reduction, Recycling, and Litter Control Account (WRRLCA). At this level of funding, Ecology will continue to provide a lower level of litter pickup by youth crews, state agencies and local governments, and will limit its waste reduction and recycling work. (WRRLCA)
12. **Hanford Dangerous Waste Permitting. \$872,000, 3.9 FTEs.** In 2012, Ecology issued a draft Hanford Sitewide Dangerous Waste Permit for public comment. Based on comments from the Environmental Protection Agency (EPA), Ecology has developed a revised approach to permit development, implementation and administration. At the direction of EPA, Ecology took over administration of the current permit from the U.S. Department of Energy, consistent with the way other permits are managed. Ongoing funding and staff are provided for information technology, regulatory, and engineering support to administer the permit electronically, and to properly develop and issue current and future permits. This fee-funded work supports appropriate management of radioactive waste to protect the environment and public health. Costs will be covered by fees paid by the U.S. Department of Energy. (Radioactive Mixed Waste Account)

- 13. Increased Operating Permit Activity. \$406,000, 2.1 FTEs.** Federal and state laws define the scope and content of Ecology's Air Operating Permit (AOP) program that sets air pollution limits, conditions and other requirements for large industrial facilities. Under both laws, regulated entities are required to pay the full costs of the program. Each biennium, Ecology prepares a workload model to determine the budget necessary to operate the program, based on current costs and workload projections. Ongoing funding and staff are provided to match the projected workload for 2017-19. (Air Operating Permit Account)
- 14. Hanford Compliance Inspections. \$214,000, 1.2 FTEs.** Ongoing funding and staff are provided for an additional compliance inspector in Ecology's Richland field office. At the current staffing level, Ecology is unable to complete all required EPA statewide mixed waste compliance oversight inspections, follow-up, and enforcement. This new position will complete the staffing needed to fully implement the compliance oversight program, thereby protecting the environment and public health. Costs will be covered by fee payers. (Radioactive Mixed Waste Account)
- 15. Low-Level Radioactive Waste Transfer. (\$734,000), (1.2) FTEs.** Pending enactment of agency request legislation to shift management of the Northwest Interstate Compact on Low-Level Radioactive Waste Management, management of a land lease, and fund administration of the Site Closure and the Perpetual Surveillance Maintenance accounts from Ecology to the Department of Health (Health), funding and FTE staff are permanently eliminated from Ecology's budget. Moving the funding to Health, along with program responsibility, will improve oversight consistency and reduce the duplication of having Ecology manage budgets and accounts for Health activities. (General Fund-Local; Site Closure Account)
- 16. Balance to Available Revenue. (\$150,000).** Funding is reduced ongoing to match anticipated revenue in the Underground Storage Tank Account. This will result in fewer inspections and a lower level of technical assistance to owners and operators of underground storage tanks. (Underground Storage Tank Account)

## Other

- 17. Integrated Revenue Management. \$2,825,000, 2.2 FTEs.** Ecology receives loan repayments, fees and other revenue, and manages a \$1.4 billion Clean Water loan portfolio and \$366 million in biennial revenue. Some of Ecology's revenue-related systems are outdated, prone to failure, and lack the flexibility to meet business needs. One-time funding and staff are provided to identify a technology solution and begin replacing and integrating these aging systems to meet current and future business needs. This system will reduce the risk of audit findings; reduce the use of workarounds and shadow systems, while increasing the quality and security of revenue data; and gain efficiencies through process standardization. It is anticipated that funding to complete the replacement project will be requested in the 2019-21 Biennium once a solution has been selected and total project costs are identified. (Various Accounts)
- 18. Field Office Lease Adjustments. \$46,000.** Ongoing funding is provided for increased lease costs due to relocation of Ecology's field office in Vancouver and closure of the agency's Wenatchee office. (Various Accounts)
- 19. Other Central Services and Global Changes. \$498,000.** Ongoing adjustments are provided for changes in agencywide costs for items like archives/records management, audit services, legal services, CTS central services, and DES central services. (Various Accounts)
- 20. Corp Minimum Wage Increase. \$1,856,000.** Ecology's Washington Conservation Corps (WCC) program provides environmental work experience to young adults and returning veterans in exchange for a living allowance equal to minimum wage, health insurance, and an educational award upon completion of service. Project sponsors contract with WCC crews for such work as tree planting, habitat restoration, trail building, and disaster response. Ecology also provides summer work experience to youth ages 14-17 engaged in highway litter pickup through the Ecology Youth Corps; most participants receive the minimum wage. With

passage of Initiative 1433 in November 2016, the minimum wage is scheduled to increase gradually from \$9.53 per hour in January 2017 to \$12.00 per hour by January 2019. Ongoing funding is provided for the increased cost of providing minimum wage increases accruing through the duration of current contracts with participants in the WCC and for minimum wage increases through January 2019 for Ecology Youth Corps participants. (WRRLCA; STCA)

- 21. Other Compensation Changes. \$15,541,000.** Funding is provided for health insurance rates, general wage increases for represented and non-represented state employees, targeted pay increases for specific job classes, and other compensation adjustments. The general wage increases include 2 percent, effective July 1, 2017; another 2 percent increase effective July 1, 2018; and a final 2 percent increase effective January 1, 2019. (Various Accounts)
- 22. MTCA Staff Level Reduction. (\$5,000,000), (20.0) FTEs.** The 2016 Supplemental Budget reduced Ecology's appropriation by \$5.0 million in the MTCA accounts, one-time, to capture savings from continued staff level reductions to MTCA-funded positions to help address the MTCA shortfall. This shortfall is continuing; therefore, the staffing reductions are extended, one-time, through the 2017-19 Biennium at roughly the same rate of annual savings achieved in 2015-17. (STCA, ELSA)

12/14/16	\$ in thousands	SBCA	MTCA	Other	Total
<b>Protect and Restore Puget Sound</b>					
1	2015-17 Restored Clean Up Toxics Sites PS		2,840		2,840
2	Clean Up Toxics Sites Puget Sound	7,682	2,366		10,048
<b>Deliver Integrated Water Solutions</b>					
3	Water Pollution Control Revolving Program			220,000	220,000
4	2015-17 Restored Stormwater Financial Assistance*			30,100	30,100
5	Floodplains by Design	20,338			20,338
6	Stormwater Financial Assistance Program*			19,900	19,900
7	Centennial Clean Water Program	50,000			50,000
8	Columbia River Water Supply Development Program*			33,800	33,800
9	Yakima River Basin Water Supply*			31,100	31,100
10	Sunnyside Valley Irrigation District Water Conservation	4,684			4,684
11	Watershed Plan Implementation and Flow Achievement	5,000			5,000
12	Water Irrigation Efficiencies Program	4,000			4,000
13	Catastrophic Flood Relief*			60,000	60,000
<b>Prevent and Reduce Toxic Threats</b>					
14	2015-17 Restored Eastern WA Clean Sites Initiative		2,436		2,436
15	Remedial Action Grants	2,507	7,914		10,421
16	Coordinated Prevention Grants		10,000		10,000
17	ASARCO Cleanup			28,760	28,760
18	Eastern WA Clean Sites Initiative		1,740		1,740
19	VW Settlement Funded Projects			20,000	20,000
20	Reducing Toxic Diesel Emissions	500	500		1,000
21	Reducing Toxic Woodstove Emissions	1,000	1,000		2,000
22	Leaking Tank Model Remedies	1,106			1,106
23	Swift Creek Natural Asbestos Flood Control & Cleanup	5,500			5,500
24	Waste Tire Pile Cleanup and Prevention			1,000	1,000
<b>Facilities Related</b>					
25	Eastern Regional Office Improvements & Stormwater Treatment	1,920			1,920
26	Lacey HQ Facility Preservation Projects	635			635
<b>Total Proposed Capital Budget</b>		<b>104,872</b>	<b>28,796</b>	<b>444,660</b>	<b>578,328</b>

\*A total of \$162.9 million of projects are funded through the New Carbon Pollution Reduction Tax.

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

Governor Inslee's capital budget proposal totals \$578 million for new projects that promote local economic development (e.g., cleaning up contaminated sites for redevelopment); create jobs; address local environmental and public health priorities; provide financial incentives for compliance with state laws; and provide funding for many local government priorities. Some appropriations proposed in the Capital Budget are dependent upon new revenue proposals. Specifically, \$162.9 million is supported through the new carbon pollution reduction tax, and the Hazardous Substance Tax (HST) surcharge provides capacity for new capital investments from the Model Toxics Control Act (MTCA) funds.

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## November 2016 MTCA Revenue Forecast

Since the May 2015 revenue forecast that the enacted 2015-17 Biennial Budget was based on, actual and projected revenue for the MTCA accounts has dropped by \$99 million in 2015-17 and \$116 million in 2017-19. This has left a projected overall MTCA fund balance for 2017-19 of negative \$75 million as of December 2016.

The HST is the primary revenue source for MTCA, and taxes are collected on the first possession of certain hazardous substances (taxed at 7/10th of one percent of the value of the product). Petroleum makes up about 90 percent of the revenue collected with the HST. The price of crude oil has dropped dramatically in the past 20 months, and so have HST collections and revenues. The primary drivers causing the projected negative MTCA balances include:

- Reduced value of crude oil. Barrel prices were \$104 in the summer of 2014, and dropped to below \$30 in January 2016. Since the revenue forecast in February 2014, forecasted revenue for the four-year period has declined by \$375 million—a \$195 million drop for the 2015-17 Biennium, and a \$180 million drop for 2017-19 Biennium. This was an unprecedented decline for the HST, and 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 (increased from five agencies in 2003-05, to 10 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 over the next three biennia. The Governor's proposal delays some repayments until the 2019-21 Biennia.
- Since the 2007-09 Biennium, \$54 million of work previously funded by General Fund-State (GF-S) has been shifted to MTCA (approximately \$48 million to Ecology, and \$6 million to other agencies).

## Addressing the MTCA Revenue Shortfall

The Governor's proposal includes several tools to address MTCA revenue shortfall in the 2017-19 Biennium. The operating budget proposal includes specific one-time reductions. In the capital proposal, \$14.3 million of MTCA-funded reappropriations are lapsed due to reduced funding needs. It also assumes \$28 million of the 2017-19 MTCA reappropriations will be spent in 2019-21 based on historical spending patterns. The first \$8 million repayment of the \$23 million Cleanup Settlement Account loan taken in the 2015-17 Biennium will be delayed until Fiscal Year 2020. Lastly, legislation is proposed to implement a surcharge when HST collections are less than \$160 million in a year. If passed, additional MTCA revenue for 2017-19 is projected to be about \$52 million, which also helps fund new cleanup projects and solid waste management. Without this funding, Ecology would have to continue to delay the start of projects, and possibly cancel others until revenue recovers in the MTCA accounts.

## New Capital Projects

The Governor's 2017-19 Biennium Capital Budget proposal includes significant investments in traditional Ecology projects that will protect and improve environmental and public health outcomes.

## Protect and Restore Puget Sound

- 1. 2015-17 Restored Clean Up Toxic Sites-Puget Sound. \$2,840,000.** A significant source of pollution to the 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 since May 2015. Proviso language in the budget bill specifies the Legislature intends to restore the reductions in future biennia. Funding is provided to restore some of those reductions, to keep important cleanup work moving forward in the 2017-19 Biennium, consistent with legislative direction. Related to Puget Sound Action Agenda (PSAA) implementation. (STCA)
- 2. Clean Up Toxic Sites-Puget Sound. \$10,048,000.** This emphasis on Puget Sound bay wide cleanup and surrounding areas has highlighted a valuable link between toxic site cleanup and habitat restoration. Funding is provided to 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 PSAA implementation. (State Building Construction Account (SBCA), STCA)

## Deliver Integrated Water Solutions

- 3. Water Pollution Control Revolving Program. \$220,000,000.** 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 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. Funding will continue essential work through the loan program. Related to PSAA implementation. (Water Pollution Control Revolving Account)
- 4. 2015-17 Restored Stormwater Financial Assistance. \$30,100,000.** 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 since May 2015. Proviso language in the budget bill specifies that the Legislature intends to restore the reductions in future biennia. Funding is provided to restore those four reductions to keep important stormwater work moving forward in the 2017-19 Biennium. Related to PSAA implementation. (Carbon Pollution Reduction Account (CPRA))
- 5. Floodplains by Design. \$20,338,000.** Flooding is the number one natural hazard in Washington State. 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. Funding is provided to continue the efforts begun 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 PSAA implementation. (SBCA)



- 6. Stormwater Financial Assistance Program. \$19,900,000.** Funding for 2017-19 SFAP projects will provide grants to public entities 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 PSAA implementation. (CPRA)
- 7. Centennial Clean Water Program. \$50,000,000.** Funding for the Centennial Clean Water Program will provide grants to public entities to finance the 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. Grant recipients are public entities that use the funds to address high priority statewide water quality needs. 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 PSAA implementation. (SBCA)
- 8. Columbia River Water Supply Development Program \$33,800,000.** Funding will continue implementation of the Columbia River Basin Water Supply Development Program (Chapter 90.90 RCW). Funding is provided for: Odessa mitigation and Groundwater Replacement program; Coordinated Conservation Columbia Basin Irrigation Districts; a water service contract with the United States Bureau of Reclamation to provide water from Lake Roosevelt to end users; a water lease from the Port of Walla Walla; Office of Columbia River staffing costs; and Department of Fish and Wildlife support. (CPRA, Columbia River Basin Water Supply Revenue Recovery Account)
- 9. Yakima River Basin Water Supply. \$31,100,000.** 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 (Plan) to provide a comprehensive, long-term water resources and habitat improvement program to address this situation. This funding will continue implementing the Plan in cooperation with the U.S. Bureau of Reclamation (USBR) and local stakeholders. This program will support the regional economy and protect the environment. (CPRA)
- 10. Sunnyside Valley Irrigation District Water Conservation. \$4,684,000.** The United States Bureau of Reclamation (USBR) 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 multiyear projects, this funding will cover the required state match of 17.5 percent of total project costs for the next four or five biennia. Sunnyside Valley Irrigation District (SVID) Phase 2B project cost is estimated at \$80 million (\$14 million Ecology cost share) over a 15-year construction period. Roza project cost is estimated at \$20 million (\$3.5 million Ecology cost share) over a six-year construction period. The \$4.7 million will continue the construction schedule for the state's share of the Yakima River Basin Water Enhancement Project in the 2017-19 Biennium. (SBCA)
- 11. Watershed Plan Implementation and Flow Achievement. \$5,000,000.** 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 development of water banks, creating storage and re-timing runoff, and promoting conservation. Stream flows can be boosted by acquisition of 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 water supply capital 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. Funding is provided 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 also achieve recommended instream flows. Related to PSAA implementation. (SBCA)

- 12. Water Irrigation Efficiencies Program. \$4,000,000.** 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. Funding is provided for 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)
- 13. Catastrophic Flood Relief. \$60,000,000.** During the 2016 legislative session, House Bill 2856 was passed that established the Office of Chehalis Basin at Ecology with the primary purpose to aggressively pursue implementation of an integrative strategy and administer long-term flood damage reduction and aquatic species restoration in the Chehalis River Basin. Funding is provided for flood mitigation projects developed by the Governor's Chehalis Basin Work Group that include: long-term strategies to reduce flood damage and restore aquatic species (up to \$30.4 million) and construction of local priority flood protection and habitat restoration projects (up to \$29.6 million). (CPRA)

## Prevent and Reduce Toxic Threats

- 14. 2015-17 Restored Eastern Washington Clean Sites Initiative. \$2,436,000.** 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 since May 2015. Proviso language in the budget bill specifies the Legislature intends to restore the reductions in future biennia. Funding is provided to partially restore those reductions, to keep important cleanup work moving forward in the 2017-19 Biennium, consistent with legislative direction. (STCA)
- 15. Remedial Action Grants. \$10,421,000.** Ecology manages the Remedial Action (RA) grant program to help local governments clean up contaminated sites in Washington State. Funding is provided for pass-through grants for ready-to-proceed projects and actual spending requirements for the 2017-19 Biennium. RA 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 PSAA implementation. (SBCA, LTCA)
- 16. Coordinated Prevention Grants. \$10,000,000.** The Coordinated Prevention Grant (CPG) Program supports required local solid and hazardous waste plans and resource conservation through waste reduction, recycling, and reuse programs. CPG enforcement grants help ensure solid waste facilities comply with applicable laws to protect human health and the environment, and reduce human exposure to toxins. (LTCA)
- 17. ASARCO Cleanup. \$28,760,000.** Funding is provided to continue 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 PSAA implementation. (Cleanup Settlement Account)

- 18. Eastern Washington Clean Sites Initiative. \$1,740,000.** 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. Funding is provided to continue the initiative to have a statewide cleanup program by making investments outside of the Puget Sound basin and Western Washington. (STCA)
- 19. VW Settlement Funded Projects. \$20,000,000.** Funding is provided to implement the requirements of the Volkswagen “Clean Diesel” Marketing, Sales Practice, and Products Liability Litigation settlement, of which 15 percent must be spent upon projects for the acquisition, installation, operation and maintenance of new light duty zero emission vehicle supply equipment. (General Fund- Private/Local)
- 20. Reducing Toxic Diesel Emissions. \$1,000,000.** 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. Funding is provided to 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. Related to PSAA implementation. (SBCA, STCA)
- 21. Reducing Toxic Woodstove Emissions. \$2,000,000.** Smoke from wood burning stoves causes significant health problems, including asthma, lung disease, heart disease, stroke, and premature death. This proposal reduces 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 PSAA implementation. (SBCA, STCA)
- 22. Leaking Tank Model Remedies. \$1,106,000.** 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. Funding is provided to focus on the development, implementation, and evaluation of these model remedies. Related to PSAA implementation. (SBCA)
- 23. Swift Creek Natural Asbestos Flood Control and Cleanup. \$5,500,000.** 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. Funding is provided for the construction of sediment traps and debris

flow deflection levees, and complete the design and permitting for large sedimentation basins. These remediation actions will minimize public and environmental health impacts associated with exposure to asbestos. This 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)

- 24. Waste Tire Pile Cleanup and Prevention. \$1,000,000.** 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. Funding is provided to prevent and remove waste tire piles, enforcement, and education on tire storage and hauling regulations. (Waste Tire Removal Account)

### Facilities Related

- 25. Eastern Regional Office Improvements & Stormwater Treatment. \$1,920,000.** 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. Funding is provided 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)
- 26. Lacey HQ Facility Preservation Projects. \$635,000.** 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 proposal for the 2017-19 biennium address critical needs that cannot be deferred to a later time. These include:
- Improving the condition of asphalt surfaces on access roads and parking areas and adjacent stormwater infrastructure; and
  - 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)