DEPARTMENT OF ECOLOGY
State of Washington

Washington Department of Ecology

2020 Supplemental Operating Budget

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September 20, 2019

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
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September 20, 2019

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

FROM: Maia D. Bellon, Director

CC: See Distribution

SUBJECT: Ecology's 2020 Supplemental **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 are 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 goals are to:

- Protect and restore land, air, and water.
- Prevent pollution.
- Promote healthy communities and natural resources.
- Deliver efficient and effective services.

Attached is Ecology's $23.1 million 2020 Supplemental Operating Budget request. It reflects a recovering economy, and accounts for changes made to the Model Toxics Control Act (MTCA) and its primary funding source, the Hazardous Substance Tax (HST), during the 2019 legislative session. This operating budget request is needed to:

- Implement enacted clean energy legislation from the 2019 session.
- Support legal costs incurred by the Attorney General's Office (AGO) related to pending litigations involving Ecology.
- Fund key facility and information technology needs, including the relocation of Ecology's Northwest Regional Office, which was partially funded in the enacted 2019-21 Biennial Budget.

- Maintain existing core environmental work, including funding for oil spill responses, Washington Conservation Corps crews, streamflow restorations, voluntary cleanups, and local source control work done by local government partners.
- Protect Puget Sound and the Southern Resident Orcas through improved water quality monitoring and nutrient controls.
- Assist local communities with environmental issues, including contaminants in drinking water, redevelopment of contaminated sites, water quality infrastructure needs, and the impacts of solid waste problems due to growing homeless encampments.
- Meet permit obligations with the U.S. Department of Energy related to Hanford cleanup.

Support of our operating budget request is primarily from dedicated environmental funds and direct charges to customers for services provided.

ESSB 5993: Reforming the financial structure of the model toxics control program.

The passage of Engrossed Substitute Senate Bill (ESSB) 5993 (Chapter 422, Laws of 2019) made major changes to the MTCA accounts and the HST. As described in section 101 of the bill, its purpose was to update the Model Toxics Control Program and its primary funding mechanism through the following changes:

- Increase funding for programs and projects related to clean air, clean water, and toxic cleanup and prevention, with specific focus on stormwater pollution.
- Provide distinct and transparent financial separation of capital and operating budget funding.
- Improve the transparency and visibility of operating and capital project expenditures under the program.
- Eliminate the volatility of HST revenues by moving to a volumetric rate for petroleum products.

Account Changes

ESSB 5993 eliminated the three prior MTCA Accounts—the State Toxics Control Account (STCA), the Local Toxics Control Account (LTCA), and the Environmental Legacy Stewardship Account (ELSA)—replacing them with three new accounts—the Model Toxics Control Operating Account, the Model Toxics Control Capital Account, and the Model Toxics Control Stormwater Account.

Authorized uses for the new accounts are similar to the prior MTCA accounts, and Ecology determined (after consultation with the AGO) that all of the agency's uses of prior MTCA accounts for the purposes provided are authorized under the bill and the purposes of the chapter under RCW 70.105D.010.

Revenue Changes

ESSB 5993 changed the HST structure for liquid petroleum products from a value-based tax to a volume-based tax. Beginning July 1, 2019, the HST rate on petroleum products is $1.09 per barrel, and will increase annually by the Implicit Price Deflator (IPD) for Non-residential Structures[1] starting July 1, 2020 (Fiscal Year 2021). The HST applied to all non-liquid petroleum products remains taxed at 7/10th of 1% of the wholesale value of the substance.[2]

The first $50 million per biennium of the liquid petroleum tax revenue—Sec. 201(1)(b) of the bill—will be deposited by the Department of Revenue (DOR) into the Motor Vehicle Fund to be used exclusively for transportation stormwater purposes, until a new $2 billion "additive transportation funding act" is passed by the Legislature.

The tax on liquid petroleum products—after first depositing the $50 million to the Motor Vehicle Fund—will be deposited into the new MTCA accounts established under the bill as follows:

- 60% into the MTCA Operating Account
- 25% into the MTCA Capital Account
- 15% into the MTCA Stormwater Account

Revenue from all other substances—pesticides, gaseous, and solid petroleum products not able to be measured by the gallon—will still be taxed at 7/10th of 1% of the wholesale value of the substance, and will be deposited into the MTCA Capital Account.

A Conservative Approach

Ecology was conservative in building its 2020 Supplemental Budget requests supported by MTCA, understanding that August 2019 was the first month of revenue collections under the new HST structure, and much is still unknown about how ESSB 5993 will affect future revenue collections. As we learn more about how actual revenue collections come in over the next few years, Ecology looks forward to working with the Governor's office and Legislature in determining how best to use the funding available to address the state's environmental priorities.

Technical Fix

Proviso Correction

Ecology requests a technical fix to proviso language in the 2019-21 enacted operating budget in order to allow the agency to use its Model Toxics Control Operating Account-Private/Local

[1] The Department of Revenue (DOR) will use the IPD for non-residential structures published each March by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) for the prior calendar year to set the new per-barrel rate for the upcoming fiscal year.
[2] DOR tax forms require taxpayers to identify liquid petroleum on a separate line from non-liquid and other substances.

appropriation for its intended purpose of supporting the cleanup of leaking underground storage tanks.

> Section 302(22) of the enacted operating budget states: *$500,000 of the model toxics control operating account-**local** appropriation is provided solely for the Spokane River Regional Toxics Task Force to address elevated levels of polychlorinated biphenyls in the Spokane River.*

Funding for the Spokane River Toxics Task Force was appropriated from the Model Toxics Control Operating Account-State, but the proviso language in section 302(22) was accidently not updated. Ecology has coordinated with the Office of Financial Management and legislative staff, who are in agreement that the proviso language in section 302(22) should be updated in the 2020 Supplemental Budget from *model toxics control operating account-**local*** to *model toxics control operating account-**state***.

This fix will allow Ecology to use its current Model Toxics Control Operating Account-Private/Local appropriation of $499,000 for its intended historic purpose of supporting the cleanup of leaking underground storage tanks.

Placeholders

2020 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 2020 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.

Potential High Level Radioactive Waste Litigation

Ecology anticipates potential litigation with the U.S. Department of Energy (USDOE) to overturn USDOE's new interpretation of what constitutes "high level waste." USDOE's interpretation has significant implications for the cleanup at Hanford. Ecology currently plans to pay for the anticipated costs of this potential lawsuit (estimated by the AGO at $44,000 per year) with existing General Fund-State appropriation in our Nuclear Waste Program. However, if the litigation incurs unanticipated costs above the original estimate, a General Fund-State request by Ecology and the AGO may be required.

Impacts of Recent Federal Government Actions on State Authority under the Clean Water Act

Enacted by Congress in 1972, the federal Clean Water Act (CWA) is one of the nation's capstone environmental regulations. The CWA 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 CWA Section 401 water quality certification from the state or tribal government where the discharge would occur.

The CWA 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 (USACE) or the Federal Energy Regulatory Commission (FERC), cannot issue a license or permit before the state takes action on a certification request.

Since April 2019, the Federal Government has taken a series of steps to undermine state authority under Section 401. Executive Order 13868, along with new federal guidance from EPA and USACE, and a proposed rule update to Section 401 in August, would limit the scope of states' review, and significantly shorten the time in which we have to review them. The *Regulatory Guidance Letter* issued by USACE on August 7, 2019 sets a 60-day review period for certification applications. Ecology's current agreement with Seattle District USACE allows a year to complete these reviews, however it is unclear how long they will honor this agreement.

EPA's rule proposal became official in the federal register on August 22, 2019, with a comment period open until October 21, 2019. EPA is scheduled to finalize its rule in May 2020. Ecology is working internally, and with the AGO, to better understand and quantify the impacts, timing, and legality surrounding these actions. Ecology will submit a 2020 supplemental budget request by November 1, 2019 for funding and resources needed to comply with these new requirements.

Thank you for considering Ecology's $23.1 million 2020 Supplemental 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

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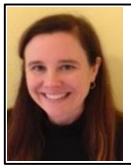

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Dollars in Thousands

		Average Annual FTEs	General Fund State	Other Funds	Total Funds
CB T0PL	Current Biennium Base	1,735.6	59,946	530,438	590,384
2019-21 Current Biennium Total		**1,735.6**	**59,946**	**530,438**	**590,384**
Total Carry Forward Level		**1,735.6**	**59,946**	**530,438**	**590,384**
Percent Change from Current Biennium		.0%	.0%	.0%	.0%
Maintenance – Other Changes					
ML 8V	Lease Adjustments > 20,000 sq. ft.	0.0	6	35	41
ML CA	Manchester Lab Facility Costs	0.0	0	136	136
ML CT	Hanford Cleanup Litigation	0.0	0	1,710	1,710
ML CU	Crude Oil Volatility Litigation	0.0	1,210	0	1,210
Maintenance – Other Total		**0.0**	**1,216**	**1,881**	**3,097**
Total Maintenance Level		**1,735.6**	**61,162**	**532,319**	**593,481**
Percent Change from Current Biennium		.0%	2.0%	.4%	.5%
Policy – Other Changes					
PL CC	Clean Energy	1.9	502	0	502
PL CD	Support Voluntary Cleanups	2.2	0	668	668
PL CE	Puget Sound Freshwater Monitoring	1.2	748	0	748
PL CF	Small Communities WQ Assistance	0.6	0	350	350
PL CG	Cloud Services Team	1.2	47	349	396
PL CH	Ecology Security System Failure	0.0	94	656	750
PL CJ	Nutrient Controls for Puget Sound	1.2	535	0	535
PL CK	Cleanup & Study PFAS Contamination	1.2	0	1,036	1,036
PL CL	Support Rural Brownfields Cleanup	0.0	0	500	500
PL CM	Homeless Encampments Waste Cleanup	0.0	0	1,500	1,500
PL CN	Local Source Control Program	0.0	0	750	750
PL CP	NWRO Relocation	0.0	270	1,872	2,142
PL CQ	Hanford Dangerous Waste Permit	1.8	0	498	498
PL CR	Funding WCC Local Partnerships	7.7	0	3,658	3,658
PL CS	GW Monitoring to Reduce Risks	1.5	378	0	378
PL CV	Streamflow Restoration Fund Shift	0.0	310	(310)	0
PL CW	Funding for Oil Spills Program	0.0	0	5,200	5,200
PL CX	Safer Products Washington	0.6	0	479	479
Policy – Other Total		**20.9**	**2,884**	**17,206**	**20,090**
Subtotal - Policy Level Changes		**20.9**	**2,884**	**17,206**	**20,090**
2019-21 Total Proposed Budget		**1,756.5**	**64,046**	**549,525**	**613,571**
Percent Change from Current Biennium		1.2%	6.8%	3.6%	3.9%

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ML 8V Lease Adjustments > 20,000 sq. ft.

This request is for a maintenance level lease increase for the Department of Ecology's Central Regional Office in Union Gap, WA. The work done at this facility benefits Ecology, other state agencies, tribes, and local partners and helps protect, preserve, and enhance Washington's environment for current and future generations.

ML CA Manchester Lab Facility Costs

Ecology shares space with the Environmental Protection Agency (EPA) at their Manchester Environmental Laboratory in Kitsap County. Ecology has been notified by EPA that costs have increased as of January 2019. This request is for a maintenance level increase in Fiscal Year 2021 to cover the additional costs to ensure that core environmental laboratory analysis will continue to inform Ecology's important environmental work and the work of other state agencies, tribes, and local partners. This work helps protect, preserve, and enhance Washington's environment for current and future generations. (Model Toxics Control Operating Account, Water Quality Permit Account)

ML CT 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 the federal consent decree from the Washington v. Perry litigation, requiring Hanford cleanup deadlines. 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 CU Crude Oil Volatility Litigation

North Dakota and Montana filed a petition with the Pipeline and Hazardous Materials Safety Administration (PHMSA) seeking a preemption declaration for Engrossed Substitute Senate Bill (ESSB) 5579, which contains vapor pressure limits for in-state receipt of crude oil by rail. North Dakota also intends to file a federal lawsuit challenging the law on Commerce Clause grounds. Because Ecology is charged with implementing the vapor pressure limit, the Office of the Attorney General (AGO) will bill Ecology for defending the bill in both forums. Ecology is requesting appropriation, consistent with the AGO's budget request, to cover the costs of this defense. (General Fund - State)

PL CC Clean Energy

The Clean Energy Act (E2SSB 5116), passed in 2019, transitions Washington's electric utilities to carbon neutrality, starting in 2030. Utilities may invest in energy transformation projects that offset their carbon footprint. Ecology will set the criteria and requirements for these projects. The 2019-21 Operating Budget provided only partial funding to implement E2SSB 5116, so Ecology is requesting the additional funding needed to implement the Act.

Funding will support required rulemaking for 1) the greenhouse gas (GHG) content calculation; 2) emissions rate for unspecific electricity; and 3) energy transformation project requirements. It will also provide a lifecycle GHG emissions analysis of waste management practices and support Ecology's participation in a transmission corridors workgroup. (General Fund-State)

PL CD Support Voluntary Cleanups

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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. Through the 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 VCP services, which has delayed or discouraged many voluntary cleanups. This request will allow Ecology to provide timely assistance and regulatory closure to people who voluntarily clean up contaminated properties. This will support VCP's purpose to encourage cleanup and facilitate redevelopment of contaminated properties in Washington that are essential to the economic prosperity and public health of our communities. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

PL CE Puget Sound Freshwater Monitoring

The Salish Sea is experiencing serious impacts from excess nutrient inputs, climate change, and ocean acidification. A healthy marine food web is essential to regional efforts to recover salmon and Southern Resident orca populations and to support the commercial, tribal, and recreational shellfish industries. Ecology lacks continuous freshwater nutrient monitoring that is vital to our ability to assess nutrient loading impacts on Puget Sound from watersheds. This request will add continuous monitoring for dissolved oxygen, pH, nitrate, turbidity, temperature and conductivity, and targeted storm event sampling at the mouth of the seven largest rivers discharging to Puget Sound. The data collected will support a nutrient reduction strategy for Puget Sound and help inform decisions around the need for future infrastructure investments across the region. Related to Puget Sound Action Agenda Implementation. (General Fund – State)

PL CF Small Communities WQ Assistance

Small communities often lack the resources needed to plan for water quality infrastructure projects that meet federal requirements for project and financial planning, environmental review, public process engagement, and long-term asset management. Ecology coordinated with other state agencies under the Sync Infrastructure System Improvement Team and identified a critical need for increased technical assistance and capacity building for Washington's smaller communities. Ecology requests ongoing funding for small community engineering and technical assistance to improve and protect state and federal investments in local clean water infrastructure. Related to Puget Sound Action Agenda Implementation. (Water Pollution Control Revolving Administration Account)

PL CG Cloud Services Team

With investments projected to continue increasing, cloud computing technology is a foundational element of the state's digital business landscape moving forward. A February 2018 Gartner, Inc. research publication predicted that through 2020, 80 percent of organizations will initially overspend their cloud infrastructure as a service (IaaS) budgets due to lack of cost optimization governance or misguided spending commitments. To successfully integrate and implement cloud computing technical services at Ecology, we must have the technical skills, expertise, and capacity needed to design and deliver ongoing, effective, and cost efficient cloud-base solutions—both now and in the future. This request will provide funding for Ecology to establish two key leadership positions needed to support cloud computing readiness, platforms, and applications within the agency's Information Technology Services Office.

PL CH Ecology Security System Failure

Ecology's current key card access system is outdated, unable to meet current business and security needs, and must be replaced. The current system, which serves about 2,000 employees, tenants, support personnel, and contractors at nine facilities across the state, malfunctions regularly, and at times takes a month or more to repair. The current system is also housed on a centralized 2008 Microsoft Server platform that, by the end of 2019, will no longer be supported by Microsoft and cannot be migrated to another server. This request would provide funding for a new system that is comparable, if not identical, to the one recently installed on the Capital Campus in Olympia. This request will help ensure the safety of both staff and visitors at Ecology facilities and enable agency personnel to effectively respond to security incidents that may occur.

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PL CJ Nutrient Controls for Puget Sound

The health of Puget Sound is threatened by human sources of excess nutrients, which cause low dissolved oxygen. Recent modeling shows wastewater treatment plants significantly contribute excess nutrients into the Sound, and additional action is needed to better control this pollution. Ecology requests funding to develop a Puget Sound Nutrients General Permit for wastewater treatment plants to reduce nutrient pollution through a coordinated and transparent public process. This request supports orca and salmon recovery and protection, the Puget Sound Action Agenda's Marine Implementation Strategy, and the Puget Sound Nutrient Source Reduction Project. Related to Puget Sound Action Agenda Implementation. (General Fund – State)

PL CK Cleanup & Study PFAS Contamination

Per- and polyfluorinated alkyl substances (PFAS) are a group of over 4,700 synthetic organic chemicals used in consumer and industrial applications, including cookware, carpets, and food packaging. One common PFAS use is in certain types of firefighting foam—used by the U.S. military, local fire departments, airports and others. There is little toxicity or safety data for most of the PFAS in use, and they remain in the environment for a long time. The extent of the impact of PFAS compounds in Washington's environment is an emerging issue. This request will provide funding for Ecology to 1) build PFAS analytical capacity at the Manchester Laboratory; 2) sample wastewater treatment plant influent, effluent, and biosolids at three municipal wastewater facilities receiving industrial discharges; and 3) provide cleanup technical assistance to communities impacted by PFAS contamination in their water supply systems. Related to Puget Sound Action Agenda Implementation (Model Toxics Control Operating Account)

PL CL Support Rural Brownfields Cleanup

There are about 13,000 sites on Ecology's Confirmed and Suspected Contaminated Sites List, and 6,000 of these are awaiting further investigation and cleanup. A portion of these sites are located in underserved, small, rural, and/or disadvantaged communities. To facilitate cleanup and encourage reuse of properties in these communities, Ecology requests one-time funding to offer assessment or limited cleanup of selected properties with high redevelopment potential. Ecology will collaborate with local governments in rural communities to identify publicly-owned properties or ones where private owners will allow site access and investigation. (Model Toxics Control Operating Account)

PL CM Homeless Encampments Waste Cleanup

Homelessness is an increasing solid waste problem for Washington's cities and counties. Local health and public works departments are primarily responsible for enforcing the rules and regulations of solid waste handling, and ensuring local hazardous and solid waste plans are implemented. However, cities and counties do not have a dedicated fund source to address the health and environmental affects of homelessness in their communities. A primary impact of homeless encampments is the illegal disposal of solid waste (tent, mattresses, abandoned RV filled with chemical and human waste) and runoff from untreated sewage. Ecology requests funding to provide one-time financial assistance grants to local governments to help clean up solid, hazardous, and infectious waste generated by these encampments. (Model Toxics Control Operating Account)

PL CN Local Source Control Program

Through our Local Source Control (LSC) Partnership, Ecology provides funding to 21 local government partners who provide hands-on technical and regulatory assistance to small businesses across the state. This assistance includes helping them safely manage their hazardous waste to prevent spills, protect against stormwater pollution, and prevent injuries to employees. Our local partners are also key implementers of the new Chemical Action Plan (CAP) "swap out" program, funded in the 2019-21 Capital Budget. This request replaces one-time federal funding that ended in the 2017-19 Biennium so that the Partnership can maintain its current level of service through the 2021-23 Biennium. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

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PL CP NWRO Relocation

Ecology's lease for its Northwest Regional Office (NWRO) in Bellevue expires June 30, 2021. The Office of Financial Management's (OFM) 2017-23 Six-Year Facilities Plan includes the relocation of the NWRO into the Department of Transportation's (WSDOT) Shoreline facility by June 30, 2021, and both Ecology and WSDOT have finalized the business requirements and space needs required to validate this co-location. However, Ecology's 2019-21 budget request to support the project was only partially funded and is insufficient to complete the required work. This request supports the additional funding needed to successfully relocate the NWRO into the WSDOT facility in Shoreline by the time that our current lease expires.

PL CQ Hanford Dangerous Waste Permit

Ecology assumed responsibility for managing the Hanford dangerous waste permit from the U.S. Department of Energy (USDOE) in 2015. Since then, permit management, configuration, and control has proven to be extremely resource intensive due to the size and complexity of the permit. Ecology has added some regulatory and information technology (IT) capacity since 2015, but the remaining work scope required to reissue the permit by 2023 still exceeds Ecology's current permit management and IT staffing capacity. This request will provide funding to complete staffing of Ecology's Nuclear Waste Program's Permit Management and IT teams so the agency can meet its reissuance commitments to USDOE by 2023, and ensure effective administration of the new permit moving forward. (Radioactive Mixed Waste Account)

PL CR Funding WCC Local Partnerships

The Washington Conservation Corps (WCC) collaborates with state, federal, and local organizations to complete environmental restoration and enhancement projects statewide. The mix of our partner organizations changes from biennium to biennium, and over the last decade, the program's reliance on private/local projects has continued to grow. In 2019-21, a reduction in funding available from two of our state partners required Ecology to secure an even greater number of private/local projects, beginning this biennium, in order to avoid cutting crews. This request supports the additional private/local appropriation authority needed to maintain the WCC's current 388.5 Corps members and staff, beginning this biennium. WCC uses a cost-share model, in which partners provide 75 percent of the total funding needed to operate these crews. (General Fund – Private/Local).

PL CS GW Monitoring to Reduce Risks

Groundwater in the Lower Yakima Valley aquifer is contaminated with elevated concentrations of nitrate, and is the principal drinking source for over 56,000 residents in the area. The Lower Yakima Valley developed a groundwater management area (GWMA) to address this significant health issue. The GWMA Advisory Committee has now finalized their implementation plan for reducing groundwater nitrate contamination area and is ready to move forward with implementation. To support this effort, Ecology requests ongoing funding and staff resources to conduct groundwater monitoring and take action to reduce nitrate contamination in the GWMA. Groundwater monitoring is a required element in WAC 173-100-100(6)(b) to evaluate the effectiveness of the program and will inform local efforts moving forward. (General Fund – State)

PL CV Streamflow Restoration Fund Shift

In 2018, the Legislature passed Engrossed Substitute Senate Bill 6091 (ESSB 6091) and established a new streamflow restoration program in response to the "Hirst decision". The legislation required a new fee on new residential permit exempt well users in certain watersheds across the state. A portion of that fee, which is collected by local governments, is remitted to Ecology on an annual basis and used to support the new streamflow program. To date, revenue collections are significantly lower than projected in the fiscal note for ESSB 6091, and Ecology requires a fund shift from Fund 22K to General Fund-State in order to maintain our existing level of service for the new program. (Watershed Restoration and Enhancement Account and General Fund-State)

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PL CW Funding for Oil Spills Program

The Legislature passed the Oil Transportation Safety Act in 2015 and Strengthening Oil Transportation Safety Act in 2018 to address rapid changes in how crude oil is moving through rail corridors and over state waters. This new work was funded by one-time revenue transfers from the Oil Spill Response Account (OSRA) to the Oil Spill Prevention Account (OSPA), and by adding oil imported by rail and pipeline to the barrel tax. However, Ecology's prevention and preparedness work is ongoing, and there is insufficient revenue, long term, to continue implementing all aspects of our regulatory obligations. Couple an upcoming shortfall in OSPA with the depletion of the OSRA due to a prolonged and costly spill response at the former Olympia Brewery in Tumwater that began last biennium, and Ecology needs additional resources to replenish and stabilize two of the state's primary funding sources that support oil spill prevention, preparedness, and response work. Related to Puget Sound Action Agenda implementation. (Oil Spill Prevention Account, Oil Spill Response Account, Model Toxics Control Operating Account)

PL CX Safer Products Washington

In 2019, the Legislature passed Substitute Senate Bill 5135 (SSB 5135), requiring Ecology to identify chemicals that pose serious threats to human health and the environment. Ecology must now identify consumer products that are significant sources of those chemicals and determine whether safer alternatives exist. Ecology requests one-time funding to conduct preliminary toxicological analyses on a small number of safer alternatives to determine if they are in fact safer, assess the economic impacts on businesses and communities of switching to these products, and strengthen our outreach within areas of the state that experience a disproportionate amount of exposure to toxics. (Model Toxics Control Operating Account)

Washington Department of Ecology

2020 Supplemental

Operating Budget

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DEPARTMENT OF ECOLOGY
State of Washington

Operating

9/20/2019 $ in thousands - Biennialized FTEs

		2020 Supplemental Budget Request Summary				
		FTE	GF-State	MTCA	Other	Total
2019-21 Enacted Base Budget		**1,735.6**	**59,946**	**237,647**	**292,791**	**590,384**
Maintenance Level Changes						
1	Crude Oil Volatility Litigation		1,210			**1,210**
2	Hanford Cleanup Litigation				1,710	**1,710**
3	Manchester Lab Facility Costs			109	27	**136**
4	Lease Adjustments >20,000 sq. ft.		6	26	9	**41**
Policy Level Changes						
Reduce and Prepare for Climate Impacts						
5	Clean Energy	1.9	502			**502**
Prevent and Reduce Toxic Threats						
6	Funding for Oil Spills Program			5,200		**5,200**
7	Support Voluntary Cleanups	2.2		668		**668**
8	Hanford Dangerous Waste Permit	1.8			498	**498**
9	Cleanup & Study PFAS Contamination	1.2		1,036		**1,036**
10	Homeless Encampments Waste Cleanup			1,500		**1,500**
11	Local Source Control Program			750		**750**
12	Support Rural Brownfields Cleanup			500		**500**
13	Safer Products Washington	0.6		479		**479**
Deliver Integrated Water Solutions						
14	Streamflow Restoration Fund Shift		310		(310)	**-**
15	GW Monitoring to Reduce Risks	1.5	378			**378**
16	Small Communities WQ Assistance	0.6			350	**350**
Protect and Restore Puget Sound						
17	Puget Sound Freshwater Monitoring	1.2	748			**748**
18	Nutrient Controls for Puget Sound	1.2	535			**535**
Other						
19	Funding WCC Local Partnerships	7.7			3,658	**3,658**
20	NWRO Relocation		270	1,262	610	**2,142**
21	Ecology Security System Failure		94	442	214	**750**
22	Cloud Services Team	1.2	47	220	129	**396**
Total Changes		20.9	4,100	12,192	6,895	**23,187**
Total Proposed Operating Budget Request		**1,756.5**	**64,046**	**249,839**	**299,686**	**613,571**

Agency DP Priority (PL)

(List only the program Policy Level budget decision packages, in priority order)

Agency: 461 Department of Ecology

Session: 2020 Supp

PL-CW	Funding for Oil Spills Program
PL-CR	Funding WCC Local Partnerships
PL-CP	NWRO Relocation
PL-CC	Clean Energy
PL-CV	Streamflow Restoration Fund Shift
PL-CH	Ecology Security System Failure
PL-CE	Puget Sound Freshwater Monitoring
PL-CJ	Nutrient Controls for Puget Sound
PL-CG	Cloud Services Team
PL-CD	Support Voluntary Cleanups
PL-CQ	Hanford Dangerous Waste Permit
PL-CS	GW Monitoring to Reduce Risks
PL-CK	Cleanup & Study PFAS Contamination
PL-CM	Homeless Encampments Waste Cleanup
PL-CN	Local Source Control Program
PL-CF	Small Communities WQ Assistance
PL-CL	Support Rural Brownfields Cleanup
PL-CX	Safer Products Washington

Washington Department of Ecology

2020 Supplemental

Operating Budget

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2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CU - Crude Oil Volatility Litigation
Budget Session: 2020 Supp
Budget Level: Maintenance Level
Contact Info: Jase Brooks
(360) 407-6961
jase.brooks@ecy.wa.gov

Agency Recommendation Summary

North Dakota and Montana filed a petition with the Pipeline and Hazardous Materials Safety Administration (PHMSA) seeking a preemption declaration for Engrossed Substitute Senate Bill (ESSB) 5579, which contains vapor pressure limits for in-state receipt of crude oil by rail. North Dakota also intends to file a federal lawsuit challenging the law on Commerce Clause grounds. Because Ecology is charged with implementing the vapor pressure limit, the Office of the Attorney General (AGO) will bill Ecology for defending the bill in both forums. Ecology is requesting appropriation, consistent with the AGO's budget request, to cover the costs of this defense. (General Fund - State)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$601	$609	$0	$0
Total Expenditures	**$601**	**$609**	**$0**	**$0**
Biennial Totals		**$1,210**		**$0**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$601	$609	$0	$0

Package Description

In 2019, the Legislature passed ESSB 5579 to improve the safety of Washington communities. ESSB 5579 - Volatility of Crude Oil Received in the State by Rail sets a vapor pressure limit of nine pounds per square inch on crude oil transported by rail cars. The limit applies to Washington facilities by prohibiting facilities from loading or unloading crude oil that does not meet the limit. Ecology enforces the requirement and can issue civil penalties for violations. The limit goes into effect for a particular facility two years after annual rail traffic to a facility increases by more than ten percent above 2018 rail traffic volume.

Much of the crude oil shipped to Washington comes from the Bakken oil field in North Dakota and Montana. North Dakota imposes a vapor pressure limit of 13.7 pounds per square inch on crude oil transported by rail cars. On July 17, 2019, North Dakota and Montana filed a petition for declaratory judgment with PHMSA seeking a declaration that ESSB 5579 is preempted by federal law. North Dakota also announced that it would file a lawsuit against ESSB 5579.

The AGO will need to prepare written comments in response to the PHMSA petition with the aid of a consulting expert. The AGO also intends to challenge any adverse determination from PHMSA and defend any lawsuit filed by North Dakota. North Dakota's forthcoming lawsuit will involve discovery, motions practice, and potentially a trial. The AGO also anticipates expert costs associated with the litigation. Based on current workload, the Ecology Division of the AGO lacks sufficient attorney staff to handle the lawsuit. The AGO thus anticipates staffing the lawsuit, in part, through their Complex Litigation Division, which will result in AGO costs to Ecology above our budgeted amount of legal services.

Impacts on Population Served:
This request will help continue ensuring that state agencies and state officers have the authority to enforce laws and protect and enhance the lives of 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, which would significantly hamper Ecology's ability to carry out its mission.

Assumptions and Calculations

Expansion 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 2019-21 biennium.

Detailed assumptions and calculations:

This request will provide Ecology one-time appropriation authority in the 2019-21 Biennium of $601,000 in Fiscal Year 2020 and $609,000 in Fiscal Year 2021. 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 witness in preparing their expert report.
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 needing 1.0 FTE of an AAG, 0.5 LA3 FTE, and 0.5 FTE of a Paralegal through the biennium.

The AGO also anticipates costs of approximately $15,000 per fiscal year associated with travel for depositions and court appearances. Incidental costs of litigation are anticipated to be $28,000 per fiscal year.

The AGO anticipates hiring a chemical engineering expert to assist in defense of the lawsuit and preparation of comments for the PHMSA petition at an assumed cost of $500,000. Expert tasks 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 fiscal year split required to support this budget request to OFM and the Legislature in November and February before budget proposals are finalized.

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.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
E	Goods and Services	601,000	609,000				
	Total Objects	**601,000**	**609,000**	**0**	**0**	**0**	**0**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total FTEs		0.0	0.0	0.0	0.0	0.0	0.0

Explanation of costs by object:

Good and services are $601,000 in Fiscal Year 2020 and $609,000 in Fiscal Year 2021 for AGO costs in the 2019-21 Biennium.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing several of Ecology's priorities in its strategic plan. The request protects Washington's environment and public health because it funds the defense of laws that prevent and reduce toxic threats to the people and environment of Washington as well as preventing oil spills and enhancing Ecology's response capacity to protect Puget Sound.

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 defense of the petition and pending lawsuit. This will allow Ecology to focus on its core mission.

Other Collateral Connections

Intergovernmental:

There will be no direct impact to other governmental parties. Many tribal and local governments are concerned about an increase in crude oil rail traffic and would likely support a robust defense of ESSB 5579. In addition to the Department of Ecology, the Utilities and Transportation Commission (UTC) has an interest in a robust defense of ESSB 5579, although UTC is not expected to have costs associated with the litigation. The Attorney General of North Dakota and Montana are opposed to ESSB 5579 and are currently challenging it.

Stakeholder response:

There is no known opposition to this request at this time. It is possible that railroads and/or oil companies could oppose ESSB 5579 in the future. Several stakeholder groups supported passage of ESSB 5579, and we would expect them to support a robust defense of the bill.

Legal or administrative mandates:

This request responds to the current need to defend ESSB 5579 against a preemption petition filed with the PHMSA. This request is also related to anticipated future litigation in federal court.

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

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

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CT - Hanford Cleanup Litigation
Budget Session: 2020 Supp
Budget Level: Maintenance Level
Contact Info: Steve Moore
(360) 407-7212
smoo461@ecy.wa.gov

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 the federal consent decree from the Washington v. Perry litigation, requiring Hanford cleanup deadlines. 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

Dollars in Thousands

Operating Expenditures	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund 20R - 1	$851	$859	$0	$0
Total Expenditures	**$851**	**$859**	**$0**	**$0**
Biennial Totals		**$1,710**		**$0**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. E	$851	$859	$0	$0
Revenue	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
20R - 0294	$851	$859	$0	$0
Total	**$851**	**$859**	**$0**	**$0**
Biennial Totals		**$1,710**		**$0**

Package Description

The *Washington v. Perry* 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 have recently concluded 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. If the parties do not reach agreement through the current dispute resolution process, Ecology's Director can issue a unilateral order requiring USDOE to take certain measures. USDOE would likely appeal such an order. The AGO needs funding for legal services to support Ecology in this matter. This would result in AGO costs to Ecology above our budgeted amount for legal services.

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 ligation 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: 9,466,838 (FY19 Billing)

3. Proposed Rate:
FY 2020: 10,317,838
FY 2021: 10,325,838

4. Incremental Change for Each Year:
FY 2020: 851,000
FY 2021: 859,000

5. Expected Implementation Date: 3/1/2020

6. Estimated Additional Revenue Generated by Increase:
FY 2020: 851,000
FY 2021: 859,000

7. Justification: The Radioactive Mixed Waste Management Fee is intended to fund Ecology's implementation of the Hazardous Waste Management Act (chapter 70.105 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 change in methodology.

10: RecSum Code: CT

11. Alternatives: No alternatives considered, increasing MWF is appropriate for this.

12. Statutory Change Required? No

Assumptions and Calculations

Expansion 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 2019-21 Biennium.

Detailed assumptions and calculations:

This request will provide Ecology one-time appropriation authority in the 2019-21 Biennium of $851,000 in Fiscal Year 2020 and $859,000 in Fiscal Year 2021. 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 witness in preparing their expert report.
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 needing 1.0 FTE of an AAG, 0.5 LA3 FTE, and 0.5 Paralegal FTE through the biennium. The AGO also anticipates costs of approximately $43,000 per fiscal year associated with travel between Olympia and Richland and other incidental costs.

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 fiscal year split required to support this budget request to OFM and the Legislature in November and February before budget proposals are finalized.

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.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
E	Goods and Services	851,000	859,000				
	Total Objects	**851,000**	**859,000**	**0**	**0**	**0**	**0**

Staffing								
Job Class		**Salary**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
	Total FTEs		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of costs by object:

Good and services are $851,000 in Fiscal Year 2020 and $859,000 in Fiscal Year 2021 for AGO costs in the 2019-21 Biennium.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing a priority in Ecology's strategic plan to Prevent and Reduce Toxic Threats by funding the resources needed for Ecology to provide effective oversight of the Hanford site cleanup. Objective 4, under this priority is "Hanford tank waste treatment." Relevant key strategies include:

- Support a flexible and effective regulatory framework for preventing and reducing the release of and exposure to toxic substances.
- Develop and issue construction and operating permits for the facilities that will treat Hanford tank waste.

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

Intergovernmental:

This lawsuit 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.

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.

Legal or administrative mandates:

This request does not respond to litigation, but is intended to fund new litigation.

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

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

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CA - Manchester Lab Facility Costs
Budget Session: 2020 Supp
Budget Level: Maintenance Level
Contact Info: Annette Hoffmann
(360) 407-6699
annette.hoffman@ecy.wa.gov

Agency Recommendation Summary

Ecology shares space with the Environmental Protection Agency (EPA) at their Manchester Environmental Laboratory in Kitsap County. Ecology has been notified by EPA that costs have increased as of January 2019. This request is for a maintenance level increase in Fiscal Year 2021 to cover the additional costs to ensure that core environmental laboratory analysis will continue to inform Ecology's important environmental work and the work of other state agencies, tribes, and local partners. This work helps protect, preserve, and enhance Washington's environment for current and future generations. (Model Toxics Control Operating Account, Water Quality Permit Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 176 - 1	$0	$27	$27	$27
Fund 23P - 1	$0	$109	$109	$109
Total Expenditures	**$0**	**$136**	**$136**	**$136**
Biennial Totals		**$136**		**$272**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$0	$136	$136	$136

Package Description

Ecology shares space with the Environmental Protection Agency (EPA) at their 70,000 square foot full-service Manchester Environmental Laboratory (MEL) in Kitsap County. The lab provides technical, analytical, and sampling support for chemistry and microbiology for multiple Ecology programs and supports work conducted under the state Puget Sound Water Quality Protection and Model Toxics Control acts, and the federal Clean Water Act. Ecology staff include laboratory chemists, support staff, and auditors who accredit labs statewide and nationwide.

Ecology does not have a typical lease agreement with EPA. Operational facility costs are prorated between EPA and Ecology based on the square footage each agency occupies in the facility. The largest cost component is for the contractor that operates and maintains the facility. Other costs include utilities and janitorial and security contracts. Even though the relative shares for each agency have fluctuated some over time due to changing staff levels and facility use, the overall facility costs have steadily increased.

Ecology first began sharing space with EPA in 1984 and most recently entered into a new five-year agreement to share space in MEL with an effective date of January 1, 2018 (signed into agreement April 2018). This agreement is amended each calendar year to add Ecology's share of costs it is required to pay that year. Ecology receives laboratory space for instruments and analytical work and storage and office space for approximately 30 to 35 staff. In the current agreement, Ecology's prorated share of costs is 44.8 percent of the available 43,216 square feet of laboratory, office, and warehouse space in the shared facility. This translates into Ecology's share of the costs being $967,906 for calendar year 2019 (amendment signed May 2019). The remaining 26,784 square feet is treated as common space for conference and break rooms and other uses like the boiler room. It is not part of the allocation.

This request is for a maintenance level increase to ensure core environmental laboratory analytical and accreditation work will continue. This work benefits other state agencies, tribes, and local partners and helps protect, preserve, and enhance Washington's environment for current and future generations. The amount requested is based on the current calendar year 2019 costs compared with budgeted amounts in calendar years 2017 and 2018 and the 2019-21 Biennial Budget increase of $75,000 per year. Calculations are shown in the expenditure section.

Impacts on Population Served:
This request will help to maintain the current level of services provided at the Manchester Laboratory.

Alternatives Explored:
Remaining at the Manchester Environmental Laboratory is the best alternative for Ecology. 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 citizens throughout the state.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request will help to maintain the current level of environmental services provided at the Manchester Environmental Laboratory.

Detailed assumptions and calculations:

Expenditure calculations: Beginning in Fiscal Year 2021 and ongoing, Ecology will require $136,187 per year to cover the increased costs for the Manchester facility.

Expenditure calculations are based on the current agreement with EPA for calendar year 2019, which is $967,906 per year. Ecology's base funding for Manchester facility costs in the 2017-19 Biennium was $756,719 per year. We received a $75,000 per year increase in the 2019-21 Biennial Budget that brings this amount to $831,719 per year for the current biennium. The requested annual increase is calculated as follows: $967,906 (new lease cost) - $831,719 (base funding) = $136,187 in Fiscal Year 2021 and beyond.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
E	Goods and Services		136,187	136,187	136,187	136,187	136,187
	Total Objects	**0**	**136,187**	**136,187**	**136,187**	**136,187**	**136,187**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total FTEs		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of costs by object:
All costs are Goods and Services (Object E).

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing a priority in Ecology's strategic plan because it is consistent with the strategic objective to maintain facilities that support staff in meeting current business needs. It also supports the agency's strategic goal to deliver efficient and effective services by maintaining a facility that increases productivity and streamlines logistics, particularly for environmental lab work.

This request provides essential support to two of the Governor's Results Washington goals Effective, Efficient, and Accountable Government, and Sustainable Energy and Clean Environment by maintaining the current level of environmental laboratory service Ecology provides.

Performance outcomes:

The outcome of this request will be maintaining the current level of environmental laboratory services that Ecology provides. This facility is an important link in achieving outcomes linked to Ecology's mission.

Other Collateral Connections

Intergovernmental:

Ecology's Manchester Environmental Laboratory supports Ecology programs and provides technical and analytical support to other state agencies, local governments, and tribes. During the 2017-19 Biennium, Ecology analyzed samples from the Department of Agriculture as part of our long-term (since 2003) relationship supporting their monitoring of streams to develop pesticide exposure assessments for salmon in selected watersheds. Other entities submitting samples to Ecology during the biennium include Pierce County, the Palouse Conservation District, the Parks and Recreation Commission, and the Squaxin Island Tribe. Ecology expects these entities will support this request to maintain the current level of service the agency provides at the Manchester Laboratory.

Stakeholder response:

N/A

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

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

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: 8V - Lease Adjustments > 20,000 sq. ft.
Budget Session: 2020 Supp
Budget Level: Maintenance Level
Contact Info: Jason Norberg
(360) 407-6829
jnor461@ecy.wa.gov

Agency Recommendation Summary

This request is for a maintenance level lease increase for the Department of Ecology's Central Regional Office in Union Gap, WA. The work done at this facility benefits Ecology, other state agencies, tribes, and local partners and helps protect, preserve, and enhance Washington's environment for current and future generations.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$0	$6	$6	$6
Fund 044 - 1	$0	$1	$1	$1
Fund 176 - 1	$0	$6	$6	$6
Fund 207 - 1	$0	$1	$1	$1
Fund 217 - 1	$0	$1	$1	$1
Fund 23P - 1	$0	$26	$26	$26
Total Expenditures	**$0**	**$41**	**$41**	**$41**
Biennial Totals		**$41**		**$82**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$0	$41	$41	$41

Package Description

Ecology leases a 41,200 square foot facility in Union Gap that serves as the Central Regional Office (CRO) for Ecology's environmental programs to conduct field work and be available to the public. Ecology leased this facility starting July 1, 2015. This request is for a maintenance level increase to cover the lease increase that starts in Fiscal Year 2021 and is for a five year term.

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 across the state 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 services provided at the CRO.

Alternatives Explored:
When Ecology relocated the CRO to its current location in Union Gap, we worked closely with the Office of Financial Management (OFM) and the Department of Enterprise Services (DES) Real Estate Services to ensure 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 the new cost adjustment was approved by DES Real Estate Services as part of the current lease signed in 2014. 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 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:

Expenditure calculations: Beginning in Fiscal Year 2021 and ongoing, Ecology will require $41,200 a year from multiple funding sources to cover the increased costs for the CRO.

Expenditure calculations are based on the current lease agreement, which increases to $776,620 per year starting Fiscal Year 2021. Ecology’s base funding for the CRO lease costs in the 2017-19 Biennium were $735,420 per year. The requested annual increase is calculated as follows: $776,620 (new lease cost) - $735,420 (base lease funding per year) = $41,200 in Fiscal Year 2021 and ongoing.

The new lease costs work out to an annual rate of $18.85 per square foot ($776,620/41,200 square feet). This compares favorably with current market rates for commercial storage/shop spaces being roughly $24.27 per square foot nationally (BOMA: https://www.boma.org/BOMA/Research-Resources/3-BOMA-Spaces/Newsroom/PR91818.aspx).

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
E	Goods and Services		41,200	41,200	41,200	41,200	41,200
	Total Objects	**0**	**41,200**	**41,200**	**41,200**	**41,200**	**41,200**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total FTEs		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of costs by object:
All costs are Goods and Services (Object E)

Strategic and Performance Outcomes

Strategic framework:

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

This request is essential to implementing a priority in Ecology's strategic plan because it is consistent with the facilities strategic goal to maintain headquarters, regional, and field offices that support staff in meeting current business needs. It also supports the strategic goal to deliver efficient and effective services 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, Sustainable Energy and Clean Environment by maintaining the lease for the facility.

Performance outcomes:

N/A

Other Collateral Connections

Intergovernmental:

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

Stakeholder response:

N/A

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

Reference Documents

- CRO Lease Increase 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

AFTER RECORDING RETURN TO:

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

Lease No. SRL 14-0110
SR 089-03-14

(Yakima) NAT/cns
Page 1 of 8
October 23, 2014

LEASE

THIS LEASE is made and entered into between Yakima Eco LLC, a Washington Limited Liability Company whose address is Post Office Box 53308, Bellevue, Washington 98015, 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: 191206-24402

Common Street Address: 1250 Alder Street, Union Gap, Washington 98903

Approximately 41,200 BOMA gross office, storage and laboratory space located at 1250 Alder Street, Union Gap, Washington 98903, together with one hundred eighty-three exclusive, on-site parking spaces, legally described as: Lot 2 and the West 66 feet of Lot 3 of Short Plat recorded under Auditor's File No. 7058001, records of Yakima County, Washington.

USE

2. The premises shall be used by the Department of Ecology and/or other state agencies for the following purpose(s): office, storage and laboratory space.

TERM

3. TO HAVE AND TO HOLD the premises with their appurtenances for the term beginning July 1, 2015 and ending June 30, 2025.

INITIAL

3.1 Lessor shall provide beneficial occupancy commencing on June 10, 2015 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 July 1, 2015 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:

July 1, 2015 to July 31, 2015:

Zero Dollars and No Cents $0.00 per month

August 1, 2015 to June 30, 2020:

Sixty-one Thousand Two Hundred Eighty-five Dollars and No Cents $61,285.00 per month

Payment shall be made at the end of each month upon submission of properly executed vouchers.

July 1, 2020 to June 30, 2025:

Sixty-four Thousand Seven Hundred Eighteen Dollars and Thirty-three Cents $64,718.33 per month

4.1. In addition, in the event Lessor fails to deliver the subject Premises with a certificate of occupancy approved by the local governing authority ready and available for Lessee occupancy on or before July 1, 2015, Lessor agrees to compensate Lessee for all rent and holdover damages that the Lessee incurs to its current Lessor for the period of time that the Premises are not available after July 1, 2015. This compensation shall be paid by Lessor to Lessee no later than the end of each month Lessee is unable to occupy the Premises. This credit is limited to the period of time Lessor fails to provide Lessee occupancy of the Premises as further described herein.

EXPENSES

5. During the term of this Lease, Lessor shall pay all real estate taxes, all property assessments, insurance, storm water, and maintenance and repair as described below, together with exterior window washing and landscape and irrigation water.

5.1. Lessee shall pay for only water, sewer, garbage collection, electricity, natural gas, janitorial service - to include interior window washing - restroom supplies, light bulbs and fluorescent tubes.

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 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 and starters as required), plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; 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.).

6.1. The Lessor shall, at its sole cost and expense, between the 60th and 61st month of this Lease:

a) Repaint the interior surfaces of the building in accordance with the original specifications if needed;

b) Replace and/or clean carpet or carpet tiles if needed;

c) Replace and/or clean ceiling tiles if needed; and

d) Caulk, paint, and clean all exterior surfaces of the building if needed.

e) The Lessor, or authorized representatives, will conduct an energy assessment of the leased premises to include a walk-through and confirmation of the energy star rating. As applicable, the Lessor will undertake technical assistance studies and/or subsequent acquisition and installation of cost-effective energy consideration measures.

Lessee shall not be required to pay the rent increase referenced in Paragraph 4 in the amount of $64,718.33 per month above until all of the work requested by Lessee in a-e of this section 6.1. has been completed by Lessor and approved by Lessee.

ASSIGNMENT/SUBLEASE

7. The Lessee may assign this Lease or sublet the premises with the prior written consent of the Lessor, which consent shall not be unreasonably withheld. 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 an additional five (5) years.

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 (42 U.S.C. 12101- 12213) 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 July 1, 2015, complete in a good and workmanlike manner alterations as noted on the attached plan #089-03-14 (Exhibit "A"), approved by the Design Manager on September 18, 2014, also with attached specifications approved by the Design Manager on September 18, 2014, initialed by both parties hereto and incorporated herein by reference.

Lessor shall be reimbursed $100,958.00, 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.

14.2 In addition to prevailing wages being paid under Chapter 39.12 RCW and RCW 39.04.260, Lessor agrees that at least the prevailing rate of wage will be paid to workers on the project for all work, construction, alteration, repair, or improvement, other than ordinary maintenance, ("Work") that occurred between August 28, 2014 until this Lease is fully executed (the "Interim Period"), inclusive of such dates, and at which point prevailing wage is statutorily required under RCW 39.04.260. For work performed during the Interim Period, Lessor agrees to adhere and fully comply with all terms and requirements of Exhibit I, Interim Work, which is attached hereto and incorporated by reference, including provisions for the withholding of rent and tenant improvement reimbursement payments.

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.

ENERGY CONSERVATION

17. Within 120 days prior to or no later than 30 days after substantial completion of the Leased Premises, Lessor shall conduct an energy walk-through survey of the leased premises using the DES walk- through survey and energy consumption form. The survey is for the purpose of identifying improvements to maintenance and operating conditions and procedures that would conserve energy. The Lessor shall provide DES with a copy of the completed walk-through form and as soon as practicable thereafter, implement identified improvements to energy conservation maintenance and operating procedures. If the Lessor fails to implement these requirements within 45 days of substantial completion, the Lessor shall be in a material breach and the Lessee may at its option use self- help and rent offset or specific performance to have the work completed and/or changes implemented.

REIMBURSEMENT FOR DAMAGE TO PREMISES

18. The Lessee hereby agrees to reimburse the Lessor for damages caused by the negligence of its employees, clients 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

19. 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.

WITHHOLDING OF RENT PAYMENTS

20. 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

21. 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

22. 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

23. 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

24. 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.

NOTICES

25. 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: Yakima Eco LLC
Post Office Box 53308
Bellevue, Washington 98015

LESSEE: Department of Enterprise Services
Real Estate Services
1500 Jefferson Street S.E., 2nd Floor
Post Office Box 41468
Olympia, Washington 98504-1468

SRL 14-0110

INITIAL

IN WITNESS WHEREOF, the parties subscribe their names.

Yakima Eco LLC

By: Tim Nelson

Printed Name: Tim Nelson

Title: Managing Member

Date: 10-24-2014

STATE OF WASHINGTON

Department of Ecology

Acting through the Department of Enterprise Services

Donald J. Becka, Manager
Real Estate Services

Date: 10-23-14

RECOMMENDED FOR APPROVAL:

Neil Tuggle, Property and Acquisition Specialist
Real Estate Services

Date: 10/24/14

APPROVED AS TO FORM:

By: Brian Fiallo
Assistant Attorney General

Date: 10/23/14

STATE OF Washington)
) ss.
County of Thurston Cty)

On this 24th day of October, 2014 before me personally appeared Tim Nelson 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 Yakima Eco LLC Yakima managing member 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.

R. ATWOOD NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES NOV. 24, 2014

Notary Public in and for the State of Washington,
Residing at Thurston Cty
My commission expires 11-24-14

STATE OF WASHINGTON)
) ss.
County of Thurston)

I, the undersigned, a Notary Public, do hereby certify that on this 22nd day of October, 2014, personally appeared before me DONALD J. BECKA, Manager, 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 STATE OF WASHINGTON COMMISSION EXPIRES NOV. 24, 2014

Notary Public in and for the State of Washington,
Residing at Thurston County
My commission expires 11/24/14

INITIAL

Washington Department of Ecology

2020 Supplemental

Operating Budget

Table of Contents

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CC - Clean Energy
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Joanna Ekrem
(360) 407-6826
joanna.ekrem@ecy.wa.gov

Agency Recommendation Summary

The Clean Energy Act (E2SSB 5116), passed in 2019, transitions Washington's electric utilities to carbon neutrality, starting in 2030. Utilities may invest in energy transformation projects that offset their carbon footprint. Ecology will set the criteria and requirements for these projects. The 2019-21 Operating Budget provided only partial funding to implement E2SSB 5116, so Ecology is requesting the additional funding needed to implement the Act. Funding will support required rulemaking for 1) the greenhouse gas (GHG) content calculation; 2) emissions rate for unspecific electricity; and 3) energy transformation project requirements. It will also provide a lifecycle GHG emissions analysis of waste management practices and support Ecology's participation in a transmission corridors workgroup. (General Fund-State)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund 001 - 1	$0	$502	$144	$109
Total Expenditures	**$0**	**$502**	**$144**	**$109**
Biennial Totals		**$502**		**$253**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	3.7	1.0	0.8
Average Annual		**1.9**		**0.9**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$0	$266	$77	$58
Obj. B	$0	$99	$29	$21
Obj. E	$0	$17	$4	$3
Obj. G	$0	$8	$2	$2

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. J	$0	$4	$1	$1
Obj. T	$0	$108	$31	$24

Package Description

Background:

The Clean Energy Act (E2SSB 5116), enacted in 2019, transitions Washington's electric utilities to carbon neutrality, starting in 2030. The Act sets a series of compliance standards for selling and generating electricity, with the goal of transitioning Washington's electricity supply to carbon-neutral and renewable sources by 2045.

For each four-year compliance period, beginning January 1, 2030, electric utilities are required to demonstrate compliance with the target of GHG-neutral electricity. Utilities can satisfy 20 percent of compliance obligations through a series of alternative targets, including investments in energy transformation projects that offset their carbon footprint and support energy efficiencies and clean energy.

Ecology has the following roles in implementing the Act:

- Preparing a carbon content calculation that will be used as a basis for measuring carbon neutrality achievement.
- Performing a lifecycle analysis of GHG emissions associated with waste management practices (per Section 4(1)).
- Establishing criteria for energy transformation projects that can be used to support carbon neutrality achievement.
- Establishing rules for energy transformation project requirements, the carbon content calculation, and emissions rate for unspecified electricity.

Greenhouse Gas Content Calculation

Ecology will consult with Department Commerce (Commerce) and establish the GHG content calculation in rule, as defined in Section 2(22) of the Act. The calculation will reflect emissions from complete combustion or oxidation of fossil fuels and GHG emissions of electricity, expressed in carbon dioxide equivalents. This will serve as the basis for achieving carbon neutrality.

Emissions Rate for Unspecified Electricity

Ecology will determine, and periodically update, an emissions rate for unspecified electricity. This will be established by rule, consistent with the rate established for other markets in the Western Interconnection, as required by Section 7(2) of the Act. Utilities will use this rate to calculate an emissions rate for unspecified electricity. Section 10(9) provides a suggested rate. Ecology plans to use this proposed rate for the initial rule, because legislative direction is to adopt the rule by January 1, 2021. Ecology plans to update the rate during future rulemaking using a full stakeholder process.

Transformation Project Evaluation

Ecology will consult with Commerce and the Utilities and Transportation Commission (UTC) and adopt rules to develop criteria to evaluate energy transformation projects that electric utilities will use to meet a portion of their compliance obligations in the transition to carbon-free electricity. These requirements will include verification procedures, reporting standards, and other logistical issues.

The criteria will account for emissions reductions resulting from proposed projects and a conversion factor for crediting energy transformation projects (in terms of megawatt-hours of electricity from non-emitting electric generation that is consistent with the emission factors for unspecified electricity). For energy transformation projects in the transportation sector, the conversion factor will be consistent with default emissions or conversion rates established by other jurisdictions for clean alternative fuels.

The transformation project requirements described in Section 10(7) of the Act are administrative and not specific. Ecology expects strong public interest in this process, and we will start the rulemaking process to specify requirements for these energy transformation projects beginning in Fiscal Year 2020 to meet the legislative adoption deadline of January 1, 2021. Ecology will hold public meetings early in Fiscal Year 2021.

Waste to Energy Lifecycle Emissions Analysis

Section 4(1) of the Act requires Ecology and Commerce to coordinate on a lifecycle GHG emissions analysis that compares waste burning for energy generation to other waste management technologies —including waste reduction, recycling, composting, and minimizing landfill use—to measure lifecycle net GHG emissions.

Ecology assumes this analysis, in consultation with Commerce, will meet the bill requirements. But if utilities or other members of the public request an independent study, Ecology would pursue funding for that in a future budget request.

Transmission Corridors Workgroup

Section 25 of the Act establishes a transmission corridors workgroup led by the UTC, and Ecology will provide a member for that workgroup. Section 25(3) of the Act outlines the group's tasks as follows:

- Review the need for upgraded and new electricity transmission and distribution facilities to improve reliability, relieve congestion, and enhance the capability of the transmission and distribution facilities in the state to deliver electricity from electric generation, non-emitting electric generation, or renewable resources to retail electric load.
- Identify areas where transmission and distribution facilities may need to be enhanced or constructed.
- Identify environmental review options that may be required to complete designation of transmission corridors and recommend ways to expedite transmission project review without compromising required environmental protection.

The workgroup is required to report its findings to the Governor and appropriate committees of the Legislature by December 31, 2022. The UTC does not plan to convene this workgroup until Fiscal Year 2022.

Problem:
The implementation costs identified in Ecology's final fiscal note for E2SSB 5116 were not fully funded in the 2019-21 Operating Budget. Ecology received a total of $187,000 ($120,000 in Fiscal Year 2020 and $67,000 in Fiscal Year 2021) in the enacted budget to implement the Act, but the agency's final fiscal note identified $645,901 in total implementation costs for 2019-21, as well as ongoing costs in future biennia. As a result, Ecology is now requesting the funding needed to fully implement the legislation. Consistent with the agency's final fiscal note from 2019, this request addresses both the funding gap for the 2019-21 Biennium, as well as the ongoing costs needed to support the Act.

Please note, while the work funded by this request is consistent with Ecology's final fiscal note, the dollar amounts have been adjusted to account for the shifting of some work to Fiscal Year 2021 and changes to salaries and benefit rates (e.g., cost of living adjustments) included in the biennial budget. (See Attachment A for a crosswalk between Ecology's final fiscal note and this budget request).

What Ecology is Doing Now
Because the energy transformation project criteria will have a critical bearing on electric utilities' options to transition to clean energy, and rulemaking for these requirements must be completed by January 1, 2021, Ecology began this initial rulemaking work on July 1, 2019. Ecology used the funding appropriated in the 2019-21 Operating Budget to begin this work immediately because we expect the rulemaking process to require a full 18 months to complete.

Delayed Work
To meet the rulemaking deadline of January 1, 2021 for the energy transformation project criteria, Ecology will have to delay work on other aspects of the legislation until additional funding can be secured. Delayed work that this request will support includes:

- Preparing the GHG carbon content calculation.
- Determining the emissions rate for unspecified electricity.
- Developing the transformation project criteria.
- Completing the waste-to energy lifecycle emissions analysis
- Completing rulemaking for the energy transformation project requirements and establishing rules for the carbon content calculation and emissions rate for unspecific electricity.

Impacts on Population Served:

Climate change is one of the most significant issues facing Washington today, and tackling climate change is a strategic priority for Ecology. Ecology works to protect public health, ecosystems, the built environment, and the economy from the damage that rising temperatures and shifting precipitation patterns will cause in Washington. Reducing GHG pollution is vital to protect air, water, food sources, and the economy for all Washingtonians.

Alternatives Explored:

Because the Act is a legislative directive, Ecology did not explore alternative options.

Consequences of Not Funding This Request:

Ecology's roles and responsibilities under the Clean Energy Act create a new work stream for the agency. If this request is not funded, Ecology would need to reprogram existing resources to implement agency responsibilities under the Act. This would slow distribution of grant funding to reduce toxic diesel and woodstove emissions, delay permitting reviews and approvals for commercial and industrial facilities, and limit resources to support GHG emissions reporting.

Lack of funding to support required rulemaking would delay currently scheduled rule updates. These include an update to the New Source Review permit fee to ensure alignment with costs, and updates to Chapters 173-490 and -491 WAC regarding emissions standards and controls for volatile organic compounds (VOC) and gasoline vapors. The updates to gasoline vapors and VOC standards and controls are important components of Ecology's efforts to manage ground-level ozone pollution in Washington. Portions of the state, particularly the Tri-Cities area, are at risk of exceeding federal limits for ozone pollution.

Assumptions and Calculations

Expansion 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	31.2
001-1 General Fund - State	$2,678,636	$3,193,000
(173-1) 23P-1 MTCA Operating	$2,685,007	$3,454,000
216-1 Air Pollution Control	$670,999	$1,185,000
489-1 Pension Funding Stabilization Account	$195,255	$195,000
TOTAL	**$6,229,897**	**$8,027,000**

Detailed assumptions and calculations:

As noted in the Project Description, because the Clean Energy Act was only partially funded to the final fiscal note in the 2019-21 Operating Budget, Ecology will have to delay work on certain aspects of the Act until additional funding can be secured. The costs, assumptions, and calculations below reflect the additional work required above current appropriation to fully implement the Act.

Complete Rulemaking Activities:

Rulemaking Lead: Ecology estimates 1.17 FTE Environmental Planner 3 (EP3) in Fiscal Year 2021, 0.25 FTE in Fiscal Year 2023, and 0.25 FTE in every odd year thereafter, to coordinate rulemaking to establish transformation project criteria and guidelines and adopt a default emissions rate for unspecified electricity. This position will coordinate the project, lead rule development, manage stakeholder engagement, and conduct other tasks as necessary.

Technical Lead: Ecology estimates 0.54 FTE Environmental Planner 5 (EP5) in Fiscal Year 2021 during rulemaking to consult with Commerce and the UTC, provide technical expertise for the rulemaking to establish guidelines for energy transformation project investments, develop the conversion factor for crediting energy transformation projects, and develop the emissions rate for unspecified electricity. In Fiscal Year 2022, and ongoing, 0.2 FTE EP5 will continue consulting with Commerce and the UTC to review proposed project protocols and project updates and review and update criteria based on emerging technologies and changes in compliance requirements during the transition period.

Public Outreach Coordinator: Ecology estimates 0.23 FTE Communications Outreach and Environmental Education Specialist 3 (COEES3) in Fiscal Year 2021 to support public engagement and outreach during the initial rulemaking process. This position will organize public meetings, develop educational material as needed, and coordinate with stakeholders.

The following positions will complete an economic and regulatory analysis of the initial rule. Ecology estimates the additional staff time needed to be:

- 0.25 FTE Economic Analyst 3 in Fiscal Year 2021
- 0.10 FTE Regulatory Analyst 2 in Fiscal Year 2021

Ecology will hold six public meetings and one public hearing in Fiscal Year 2021 for the initial rule. Goods and services estimates include facility rental costs at $400 per meeting.

Waste-to-Energy Lifecycle Emissions Analysis: Ecology estimates a GHG specialist and a solid waste management specialist will work together to prepare the analysis. They will perform a literature review on GHG emissions from the specified waste management practices, define lifecycle analysis variables and criteria, collect data used as inputs for the analysis, perform calculations, run landfill GHG models, and consult with Commerce and the energy recovery facility as needed. Estimated staff time is 0.2 FTE EP5 and 0.2 FTE Environmental Specialist 5 (ES5) in Fiscal Year 2021.

Greenhouse Gas Content (GHG) Calculation and Emissions Rate for Unspecified Electricity: Section 7 requires using the GHG content calculation, which Section 2 (22) defines as a calculation made by Ecology, in consultation with Commerce, to determine emissions from complete combustion or oxidation of fossil fuels and GHG emissions of electricity, expressed as

carbon dioxide equivalents. Section 7 also requires Ecology to determine, and periodically update, an emissions rate for unspecified electricity by rule, consistent with the rate established for other markets in the Western Interconnection. Utilities will use this rate to calculate emissions for unspecified electricity. Ecology estimates additional staff time is 0.42 FTE ES5 in Fiscal Year 2021. In Fiscal Year 2022 and ongoing, 0.25 FTE ES5 will update the GHG content calculation based on the latest science, methodologies, and estimates.

Because Section 7 provides a suggested emissions rate for unspecified electricity, Ecology plans to use the proposed rate identified in statute for the initial rule. Ecology will plan to update the rate during future rulemaking using a full stakeholder process.

Transformation Project Criteria: To start rulemaking in Fiscal Year 2020 to meet the timeline specified in Section 10 of the Act, Ecology will delay the transformation project criteria development until early Fiscal Year 2021. Estimated staff time is 0.13 FTE EP5 beginning in Fiscal Year 2021, and ongoing, to consult with Commerce and the UTC to develop transformation project criteria, support review of proposed project protocols and project updates, and propose changes to project criteria as technology evolves.

Transmission Corridors Workgroup: The transmission corridors workgroup, established in Section 25 of the Act, will include a representative from Ecology. The workgroup must reports its findings to the Governor and appropriate committees of the Legislature by December 31, 2022. Estimated staff time is 0.4 FTE EP5 in Fiscal Year 2022 to participate in this workgroup to prepare for and attend meetings required to fulfill workgroup-assigned deliverables.

Workforce Assumptions:

Expenditures by Object	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A Salaries and Wages		266,121	76,891	58,302	38,699	58,302
B Employee Benefits		98,731	28,527	21,631	14,358	21,631
E Goods and Services		16,506	3,596	2,962	1,904	2,962
G Travel		8,349	2,190	1,803	1,159	1,803
J Capital Outlays		4,273	1,122	924	594	924
T Intra-Agency Reimbursements		108,359	31,309	23,740	15,758	23,740
Total Objects	**0**	**502,339**	**143,635**	**109,362**	**72,472**	**109,362**

Staffing Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
ENVIRONMENTAL PLANNER 5	95,481		0.87	0.60	0.20	0.20	0.20
ENVIRONMENTAL PLANNER 3	78,412		1.17		0.25		0.25
COMMUNITY OUTREACH & ENVIRON ED SPEC 3	61,219		0.23				
ECONOMIC ANALYST 3	82,342		0.25				
REGULATORY ANALYST 2	80,291		0.10				
ENVIRONMENTAL SPECIALIST 5	78,412		0.62	0.25	0.25	0.25	0.25
FISCAL ANALYST 2			0.33	0.09	0.07	0.05	0.07

IT APP DEVELOPMENT - JOURNEY		0.16	0.04	0.04	0.02	0.04
Total FTEs	**0.0**	**3.7**	**1.0**	**0.8**	**0.6**	**0.8**

Explanation of costs by object:
Salary estimates are current biennium actual rates at Step L.
Benefits are the agency average of 37.1% of salaries.
Goods and Services are the agency average of $4,230 per direct program FTE.
Travel is the agency average of $2,577 per direct program FTE.
Equipment is the agency average of $1,319 per direct program FTE.
Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing a priority in Ecology's strategic plan to Reduce and Prepare for Climate Impacts by transitioning to carbon-neutral electricity by 2030 and 100 percent clean electricity by 2045.

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

- Prosperous Economy, by combating climate change and transitioning away from fossil fuels and towards clean, renewable energy, while creating high-quality jobs in the clean energy sector.
- Sustainable Energy and a Clean Environment, by further reducing toxic threats to the environment with sustainable resources and supporting Washington's clean energy economy and transitioning to a clean, affordable, and reliable energy future.

Healthy and Safe Communities, by reducing greenhouse gas emissions and the damaging effects they have on public health and safety, while supporting new jobs and economic growth.

Performance outcomes:

The outcome of this request will be to fully implement Ecology's responsibilities under the Clean Energy Act, which is one of the cornerstones of the 2019 Legislative Session climate initiatives and a key component of the Governor's Climate Initiative.

Other Collateral Connections

Intergovernmental:

Ecology will consult with Commerce to establish in rule and the GHG content calculation defined in Section 2(22) of the Act. Ecology will also consult with Commerce and the UTC to adopt rules to develop criteria to evaluate energy transformation projects that electric utilities will use to meet a portion of their compliance obligations in the transition to carbon-free electricity. Ecology and

Commerce will also coordinate on a lifecycle GHG emissions analysis that compares waste burning for energy generation to other waste management technologies to measure lifecycle net GHG emissions.

Stakeholder response:

Ecology anticipates that stakeholders will be heavily involved in the rulemaking associated with this Act, involving a wide range of interest groups and the public. We anticipate a mix of opinions for stakeholders and the general public as move through the process of implementing this legislation.

Legal or administrative mandates:

This request is directly related to implementing E2SSB 5116, the Clean Energy Act. Ecology is submitting this request to fully implement Ecology's responsibilities stated in the Act.

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

Reference Documents

- PL CC Clean Energy 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

2020 Supplemental Budget Decision Package

Air Quality Program - Clean Energy

Attachment A: FTEs Reconciliation Crosswalk Between Final Fiscal Note and Budget Request

8/16/2019

Purpose: Reconcile the FTEs identified in latest fiscal note for the Clean Energy Act (E2SSB 5116) and the FTEs requested in 2020 Supplemental Budget submission. The 2019-21 Biennium Operating Budget provided only partial funding to implement E2SSB 5116, so Ecology is requesting funding above the current appropriation for the additional work required to fully implement the Act.

Latest Fiscal Note — **PANEL 1**

Staffing

Job Class		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2020 Activities:	FY 2021 Activities:	BN Activities (Total, not average)
								0.20 FTE Transformation Proj Criteria	0.20 FTE Transformation Proj Criteria	0.40 FTE Transformation Proj Criteria
								0.50 FTE Tech Lead for Rulemaking	0.20 FTE Tech Lead for Rulemaking	0.70 FTE Tech Lead for Rulemaking
ENVIRONMENTAL PLANNER 5		0.90	0.40	0.60	0.20	0.20	0.20	0.20 FTE Waste-to-Energy		0.20 FTE Waste-to-Energy
ENVIRONMENTAL PLANNER 3		1.00	0.50		0.25		0.25	1.00 FTE Rulemaking Lead	0.50 FTE Rulemaking Lead	1.50 FTE Rulemaking Lead
COMMUNITY OUTREACH & ENVIRON ED SPEC 3		0.20	0.10					0.20 FTE Rulemaking Public Outreach	0.10 FTE Rulemaking Public Outreach	0.30 FTE Rulemaking Public Outreach
ECONOMIC ANALYST 3			0.25						0.25 FTE Rulemaking Economist	0.25 FTE Rulemaking Economist
REGULATORY ANALYST 2			0.10						0.10 FTE Rulemaking Reg. Analyst	0.10 FTE Rulemaking Reg. Analyst
								0.20 FTE Waste-to-Energy		0.20 FTE Waste-to-Energy
ENVIRONMENTAL SPECIALIST 5		0.83	0.25	0.25	0.25	0.25	0.25	0.63 FTE GHG Content Calc	0.25 FTE GHG Content Calc Updates	0.88 FTE GHG Content Calc Updates
FISCAL ANALYST 2		0.29	0.16	0.09	0.07	0.05	0.07			
IT APP DEVELOPMENT - JOURNEY		0.15	0.08	0.04	0.04	0.02	0.04			
	Total FTEs	**3.37**	**1.84**	**0.98**	**0.81**	**0.52**	**0.81**			
	Biennium		**5.21**							

Funded Positions in Fiscal Note — **PANEL 2**

Staffing

Job Class		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2020 Activities:	FY 2021 Activities:	BN Activities (Total, not average)
ENVIRONMENTAL PLANNER 5		0.20	0.20					0.20 FTE Transformation Proj Criteria	0.20 FTE Transformation Proj Criteria	0.40 FTE Transformation Proj Criteria
ENVIRONMENTAL PLANNER 3										
COMMUNITY OUTREACH & ENVIRON ED SPEC 3										
ECONOMIC ANALYST 3										
REGULATORY ANALYST 2										
ENVIRONMENTAL SPECIALIST 5		0.63	0.25					0.63 FTE GHG Content Calc	0.25 FTE GHG Content Calc Updates	0.88 FTE GHG Content Calc Updates
FISCAL ANALYST 2		0.08	0.05							
IT APP DEVELOPMENT - JOURNEY		0.04	0.02							
	Total FTEs	**0.95**	**0.52**	**0.00**	**0.00**	**0.00**	**0.00**			
	Biennium		**1.47**							

Clean Energy Implementation Plan - Timing Shift to Utilize Available Funding — **PANEL 3**

Staffing

Job Class		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2020 Activities:	FY 2021 Activities:	BN Activities (Total, not average)
								0.07 FTE Transformation Proj Criteria	0.33 FTE Transformation Proj Criteria	0.40 FTE Transformation Proj Criteria
								0.16 FTE Tech Lead for Rulemaking	0.54 FTE Tech Lead for Rulemaking	0.70 FTE Tech Lead for Rulemaking
ENVIRONMENTAL PLANNER 5		0.23	1.07	0.60	0.20	0.20	0.20		0.20 FTE Waste-to-Energy	0.20 FTE Waste-to-Energy
ENVIRONMENTAL PLANNER 3		0.33	1.17		0.25		0.25	0.33 FTE Rulemaking Lead	1.17 FTE Rulemaking Lead	1.50 FTE Rulemaking Lead
COMMUNITY OUTREACH & ENVIRON ED SPEC 3		0.07	0.23					0.07 FTE Public Outreach Coordinator	0.23 FTE Rulemaking Public Outreach	0.30 FTE Rulemaking Public Outreach
ECONOMIC ANALYST 3			0.25						0.25 FTE Rulemaking Economist	0.25 FTE Rulemaking Economist
REGULATORY ANALYST 2			0.10						0.10 FTE Rulemaking Reg. Analyst	0.10 FTE Rulemaking Reg. Analyst
									0.20 FTE Waste-to-Energy	0.20 FTE Waste-to-Energy
ENVIRONMENTAL SPECIALIST 5		0.21	0.87	0.25	0.25	0.25	0.25	0.21 FTE GHG Content Calculation	0.67 FTE GHG Content Calc Updates	0.88 FTE GHG Content Calculation
FISCAL ANALYST 2		0.09	0.37	0.09	0.07	0.05	0.07			
IT APP DEVELOPMENT - JOURNEY		0.04	0.18	0.04	0.04	0.02	0.04			
	Total FTEs	**0.97**	**4.24**	**0.98**	**0.81**	**0.52**	**0.81**			
	Biennium		**5.21**							

2020 Supplemental Budget Decision Package

Air Quality Program - Clean Energy

Attachment A: FTEs Reconciliation Crosswalk Between Final Fiscal Note and Budget Request

8/16/2019

Purpose: Reconcile the FTEs identified in latest fiscal note for the Clean Energy Act (E2SSB 5116) and the FTEs requested in 2020 Supplemental Budget submission. The 2019-21 Biennium Operating Budget provided only partial funding to implement E2SSB 5116, so Ecology is requesting funding above the current appropriation for the additional work required to fully implement the Act.

Reconciliation between Final Fiscal Note and Implementation Plan — **PANEL 1 - PANEL 3**

Staffing

Job Class		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2020 Activities:	FY 2021 Activities:	BN Activities (Total, not average)
								-0.13 FTE Transformation Proj Criteria	+0.13 FTE Transformation Proj Criteria	0.00 FTE Transformation Proj Criteria
								-0.34 FTE Tech Lead for Rulemaking	+0.34 FTE Tech Lead for Rulemaking	0.00 FTE Technical Lead for Rulemaking
ENVIRONMENTAL PLANNER 5		(0.67)	0.67					-0.20 FTE Waste-to-Energy	+0.20 FTE Waste-to-Energy	0.00 FTE Waste-to-Energy
ENVIRONMENTAL PLANNER 3		(0.67)	0.67					-0.67 FTE Rulemaking Lead	+0.67 FTE Rulemaking Lead	0.00 FTE Rulemaking Lead
COMMUNITY OUTREACH & ENVIRON ED SPEC 3		(0.13)	0.13					-0.13 FTE Public Outreach Coordinator	+0.13 FTE Rulemaking Public Outreach	0.00 FTE Rulemaking Public Outreach
ECONOMIC ANALYST 3									0.00 FTE Rulemaking Economist	0.00 FTE Rulemaking Economist
REGULATORY ANALYST 2									0.00 FTE Rulemaking Reg. Analyst	0.00 FTE Rulemaking Reg. Analyst
								-0.20 FTE Waste-to-Energy	+0.20 FTE Waste-to-Energy	0.00 FTE Waste-to-Energy
ENVIRONMENTAL SPECIALIST 5		(0.62)	0.62					-0.42 FTE GHG Content Calc	+0.42 FTE GHG Content Calc	0.00 FTE GHG Content Calc
FISCAL ANALYST 2		(0.20)	0.21							
IT APP DEVELOPMENT - JOURNEY		(0.11)	0.10							
	Total FTEs	**(2.40)**	**2.40**	**0.00**	**0.00**	**0.00**	**0.00**			
	Biennium		**0.00**							

Summary of Request - Implementation Plan Minus Funded Positions — **PANEL 3 - PANEL 2**

Staffing

Job Class		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2020 Activities:	FY 2021 Activities:	BN Activities (Total, not average)
								-0.13 FTE Transformation Proj Criteria	0.13 FTE Transformation Proj Criteria	0.00 FTE Transformation Proj Criteria
								0.16 FTE Tech Lead for Rulemaking	0.54 FTE Tech Lead for Rulemaking	0.70 FTE Tech Lead for Rulemaking
ENVIRONMENTAL PLANNER 5		0.03	0.87	0.60	0.20	0.20	0.20		0.20 FTE Waste-to-Energy	0.20 FTE Waste-to-Energy
ENVIRONMENTAL PLANNER 3		0.33	1.17		0.25		0.25	0.33 FTE Rulemaking Lead	1.17 FTE Rulemaking Lead	1.50 FTE Rulemaking Lead
COMMUNITY OUTREACH & ENVIRON ED SPEC 3		0.07	0.23					0.07 FTE Public Outreach Coordinator	0.23 FTE Rulemaking Public Outreach	0.30 FTE Rulemaking Public Outreach
ECONOMIC ANALYST 3			0.25						0.25 FTE Rulemaking Economist	0.25 FTE Rulemaking Economist
REGULATORY ANALYST 2			0.10						0.10 FTE Rulemaking Reg. Analyst	0.10 FTE Rulemaking Reg. Analyst
									0.20 FTE Waste-to-Energy	0.20 FTE Waste-to-Energy
ENVIRONMENTAL SPECIALIST 5		(0.42)	0.62	0.25	0.25	0.25	0.25	-0.42 FTE GHG Content Calc	0.42 FTE GHG Content Calc Updates	0.00 FTE GHG Content Calc Updates
FISCAL ANALYST 2		0.01	0.32	0.09	0.07	0.05	0.07			
IT APP DEVELOPMENT - JOURNEY			0.16	0.04	0.04	0.02	0.04			
	Total FTEs	**0.02**	**3.72**	**0.98**	**0.81**	**0.52**	**0.81**	**2020 Supplemental Budget Request for 3.72 FTEs for FY 2021.**		
	Biennium		**3.74**					**(AQP is absorbing within existing resources the 0.02 FTEs for FY 2020.)**		

Washington Department of Ecology

2020 Supplemental

Operating Budget

Table of Contents

Tab C-3 Prevent and Reduce Toxic Threats

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CW - Funding for Oil Spills Program
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Tra Thai
(360) 407-7454
ttha461@ecy.wa.gov

Agency Recommendation Summary

The Legislature passed the Oil Transportation Safety Act in 2015 and Strengthening Oil Transportation Safety Act in 2018 to address rapid changes in how crude oil is moving through rail corridors and over state waters. This new work was funded by one-time revenue transfers from the Oil Spill Response Account (OSRA) to the Oil Spill Prevention Account (OSPA), and by adding oil imported by rail and pipeline to the barrel tax. However, Ecology's prevention and preparedness work is ongoing, and there is insufficient revenue, long term, to continue implementing all aspects of our regulatory obligations. Couple an upcoming shortfall in OSPA with the depletion of the OSRA due to a prolonged and costly spill response at the former Olympia Brewery in Tumwater that began last biennium, and Ecology needs additional resources to replenish and stabilize two of the state's primary funding sources that support oil spill prevention, preparedness, and response work. Related to Puget Sound Action Agenda implementation. (Oil Spill Prevention Account, Oil Spill Response Account, Model Toxics Control Operating Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 217 - 1	$0	$-2,200	$-2,200	$-2,200
Fund 223 - 1	$0	$2,200	$0	$0
Fund 23P - 1	$0	$5,200	$2,200	$2,200
Total Expenditures	**$0**	**$5,200**	**$0**	**$0**
Biennial Totals		**$5,200**		**$0**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$0	$5,200	$0	$0

Package Description

Program and Funding History

In 1991, the Legislature, recognizing the importance of oil spill preparedness, prevention, and response, passed Engrossed Substitute House Bill 1027 (ESHB 1027). This bill established both the Spills Program within the Department of Ecology and a new state agency, the Office of Marine Safety (OMS), which was given the authority to implement marine safety measures and develop vessel spill prevention and contingency plan programs.

In 1997, the Legislature passed Engrossed Substitute House Bill 2096 (ESHB 2096) and established the Spill Prevention, Preparedness, and Response Program (Spills Program) by merging the Ecology Spills Program with OMS. Merging the two programs combined vessel measures with facility measures under a single agency, reducing a regulatory burden for industry and allowing the Spills Program to evolve, collaborate, and determine the best methods for reducing spill risks.

To fund the programs, the Oil Spill Prevention Account (OSPA) and Oil Spill Response Account (OSRA) were established. Revenue for these accounts is generated by a five-cent-per-barrel tax on oil transported into the state by vessels, rail (added in 2015), and pipeline (added in 2018). Of this five-cent tax, four cents is called the oil spill administration tax and is deposited into the OSPA for prevention and preparedness work. One cent is called the oil spill response tax and is deposited into the OSRA for response activities. The barrel tax has never been increased or adjusted for inflation since it was enacted in 1991.

Background and Past Legislative Action

Each year, more than 20 billion gallons of oil are transported as cargo in Washington by three modes of transport – tank vessels, rail, and pipelines. Washington is a primary West Coast port for international shipping trade and a major oil refining state. New technologies in oil fields in Canada, North Dakota, Montana, and other states now mean that the U.S. produces the majority of its own oil. Historically, 90 percent of crude oil had been imported to Washington State by vessel for refining, but the increase in U.S. oil production has strained the capacity of existing oil pipeline infrastructure and caused a shift in the supply chain to transporting oil by rail.

The Mosier Train Derailment in Oregon on June 3, 2016 showed us that the risk of a spill from rail is real, and states need to be adequately resourced to address this risk. This derailment and spill could have been so much worse than it was for the community, the environment, and commerce. Oregon relied heavily on Washington State for response and spill management capacity to protect our shared waters of the Columbia River. The 96-car train was carrying Bakken crude oil, and 19 cars derailed. It was estimated that 51,000 gallons of crude oil escaped from four rail cars. Oil recovery included 10,000 gallons from the wastewater treatment system, 16,000 gallons burned off, and 25,000 gallons was absorbed by soil.

Oil movement continues to evolve, creating risks that we must continue to manage. Ecology’s ability to protect Washington’s environment, economy, public health, and historical and cultural resources from vessel, rail, pipeline, and facility oil spills requires sustainable, ongoing funding. All oil spills are toxic. Once there is a spill, damage is already done. Based on a 2006 cost benefit analysis conducted for the Oil Spill Contingency Plan rule development, a major spill puts 165,000 jobs at risk, could cost the

state $10.8 billion, could disrupt maritime shipping, port activities, recreation, and tourism, and cause significant harm to fish, shellfish, and wildlife resources, as well as impact human health and the environment.

During the 2015 legislative session, there was a bipartisan push to address new safety and environmental risks from the rapid changes in crude oil transportation, and the Legislature passed the Oil Transportation Safety Act (Act) to protect Washington from the evolving risks associated with changes in oil transportation. The Act included a new grant program to establish spill response and firefighting equipment caches in local communities (funded from the State Toxics Control Account - STCA) and created the following combination of ongoing and one-time prevention and preparedness work for Ecology:

- *Ecology must review and approve required oil spill contingency plans for oil transported by railroads.
- Facilities must provide Ecology notice in advance of transferring crude oil from trains and pipelines.
- *Using the data from advance notice transfers, Ecology must publish quarterly crude oil movement data.
- *Ecology must develop and update geographic response plans along rail lines.
- *Ecology must develop new and renewed initiatives to assess rail and vessel traffic safety risks.
- The Military Department received four years of funding for development and annual review of local emergency planning committee emergency response plans.

*indicates an ongoing cost to Ecology

The Legislature helped fund this new work by adding crude oil imported by rail to the barrel tax. However, this change did not completely address the long-term funding need for the Spills Program. The revenue generated by rail only made up for the loss in revenue that the account had experienced due to a decrease in vessel imports over time. Because the 2015-17 revenue projections for OSPA were not enough to fund all of the new prevention and preparedness work, the Legislature also made a one-time fund transfer of $2.225 million from OSRA to OSPA in the 2015-17 Operating Budget. While this transfer helped on a one-time basis, the majority of new work created by the Act for the Spills Program was ongoing and required ongoing funding to sustain it.

In March 2018, the Legislature passed the Strengthening Oil Transportation Safety Act (Act) to address new emerging risks in oil movement, including the risks from non-floating oil spills. The Act provided another one-time transfer of $4.7 million from OSRA to OSPA for the 2017-19 Biennium and added oil by pipeline to the barrel tax to implement the new work. The Act required Ecology to:

- Report on vessel traffic safety in the Strait of Juan de Fuca and Puget Sound.
- Establish a Salish Sea Shared Waters Forum.
- Report on oil spill program activities and funding.
- *Prioritize oil transfer inspections for oils that may submerge or sink.

- *Update contingency plans for oils that may submerge or sink.
- *Update geographic response plans for oils that may submerge or sink.

*indicates an ongoing cost to Ecology

Unfortunately, this one-time transfer of $4.7 million from OSRA to OSPA, and the addition of oil imported by pipeline to the tax base in 2018, still did not provide sufficient revenue in OSPA to fully support the new work directed under the Act on an ongoing basis.

OSPA Funding Issue

Since the late 1990s, the Spills Program's operating budget (excluding other accounts) has gradually shifted from being funded about 70 percent from OSPA and 30 percent from the Model Toxics Control Act (MTCA) accounts, to now relying on MTCA for almost 70 percent and OSPA for 30 percent in the 2019-21 Operating Budget.

As demonstrated in the following table, in the early to mid 2000s, revenue for the OSPA was approximately $5 to $6 million a year. From 2007 to 2015 the revenue dropped to about $3 to $4 million a year. Even with the addition of oil transported by rail in 2015, and pipeline in 2018, based on the June 2019 Department of Revenue (DOR) forecast, projected revenue for the 2019-21 Biennium is still only about $4.5 million a year. While the addition of rail and pipeline to the tax base did increase revenue over the 2007-2015 levels, it does not provide the revenue increase needed to fully support the ongoing workload generated by the passage of the legislation in 2015 and 2018. Please note, with just one year of pipeline revenue collections so far, the long-term impact of adding pipeline to the tax base is still uncertain. If, in future forecasts, the addition of pipeline increases projected revenue significantly, and on a sustainable basis, Ecology would work with OFM and the Legislature to adjust this budget request accordingly.

Oil Spill Prevention Account Revenue over time*

Year	Revenue
2000	$4,510,104
2001	$4,725,670
2002	$4,813,136
2003	$5,058,406
2004	$5,808,765
2005	$6,103,160
2006	$5,286,855
2007	$3,247,484
2008	$3,389,303
2009	$3,972,969
2010	$3,426,449
2011	$3,827,585
2012	$3,570,642
2013	$3,917,589
2014	$3,519,880
2015	$3,060,581
2016	$3,652,267

2017	$3,640,749
2018	$3,730,067

*after export tax credits.

Over the years, legislative action has addressed the OSPA revenue shortfalls on one-time bases through fund transfers from the OSRA, STCA, and General Fund-State, and fund shifts from OSPA into STCA. However, a longer-term solution to stabilize the Spills Program's base funding shortfall is still needed. Based on DOR's June 2019 forecast, and the 2019-21 Operating Budget, Ecology projects a $2.5 million fund balance shortfall in OSPA in 2021-23, and a $7.4 million shortfall in the 2023-25 Biennium if no fixes are provided and current appropriations are maintained (see Attachment A: 217 OSPA 8 yr FBS Projection for additional detail).

The 2004 Legislature directed Ecology to achieve a zero-spills goal and the Spills Program has managed to achieve significant milestones to that end. With the lowest per capita spills rate in the nation, and a drill program that has become a teaching ground for other countries and states, long-term investments in this program, needed to stabilize the funding sources that support its work, will help protect the health of Washington's residents, economy, environment, and cultural resources.

OSRA Funding Issue

The OSRA is used to fund costs associated with Ecology's response to spills of crude oil or petroleum products into the waters of the state. Traditionally, a stable and sufficient fund source to support Ecology's oil spill response work, the OSRA is currently depleted due to a costly oil spill at the former Olympia Brewery site in Tumwater that began last biennium. While this latest spill is a primary factor for the account's current cash balance issue, several other factors have also contributed to the situation over time.

When the oil spill response tax was established in 1991, it included a funding cap of $25 million, so that any time revenue in the account reached $25 million, the tax would be suspended, and when revenue fell below the cap, the tax would be reinstated. Over time, the cap has been reduced down from $25 million to $10 million in 1997 (ESHB 2096), and then down to the current $9 million cap in 1999 (ESHB 2247). Since January of 2002, the tax has been suspended four times due to revenue reaching the cap. The limitations of the current cap on revenue collections, and recent transfers from the OSRA into the OSPA, have left the OSRA at historic lows. Since the 2015-17 biennium, almost $8 million in revenue has been transferred from OSRA to help cover shortfalls in OSPA and support other agencies.

Former Olympia Brewery Spill

On February 25, 2019, Ecology began responding to an oil spill from a transformer at the former Olympia Brewery site. The oil from the transformer entered the Deschutes River and Capitol Lake by running down a sidewalk, roadway, entering storm drains, and running through Tumwater Falls Park. Ecology estimates that approximately 600 gallons of oil spilled, however, the response and cleanup were complex and extensive because the oil contains toxic polychlorinated biphenyls (PCBs). The

PCB oil was a concern to the environment because when released into water bodies, PCBs can accumulate in the aquatic food chain and build up over time to harmful levels in the fish that we eat. PCBs can accumulate in, and affect the health of people and marine life, including orcas.

When the response began, the owner of the brewery funded the costs of the cleanup and hired a contractor to lead the effort. However, on May 7, 2019, the brewery owner informed Ecology he was unable to provide continuous funding for the spill response operation. Due to the continued risks to human health and the environment, Ecology took over responsibility for funding the cleanup operations on May 8th and contracted with the same company already onsite to continue the cleanup.

The cleanup of the brewery spill removed significant human health and environmental threats. Cleanup accomplishments on this emergency response included removal of additional potential contamination sources from the brewery property from unsecured transformers, oil-filled sumps, and vaults that were at risk of spilling. The cleanup also removed contaminated public infrastructure such as roadways and storm drains, and cleaned up impacted public parks including; Tumwater Falls Park, Tumwater Historical Park, The DES Capitol Lake Interpretive Trail, Marathon Park, and Heritage Park. The cleanup removed a significant portion of the spilled oil from the surface of Capitol Lake and removed three and a half miles of oiled vegetation from the lake shoreline. Additionally, the cleanup removed all contaminated sediments from Capitol Lake that exceeded human health and environmental standards. As a result of the emergency response, Budd Inlet and Puget Sound were protected from oil and PCB impacts.

On August 26, 2019, Ecology and the contractor concluded active response activities and began to demobilize the cleanup operations at the various sites. As of September 6th, estimated contractor expenses for the spill response were $9.7 million for the state. The contractor is still owed an additional $4.1 million by the owner of the brewery for costs incurred before Ecology took over the financial responsibility for the response.

Based on a cash balance of only $5.4 million on July 1, 2019, Ecology projected the OSRA cash balance to be negative by about $2 million by September 2019, growing to a $3.4 million deficit by December 2019. In order to avoid this projected cash deficiency, Ecology used available end of the biennium fund balance to transfer $3.5 million in response costs incurred during May and June 2019 from OSRA to the MTCA accounts. This expenditure shift, along with $200,000 in direct costs being charged to MTCA in 2019-21, increased the projected OSRA cash balance for September to $1.47 million. However, the account's cash balance is still projected to be under $100,000 by December, and not recover above $500,000 until May 2020. Note: These projections assume no additional spills will occur during the 2019-21 Biennium (see Attachment B: Sep 6 2019 OSRA Cash Projection for additional detail).

While Ecology was able to avoid an immediate cash deficiency to begin the 2019-21 Biennium, replenishment of the account's cash balance could take years depending on the state's ability to recover its costs from the responsible party. The Spills Program has a cost recovery process to bill to the responsible party for oil and hazardous materials spills that cost over $1,000. However, at this point, it is unknown if Ecology will be successful in recovering the costs of the brewery spill response.

Normally, in cases where Ecology is unable to cost recover for the responsible party, we can seek federal reimbursement for costs through the National Pollution Fund Center. However, in this case, because the brewery oil contained PCBs, it does not meet the federal definition for oil, and therefore, the costs of the response are not eligible for reimbursement through that program.

The one cent from the barrel tax deposited into OSRA generates approximately $98,000 per month in revenue for the account. Based on projected revenue, the available cash balance in OSRA is not expected to get above $1.26 million this biennium. For a comparison, from 2011-13 through the 2017-19 Biennium, the average monthly cash balance in the account was approximately $8.72 million. Furthermore, Ecology will use approximately 75 percent of its biennial appropriation authority in OSRA just on the brewery spill alone, leaving very little for any additional spills this biennium. Additional revenue in the account, coupled with sufficient appropriation authority to cover costs, is needed in case the Spills Program has to respond to another large spill, or even a series of smaller spills, this biennium.

Proposed Solution
To address these critical funding issues in both OSPA and OSRA, Ecology proposes a four-step approach to solidifying and stabilizing the funding needed for each account, both now, and into the future.

Step 1 – Stabilize OSPA Fund Balance Long-Term: Shift $2.2 million in OSPA expenditure authority on an ongoing basis, beginning in Fiscal Year 2021, from OSPA to the Model Toxics Control Operating Account (MTCA – Operating). This amount will bow-wave to $4.4 million beginning in 2021-23, and stabilize the projected fund balance for OSPA through the 2027-29 Biennium.

Projected OSPA Fund Balance

	2021-23	2023-25	2025-27	2027-29
Without the Shift	($2,546,000)	($7,398,000)	($12,874,000)	($19,003,000)
With the Shift	$1,957,000	$1,816,000	$1,261,000	$276,000

Step 2 – Increase OSRA Cash Balance for the Next Spill Response: Because the 2019-21 OSPA fund balance is not projected to be negative, a shift of $2.2 million in expenditure authority from OSPA to MTCA – Operating this biennium, frees up $2.2 million in OSPA revenue that can be transferred back to OSRA, on a one-time basis, to help replenish the account's cash balance more quickly. This transfer would increase the average OSRA monthly cash balance projection in Fiscal Year 2021 from $764,379 per month to approximately $3 million per month, and increase the projected ending cash balance for the biennium from $828,544 to approximately $3 million in June 2021.

Step 3 – Increase OSRA Appropriation Authority for the Next Spill Response: Ecology requests $2.2 million in additional appropriation authority for Fiscal Year 2021 to match the increase in revenue transferred from OSPA. This appropriation authority increase would lessen the impact of the brewery spill on our biennial appropriation level, and provide the additional authority Ecology would need to utilize the transferred revenue from OSPA.

Step 4 – Provide Contingency Funding from MTCA – Operating: Ecology requests a one-time $3 million appropriation from MTCA – Operating to be used in the event that the cash balance or appropriation level in OSRA is completely utilized this biennium. This one-time appropriation from MTCA-Operating would ensure that there is sufficient funding and spending authority available to address any additional oil spill responses this biennium. If oil spill response costs do not exceed the available OSRA cash balance or appropriation level this biennium, these funds would not be spent and would be returned to the MTCA-Operating Account fund balance at the end of the biennium.

This proposed solution would address the immediate funding issues facing OSRA, and place the state in a financial position to effectively respond to additional oil spills that may occur this biennium. The proposal also addresses the upcoming funding issue in OSPA beginning in 2021-23, and solidifies one of the state's primary funding sources for preventing and preparing for oil spills into the future.

Impacts on Population Served:
Oil spill prevention and preparedness helps limit the likelihood of a spill and better prepares our state for an immediate and aggressive response in the event of a spill. The following are either not impacted (if a spill is prevented) or impacted to a lesser degree based on Ecology's ability to effectively respond and cleanup oil spills:

- Transportation.
- Private property.
- Ports and commerce.
- Power.
- Wildlife, such as salmon, shellfish, waterfowl, migratory birds, lampreys, seals, trout.
- Tribal lands and resources, including subsistence resources.
- Human life, safety, and health.
- Ground and drinking water.
- Air quality.
- Recreation.
- Tourism.
- Industry, such as shellfish and commercial and recreational fisheries.

Alternatives Explored:
In order to address a potential cash deficiency in OSRA, Ecology considered requesting a temporary cash deficiency letter from the Office of Financial Management (OFM) and had discussions with OFM late in 2017-19 about that option, prior to shifting costs from OSRA to MTCA. However, in accordance with the authority to request a temporary cash deficiency under RCW 43.88.260(2)(b), authorizations expire at the end of the biennium and must be of a limited duration, neither of which may be possible if there were to be another large spill Ecology responds to this biennium. While this may be an option on a short-term basis, and one Ecology would pursue if this request is not funded, and spill response costs necessitated requesting a letter, this is not our preferred alternative. While a letter would

address the scenario that the account's cash balance goes negative temporarily, it does not address the lack of OSRA cash balance and appropriation authority available to respond to other oil spills this biennium, nor the long-term funding issue facing OSPA next biennium.

Over the years, Ecology, along with the Governor's Office, OFM, and Legislature, have considered several options for addressing the long-term, ongoing funding issues with OSPA. Below is a list of proposals since 2007 that have been considered:

- In 2007, legislation (SB 5553) was proposed that would have removed the export tax credit, added a fiscal growth factor adjustment to the barrel tax, and added a new oil spill prevention and response service transfer tax.
- In 2010, legislation (HB 2965) was proposed to expand the barrel tax to pipelines, increase the oil spill administration tax from four cents to six cents, and include a fiscal growth factor.
- In 2015, legislation (SB 5087) was proposed to increase the oil spill administration tax from four cents to ten cents.
- In 2016, legislation (SB 6418) was proposed to add a new $1 barrel tax for crude oil received by vessel, rail, and pipeline.
- In 2017, legislation (HB 1210/SB 5425) was proposed to increase the oil spill administration tax from four cents to six and a half cents.
- In 2018, as part of its supplemental budget request, Ecology proposed charging an oil spill prevention and preparedness fee on most cargo and passenger vessels weighing 300 gross tons or more.

Under the Strengthening Oil Spill Transportation Act (E2SSB 6269), the 2018 Legislature directed Ecology to produce a *Funding and Activity Report* for the Spills Program that is due to the Legislature July 1, 2020. Ecology is currently working on the report and plans to collaborate with stakeholders on potential funding options that will be included in the report. If this request is not funded, the *Funding and Activity Report's* funding options will be used to inform future Ecology budget requests and legislative strategies aimed at stabilizing the funding for the Spills Program long term.

As an alternative to this request, Ecology considered waiting to make a request until the 2021-23 Biennium, but the timing was right to make the request now. By shifting expenditure authority from OSPA to MTCA – Operating in Fiscal Year 2021, we are able to shift OSPA revenue, on a one-time basis, back to OSRA in order to increase the available fund and cash balance so we can respond to other oil spills this biennium. Without the fund shift from OSPA to MTCA, we would not be able to shift revenue back to OSRA this biennium.

Consequences of Not Funding This Request:
Not funding this budget request will jeopardize the state's ability to maintain the highest level of oil spill prevention, preparedness, and response work. Any resource reduction to the program would hinder the capability of the state to aggressively prevent, prepare for, and respond to an oil spill.

OSPA Issue

While there is no immediate consequence to OSPA if this request is not funded, it would result in Ecology having to begin scaling back on oil spill prevention and preparedness work at the start of the 2021-23 Biennium (this assumes no alternative solution is implemented during the 2021 legislative session). This reduction would result in an increased risk in the number and volume of oil spills, and potentially significant impacts to public health, the economy, the environment, and cultural resources. In addition, several elements of both the 2015 and 2018 Acts would have to be delayed, eliminated, or reduced.

The Washington State Department of Fish and Wildlife also receives OSPA funding for rescuing oiled wildlife. Pending legislative direction, their budget may also be reduced long term according to their share of revenue from the account.

OSRA Issue

Without additional revenue, the likelihood that the OSRA cash balance could go negative increases significantly, especially if there is another large spill, or series of smaller spills this biennium. Furthermore, without additional appropriation this biennium, Ecology may not have the spending authority needed to spend the funds, even if the cash is available. Over the last three biennia, expenditures from the account have averaged about $1.1 million per biennia. Ecology needs additional revenue and appropriation authority to ensure it can effectively respond to spills for the remainder of the biennium.

Assumptions and Calculations

Expansion or alteration of a current program or service:

These fund shifts and revenue transfers will not alter or expand the activities of the Spills Program.

Detailed assumptions and calculations:

This request does the following:

- Shifts $2.2 million in OSPA expenditure authority on an ongoing basis, beginning in Fiscal Year 2021, from OSPA to MTCA – Operating. This amount will bow-wave to $4.4 million beginning in 2021-23 and stabilize the projected fund balance for OSPA through the 2027-29 Biennium.
- Transfers $2.2 million in revenue from OSPA to OSRA, one-time, in Fiscal Year 2021 to help replenish the OSRA cash balance to ensure sufficient funding for oil spill responses the remainder of this biennium. Note: This can only happen if the fund shift in bullet above occurs.
- Increases appropriation authority in OSRA to match the $2.2 million in revenue transferred from OSPA to OSRA to support spill responses the remainder of this biennium. Note: This can only happen if the fund shift and revenue transfer in two bullets above occurs.
- Provides $3 million in one-time contingency funding from MTCA – Operating to be used for spill response activities only if the available cash balance and/or biennial appropriation level is already fully utilized. If this funding is not needed, it will revert to the MTCA – Operating

fund balance at the end of the 2019-21 Biennium. Costs are estimated in Goods and Services (Object E).

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
E	Goods and Servies		5,200,000				
	Total Objects	**0**	**5,200,000**	**0**	**0**	**0**	**0**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total FTEs		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing the priorities in Ecology's strategic plan to protect and restore Puget Sound and reduce toxic threats. Helping to prevent prepare for, and respond to oil spills minimizes the environmental impacts associated with the transport and spill of oil and hazardous materials in Washington State.

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

- Goal: Prosperous Economy, by protecting our public health, safety, economic resources and minimizing the environmental impacts associated with the transport and spill of oil and hazardous materials in Washington State.
- Goal: Sustainable Energy and a Clean Environment, by further reducing toxic threats to the environment with sustainable resources to provide continued strong oil spill prevention, preparedness, and response protection for Washingtonians.
- Goal: Healthy and Safe Communities, by helping to prevent and prepare for oil spills that would negatively impact the health and safety of communities in Washington.

Performance outcomes:

The outcome of this request will be maintaining the highest level of oil spill prevention, preparedness, and response capability to prevent and prepare for and address oil spill risks from vessel, railroad, or pipelines.

Other Collateral Connections

Intergovernmental:

The U.S. Coast Guard (USCG) and the Environmental Protection Agency (EPA) will likely support this request, since they share responsibility with Ecology to manage spill response in both marine and inland areas. Both the USCG and EPA are members of the Northwest Area Committee that

works on policy for northwest states oil spill preparedness and response.

The Department of Fish and Wildlife will likely support this request, since they receive appropriation each biennium from OSPA for rescuing oiled wildlife, and any future reduction in funding from this account would likely impact their budget in the future.

Stakeholder response:

Environmental communities are concerned with the type of oil being moved, whether adequate spills prevention measures are in place, and if there are adequate resources available and in place to respond to spills. Environmental advocates will likely support that sustainable funding is in place to maintain strong oil transportation safety measures in Washington.

The Western States Petroleum Association will likely to be neutral on this request since it does not increase the barrel tax.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

This request supports Puget Sound Action Agenda implementation through Vital Sign Regional Priority CHIN6 - Enhance preventative measures and develop integrated oil spill preparedness and response. Specifically it supports regional approaches CHIN6.1 - Assess and implement preventative actions to reduce risk of vessel collision and grounding and CHIN6.2 - Strengthen local oil spill plans, integrate with regional programs, and allocate resources.

Reference Documents

- Funding for Oil Spills Program Attachment A.xlsx
- Funding for Oil Spills Program Attachment B.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

ATTACHMENT A:
Estimated Fund Balance
Oil Spill Prevention Account (217)
With 2019-21 Beginning Fund Balance
And June 2019 Revenue Forecast

9/6/2019

Fund Manager: Tra Thai

Purpose: Provide projected ending fund balances for the Oil Spill Prevention Account.

DRAFT 8 yr projection

	Dollars in thousands	2019-21	2021-23	2023-25	2025-27	2027-29
1	**BEGINNING FUND BALANCE**	**$6,125**	**$2,511**	**($1,746)**	**($6,598)**	**($12,074)**
2	**REVENUE**					
3	Oil Spill Tax (DOR GAAP June 2019)	**$9,032**	**$9,032**	**$9,032**	**$9,032**	**$9,032**
4	**Total Revenue**	**$9,032**	**$9,032**	**$9,032**	**$9,032**	**$9,032**
5	**TRANSFERS**					
6	Transfer from Oil Spill Response Account	$1,040				
7	**Total Transfers**	**$1,040**	**$**	**$**	**$**	**$**
8	**OPERATING EXPENDITURES**					
9	**Ecology**					
10	Carryforward	$10,694	$11,447	$12,090	$12,685	$13,309
11	Enacted ML-PL (Ecology and Special Approps)	$753				
12	2020 Supplemental		$	$	$	$
13	**Other**					
14	Dept. of Fish & Wildlife (2019-21 Enacted Budget)	$1,199	$1,199	$1,199	$1,199	$1,199
15	Military Dept. (2019-21 Enacted Budget)	$1,040				
16	**Total Operating**	**$13,686**	**$12,646**	**$13,289**	**$13,884**	**$14,508**
17	**ENDING FUND BALANCE**					
18	*Working Capital Reserve*	*($800)*	*($800)*	*($800)*	*($800)*	*($800)*
19	**ENDING FUND BALANCE**	**$1,711**	**($1,903)**	**($6,804)**	**($12,250)**	**($18,350)**
20	*Average Statewide Operating Changes (4.7%)*		*$643*	*$594*	*$625*	*$653*
21	***Ending Balance w/Avg. Statewide Changes***	***$1,711***	***($2,546)***	***($7,398)***	***($12,874)***	***($19,003)***

Notes:

Row 3: Oil Spill Tax revenue forecast includes annual revenue diversion to military department active state service account. E2SSB 6269 Section 103 (2018 legislative session) requires that the first $200,000 in oil spill administration tax revenue must be deposited into the military department active state service account each fiscal year, beginning in FY 2019.

Row 6: In 2017-19, the State Treasurer transferred $4.721M from the oil spill response account (OSRA-223) to the oil spill prevention account (OSPA-217). In 2019-21, the State Treasurer will transfer another $1.040 M from the OSRA to the OSPA, with $520,000 in FY 2020 and $520,000 in FY 2021.

Row 20: Average Statewide Operating Changes: Estimate of statewide operating changes to reserve fund balance for statewide changes in out-biennia. Calculated with OFM based on statewide changes for Ecology 2015-17 to 2019-21. 4.7% is applied to prior biennium operating.

ATTACHMENT B

ESTIMATED Oil Spill Response Account Cash Balance Projection through 2019-21

September 6, 2019

With Projected Olympia Brewery Costs @ $9.7 Million and No Cost Recovery

Assumes $6 M OSRA Costs, and $3.7 M MTCA - $3.5 M of 2017-19 Costs and $200,000 for Powerhouse

Does Not Include Other Spill Costs

Purpose - Provide projected cash balances for the oil spill response account assuming $9.7 M expenditures for Olympia Brewery from May to September 2019 and no cost recovery. Assumes all other spill response costs are offset by cost recovery - unpredictable costs and cost recovery from other spills not shown. Assumes $6 M of expenditures are in OSRA and $3.7 M of expenditures are in MTCA.

Revenue - Actuals from AFRS. Projection from DOR cash forecast June 2019.

Transfers - Section 802 of the 2017-19 Operating Budget directed the Treasurer to transfer $1,748,000 in FY 2018 and $2,973,000 in FY 2019 to the OSPA. The FY 2019 transfer occurred in June 2019. Section 805 of the 2019-21 Operating Conference Budget directs the Treasurer to transfer $520,000 in FY 2020 and $520,000 in FY 2021 to the OSPA for the Military Department. Ecology assumes there would be sufficient cash balance in OSPA to delay the transfers within the year (projection assumes transfers at the end of each fiscal year).

Olympia Brewery Expenditures - The estimated cleanup cost is $9.7 M to remove contaminated sediments from Tumwater Falls Park, Marathon Park, Heritage Park, Capital Campus Powerhouse and Capitol Lake from May 8, 2019, through September 2019. Ecology's estimated remaining cleanup cost is based on current available data. Allotments and actual expenditures may not be in sync since invoices from the contractors could be delayed due to subcontractor invoices or end of biennium closing. Since this cleanup is still evolving, Ecology will notify OFM of any major cost estimate change. Information in this cash projection is for illustrative purposes only.

	Revenue & Transfers			Expenditures		OSRA Disbursements & Balance	
	OSRA Revenue DOR	OSRA Transfers	Ecology Cost Recovery from Olympia Brewery Spill	OSRA Projected Olympia Brewery Spill Expenditures [1]	MTCA Projected Olympia Brewery Spill Expenditures [2]	OSRA Actual & Projected Olympia Brewery Cash Disbursements [3]	OSRA Actual & Projected Cash Balance
May 1, 2019 Actual Balance							**8,277,168**
May-June 2019	190,451	(2,973,000)		646,000	3,500,000	224,600	
July 1, 2019 Actual Balance							**5,354,429**
July-August 2019	194,658			3,654,000	200,000	3,030,000	
Sept 1, 2019 Actual Balance							**2,422,218**
September 2019	98,333			1,671,600		1,045,400	1,475,151
October 2019	98,333					1,200,000	373,484
November 2019	98,333					321,600	150,217
December 2019	98,333					150,000	98,550
January 2020	98,333						196,883
February 2020	98,333						295,216
March 2020	98,333						393,549
April 2020	98,333						491,882
May 2020	98,333						590,215
June 2020	98,333	(520,000)					168,548
July 2020	98,333						266,881
August 2020	98,333						365,214
September 2020	98,333						463,547
October 2020	98,333						561,880
November 2020	98,333						660,213
December 2020	98,333						758,546
January 2021	98,333						856,879
February 2021	98,333						955,212
March 2021	98,333						1,053,545
April 2021	98,333						1,151,878
May 2021	98,333						1,250,211
June 2021	98,333	(520,000)					828,544
TOTAL	2,548,435	(4,013,000)	-	5,971,600	3,700,000	5,971,600	

Notes:

1. Ecology has received invoices through the end of August 2019 totaling $7.8 M. $3.5 M of those costs will be in MTCA and the remaining $4.3 M from OSRA. September 2019 is an estimate for final demobilization work based on total estimated cleanup costs of $9.7 M as of Sept-06. Expenditure projection does not include staff costs in MTCA and OSRA.

2. Ecology charged $2.1 M of 2017-19 expenditures to STCA and $1.4 M of 2017-19 invoices to ELSA. An estimated $200,000 is also projected in MTCA for costs specific to the toxics cleanup of the Capital Campus Powerhouse.

3. September disbursements estimated based on $7.8 M invoices through August 2019 minus actual disbursements and $3.5 M MTCA. October disbursements estimated at 70% of September expenditure projection, with the remaining disbursements estimated in November/December.

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CD - Support Voluntary Cleanups
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Angie Wirkkala
(360) 407-7219
angie.wirkkala@ecy.wa.gov

Agency Recommendation Summary

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. Through the 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 VCP services, which has delayed or discouraged many voluntary cleanups. This request will allow Ecology to provide timely assistance and regulatory closure to people who voluntarily clean up contaminated properties. This will support VCP's purpose to encourage cleanup and facilitate redevelopment of contaminated properties in Washington that are essential to the economic prosperity and public health of our communities. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund 23P - 1	$0	$668	$668	$668
Total Expenditures	**$0**	**$668**	**$668**	**$668**
Biennial Totals		**$668**		**$1,336**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	4.4	4.4	4.4
Average Annual		**2.2**		**4.4**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$0	$359	$359	$359
Obj. B	$0	$133	$133	$133
Obj. E	$0	$16	$16	$16

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. G	$0	$9	$9	$9
Obj. J	$0	$5	$5	$5
Obj. T	$0	$146	$146	$146

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.

Customers enrolling in the VCP will soon have the option to request either standard or expedited review of their cleanups. Under the existing standard review process, customers will continue to pay only some of Ecology's costs (about 22 percent), and recovered costs will continue to be deposited in the MTCA Capital Account. Those requesting expedited review will pay all of Ecology's costs, and recovered costs will be deposited in the new Voluntary Cleanup Account. See Chapter 95, Laws of 2019 and Section 203(2)(a), Chapter 422, Laws of 2019 (SHB 1290).

Problem

Over the last several years, resources to manage the VCP have not kept pace with the demand for services. Customers drive the VCP demand as they request advice and technical assistance. With today's strong real estate market, demand is greater than ever before. As of June 2019, there are more than 700 contaminated sites enrolled in the VCP, and about 112 of those sites are on waiting lists.

In 2016, Ecology introduced efficiencies to the VCP by implementing model remedies, or standard ways of cleaning up sites, to streamline and speed the cleanup process. Ecology also developed checklists and templates to improve report consistency and completeness and shorten review times.

In 2017, the Legislature shifted reviews of voluntary cleanups of many leaking tank sites from Ecology to the Pollution Liability Insurance Agency (PLIA) (Substitute House Bill 1266). As of June 2019, there were about 201 sites enrolled in PLIA's Petroleum Technical Assistance Program (PTAP). Shifting work and responsibility to PLIA's PTAP has helped, but not eliminated, the backlog at Ecology.

In 2019, Ecology proposed two initiatives:

- First, Ecology requested legislation to authorize the establishment of a new expedited review process under the VCP so Ecology can be more responsive to the needs of customers working under tight timelines, such as real estate developers.

- Second, Ecology requested additional funding in the budget to implement the legislation and increase our VCP cleanup project management capacity so Ecology can keep pace with the customer demands for independent cleanup reviews.

The Governor's Office approved both of these proposals. While Ecology was able to secure authorization to establish an expedited review process in Substitute House Bill 1290, and funding to develop the new review process, Ecology was only able to secure enough funding in the enacted budget to support 1.25 of the 5.0 VCP cleanup projects managers requested. In short, this means the backlog will only be slightly reduced.

Under the VCP, Ecology's performance goal is to respond to requests for written opinions on independent cleanups within 90 days 90 percent of the time. To achieve this goal, Ecology determined it needs to limit the number of active VCP projects per manager to 30. But, the average current workload per manager is about 41. The excess workload is even more acute in the Northwest region, where demand for VCP reviews is highest. Ecology needs more VCP cleanup project managers to significantly reduce the review backlog and achieve its 90-day performance goal.

Solution

Ecology requests funding for 3.75 new VCP cleanup project managers to allow us to meet customer demand for independent cleanup reviews, technical assistance on how to get cleanups done, and written opinions on cleanup sufficiency. With these additional resources, Ecology expects to meet its VCP workload target of 30 projects per manager and its VCP performance goal of responding to requests for written opinions within 90 days 90 percent of the time. (See Attachment A for a Summary of Ecology's Active VCP Projects and Current Dedicated VCP Cleanup Project Managers)

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 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:

Over the past three years, Ecology has shifted some VCP work on petroleum-contaminated sites to PLIA and implemented changes to make the VCP review process more efficient, including developing cleanup guidelines, model remedies, and submittal checklists and templates. These changes have helped reduce, but not eliminate, the backlog of VCP projects at Ecology.

Ecology plans to implement the new expedited review process by July 1, 2020, using the one new cleanup project manager authorized and funded in the 2019-21 biennial budget. While the expedited review process will allow Ecology to be more responsive to the needs of customers working under tight timelines, and reduce VCP dependence on tax revenue, it cannot help reduce the backlog without additional staff to conduct the reviews.

Ecology already shares VCP project management resources statewide. When one region experiences a peak demand for reviews, VCP projects are assigned to other regions if those regions have capacity. But, VCP demand exceeds the total existing statewide staffing capacity. So further VCP project shifting is not a viable alternative.

Ecology could redirect staff from formal cleanups to VCP, but that would not solve the overall backlog problem, and would negatively impact important formal site cleanups.

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 6,000 sites already awaiting further investigation and cleanup.

The VCP plays a critical role in getting these contaminated sites cleaned up. In fact, most active cleanups (about 85 percent) are conducted independently, and voluntarily, by property owners. About 19 percent of those active independent cleanups are enrolled in the VCP. Many others will enroll in the VCP as independent cleanups progress or are completed. Additionally, most completed cleanups (over 95 percent) were conducted independently, and nearly 40 percent of those requested assistance through the VCP.

Due to staff shortages and excess demand for VCP reviews in the Northwest and Southwest regions, Ecology instituted a Wait List for the VCP in 2016. As of June 2019, there are about 112 sites on the wait list, which communicates Ecology's capacity to provide technical assistance and written opinions on independent cleanups under the VCP.

The consequences of not funding the request are that Ecology's review of independent cleanups under the VCP would continue to be delayed. These delays would continue to hinder ongoing voluntary cleanups and discourage more property owners (both private and public) from voluntarily cleaning up and redeveloping contaminated properties, which is essential to the health of our citizens and environment and the economic prosperity of our communities.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request would expand the program's existing level of service. Below is a summary of the 2017-19 and 2019-21 funding and FTE levels for the Toxics Cleanup Program by fund and activity. Administrative Overhead related to this activity is also in the agency's Administration Activity A002 and not included in the program totals below. In these numbers, Ecology had about 13.5 FTEs VCP cleanup program managers in 2017-19 and 14.75 FTEs VCP cleanup project managers 2019-21.

Activity Recast 2017-19 after 2018 Supplemental						
Activity Code	**Activity Title**	**Account**	**FTE**	**FY 2018**	**FY 2019**	**Biennial 2017-19**
A005	Clean Up the Most Contaminated Sites First (Upland and Aquatic)	MTCA 173-1 19G-1		$16,712,447	$17,616,770	$34,329,217
		OTHER		$5,449,822	$6,230,902	$11,680,724
		Sub-Total	**141.0**	**$22,162,269**	**$23,847,672**	**$46,009,941**
A057	Services to Site Owners that Volunteer to Clean Up Their Contaminated Sites	MTCA 173-1 19G-1	**27.3**	**$2,756,956**	**$2,940,277**	**$5,697,233**
A023	Manage Underground Storage Tanks to Minimize Releases	MTCA 173-1 19G-1		$206,854	$207,476	$414,330
		OTHER		$1,992,622	$2,066,295	$4,058,917
		Sub-Total	**23.6**	**$2,199,476**	**$2,273,771**	**$4,473,247**
		Toxics Cleanup Program Operating Budget Total	**191.9**	**$27,118,701**	**$29,061,720**	**$56,180,421**

Activity Recast 2019-21						
Activity Code	**Activity Title**	**Account**	**FTE**	**FY 2020**	**FY 2021**	**Biennial 2019-21**
A005	Clean Up the Most Contaminated Sites First (Upland and Aquatic)	MTCA - Op		$19,031,000	$20,883,000	$39,914,000
		OTHER		$5,825,000	$6,391,000	$12,216,000
		Sub-Total	**157.8**	**$24,856,000**	**$27,274,000**	**$52,130,000**
A057	Services to Site Owners that Volunteer to Clean Up Their Contaminated Sites	MTCA-Op	**23.0**	**$3,353,000**	**$3,462,000**	**$6,815,000**
A023	Manage Underground Storage Tanks to Minimize Releases	MTCA-Op		$207,000	$207,000	$414,000
		OTHER		$2,157,000	$2,233,000	$4,390,000
		Sub-Total	**23.6**	**$2,364,000**	**$2,440,000**	**$4,804,000**
		Toxics Cleanup Program Operating Budget Total	**204.4**	**$30,573,000**	**$33,176,000**	**$63,749,000**

Detailed assumptions and calculations:

Beginning July 1, 2020 and ongoing, Ecology requires salary, benefits, and associated staff costs for 3.75 FTE Hydrogeologist 4 (HG4) to improve responsiveness to customer requests for VCP services. Ecology expects this will significantly reduce the VCP backlog. These staff will respond to requests for technical assistance on how to meet cleanup requirements and written opinions on whether planned or completed cleanup actions meet those requirements.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries and Wages		358,562	358,562	358,562	358,562	358,562
B	Employee Benefits		133,026	133,026	133,026	133,026	133,026
E	Goods and Services		15,863	15,863	15,863	15,863	15,863
G	Travel		9,664	9,664	9,664	9,664	9,664
J	Capital Outlays		4,946	4,946	4,946	4,946	4,946
T	Intra-Agency Reimbursements		146,003	146,003	146,003	146,003	146,003
	Total Objects	**0**	**668,064**	**668,064**	**668,064**	**668,064**	**668,064**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
HYDROGEOLOGIST 4	93,133		1.75	1.75	1.75	1.75	1.75
KING CO - HYDROGEOLOGIST 4	97,790		2.00	2.00	2.00	2.00	2.00
FISCAL ANALYST 2			0.37	0.37	0.37	0.37	0.37
IT APP DEVELOPMENT-JOURNEY			0.19	0.19	0.19	0.19	0.19
	Total FTEs	**0.0**	**4.4**	**4.4**	**4.4**	**4.4**	**4.4**

Explanation of costs by object:
Salary estimates are current biennium actual rates at Step L.
Benefits are the agency average of 37.1% of salaries.
Goods and Services are the agency average of $4,230 per direct program FTE.
Travel is the agency average of $2,577 per direct program FTE.
Equipment is the agency average of $1,319 per direct program FTE.
Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing Ecology's strategic plan priorities to Prevent and Reduce Toxic Threats and to 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. Please refer to narrative in the Puget Sound recovery section.

This request provides essential support to the Governor's budget priorities, including economic development, energy and environment, and safe communities, because it will protect public health and natural resources through cleanup and facilitate redevelopment of contaminated and blighted properties.

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 two of the Governor's Results Washington goals:

- Prosperous Economy, by creating and supporting jobs and making it possible to redevelop previously contaminated land to support economic growth in communities.
- 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 Measure Detail

Performance Measure	Unit	Incremental Change FY1	Incremental Change FY2	Incremental Change FY3	Incremental Change FY4
001502 - Percent of the voluntary cleanup program applicants who receive an assessment of their plan or repor	%	0	13	10	10

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 the health of our citizens and environment and to the economic prosperity of our communities.

The projected, incremental changes are based on the workload assumptions outlined in this decision package as of June 2019. As explained in this request, VCP demand can fluctuate depending on the real estate market, site complexity, and success of programs at PLIA and Ecology's newly authorized expedited process. See the narrative justification for more details.

Other Collateral Connections

Intergovernmental:

Other governmental jurisdictions may participate in the VCP. Responding to other state agencies, cities, counties, school districts, and other local government entities makes a tangible difference in communities by transforming formerly blighted sites into useful properties and protecting residents from the threats of hazardous substances. Cleaning up and redeveloping contaminated properties benefit Washington's health, environment, and economy. Ecology expects other jurisdictions will support this request.

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. As during the 2019 Legislative Session, Ecology expects all of these partners to support this request.

Property owners and commercial real estate developers are particularly interested in finding a way to eliminate wait lists and 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 Legislative Session.

Affected citizens 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, not just commercial real estate developers. The Washington Environment Council and Front and Centered supported Ecology's legislative and budget proposals during the 2019 Legislative Session.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

This request supports Puget Sound Action Agenda implementation through the following Strategies, Sub-strategies, and Regional Priorities:

- 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 and Sub-Strategy Regional Priority 10.3-2, Provide infrastructure and incentives to accommodate redevelopment within designated urban centers in urban growth areas.
- 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. Ecology's work to cleanup areas contaminated with hazardous substances returns a polluted or degraded environment, as much as possible, to a healthy, self-sustaining ecosystem.

This request also supports the following Vital Sign Regional Priorities:

- LDC1.4 - Increase human and technical capacity of staff for planning, implementation, and enforcement.
- TIF1.1 - Enhance pollutant reduction programs, corrective measures and increase authorities and programs to prevent toxic chemicals from entering Puget Sound.
- TIF3.1 - Provide infrastructure, incentives to accommodate new development and re-development within Urban Growth Areas (UGA).
- CHIN2.6 - Incentivize and accelerate stormwater management for new and existing development.

Reference Documents

- CD Support Voluntary Cleanups - Attachment.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?

No

Attachment A: Summary of Ecology's Active VCP Projects and Current Dedicated VCP Cleanup Project Managers

Ecology's workload per VCP cleanup project manager goal under the standard process is 30 sites per site manager which expects to achieve a 90-day response time 90 percent of the time.

Active VCP Projects	**# Projects**	**Notes**
Statewide Total	727	
Less Wait List Projects Not Requesting Opinion	-106	Not currently requesting technical assistance or opinion.
Less Central Regional Office	-67	*** See note below.
Total Active Projects	554	
# of Site Managers @ 30 Sites	**18.5**	****2020 Supplemental budget proposal**

Current VCP Statewide Workload	**FTEs**	**Notes**
2017-19	13.5	
Total Active Projects	554	
# of Sites per Cleanup Project Manager	41	
Ideal Workload / Cleanup Project Manager	30	
Statewide Over-Workload / Cleanup Project Manager	11	

VCP Site Managers	**FTEs**	**Notes**
2017-19	13.5	
2019-21 Biennial Budget	+1.25	
2020 Supplemental Budget Proposal	+3.75	
# of Site Managers @ 30 Sites	18.5	**Proposal fully stabilizes current program

** Wait list numbers and the total number of active sites vary. The numbers above represent the updated estimates as of June 2019. The workload analysis indicates an additional 3.75 FTE are needed to meet Ecology's performance goals.

***NOTE: Central Regional Office workload (1.0 FTE for 67 sites) is not representative of other regions. Central Regional Office experiences less urban development demands than in Spokane, King, Pierce, Thurston, and Snohomish Counties.

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CQ - Hanford Dangerous Waste Permit
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Steve Moore
(360) 407-7212
smoo461@ecy.wa.gov

Agency Recommendation Summary

Ecology assumed responsibility for managing the Hanford dangerous waste permit from the U.S. Department of Energy (USDOE) in 2015. Since then, permit management, configuration, and control has proven to be extremely resource intensive due to the size and complexity of the permit. Ecology has added some regulatory and information technology (IT) capacity since 2015, but the remaining work scope required to reissue the permit by 2023 still exceeds Ecology's current permit management and IT staffing capacity. This request will provide funding to complete staffing of Ecology's Nuclear Waste Program's Permit Management and IT teams so the agency can meet its reissuance commitments to USDOE by 2023, and ensure effective administration of the new permit moving forward. (Radioactive Mixed Waste Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 20R - 1	$0	$498	$498	$498
Total Expenditures	**$0**	**$498**	**$498**	**$498**
Biennial Totals		**$498**		**$996**

Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	0.0	3.5	3.5	3.5
Average Annual		**1.8**		**3.5**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	$0	$266	$266	$266
Obj. B	$0	$99	$99	$99
Obj. E	$0	$13	$13	$13
Obj. G	$0	$8	$8	$8

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. J	$0	$4	$4	$4
Obj. T	$0	$108	$108	$108
Revenue	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
20R - 0294	$0	$498	$498	$498
Total	**$0**	**$498**	**$498**	**$498**
Biennial Totals		**$498**		**$996**

Package Description

Background:
The Hanford dangerous waste permit was originally issued to U.S. Department of Energy (USDOE) in 1994. Ecology began the process to reissue the permit in 2012 by issuing a draft permit for public comment. That process, which garnered over 6,000 public comments, along with comments from U.S. Environmental Protection Agency (EPA) oversight staff, indicated that the draft permit could not be issued because it lacked essential information.

As part of both managing the existing permit, and working toward reissuance, Ecology has been working with EPA and USDOE since 2012 to substantially revise its approach to permit review, approval, and implementation at Hanford. This revised approach focuses on coordinated development to ensure:

1. Permitting decisions that result in environmental protection that meets state dangerous waste regulations (Chapter 173-303 WAC).
2. Consistency in dangerous waste facility permitting conditions across the state and the Hanford site.
3. Clear and specific requirements for each permitted facility can be met.

In 2015, Ecology assumed responsibility for the digital data management of the permit in order to meet state regulatory and compliance standards. Digital data management is comprised of optimally storing digital data for retrieval, securing digital data so that only authorized users can access it, performing data backup and disaster recovery tasks in preparation for equipment failure or catastrophic events, as well as meeting specific state and federal laws with regards to data retention schedules and record quality assurance. This represented a significant workload increase for Ecology, and required the agency to reassign existing resources to accommodate the new work. Since 2015, one additional FTE Environmental Specialist 4 (ES4) position has been added (see AK-Hanford Dangerous Waste Permitting in 2017-19), and two additional existing positions have been assigned to support managing and controlling configuration of the current permit. However, these resources are not sufficient to support the reissuance work, which includes securing a more modern and efficient permit management system.

Problem

Since 2015, managing the current permit and the reissuance scope of work have grown in both size and complexity. The Hanford dangerous waste permit is one of the largest and most complex nuclear waste cleanup permits in the nation. It permits operations at 36 groups of radioactive mixed waste facilities, ranging from non-operating closed facilities to operating treatment, storage, and disposal facilities. The permit also regulates a first-of-its-kind tank waste treatment complex, which includes 13 individual processing and operating units.

The current permit includes facility-specific requirements for only 13 of the 36 permitted facilities on the Hanford site. Facilities without specific conditions are operated under general permit conditions, which creates compliance and operational problems for both Ecology and USDOE. Reissuing the permit is important to establish facility-specific requirements for all facilities on Hanford, which will reduce compliance and operational issues.

The current permit consists of over 16,400 pages, including over 1,800 individual documents that Ecology staff must manage. Ecology must maintain several distinct instances of the permit (web, Ecology, Public, USDOE, real-time, administrative record, archival, etc.), which are all unique editions of the permit. Due to data security requirements each permit contains only the data allowed to be viewed by a specific audience. Additionally, since 2015 when Ecology assumed administrative control of the permit, there have been between 42 and 54 individual permit modifications each year, requiring revisions to substantial portions of the permit.

To add more complexity to the situation, Ecology is currently managing two versions of the permit. The existing permit (Revision 8) requires ongoing configuration control and data management as modifications are made to support the current work at the Hanford site, while development of a new, larger permit is also underway. Under the new permit, each of the 36 facility groups will have a permit chapter that includes up to 13 sections of facility-specific information and permit conditions. For perspective, each of these 36 permit chapters will be the equivalent of a typical non-Hanford, stand-alone dangerous waste permit in Washington. Both permits will need to be merged into a single permit upon re-issuance of the Revision 9 permit. This is a complex task as Ecology practices real time permitting to help continued progress of the Waste Treatment Plant at Hanford. Under this approach, Ecology staff must manage many separate and distinct tracks of data, in order to meet all federal and state compliance regulations.

In addition to the administrative, technical, and regulatory workload associated with managing a permit of this size and complexity, while trying to reissue the new version, Ecology is also struggling with a current software solution that is ill suited for managing these permits. Both the current and new permit are currently maintained in a Microsoft SharePoint environment that is not equipped to handle the enormous amounts of data associated with these permits. It also lacks the system tools needed to automatically address configuration control practices required to properly manage the permits long term.

To complete permit reissuance work, Ecology has already developed a Hanford-specific permit application and review guidance that are consistent with other statewide dangerous waste guidance. Ecology has adapted its Hanford-specific guidance to the structural and size differences of the Hanford permit. The newly developed guidance accommodates the “many permits within a permit” structure of the Hanford permit, and the result of that work is a more robust permit application review and approval process tailored to Hanford. Despite these improvements, Ecology is still unable to maintain the existing permit, process modifications, and support reissuance of the next permit with its current regulatory and IT staffing resources.

Solution:
Ecology proposes adding staffing resources to the Nuclear Waste Program’s Permit Management and IT teams to:

- Properly administer the current permit, including modifications needed to ensure the successful cleanup of the Hanford site.
- Manage revisions needed in the current permit to address compliance issues raised by Ecology and EPA.
- Complete reissuance of the next permit and meet project commitments agreed to between Ecology and USDOE.
- Determine the optimal software solution for electronically managing these permits moving forward.

The current permit management team consists of permit coordinators who work with individual permit writers and project managers to administer modifications to the existing permit and to develop revisions for reissuing the next permit. This request will add a dedicated permit team leader, consistent with how other program project teams are organized, and an additional permit coordinator to help meet the project management and reissuance commitments that have been agreed to.

This request will also add an IT position to serve as a project lead for the eventual development or procurement of a new electronic permit management system that will streamline document management, configuration control, and dissemination of information to external stakeholders. This position will initiate a Request for Information (RFI) in Fiscal Year 2021 to help determine what technology solution is best suited to electronically manage the Hanford dangerous waste permit moving forward. The outcome of the RFI and other investigative work will inform a future Request for Proposal (RFP) and budget request to develop or acquire the selected solution. Once the new system in place, this positon will serve as administrator and subject matter expert for the new software.

Funding for these resources will come from the Radioactive Mixed Waste Account (20R) and be reimbursed by USDOE. USDOE is supportive of this budget request.

Impacts on Population Served:
This request will provide resources needed to meet agreed to project schedule milestones leading to reissuing the new Hanford dangerous waste permit by 2023. It will also improve USDOE access to current and accurate permit information. Finally, it will identify and scope a modernized software

solution to allow proper permit maintenance in the future.

Reissuance of the Hanford permit will establish facility-specific requirements that will increase environmental protection and reduce risks on Hanford and the surrounding areas.

Alternatives Explored:
Ecology explored the possibility and impacts of repurposing or reassigning existing staff, but this alternative would negatively affect other regulatory oversight responsibilities Ecology has at Hanford. Repurposing existing staff would either reduce direct oversight of individual permits by permit writers or staff overseeing current cleanup work. Since 2015, the program has repurposed two existing positions to support this work; but there is no remaining capacity without impacting priority work.

Reassignment of existing permit writers would delay actual development of individual facility permits. Reassignment of existing cleanup staff would impact oversight of cleanup projects and those staff would need to learn new regulations.

Reassignment of existing compliance staff would reduce the program's ability to conduct required compliance inspections and address compliance problems that are found.

Ecology could continue to work toward reissuance within existing resources assigned to reissuing the permit, but this would delay the reissuance timeline, which has been mutually committed to by both Ecology and USDOE.

Consequences of Not Funding This Request:
If this request is not funded, it would not be possible to reissue the Hanford dangerous waste permit by 2023. Ecology and USDOE are working jointly to reissue the permit, and USDOE is relying on Ecology to fulfill its permitting responsibilities in the agreed to schedule. If Ecology does not, it could impact USDOE planning and resources and could result in Ecology being blamed for delaying permit reissuance. Ecology would likely receive substantial criticism from USDOE, the public, and news media. Radioactive/chemical waste stored at Hanford may not be stored, treated, and disposed of according to regulations designed to protect human health and the environment, because facilities would not have unit-specific permits issued.

JUSTIFICATION FOR NEW OR INCREASED FEE REQUEST

1. Fee Name:Mixed Waste Management Fee

2 Current Tax or Fee Rate: 9,466,838 (FY19 Billing)

3. Proposed Rate:
FY 2020: 9,466,838
FY 2021: 9,964,544

4. Incremental Change for Each Year:
FY 2020:
FY 2021: 497,706

5. Expected Implementation Date: 3/1/2020

6. Estimated Additional Revenue Generated by Increase:
FY 2020:
FY 2021: 497,706

7. Justification: The Radioactive Mixed Waste Management Fee is intended to fund Ecology's implementation of the Hazardous Waste Management Act (chapter 70.105 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 change in methodology.

10: RecSum Code: CQ

11. Alternatives: No alternatives considered, increasing MWF is appropriate for this.

12. Statutory Change Required? No

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request expands all of the Nuclear Waste Program's existing activities. Base funding for permit work comes from the mixed waste management fee. Below is a summary of the 2017-19 and 2019-21 base funding and FTE level for each activity. Administrative overhead related to this activity is in the agency's Administration Activity A002 and not included in the program totals below.

The mixed waste management fee funds permitting, compliance, and support activities at facilities that treat, store, or disposed of radioactive mixed wastes. There are currently approximately 18 FTE doing direct permitting activities in the 2019-21 Biennium. Permitting and related support work represents approximately 80 percent of the total Radioactive Mixed Waste Account (20R) funding across all activities in the tables below.

Activity Recast 2017-19 after 2018 Supplemental				
Activity Code	**Activity Title**	**Account**	**FTE**	**2017-19**
A014	Restore the Air, Soil, and Water Contaminated from Past Activates at Hanford	20R		$1,163,274
		Other		$5,441,345
		Sub-Total	**16.4**	**$6,604,619**
A015	Clean Up and Remove Large, Complex, Contaminated Facilities throughout Hanford	20R		$1,912,797
		Other		$786,176
		Sub-Total	**12.2**	**$2,698,973**
A016	Treat and Dispose of Hanford's High-level Radioactive Tank Waste	20R		$7,176,459
		Other		$148,790
		Sub-Total	**32.1**	**$7,325,249**
A017	Ensure Safe Tank Operations, Storage of Tank Wastes, and Closure of the Waste Storage Tanks at Hanford	20R		$3,528,458
		Other		$131,593
		Sub-Total	**17.0**	**$3,660,051**
A018	Ensure the Safe Management of Radioactive Mixed Waste at Hanford	20R		$3,106,437
		Other		$2,334,351
		Sub-Total	**18.4**	**$5,440,788**
		Nuclear Waste Program Operating Budget Total	**96.0**	**$25,729,680**

Activity Recast 2019-21				
Activity Code	**Activity Title**	**Account**	**FTE**	**2019-21**
A014	Restore the Air, Soil, and Water Contaminated from Past Activates at Hanford	20R		$1,189,000
		Other		$5,842,000
		Sub-Total	**16.6**	**$7,031,000**
A015	Clean Up and Remove Large, Complex, Contaminated Facilities throughout Hanford	20R		$2,024,000
		Other		$956,000
		Sub-Total	**12.5**	**$2,980,000**
A016	Treat and Dispose of Hanford's High-level Radioactive Tank Waste	20R		$7,513,000
		Other		$279,000
		Sub-Total	**32.4**	**$7,792,000**
A017	Ensure Safe Tank Operations, Storage of Tank Wastes, and Closure of the Waste Storage Tanks at Hanford	20R		$3,804,000
		Other		$277,000
		Sub-Total	**17.5**	**$4,081,000**
A018	Ensure the Safe Management of Radioactive Mixed Waste at Hanford	20R		$3,294,000
		Other		$2,468,000
		Sub-Total	**18.7**	**$5,762,000**
		Nuclear Waste Program Operating Budget Total	**97.5**	**$27,646,000**

Detailed assumptions and calculations:

Beginning July 1, 2020 and ongoing, Ecology will require salary, benefits, and associated staff costs for 1.0 FTE Nuclear Waste Program Specialist (NWPS) to serve as permit leader for the Nuclear Waste Program's permit management team. Right now, the team does not have a dedicated lead, and is overseen by another section manager in the program with other substantial

duties, including managing the Hanford waste treatment plant permitting process. This request will provide a dedicated permit team leader, consistent with how other program project teams are organized.

Beginning July 1, 2020 through June 30, 2023, Ecology will also require salary, benefits, and associated staff costs for 1.0 FTE Environmental Specialist 5 (ES5) to serve as an additional permit coordinator to ensure permit reissuance is completed by 2023.

Beginning July 1, 2020 and ongoing, Ecology will also require salary, benefits, and associated staff costs for the equivalent of 1.0 FTE IT Application Developer – Journey to investigate and identify the appropriate software solution needed to effectively manage the permit moving forward. After a solution is identified and selected, this position will serve as project lead for developing or procuring the new electronic permit management system and eventually manage the solution long term.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries and Wages		266,185	266,185	266,185	187,773	187,773
B	Employee Benefits		98,755	98,755	98,755	69,664	69,664
E	Goods and Services		12,690	12,690	12,690	8,460	8,460
G	Travel		7,731	7,731	7,731	5,154	5,154
J	Capital Outlays		3,957	3,957	3,957	2,638	2,638
T	Intra-Agency Reimbursements		108,388	108,388	108,388	76,459	76,459
	Total Objects	**0**	**497,706**	**497,706**	**497,706**	**350,148**	**350,148**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
NUCLEAR WASTE PROGRAM SPECIALIST	90,883		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
ENVIRONMENTAL SPECIALIST 5	78,412		1.00	1.00	1.00		
FISCAL ANALYST 2			0.30	0.30	0.30	0.20	0.20
IT APP DEVELOPMENT-JOURNEY			0.15	0.15	0.15	0.10	0.10
Total FTEs		**0.0**	**3.5**	**3.5**	**3.5**	**2.3**	**2.3**

Explanation of costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 37.1% of salaries.

Goods and Services are the agency average of $4,230 per direct program FTE.

Travel is the agency average of $2,577 per direct program FTE.

Equipment is the agency average of $1,319 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing a priority in Ecology's strategic plan by improving the consistency, equivalency, and enforceability of permits for treatment, storage, and disposal of radioactive mixed waste. This will help ensure those wastes do not create a long-term adverse environmental impact. Specific Strategic Plan elements met include:

Ecology Strategic Priority "Prevent and Reduce Toxic Threats"

- Objective 4 is "Hanford tank waste treatment."
    - Relevant key strategies include:
        - Support a flexible and effective regulatory framework for preventing and reducing the release of and exposure to toxic substances.
        - Develop and issue construction and operating permits for the facilities that will treat Hanford tank waste.

- Business technology and information management objectives include:
    - Modernize and standardize agency wide business processes and business technology solutions.
    - Develop improved enterprise data management, business analytics, and reporting capabilities, and increase public access to data.
    - Develop and provide technical solutions that support an increasingly collaborative and mobile workforce.
    - Develop and implement improved technical infrastructure services that provide high-speed access to data and information.

This request provides essential support to the Governor's Results Washington Goal, Sustainable Energy and Clean Environment by improving the consistency, equivalency, and enforceability of permits for treatment, storage, and disposal of radioactive mixed waste. This will help ensure those wastes do not create a long-term adverse environmental impact.

Performance outcomes:

The outcome of this request will be reissuance of the Hanford dangerous waste permit by 2023, which will put in place facility-specific operational requirements for all facilities on the Hanford site. Revising the current permit will result in a more consistent, enforceable, and implementable

regulatory tool for each facility. This will improve control over how facilities treat, store, and dispose of their radioactive mixed waste, which will help prevent pollution of air, land, and water.

Other Collateral Connections

Intergovernmental:

Ecology's work to permit facilities 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. The primary customers of the permits is USDOE and the contractors/operators of the mixed waste facilities.

Stakeholder response:

There are numerous Hanford stakeholders, many represented on the Hanford Advisory Board, along with individual stakeholder organizations. There is support for improved regulatory oversight of Hanford operations. The permit recipients are the owners and operators of the mixed waste facilities, which is USDOE at Hanford. USDOE and its contractors are working with Ecology to complete permit reissuance and they are aware of our resource plans. USDOE supports this request.

Legal or administrative mandates:

The following proceedings have affected the need to modify the current permit to address deficiencies:

- EPA Permitting and Compliance Direction, including the 2013 State Review Framework report.
- EPA Consent Agreement and Final Order (CAFO) on Hanford Solid Waste Operations Complex, June 2013 – included deferral to Ecology to address closing unused units, which requires Ecology to process closure plans for 14 units that were not previously planned.
- 2012 EPA direction to take over electronic administration of permit, which resulted in the increased IT workload and increased permit administration workload.
- Nuclear Waste Program compliance oversight (January 2014 Consent Order), driven by the EPA State Review Framework report, is resulting in permit modifications to bring facilities into compliance.

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

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?

Yes

Hanford Dangerous Waste Permit IT Addendum.docx

2019-21 IT ADDENDUM

NOTE: Only use this addendum if your decision package includes IT and does NOT relate to the One Washington project.

Part 1: Itemized IT Costs

To itemize IT costs for this submittal, agencies must complete the imbedded IT Fiscal Estimates Worksheet (Excel workbook) and submit that with their final decision package.

2020 Supplemental IT
Fiscal Estimates Work

When itemizing costs in this workbook, 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.

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? ☐Yes ☒ No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) ☐Yes ☒ No
3. 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 you answered "yes" to any of the above questions, you must answer the questions in Part 3 to finish the IT Addendum. Refer to Chapter 10 of the operating budget instructions for more information and a link to resources and information about the evaluation criteria questions.

Part 3: IT Project Questions

Agency readiness/solution appropriateness

Organizational change management

1. Describe the types of organizational changes expected because of this effort. How has your agency considered these impacts in planning the project and within this funding request? Include specific examples regarding planned Organizational Change Management (OCM) activities and whether or how the requested funding will support these efforts.

Agency technology portfolio risk assessment

2. How does this project integrate into and/or improve the overall health of your agency's IT portfolio? Include specific examples such as system efficiencies, technology risks mitigated, technology improvements achieved, etc.

Solution scale

3. Explain how this investment is scaled appropriately to solve the proposed business problem. Described what considerations and decisions the agency has made to determine the sizing of this investment and why it is appropriate to solve the business problem outlined in the decision package.

Resource availability

4. How has the agency determined the resources required for this effort to be successful? How does this funding request support that resourcing need? If the agency intends to use existing resources for this effort, how are risks around resource availability being addressed?

Investment urgency

5. With regards to the urgency of this investment, please select one of the following that most closely describes the urgency of your investment, and explain your reasoning:

   ☐ This investment addresses a currently unmet, time sensitive legal mandate or addresses audit findings which require urgent action.
   Reason:

   ☐ This investment addresses imminent failure of a mission critical or business essential system or infrastructure and will improve that issue.
   Reason:

   ☐ This investment addresses an agency's backlog of technology systems and provides an opportunity for modernization or improvement.
   Reason:

   ☐ This investment provides an opportunity to improve services, but does not introduce new capability or address imminent risks.
   Reason:

Architecture/Technology Strategy Alignment

Strategic alignment

6. 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

7. 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: data minimization, incorporating security

principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

Governance processes

8. What governance processes does your agency have in place to support this project, or what new governance processes will be introduce to accommodate this effort? Examples of governance processes include executive sponsorship and steering, vendor/contract management, change control, quality assurance (QA), independent verification and validation (IV&V), 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.

Interoperability, interfaces and reuse

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

Business/Citizen Driven Technology

Measurable business outcomes

10. Describe how this proposed IT investment improves business outcomes within your agency? Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.

Customer centered technology

11. Describe how this proposed investment improves customer experience. Include a description of the mechanism to receive and incorporate customer feedback. If the investment supports internal IT customers, how will agency users experience and interact with this investment? If the customers are external (citizen), how will the citizen experience with your agency be improved as result of implementing this investment? Provide specific examples.

Business process transformation

12. Describe how this IT investment supports business processes in your agency. Include the degree of change anticipated to business processes and the expected improvements as a result of this technology. Describe how the business and technology will coordinate and communicate project tasks and activities. Provide specific examples of how business processes are related to this technology and expected improvements to business processes as a result of implementing this technology.

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CK - Cleanup & Study PFAS Contamination
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Angie Wirkkala
(360) 407-7219
angie.wirkkala@ecy.wa.gov

Agency Recommendation Summary

Per- and polyfluorinated alkyl substances (PFAS) are a group of over 4,700 synthetic organic chemicals used in consumer and industrial applications, including cookware, carpets, and food packaging. One common PFAS use is in certain types of firefighting foam—used by the U.S. military, local fire departments, airports and others. There is little toxicity or safety data for most of the PFAS in use, and they remain in the environment for a long time. The extent of the impact of PFAS compounds in Washington's environment is an emerging issue. This request will provide funding for Ecology to 1) build PFAS analytical capacity at the Manchester Laboratory; 2) sample wastewater treatment plant influent, effluent, and biosolids at three municipal wastewater facilities receiving industrial discharges; and 3) provide cleanup technical assistance to communities impacted by PFAS contamination in their water supply systems. Related to Puget Sound Action Agenda Implementation (Model Toxics Control Operating Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 23P - 1	$0	$1,036	$0	$0
Total Expenditures	**$0**	**$1,036**	**$0**	**$0**
Biennial Totals		**$1,036**		**$0**

Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	0.0	2.4	0.0	0.0
Average Annual		**1.2**		**0.0**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	$0	$176	$0	$0
Obj. B	$0	$65	$0	$0
Obj. C	$0	$300	$0	$0

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$0	$66	$0	$0
Obj. G	$0	$5	$0	$0
Obj. J	$0	$353	$0	$0
Obj. T	$0	$71	$0	$0

Package Description

PFAS are a family of chemicals used since the 1950s in manufacturing coatings, surface treatments, and specialty chemicals used in cookware, carpets, food packaging, clothing, cosmetics, and other common consumer products. PFAS also have many industrial applications and are an active ingredient in Class B firefighting foams. They have become a serious public health concern across both our country and state. Over the decades, some PFAS released from manufacturing sites, landfills, firefighting foam, and other products have seeped into surface soils. From there, PFAS can leach into groundwater and contaminate drinking water. PFAS have also been found in rivers, lakes, fish, and wildlife.

Current concerns related to PFAS:

- Many PFAS degrade in the environment to form perfluoroalkyl acids (PFAAs). There are no known natural mechanisms that can break these PFAAs down (Ochoa-Herrera etal 2016, Liou et al 2010). Any toxic or other hazardous effects caused by these chemicals will be with us for many decades
- Animal studies show strong evidence of developmental toxicity, liver toxicity, and immune toxicity for several PFAAs. Available epidemiological studies suggest links between PFAA exposure and several health issues, including increases in cholesterol levels, lower birth weight, reduced immune antibody response to childhood vaccines, and increased rates of some cancers, such as kidney and testicular (EPA 2016, ATSDR 2015 and 2018, NTP 2016, IARC 2014, Health Canada 2016, Haines et al 2017, EFSA 2018).
- National surveys show that everyone tested had some PFAS in their blood (CDC 2015 and 2017). Exposure can occur from many sources. The most common sources are food, drinking water, and PFAS-containing consumer products. Some people, such as low-income populations, communities of color, and high consumers of fish and shellfish, may have higher than average exposures because of longer retention of household items, higher consumption of food in disposable packing, and higher consumptions of foods that bioconcentrate PFAAs (Olsen 2015, Christensen et al 2017).
- In Washington State, PFAAs have been detected in surface waters, groundwater, wastewater treatment plant (WWTP) effluent, freshwater and marine sediments, freshwater fish tissue, and osprey eggs. PFAA concentrations were highest in urban surface water and surface waters receiving minimally diluted WWTP effluent (Ecology 2010, 2012, 2013, 2014, 2016a, 2016b, 2017, 2018, and Ecology and Herrera 2010).
- PFAAs have been identified in seven drinking water systems in Washington. In some areas, drinking water samples exceeded the lifetime health advisory level set by the U.S. Environmental Protection Agency (EPA). PFAS-based Class B firefighting foam is believed to be

the primary source of contamination at each of these areas (DoD 2016, Sammamish Plateau Water 2016 and 2018, Hinds 2017, NAVFAC 2018, FAFB 2018, Lakewood Water District 2018a and 2018b, and Tacoma Public Utilities 2018).

What is already being done:

- Firefighting foam containing PFAS use for training is prohibited (by all users). Firefighting foam purchased after July 2020 is restricted to only exempt users. (Chapter 70.75A RCW)
- PFAS in food packaging prohibition is scheduled for January 2022 – Ecology must complete an alternatives assessment before this takes effect (the assessment is underway).(Chapter 70.95G RCW)
- PFAS Chemical Action Plan draft recommendations are tentatively scheduled to be published by Spring 2020 (after Ecology reviews stakeholder comments). https://www.ezview.wa.gov/?alias=1962&pageid=37105
- PFAS is one of the chemical classes identified for action under Senate Bill 5135. Work to identify priority products is underway. (Link to the bill: http://lawfilesext.leg.wa.gov/biennium/2019-20/Pdf/Bills/Session%20Laws/Senate/5135-S.SL.pdf)

Moving forward, Ecology requests the following one-time investments to better understand how PFAS are affecting Washington and to provide technical assistance for communities already dealing with PFAS contamination in their drinking water systems.

Build PFAS Analytical Capacity in Washington - $501,000 and 1.2 FTEs

The need to assess Washington's environment for the types and amounts of PFAS present is an emergent issue because of the wide and increasing uses of PFAS in commercial products, and the unknown levels of suspected widespread environmental contamination, which can result in exposure to humans and wildlife. This request will allow Ecology to purchase a laboratory instrument and develop methods to analyze various media for PFAS to support studies by Ecology and other entities.

Ecology has limited ability to test for PFAS at its Manchester Environmental Laboratory (MEL). Right now, the lab can analyze for PFAS only in sediments and fish tissue because lab equipment and personnel are at capacity. Ecology proposes purchasing a new Liquid Chromatograph Tandem Mass Spectrometer (LCMSMS) to conduct these priority analyses in other matrices. Ecology will also hire one full-time Chemist 3 FTE dedicated to developing methods for these new analyses. The one-time investment in equipment and methods development in Fiscal Year 2021 will pay-off with years of quality data for a wider variety of samples for PFAS. This will support SSB 5135 and the draft PFAS chemical action plan (CAP) (Ecology is working with the Washington Department of Health to develop a CAP that identifies sources and recommends actions to reduce the use, release, and exposure of PFAS in Washington). Ecology will have better data going forward regarding the prevalence of PFAS in the environment. This will allow Ecology to continue monitoring the effectiveness of efforts to reduce PFAS exposure.

Relying on contract laboratories to perform PFAS analyses would leave Ecology dependent on those labs to provide quality data. The advantage to having the capability and doing the work within Ecology is having control over the quality in the long term.

Assessing Wastewater Impacts of PFAS - $235,000 and 1.2 FTE

Environmental monitoring shows that surface water PFAS concentrations are highest in waterbodies located in urban settings. Ecology proposes studying the influent and effluent of PFAS at three municipal wastewater treatment plants receiving industrial discharges to help inform which treatment processes are more effective at transforming and removing PFAS. The goal is to reduce the pathway to the environment and human exposure after source control.

This request supports recommendations in the draft PFAS CAP to identify and address industrial point sources of PFAS releases to the environment, and to study PFAS removal and/or transformation through different wastewater treatment processes. This approach will help inform future treatment plant design and operation. It will also help Ecology determine whether additional future PFAS monitoring requirements are needed for industrial or municipal wastewater discharges.

The study will select three treatment plants that receive industrial discharges likely to contain PFAS. Sampling will be conducted as an independent study under a project-specific Quality Assurance Project Plan (QAPP). The study will include triplicate analysis of PFAS in untreated influent, treated effluent, untreated sludge, and biosolids. Ecology will produce a peer reviewed report of the findings and recommendations that will be published on our website by July 2021.

Cleanup Technical Assistance to PFAS Impacted Communities - $300,000

PFAS exposure occurs when someone uses certain products that contain PFAS, eats PFAS contaminated food, or drinks PFAS contaminated water. When ingested, PFAS can accumulate in the body. Communities that find PFAS in their water supply systems face regulatory uncertainty and expensive alternatives for treating and cleaning up the contaminated water sources to protect public health.

The EPA has set a lifetime health advisory level for two PFAS; Perflourooctane sulfonate (PFOS) and Perfluorooctanoic acid (PFOA). If a water supply system in Washington is contaminated with combined levels of PFOS/PFOA above 70 parts per trillion, the public must be notified. But right now, there is no requirement for a community to provide bottled water to their customers or for the water to be treated. The Washington State Board of Health is in the midst of rulemaking to set standards for PFAS in drinking water, which are expected in winter 2020. (Revisions to Group A Public Water Supplies under Chapter 246-290 WAC)

Until those standards are set, individual communities must decide how to provide safe drinking water. Providing bottled water or building expensive treatment systems with costly operation and maintenance into the future are short-term solutions. Long-term, communities need permanent cleanup remedies that require complete characterization of the PFAS contamination. Ecology has been working with the City of Issaquah, Eastside Fire & Rescue, and the Sammamish Plateau Water and Sewer district to investigate contamination and design a pilot PFAS cleanup in the Issaquah Valley Aquifer. This funding will position Ecology to continue its work with Issaquah and help other communities that may be impacted by PFAS in their water supply systems.

Impacts on Population Served:
This request has a number of benefits – statewide and for specific communities. First, it will increase Ecology's and other entities' ability to obtain data identifying the amount of PFAS in the environment and consumer products through investments in MEL research capability. This will help inform efforts to reduce the risks of exposure to PFAS statewide. Second, identifying potential influent sources of PFAS and evaluating the effectiveness of treatment technologies will help determine the wastewater treatment processes that best protect the receiving water and decrease people's exposure to these chemicals in the water environment. Finally, Ecology and communities with PFAS contaminated drinking water both benefit. Communities receive the benefit of state support for the costly investigation and cleanup work, while Ecology builds its knowledge about appropriate cleanup actions and the associated cleanup costs.

Alternatives Explored:
For each of the proposed investments, the alternative is having less information – either about the extent of PFAS contamination, or the effectiveness of how best to limit it in, or remove it from the environment.

Investing in Manchester Laboratory. Instead of developing the capability to perform PFAS analyses at MEL, Ecology could continue to use contract laboratories to perform PFAS analyses. This would leave Ecology dependent on those labs to provide quality data. The advantage to having the capability and doing the work within Ecology is having control over the quality. Ecology's MEL develops customized methods that work best for sample analyses and matrices, rather than relying on generic or one-size-fits-all methods used by commercial labs. Also, MEL employs extensive Quality Control (QC) measures that guarantee and document the quality of the data, which are above and beyond the minimum QC used in commercial labs.

Studying Wastewater Treatment Plants. One alternative is to require wastewater treatment plants to monitor for PFAS in their wastewater effluent. But Washington does not have a numeric water quality standard for PFAS, and we are in the very early stages of determining how to regulate this suite of chemicals. Municipal treatment plants are not sources for PFAS, but instead act as a removal and pass-through point for PFAS sources upstream in the collection system (e.g., industrial discharges and residential wastewater). Requiring PFAS monitoring would significantly increase costs and place an undue burden on treatment plants, because laboratory testing for these chemicals is expensive.

Working with Communities to Cleanup PFAS in Drinking Water. The alternative is to continue providing technical assistance or expertise to impacted communities without offering the financial resources that will help us more quickly understand the source, makeup, extent of contamination, cleanup options, and costs.

Consequences of Not Funding This Request:
If this request is not funded, the state would miss opportunities to protect the public from PFAS contamination. Ecology would not:

- Develop and perform additional PFAS testing at Ecology's MEL. The state would lag in developing methods to test for PFAS in various matrices that support SSB 5135 and the draft

PFAS CAP.

- Understand PFAS removal and transformation through wastewater treatment processes. And, the state would lag in developing future control options to decrease the amount of PFAS discharged into the environment.
- Increase investment in, and partnerships with communities. Cleanup remedies to address PFAS in public drinking water sources require new cleanup approaches and technologies. From locating the source of the contamination to cleaning it up, we are all learning. Without a continuing investment and partnership with communities like Issaquah, Ecology would be less informed about how best to characterize, evaluate, design, and clean up these types of sites.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request expands activities within the Environmental Assessment, Water Quality, and Toxics Cleanup Programs, on a one-time basis, to support the study and cleanup of PFAS in Washington State. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for these activities. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.

A005 - Clean up the Most Contaminated Sites First (Upland and Aquatic)		
	2017-19	**2019-21**
FTEs Total	141.0	157.8
001-2 General Fund - Federal	$6,749,412	$7,136,000
001-7 General Fund – Private/Local	$3,003,740	$3,004,000
(173-7) 23P-1 MTCA Operating – Private/Local	$499,000	$499,000
(173-1/19G-1) 23P-1 MTCA Operating	$34,329,217	$39,914,000
176-1 Water Quality Permit Fees	$1,428,572	$1,577,000
TOTAL	**$46,009,941**	**$52,130,000**

A026 - Measure Contaminants in the Environment by Performing Laboratory Analyses		
	2017-19	**2019-21**
FTEs Total	30.1	30.6
001-7 General Fund – Private/Local	$294,597	$294,000
(173-1/19G-1) 23P-1 MTCA Operating	$3,534,086	$3,734,000
176-1 Water Quality Permit Fees	$197,442	$228,000
TOTAL	**$4,026,125**	**$4,256,000**

A032 - Prevent Point Source Water Pollution		
	2017-19	**2019-21**
FTEs Total	88.4	91.5
001-1 General Fund – State	$0	$710,000
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	$1,210,000
176-1 Water Quality Permit Fees	$20,280,096	$21,833,000
TOTAL	**$23,322,200**	**$25,701,000**

Detailed assumptions and calculations:

In Fiscal Year 2021, Ecology requires:

Build PFAS Analytical Capacity in Washington

- 1.0 FTE Chemist 3 to develop laboratory methods for analyzing samples for PFAS, obtain accreditation for the developed methods, and analyze samples.
- $350,000 one-time expenditure for a Liquid Chromatograph Tandem Mass Spectrometer, which would be used to analyze samples for PFAS.

Assessing Wastewater Impacts of PFAS

- 0.3 FTE Environmental Engineer 5 to scope the study, perform literature and laboratory methods research, develop the QAPP, analyze the monitoring data, draft the findings and conclusions report, incorporate peer review feedback, and finalize the report.
- 0.3 FTE Environmental Specialist 5 to assist with literature research, method research, QAPP development, analyze the monitoring data, help draft the findings and conclusions report, manage the peer review process, and publish the final report.
- 0.5 FTE Natural Resource Scientist 3 to perform laboratory methods research, assist in developing the QAPP, collect and process samples, analyze the data, validate findings in the report, summarize the results, and review the draft report.
- Lab analysis costs for 12 samples at three test sites and eight quality control samples are estimated at $57,200. Lab estimates from MEL are $1,000 each, plus 30 percent surcharge. $1,300 per sample x 44 samples = $57,200.

Cleanup Technical Assistance to PFAS Impacted Communities

- $300,000 one-time expenditure for grants or contracts with communities that have PFAS contamination in their drinking water systems.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries and Wages		175,575				
B	Employee Benefits		65,138				
C	Personal Service Contract		300,000				
E	Goods and Services		66,083				
G	Travel		5,412				
J	Capital Outlays		352,771				
T	Intra-Agency Reimbursements		71,493				
	Total Objects	**0**	**1,036,472**	**0**	**0**	**0**	**0**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
CHEMIST 3	80,291		1.00				
ENVIRONMENTAL ENGINEER 5	105,381		0.30				
ENVIRONMENTAL SPECIALIST 5	78,412		0.30				
NATURAL RESOURCE SCIENTIST 3	80,291		0.50				
FISCAL ANALYST 2			0.21				
IT APP DEVELOPMENT - JOURNEY			0.11				
Total FTEs		**0.0**	**2.4**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of costs by object:
Salary estimates are current biennium actual rates at Step L.
Benefits are the agency average of 37.1% of salaries.
Personal Service Contract of $300,000 for technical assistance grants or contracts.
Goods and Services are the agency average of $4,230 per direct program FTE. This also includes laboratory analysis costs of $57,200.
Travel is the agency average of $2,577 per direct program FTE.
Equipment is the agency average of $1,319 per direct program FTE. It also includes $350,000 for the purchase of a Liquid Chromatograph Tandem Mass Spectrometer.
Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing a priority in Ecology's strategic plan to Prevent and Reduce Toxic Threats because the new CAP will identify sources of PFAS and recommend actions to reduce the use, release, and exposure of PFAS in Washington.

This request provides essential support to the Governor's Results Washington Sustainable Energy and a Clean Environment by increasing Ecology's capability to:

- Analyze environmental samples for PFAS.
- Understand the most effective wastewater treatment technologies for PFAS.
- Characterize and cleanup PFAS contaminated sites.

Performance Measure Detail

Performance Measure	Unit	Incremental Change FY1	Incremental Change FY2	Incremental Change FY3	Incremental Change FY4
001164 - Number of chemical analyses completed for clients by Ecology's Manchester Environmental Laboratory	#	0	360	360	360

Performance outcomes:

The outcome of this request will be increased capabilities and information for Ecology:

- At Manchester Environmental Laboratory to analyze a wider variety of samples for PFAS.
- By understanding the removal and transformation of PFAS through wastewater treatment processes.
- By participating with communities to characterize PFAS contamination and develop cleanup alternatives.

Other Collateral Connections

Intergovernmental:

Ecology anticipates support for this request. Ecology's MEL is often used by tribes, other state agencies, and local governments to analyze environmental samples. PFAS contamination is becoming a growing concern statewide and nationwide, and it is likely there will be increased demand for PFAS analysis from some of these entities. They are likely to support Ecology's increased capabilities to perform PFAS analyses, because it will give them an additional option to have this work done in the future.

Ecology's efforts to improve understanding PFAS removal and transformation through wastewater treatment will support decision-making for regional, county, and city governments in treatment plant operation, design, and pretreatment. An Ecology-led study is preferable to a regulatory approach, given the uncertainties in analytical techniques and lack of water quality standards. Tribes, other state agencies, and local governments are likely to support this approach.

Ecology has already been working with communities whose drinking water is contaminated with PFAS. The impact of this request on other governments will be to offer continued and expanded technical assistance as the contamination is characterized and cleaned up.

Stakeholder response:

It is possible commercial laboratories could be opposed to this request, because it will give Ecology the capability to perform additional PFAS analyses in-house, rather than send work out to commercial laboratories.

Ecology anticipates support from non-governmental stakeholders and the public for improved understanding of wastewater treatment processes on PFAS.

Ecology anticipates support for offering technical assistance to communities working to clean up PFAS-contaminated drinking water systems.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

The wastewater treatment plant study will occur in three facilities in the Puget Sound basin and will support the 2018 Action Agenda through Sub-strategy 9.1 - Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem.

Reference Documents

- Cleanup and Study PFAS Contamination References.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?
No

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2020 Supplemental Budget
Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CM - Homeless Encampments Waste Cleanup
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Laurie Davies
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Agency Recommendation Summary

Homelessness is an increasing solid waste problem for Washington's cities and counties. Local health and public works departments are primarily responsible for enforcing the rules and regulations of solid waste handling, and ensuring local hazardous and solid waste plans are implemented. However, cities and counties do not have a dedicated fund source to address the health and environmental affects of homelessness in their communities. A primary impact of homeless encampments is the illegal disposal of solid waste (tent, mattresses, abandoned RV filled with chemical and human waste) and runoff from untreated sewage. Ecology requests funding to provide one-time financial assistance grants to local governments to help clean up solid, hazardous, and infectious waste generated by these encampments. (Model Toxics Control Operating Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 23P - 1	$0	$1,500	$0	$0
Total Expenditures	**$0**	**$1,500**	**$0**	**$0**
Biennial Totals		**$1,500**		**$0**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. N	$0	$1,500	$0	$0

Package Description

Ecology is required by law (Chapter 70.95 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 prevent or minimize environmental contamination resulting from improper management or disposal of solid waste to protect human health and the environment.

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), while the number of people staying in sheltered locations across the nation continued to decline for the fourth consecutive year in 2018 (0.7% between 2017 and 2018), the number of people in unsheltered locations increased for the third year in a row by two percent. 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 such as tents/unsanctioned encampments and vehicles.

According to Seattle/King County's 2019 Count Us In Report (http://allhomekc.org/wp-content/uploads/2019/07/Updated-7.11-King-County-Report.pdf), while number of persons experiencing homelessness in Seattle/King County decreased by eight percent compared to the 2018 Point-in-Time (PIT) count, there were more people living in tents and unsanctioned encamplements in 2019 than there were in 2018. According to the report, there were an estimated 1,276 persons living in tents/unsanctioned encampments in 2019. This represented a 32 percent increase compared to 2018, when there were an estimated 967 persons living in tents/unsanctioned encampments. Note, the 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 or over time. This annual total is usually two to three times the PIT estimate.

Garbage, human waste, drug paraphernalia, and needles attract vermin, 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 needles, human waste, and drug paraphernalia at these sites.

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 was reduced to $10 million in the final enacted budget. Due to the funding reductions for these programs, and the challenges local governments face in raising funding through permits and fees for this solid waste issue, the problems with encampments continue to grow without sufficient resources to manage and clean up the waste.

At the request of the public and local government, Ecology has appointed a working team across the agency to address the environmental impacts of homeless encampments on Washington shorelines, roadways, waterways, and city streets. This proposal would significantly help this effort by giving local governments funding to address the solid waste portion of the waste stream. Solid waste comprises 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.

Impacts on Population Served:
Homelessness is a problem that affects all residents and visitors in both urban and rural areas. Traditional facilities, such as housing and restrooms, 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. Also, human waste impacts surface water and potentially groundwater.

Alternatives Explored:
Ecology explored all sources of funding for this project, including General Fund-State. The source of funding with the clearest nexus to addressing the problem is the authority under MTCA to manage and clean up solid waste. 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.

The existing $10 million appropriated in the 2019-21 Operating Budget for LSWFA is insufficient for supporting both the existing solid waste programs, and addressing the homeless encampments issue facing many of our communities.

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. A failure to address these issues exposes all of Washington's residents and visitors to potentially harmful health and environmental impacts, including transmitting diseases and contaminating drinking water. This project will help reduce those impacts and protect all Washingtonians.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request expands activity A013 – Fund Local Efforts to Clean Up Toxic Sites and Manage or Reduce Waste on a one-time basis to address the emerging crisis with homeless encampments and the health and environmental issues they create. 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 this activity.

Activity A013 - Fund Local Efforts to Clean Up Toxic Sites and Manage or Reduce Waste		
	2017-19	2019-21
FTEs Total	13.9	13.9
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		$15,424,000
TOTAL	**$6,136,306**	**$15,424,000**

Detailed assumptions and calculations:

Beginning July 1, 2020, through June 30, 2021, Ecology requests $1.5 million in one-time funding to help address the emerging crisis with homeless encampments and the health and environmental issues they create. 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, cleanup and dispose of solid waste include mattresses, tents, and other solid waste at encampment sites, and will provide for the clean up and proper disposal of human waste.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
N	Grants, Benefits, and Client Services		1,500,000				
	Total Objects	**0**	**1,500,000**	**0**	**0**	**0**	**0**

Staffing Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
	Total FTEs	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of costs by object:
All costs are Grants (Object N).

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing a priority in Ecology's strategic plan to prevent and reduce toxic threats by keeping solid and hazardous wastes from being stored or disposed of improperly and polluting Washington's surface and groundwater. These efforts decrease emissions of airborne toxins, human diseases, and carcinogens from release into the environment by properly collecting and disposing of the material in the encampments.

This request provides essential support to two of the Governor's Results Washington Goals: Sustainable Energy and Clean Environment and Healthy and Safe Communities. Homeless encampments cause releases to the environment that impact and contaminate soil and water, spread disease, and attract vermin. This funding would go to reducing or eliminating those impacts and lead to a healthier environment and safe communities.

Performance outcomes:

The requested funding will be used to implement a pilot project statewide to begin programs to address homeless encampments in our local communities.

Other Collateral Connections

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.

In addition, this funding will help leverage the existing partnership between Ecology and the Washington State Department of Transportation (WSDOT) to address the safety and public health problems created by homeless encampments along Washington's highways.

Stakeholder response:

Ecology has shared the initial concept with key stakeholders, and they expressed significant support and have been asking for a program to address the impacts of homelessness on the environment. 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.

The grant program will be competitive, with priority given to local governments that can implement a local program in one year.

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.

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

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

2020 Supplemental Budget
Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CN - Local Source Control Program
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Darin Rice
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Agency Recommendation Summary

Through our Local Source Control (LSC) Partnership, Ecology provides funding to 21 local government partners who provide hands-on technical and regulatory assistance to small businesses across the state. This assistance includes helping them safely manage their hazardous waste to prevent spills, protect against stormwater pollution, and prevent injuries to employees. Our local partners are also key implementers of the new Chemical Action Plan (CAP) “swap out” program, funded in the 2019-21 Capital Budget. This request replaces one-time federal funding that ended in the 2017-19 Biennium so that the Partnership can maintain its current level of service through the 2021-23 Biennium. Related to Puget Sound Action Agenda Implementation. (Model Toxics Control Operating Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 23P - 1	$0	$750	$550	$550
Total Expenditures	**$0**	**$750**	**$550**	**$550**
Biennial Totals		**$750**		**$1,100**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$0	$750	$550	$550

Package Description

Background:

The Local Source Control (LSC) Partnership is comprised of 21 local governments, including cities, counties, and health districts in the Puget Sound Region and along the Spokane and Columbia rivers. The Partnership allows these local governments to offer hands-on technical and regulatory assistance to small businesses via contract funding from Ecology. Delivering free, in-person assistance is the best way to help these businesses understand and comply with regulations, such as proper

containment for chemicals, being prepared for spills, and educating employees about chemical handling and disposal. Offering these services through a partnership with local governments gives the program flexibility to focus on both state toxics priorities and local environmental concerns.

As a result of LSC assistance, businesses:

- Adopt safer materials handling and storage practices.
- Manage interior and exterior drainage systems to reduce impacts to stormwater.
- Create a plan for spill prevention and preparedness, including having spill kits on site.
- Use fewer toxics in their processes or replace toxic chemicals with safer alternatives.

Since the LSC Partnership began in 2008, nearly 35,400 site visits have found and resolved more than 30,000 environmental threats from small businesses. The LSC Partnership distributes free spill kits as an incentive to encourage businesses to prevent, plan for, and be prepared for spills. In the 2017-19 Biennium, local government partners distributed 669 free spill kits to local businesses across the state.

Problem:
In 2012, Ecology received a one-time federal grant through the U.S. EPA's National Estuary Program (NEP) that funded five local government source control specialists in the Puget Sound region. That grant funding ended June 30, 2019, and while Ecology's latest LSC Near-Term Action (NTA) was ranked as a high priority in the 2018-2022 Puget Sound Action Agenda, it was not selected for NEP funding this biennium. The Action Agenda is now updated every four years, so the next opportunity to request additional one-time federal funding would be in Fiscal Year 2022 for the 2023-25 Biennium.

Ecology submitted a 2019-21 operating budget request titled, "Local Source Control Program" to replace the lost federal funding and expand the program in order to meet anticipated local demand this biennium. While the request was supported by the Governor's budget proposal, it was ultimately not funded in the enacted budget. Without a replacement for the lost federal funding, Ecology will have to cut the LSC Partnership by a quarter its historic size starting in Fiscal Year 2021. This will equate to approximately 750 fewer business visits in Fiscal Year 2021, and over 1,500 fewer in each biennium thereafter.

LSC Partnership - Shortfall in 2019-21 as a Result of the Expired Federal Grant	
2017-19 LSC Partnership Agreement Total	$4,618,007
2019-21 Base Funding for LSC Partnership Agreements[1]	$3,500,000
2019-21 Funding Shortfall as Compared to 2017-19 Agreement Total (represents loss in federal funding)	-$1,118,007
Supplemental Request for Fiscal Year 2021	$750,000
Remaining Fiscal Year 2020 Shortfall[2]	-$368,007

Notes:

[1]Amount represents the base funding available for LSC contracts only. Staff funding to administer the agreements (about $300,000 per biennia) is not included.

[2]Ecology has adjusted its 2019-21 agreement amounts, and is using a portion of the Chemical Action Plan (CAP) "swap out" program funding from the capital budget to cover the shortfall this biennium on a one-time basis.

Ecology's 2019-21 LSC Partnership "request for proposals", received in March 2019, reinforced that this funding is greatly needed across the state, and that the loss of our one-time federal grant will have significant impacts on our local partners if alternative funding cannot be secured. Ecology had all 21 existing LSC community partners submit proposals for 2019-21, along with four new potential partners (City of Lakewood, City of Everett, City of Vancouver, and Island County).

Furthermore, a reduction in our existing LSC partners would also negatively affect the success of the new Chemical Action Plan (CAP) "swap out" program, which was funded in the 2019-21 Capital Budget. The goal of the new program is to remove and replace toxic chemicals present in consumer and commercial products before they get into the environment. The program focuses on priority product replacement opportunities, which directly support current and past CAP recommendations:

- Disposal of per- and polyfluorintated alkyl substances (PFAS)-containing firefighting foam at local fire departments.
- Disposal of polycholorinated alkyl substances (PCB)-containing light ballasts in schools.
- Disposal of PCB-containing caulk from public or private buildings.
- Disposal of mats, foam pits, and play pads containing polybrominated diphenyl ethers (PBDE) flame retardants at daycares.
- Disposal of mercury thermostats in buildings.
- Replacement of dry cleaning technology that uses perchloroethylene (PERC).

Of the 25 LSC proposals received Ecology received for 2019-21, 21 local governments specifically indicated they wanted to participate in the new CAP "swap out" program. Our LSC partners will provide the boots-on-the-ground resources needed to implement these technology and product replacements. Local partners will assess the need for product and technology replacements in their communities, assist businesses with the requirements and paperwork to receive a voucher to help with costs, and ensure the work is completed successfully and safely.

Solution:
Ecology requests state funding in order to maintain the LSC Partnership and its current 21 local government partners at historic funding levels through the 2021-23 Biennium. This program has a proven track record of helping small businesses improve environmental practices by reducing hazardous waste generation, spills, and toxic stormwater impacts statewide. This request only seeks to replace our loss in federal funding so that Ecology can maintain the same level of support for the Partnership as it did in prior biennia. This request does not include expanding the program in order to meet current demand or the needs of the four new communities that have expressed interest in joining the Partnership this biennium.

Impacts on Population Served:
LSC partners are making measurable progress on site visits and performance measurements tied to the program, such as potential pollutant loading, sources of contaminants, community needs, and environmental justice issues. Through this funding, the state can continue to offer small businesses

technical and regulatory assistance to manage chemicals and hazardous waste to prevent spills, costly cleanups, protect stormwater from pollution, and prevent injuries to employees. LSC partners help a variety of businesses, including many types of retail stores, mechanics and other auto-related businesses, property management companies, dental and other healthcare clinics, veterinary clinics, dry cleaners, carpet cleaners, and sewer districts. Funding ensures LSC partners can continue working with businesses to see if recommendations have been implemented and maintained and to visit new businesses as those numbers in Washington continues to grow.

Alternatives Explored:
Ecology applied for federal funding through the U.S. EPA's National Estuary Program (NEP), but was unsuccessful in securing additional one-time funding to support the Partnership this biennium. Ecology can re-apply for NEP funding consideration in Fiscal Year 2022, and if selected, funding would begin July 1, 2023. However, given the limited amount of funding projected to be available, and a shift in federal priorities for the NEP, future one-time funding to support the LSC Partnership is not anticipated.

Because our LSC partners are so key to the success of the new CAP "swap out" program, Ecology could continue using a portion of that capital funding, as we are this biennium, to support the existing LSC partner base, given they are needed to implement the new capital program. However, this is not a sustainable, nor preferred alternative, as it lessens the funding available to actually replace products containing hazardous chemicals.

Consequences of Not Funding This Request:
If this request is not funded, the launch of Ecology's new capital budget funded "swap out" program would be hamstrung by forcing a redistribution of funding to the LSC client base with remaining resources. This would amount to approximately a 25-percent reduction in overall funding from prior biennia for the LSC Partnership.

In addition, with the demands for businesses to follow both state and local stormwater and hazardous waste management regulations, the current resources available to help local governments assist small businesses have reached capacity. This makes it harder to help small businesses reduce the potential for toxic chemical spills, correct illicit wastewater and stormwater discharges, and ensure chemicals and dangerous wastes are properly managed. Without replacement funding to sustain historic support levels, local governments would fall behind in controlling environmental releases from smaller businesses, creating an increased environmental threat.

Phase II municipal stormwater permittees would not have LSC assistance in implementing new permit requirements. Fewer businesses would receive technical assistance to manage their hazardous wastes and stormwater, and watersheds would continue to be contaminated. More businesses would improperly handle toxic chemicals, increasing the chance of spills and environmental contamination. There would be less LSC partner assistance to help local businesses implement product and equipment replacements.

The impacts of improper management can be long-lasting and expensive. One example is the use of the dry cleaning chemical perchloroethylene, or PERC, which has led to contaminated soil or groundwater in many places. Many dry cleaning businesses using PERC technology do not realize they need a dangerous waste permit and must comply with Washington's waste discharge regulations to operate an evaporator that separates PERC from dry cleaning water. Working with LSC networks, dry cleaner operators will receive the technical assistance and education for safer alternatives to ensure this chemical is managed properly.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request allows Ecology to maintain our historic level of service provided to the LSC Partnership during Fiscal Year 2021 and the 2021-23 Biennium. It does not represent an expansion or alteration of the existing program. LSC work is part of 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.

A022 – Increase Safe Hazardous Waste Management		
	2017-19	**2019-21**
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	$5,915,000
207-1 Hazardous Waste Assistance	$497,144	$574,000
TOTAL	**$7,539,759**	**$7,986,000**

Detailed assumptions and calculations:

Ecology requires $750,000 in Fiscal Year 2021 and $1,100,000 during the 2021-23 Biennium to replace the loss of one-time federal grant funding that ended June 30, 2019. This funding is needed in order to maintain the base level funding for our existing 21 partners in the LSC Partnership through the 2021-23 Biennium.

Workforce Assumptions:

Expenditures by Object		**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
E	Goods and Services		750,000	550,000	550,000		
	Total Objects	**0**	**750,000**	**550,000**	**550,000**	**0**	**0**

Staffing

Job Class	**Salary**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
Total FTEs		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of costs by object:
Total Object E for inter-local agreements:
Fiscal Year 2021 = $750,000
Total 2019-21 biennium = $750,000
Fiscal Year 2022 = $550,000
Fiscal Year 2023 = $550,000

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing priorities in Ecology's strategic plan to Prevent and Reduce Toxic Threats and Restore Puget Sound by providing direct, hands-on assistance to small businesses to improve environmental practices and reduce hazardous waste and discharges of toxic chemicals into stormwater. Refer to the narrative in the Puget Sound recovery section for specific sub-strategies and regional priorities.

This request provides essential support to the following Governor's Results Washington goals and outcome measures:

- Prosperous Economy: The LSC program reduces toxic waste, reducing business liability for rule violations and potential cleanup costs from spills.
- Sustainable Energy and a Clean Environment: The LSC program supports the outcome measure for Keeping Puget Sound Ecosystem Healthy by reducing discharges of toxic chemicals into stormwater.
- Healthy and Safe Communities: The LSC program contributes to the outcome measures by reducing environmental and toxic threats at small businesses.

Performance outcomes:

The outcome of this request will be the ability to maintain an integrated water pollution and toxics waste reduction assistance program. This program has a proven track record of helping small businesses improve environmental practices by reducing hazardous waste generation, spills, and toxic stormwater impacts statewide.

Other Collateral Connections

Intergovernmental:

This request will maintain opportunities to train multiple jurisdictions on air, water, and toxic waste issues and local regulatory programs. This training allows all jurisdictions to better understand environmental rules and see how others have solved similar problems.

Ecology contracts with local governments to provide technical assistance to unregulated small businesses. Many of these small businesses generate wastes, such as oils, acids, paints and solvents, and toxic chemicals. Maintaining LSC capacity in these communities will protect the state's investment in costly cleanups already completed and/or near completion.

Stakeholder response:

Collectively, small businesses and households generate a significant amount of hazardous wastes, yet most small businesses receive little or no compliance or toxics reduction assistance. This leaves a gap in environmental and human health protection. This request will help to bridge that gap by continuing the current level of assistance to small businesses and citizens within those selected communities through our partners in the LSC network.

Ecology has strong support from the current 21 local governments within the network who are authorized and well-positioned to assist small businesses and households in their communities.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

This request is directly related to Puget Sound Action Agenda implementation through Near Term Action 2018-0474 (Local Source Implementation) – Fund local governments to conduct source control site visits and monitoring that will eliminate polluted stormwater, spills, and toxic waste discharges from businesses to the stormwater pathway and reduce impacts to Coho pre-spawn mortality.

This request supports Sub-strategy 9.1 - Implement and Strengthen Authorities and Programs to Prevent Toxic Chemicals from Entering the Puget Sound Ecosystem (Stormwater) by reducing hazardous waste and discharges of toxic chemicals being released into the environment. This work secures environmental performance data from site visits on gaps in acceptable waste handling and disposal practices. This allows Ecology to prioritize business sector outreach and training. It is the best source of available data that documents environmental issues for small businesses in Washington.

This request also supports Vital Sign Regional Priorities, TIF1.1 - Enhance pollutant reduction programs, corrective measures and increase authorities and programs to prevent toxic chemicals from entering Puget Sound as well as BIBI1.1 - Increase local capacity to manage stormwater programs.

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

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CL - Support Rural Brownfields Cleanup
Budget Session: 2020 Supp
Budget Level: Policy Level
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Agency Recommendation Summary

There are about 13,000 sites on Ecology's Confirmed and Suspected Contaminated Sites List, and 6,000 of these are awaiting further investigation and cleanup. A portion of these sites are located in underserved, small, rural, and/or disadvantaged communities. To facilitate cleanup and encourage reuse of properties in these communities, Ecology requests one-time funding to offer assessment or limited cleanup of selected properties with high redevelopment potential. Ecology will collaborate with local governments in rural communities to identify publicly-owned properties or ones where private owners will allow site access and investigation. (Model Toxics Control Operating Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 23P - 1	$0	$500	$0	$0
Total Expenditures	**$0**	**$500**	**$0**	**$0**
Biennial Totals		**$500**		**$0**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. C	$0	$500	$0	$0

Package Description

Background and Problem

There are about 13,000 sites are on Ecology's Confirmed and Suspected Contaminated Sites List, and 6,000 of these are awaiting further investigation and cleanup. A portion of these sites are located in underserved, small, rural, and/or disadvantaged communities. Bringing these sites into the cleanup process presents unique challenges.

Although contaminated sites are located throughout Washington, small and rural communities are acutely affected by their presence. Smaller local governments often lack the resources to address contaminated properties. A smaller, local tax base, coupled with the loss of revenue from vacant or underutilized properties, limits the local public funding available to address contaminated properties in these small rural communities.

Private property owners may be reluctant to conduct an environmental investigation. Some have potential liability concerns, and prospective purchasers and developers are weary of buying a property with suspected environmental contamination. Others own property contaminated by historical uses that has been transferred to family trusts or to out-of-state owners who have limited ties to the community and little incentive to fund cleanup.

These publicly and privately owned properties remain vacant or underutilized, presenting:

- a loss of redevelopment and reinvestment
- a loss in potential local tax revenue
- a risk to development on pristine land, which reduces greenspace, requires investment in additional infrastructure, and leaves blighted spaces in place
- a potential threat to public health and the environment

Many of these sites can be considered brownfields, abandoned or underutilized properties whose redevelopment is inhibited by known or suspected environmental contamination. Ecology's Brownfields Program works with local governments, non-profits, tribes, and community stakeholders across the state who are interested in cleaning up brownfields for redevelopment.

Solution

Ecology recognizes that a small public investment can be the catalyst for local economic development and community improvement. To facilitate cleanup and encourage reuse in these communities, Ecology requests one-time funding to offer assessment or limited cleanup of ten selected properties. Ecology will collaborate with local governments in rural communities to identify publicly owned properties or ones where private owners will allow site access and investigation. Prior to funding projects, Ecology will work with communities to identify sites with high redevelopment potential, based on criteria such as location, prospective purchaser interest, environmental justice considerations, and site reuse included in a comprehensive plan.

By working with communities to select properties with high redevelopment potential, Ecology will maximize the impact of the public investment. The assessment results and cleanup activities will help dispel the stigma associated with the property and allow prospective purchasers to make informed decisions regarding site reuse.

Impacts on Population Served

Ecology protects public health and natural resources by cleaning up and managing contaminated sites. Supporting local governments and community stakeholders who are committed to bringing vacant and underutilized properties back into beneficial use significantly contributes to the economic prosperity and public health of our communities.

Alternatives Explored

Ecology has achieved success in assessing and cleaning up select contaminated sites through the Eastern Washington Clean Sites Initiative, Puget Sound Initiative, and the State and Tribal Response Program (STRP) federal cooperative agreement. This request will provide opportunities beyond those existing cleanup initiatives. Projects funded in this request will focus on reuse by targeting sites that may have limited contamination and may be overlooked in the Eastern Washington or Puget Sound programs where the sites are more contaminated and take more effort to cleanup. The projects Ecology funds with this request will consider community benefits beyond removing toxic threats that will add to quality of life. Examples include redeveloping spaces for business, housing, or recreational facilities.

The STRP funding from the U.S. Environmental Protection Agency (EPA) may be used on contaminated sites in small and rural communities that have a high redevelopment potential. However, sites are not eligible for EPA funding if there is liability under the federal Superfund law (Comprehensive Environmental Response, Compensation, and Liability Act - CERCLA). Having access to state funding will expand Ecology's resources and technical assistance to communities for sites that would not ordinarily qualify under the federal program.

Consequences of Not Funding This Request

Between 200 and 300 new contaminated sites are discovered and reported to Ecology each year. This adds to the 6,000 sites already on the list and awaiting further investigation and cleanup. Without public investment, many contaminated properties in small and rural communities would remain unaddressed. This negatively impacts economic opportunity, public health, and community pride. Small and rural communities often have lower median household incomes, limited access to quality affordable housing, and fewer opportunities for good-paying jobs. Properties lying vacant due to suspected contamination reduce the potential for development or expansion of new businesses to replace historic employers.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request provides one-time funding to support the assessment or limited cleanup of selected properties in small, rural communities during Fiscal Year 2021. It does not expand or alter the scope of work for Ecology's Toxics Cleanup Program.

Detailed assumptions and calculations:

In Fiscal Year 2021, Ecology will require $500,000 to contract for assessment or limited cleanups of selected properties in small or rural communities. Ecology will evaluate sites currently on the Confirmed and Suspected Contaminated Sites list, but may select one or more properties not on the list, if they meet the selection criteria. Ecology estimates the requested $500,000 will provide funding for ten sites at approximately $50,000 per site.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
C	Personal Service Contract		500,000				
	Total Objects	**0**	**500,000**	**0**	**0**	**0**	**0**

Staffing							
Job Class	**Salary**	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
	Total FTEs	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of costs by object:
Contracts: Ten projects at approximately $50,000 each for a total of $500,000 in Fiscal Year 2021.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing a priority in Ecology's strategic plan to Prevent and Reduce Toxic threats because it supports the following Ecology goals:

- Protect and restore land, air, and water
- Promote healthy communities and natural resources

This request provides essential support to the Governor's budget priorities, including economic development, energy and environment, and safe communities, because the request 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:

- Prosperous economy by making it possible to redevelop previously contaminated land to support economic growth in communities.
- Sustainable energy and clean environment by assessing and cleaning up contaminated sites.
- Healthy and safe communities by supporting local efforts to redevelop formerly contaminated sites to meet community needs.

Performance outcomes:

The outcome of this request will be completed assessment and limited cleanup of about ten contaminated sites. This will prepare the blighted properties for reuse, which is essential to the health of residents, the environment, and the economic prosperity of our communities.

Other Collateral Connections

Intergovernmental:

Cleaning up and redeveloping contaminated properties will benefit Washington's health, environment, and economy. Depending on the sites selected, cities, counties, and ports are anticipated to support the proposal.

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. Ecology expects all of these partners to support this request.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

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

2020 Supplemental Budget
Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CX - Safer Products Washington
Budget Session: 2020 Supp
Budget Level: Policy Level
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Agency Recommendation Summary

In 2019, the Legislature passed Substitute Senate Bill 5135 (SSB 5135), requiring Ecology to identify chemicals that pose serious threats to human health and the environment. Ecology must now identify consumer products that are significant sources of those chemicals and determine whether safer alternatives exist. Ecology requests one-time funding to conduct preliminary toxicological analyses on a small number of safer alternatives to determine if they are in fact safer, assess the economic impacts on businesses and communities of switching to these products, and strengthen our outreach within areas of the state that experience a disproportionate amount of exposure to toxics. (Model Toxics Control Operating Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund 23P - 1	$0	$479	$0	$0
Total Expenditures	**$0**	**$479**	**$0**	**$0**
Biennial Totals		**$479**		**$0**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	1.2	0.0	0.0
Average Annual		**0.6**		**0.0**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$0	$61	$0	$0
Obj. B	$0	$23	$0	$0
Obj. C	$0	$330	$0	$0
Obj. E	$0	$37	$0	$0
Obj. G	$0	$2	$0	$0
Obj. J	$0	$1	$0	$0
Obj. T	$0	$25	$0	$0

Package Description

Many consumer products and packaging that we use in our daily lives contain toxic chemicals. During their use, and as they break down after disposal, these products can become a source of toxic chemicals affecting children, other sensitive populations, and fish and wildlife. Past efforts to reduce these toxic exposures have been limited to one chemical at a time. Substitute Senate Bill 5135 (SSB 5135) created a new approach to addressing these toxics, allowing Ecology to restrict manufacturers' ability to use specific chemicals, or entire classes of chemicals, in consumer products when a safer alternative is available.

Under this new law, Ecology will identify priority chemicals and consumer products that are significant sources or uses of the priority chemicals and adopt rules to reduce the use of priority chemicals when safer alternatives are available. This process repeats on a five-year cycle. Because the Legislature defined the first five priority chemicals in the law, we are currently focused on identifying consumer products that are significant sources or uses of the priority chemicals in the law. The identification of these priority product-chemical combinations will be finalized by June 2020 and then we will begin work with stakeholders to identify safer alternatives (see attached focus sheet for additional information on SSB 5135).

Our current funding allows us to investigate the availability of safer alternatives for two priority product-chemical combinations. If this request is funded, we will be able to investigate the availability of safer alternatives for five product-chemical combinations. This will allow us to determine whether restrictions are feasible. We will also use this funding to expand our stakeholder engagement process. Since beginning implementation of this law, we have reached out to other jurisdictions implementing similar legislation to discuss lessons learned. We have repeatedly heard that engaging stakeholders early and often is critical to making progress. While we included funding for stakeholder engagement in our fiscal note for ESSB 5135, we would like to increase the number of webinars and in person meetings and expand the scope of our outreach efforts to include organizations focused on community engagement and environmental justice. Many times, these not-for profit stakeholders have limited resources to participate in public processes. Individualized outreach, web-based forums, and scholarships to attend in person meetings are some ways we can make sure we get their input.

Ecology requests the following one-time investments to accelerate the identification of safer alternatives and establish a better understanding for how these alternatives may affect businesses and communities across our state though enhanced stakeholder engagement efforts. Ecology would complete the efforts detailed below in Fiscal Year 2021.

Identify Available Alternatives
Once we identify priority chemical-product combinations, we will begin the process for determining whether safer alternatives are available. Our goal is to identify ten priority product-chemical combinations. In many cases, we anticipate finding an alternative, but would still be uncertain as to whether it's actually safer. Toxicological analysis is required to determine if the alternative is in fact safer than what is currently in use. This request will fund the toxicity screens needed to assess five of the ten priority product-chemical combinations that we identify in June of 2020 for potential safer alternatives. The goal of these analyses will be to verify that potential alternatives are truly safer, as opposed to substituting one type of toxic with another – a tradeoff that has unfortunately happened too often in the past.

Assessing the Feasibility of Alternatives
Understanding the impacts of a safer alternative on our businesses and communities is also of critical importance when it comes to the success for these transitions. This request would fund an economic (market share) analysis contract to assess the feasibility of transitioning to safer alternatives. The economic analysis would answer questions about the alternative such as:

- Is it more expensive for businesses?
- Will it increase the price to consumers?
- Who is buying the product? Who will be affected by this price increase?
- Are businesses already using the alternative?

The results of this research will help Ecology understand the economic impacts associated with switching to a safer alternative, while identifying any vulnerable populations that might be disproportionately impacted by such a transition. This research will also help us engage with businesses in a more productive manner as it will help us understand and reduce the challenges businesses may face as a result of our regulatory decisions.

Expand Stakeholder Engagement
To assess and understand the impacts of product replacements on businesses and people throughout Washington, Ecology needs to continue building its outreach capacity to engage with stakeholders. We want to increase the number of stakeholder outreach events and expand our audience. Consumer product regulation can have a direct impact on people's lives. Ecology's intent is to implement this law in a way that reduces people's exposure to toxic chemicals without increasing the cost or reducing the availability of their favorite products. In order to succeed in that goal, we need to have conversations with businesses and consumers. We also need to make sure that we are reaching diverse consumer groups.

Ecology's Hazardous Waste and Toxics Reduction (HWTR) Program recently conducted an environmental justice analysis related to implementing the requirements of SSB 5135, and that analysis identified "consultation with communities that experience disproportionate exposure to toxics" has a high priority for the scope of work required under SSB 5135. For example, beauty and personal care product use can vary by gender, age, race, ethnicity and income. When we identify consumer products and safer alternatives, we want to make sure that we are including product use patterns and input from diverse communities.

This request will allow Ecology to expand stakeholder engagement and outreach activities to include community organizations representing diverse consumers, such as Black Women for Wellness (https://www.bwwla.org/) and Front and Centered (https://frontandcentered.org/), as well as potentially impacted businesses during the SSB 5135 implementation process. Some of the community groups we need to hear from have not been previously involved with Ecology and may be unaware of this law or how they can be involved. This funding request will allow us to identify organizations and contacts, develop relevant outreach tools and messaging and invite their participation in a meaningful way. This funding request will also allow us to add a public symposium in Fiscal Year 2021 on SSB 5135 to our stakeholder engagement plan that will include a number of need-based scholarship opportunities in order to expand stakeholder inclusion and engagement.

Impacts on Population Served:
Safer consumer products will affect every Washingtonian. This request will allow Ecology to ensure its efforts benefit all communities across the state, especially those with low-income and minority populations. While reducing toxic exposures through consumer product restrictions is a few years down the road, this funding will help ensure that the products we select are used by diverse populations and that any actions we propose consider the unique impacts on Washington's most vulnerable populations. The additional alternatives assessment work will allow Ecology to expand the scope of products considered for regulation. This will improve the potential for reduced toxic exposure in Washington families.

Alternatives Explored:
No other alternatives were explored.

Consequences of Not Funding This Request:
If this request is not funded, Ecology's options for regulating toxic chemicals in consumer products would be reduced and/or delayed. The additional alternatives assessment research funded in this request will allow Ecology to expand its ability to identify safer alternatives. Because Ecology can only restrict toxic chemicals when safer alternatives are available, this will increase the agency's ability to reduce toxic threats.

If this request is not funded, Ecology's stakeholder outreach and ability to implement the recommendations from the environmental justice analysis would be limited.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request will not permanently expand current program work for the Hazardous Waste and Toxics Reduction Program. It would expand activity A065 - Reduce Persistent, Bioaccumulative, Toxic Chemicals and Promote Safer Consumer Products, on a one-time basis, to support further analysis on safer consumer product alternatives and the impacts on communities across Washington State. Below is a summary of the 2017-19 and 2019-21 base funding and FTEs for these activities. Administrative Overhead related to this activity is in the agency's Administration Activity A002, and is not included in the totals below.

A065 - Reduce Persistent, Bioaccumulative, Toxic Chemicals and Promote Safer Consumer Products		
	2017-19	**2019-21**
FTEs Total	15.5	25.1
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	$6,923,000
207-1 Hazardous Waste Assistance Account	$1,251,283	$1,485,000
TOTAL	**$4,859,678**	**$8,892,000**

Detailed assumptions and calculations:

In Fiscal Year 2021, Ecology will require:

Identify Available Alternatives - $320,000 (Contracts)

- $250,000 for five product assessments/chemical combination analysis at $50,000 per assessment ($50,000 x 5 = $250,000).
- $70,000 for ten toxicity screenings (Green Screens) to assess the safety of alternatives at $7,000 per screening ($7,000 x 10 = $70,000).

Assessing the Feasibility of Alternatives - $30,000 (Purchased Services)

- $30,000 for one economic (market share) analysis to assess the feasibility of alternatives.

Expand Stakeholder Engagement - $129,484 and 1.2 FTEs

- Salary, benefits, and associated staff costs for 1.0 project FTE Community Outreach and Environmental Education Specialist 3 (COEES3) to increase education and outreach efforts with businesses and communities during the consultation process for ESSB 5135, and to enhance communication and outreach strategies for environmental justice communities.
- $10,000 for outreach contracts to engage stakeholders in participation for input and feedback.
- $2,500 for symposium-related expenses and need-based scholarships.

Cost estimates for analyses and contracts are based on alternatives assessment efforts conducted by HWTR for boat paint, food packaging and safer chemical assessment services for chemical hazard assessments. Cost estimates for outreach and symposium related activities are based on efforts conducted by HWTR for chemical action plans and the inadvertent generation of PCBs workshop.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries and Wages		61,219				
B	Employee Benefits		22,712				
C	Personal Service Contract		330,000				
E	Goods and Services		36,730				
G	Travel		2,577				
J	Capital Outlays		1,319				
T	Intra-Agency Reimbursements		24,927				
	Total Objects	**0**	**479,484**	**0**	**0**	**0**	**0**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
COMMUNITY OUTREACH & ENVIRON ED SPEC 3	61,219		1.00				
FISCAL ANALYST 2			0.10				
IT APP DEVELOPMENT - JOURNEY			0.05				
Total FTEs		**0.0**	**1.2**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of costs by object:
Salary estimates are current biennium actual rates at Step L.
Benefits are the agency average of 37.1% of salaries.
Contracts include $330,000 for product/chemical assessments and stakeholder outreach contracts.
Goods and Services are the agency average of $4,230 per direct program FTE. Object E also includes $32,500 for a one-time market share analysis and symposium expenses and scholarships.
Travel is the agency average of $2,577 per direct program FTE.
Equipment is the agency average of $1,319 per direct program FTE.
Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing a priority in Ecology's strategic plan to Prevent and Reduce Toxic Threats by adopting and implementing rules on the use of certain substances, compounds, and chemicals in consumer products that harm human health and the environment.

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

- Prosperous Economy: This request supports a prosperous economy by allowing us to work more closely with stakeholders to find ways to reduce toxic chemicals in consumer products that are feasible for businesses and manufacturers. Together we can identify product-chemical combinations that are concerning to us, but currently lack safer alternatives. This can help identify opportunities for innovation and drive the development of safer alternatives.

- Sustainable Energy and a Clean Environment: This request supports the goal of sustainable energy and a clean environment by including more stakeholders in the conversation around reducing toxic chemicals

in consumer products. Because consumer products are ubiquitous in our society, we need to have a broad target audience to discuss how we might improve safety and reduce our impact on the environment. Reducing the use of toxic chemicals in consumer products contributes to a cleaner environment by preventing their release into landfills, water bodies (including Puget Sound and the Columbia River) and air. All five of the first priority chemical classes designated in the law are discussed in the Orca Task Force Report (https://www.governor.wa.gov/sites/default/files/OrcaTaskForce_reportandrecommendations_11.16.18.pdf).

- Healthy and Safe Communities: This request supports healthy and safe communities by facilitating diverse participation in our stakeholder and outreach processes to ensure that our actions benefit all Washingtonians. The healthy and safe communities goal recognizes that some health metrics, such as infant mortality, are associated with environmental exposures and that there are differences in outcomes by race and income. This request will support the involvement of diverse stakeholders to ensure that our decision making process includes and benefits our most vulnerable Washingtonians.

Performance outcomes:

The outcome of this request will be:

- A better understanding of product-chemical combinations that truly lead to safer alternatives, as opposed to substituting one type of toxic with another.
- A structured process to enhance communication and outreach strategies for environmental justice communities.

Other Collateral Connections

Intergovernmental:

Funding this request will allow Ecology to increase stakeholder outreach. Stakeholders include cities and counties, water districts and wastewater treatment plants, and Tribal governments. Ecology anticipates they will be largely supportive of efforts to reduce chemical releases into the environment and appreciate the opportunity to be more involved and provide input.

Stakeholder response:

Multiple non-governmental organizations (NGOs) have expressed enthusiasm for implementing SSB 5135, because this law will reduce the impact of toxic chemicals on human health and the environment. NGOs support regulation of chemical classes. Class-based regulations will move Washington away from replacing one toxic chemical with another and toward using safer alternatives.

There has been pushback from industry, including the Association of Washington Businesses, Fluorocouncil, American Chemistry Council, and manufacturers of products that contain chemicals identified in the first five classes. Industry is resistant to the concept of regulating chemical classes, 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 argue that programs already exist to protect human health and the environment. They express concerns with the cost to comply with the requirements of ESSB 5135. They are also worried about the expansion of Ecology's authority.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

This request supports the following Puget Sound Action Agenda implementation strategies:

- 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 9.4 – Provide education and technical assistance to prevent and reduce releases of pollution.

This request relates to Near Term Action (NTA) 2018-0465 – Chemical Action Plans for Endocrine Disrupting Chemicals (EDCs) through the development and implementation of chemical action plans.

Reference Documents

- Safer Products Washington 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

Focus on: The Pollution Prevention for Healthy People and Puget Sound Act

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ADA accommodations

To request materials in a format for the visually impaired, visit ecology.wa.gov/accessibility, call Ecology at 360-407-6700, Relay Service 711, or TTY 877-833-6341.

Preventing exposure to toxic chemicals

We all benefit from the convenience and services of consumer products. But those products shouldn't harm us, our kids, or our environment.

Consumer products can contain toxic chemicals. The chemicals in these products can get into household dust, food, water, sediments, our children, and wildlife, such as salmon and orcas. This can happen during use or after disposal. Chemicals are released when carpets and couches wear down, when building caulk degrades, and even when we wash our clothes.

In our state, millions of dollars have been spent removing toxics from contaminated water bodies, yet some fish are still unsafe to eat and sensitive species like our orcas continue to dwindle due, in part, to chemical contamination.

Better health and environmental protection in Washington

The Pollution Prevention for Healthy People and Puget Sound Act of 2019 makes consumer products safer for our families and our environment. It marks a major milestone for how we address chemicals in everyday products.

The law builds off the Departments of Ecology's and Health's successful collaboration developing chemical action plans[1] and implementing the Children's Safe Products Act (CSPA).[2] It provides a better way for Ecology to reduce the impact and cost of dealing with toxics in products through a regulatory structure and systematic approach. We can now:

- Focus on preventing toxic chemicals from reaching people and the environment, rather than just cleaning up the mess afterwards.
- Regulate the use of toxic chemicals in consumer products through rulemaking.
- Consider chemical classes in regulatory decision-making when there is strong evidence to do so.

[1] Find chemical action plans for flame retardants, polychlorinated biphenyls, per- and polyfluoroalkyl substances at ecology.wa.gov.
[2] ecology.wa.gov/cspa

What happens next?

Under this new law, Ecology will work with stakeholders, report to the legislature, and do the following four things on a repeating, five-year cycle:

- Identify at least 5 priority chemicals based on hazard, exposure, and impacts.

  The 5 priority chemicals identified for 2019 are:

  - Phthalates
  - Phenolic compounds
  - Polychlorinated biphenyls (PCB)
  - Organohalogen flame retardants
  - Per- and polyfluoroalkyl substances (PFAS)

- Identify consumer products containing those 5 priority chemicals.
- Identify safer alternatives that can be used in place of those 5 priority chemicals.
- Adopt rules, if necessary, to regulate the use of those 5 priority chemicals (such as reporting or restrictions).

More information:

Bill as passed by the legislature:

- Pollution Prevention for Healthy People and Puget Sound Act (PDF)[3]

Chemical Action Plans:

- Per- and Polyfluoroalkyl Substances[4]
- Flame Retardants[5]
- Polychlorinated Biphenyls[6]

Ecology and Health will use a data-driven, transparent process that relies on scientific evidence to identify priority chemicals and products. We will also develop a stakeholder process to ensure interested parties have the opportunity to provide input on priority chemicals, product identification, as well as rulemaking. Implementation of this act will build on our investment to support innovations and promote development of safer alternatives to toxic chemicals.

[3] bit.ly/bill5135
[4] ecology.wa.gov/PFAS
[5] ecology.wa.gov/PBDE
[6] ecology.wa.gov/PCBS

Washington Department of Ecology

2020 Supplemental

Operating Budget

Table of Contents

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CV - Streamflow Restoration Fund Shift
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Jim Skalski
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Agency Recommendation Summary

In 2018, the Legislature passed Engrossed Substitute Senate Bill 6091 (ESSB 6091) and established a new streamflow restoration program in response to the "Hirst decision". The legislation required a new fee on new residential permit exempt well users in certain watersheds across the state. A portion of that fee, which is collected by local governments, is remitted to Ecology on an annual basis and used to support the new streamflow program. To date, revenue collections are significantly lower than projected in the fiscal note for ESSB 6091, and Ecology requires a fund shift from Fund 22K to General Fund-State in order to maintain our existing level of service for the new program. (Watershed Restoration and Enhancement Account and General Fund-State)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$0	$310	$310	$310
Fund 22K - 6	$0	$-310	$-310	$-310
Total Expenditures	**$0**	**$0**	**$0**	**$0**
Biennial Totals		**$0**		**$0**

Package Description

Background

In 2018, the Legislature passed Engrossed Substitute Senate Bill 6091 (ESSB 6091) in response to the "Hirst decision". Hirst was a 2016 Washington State Supreme Court decision that changed how counties approve or deny building permits that use permit-exempt wells for a water source. The law helps protect endangered salmonids and other instream resources while providing water for families to build homes in rural Washington.

ESSB 6091, now codified as Chapter 90.94 RCW, addresses the court's decision by allowing landowners to obtain a building permit for a new home relying on a permit-exempt well. The law focuses on 15 watersheds that were impacted by the Hirst decision and establishes standards for rural residential permit-exempt wells in the rest of the state.

The law directs local planning groups to develop streamflow restoration plans that address the potential impacts from future development. Ecology is in the early stages of implementation and is currently working with these communities to help find water supply solutions, while protecting streamflows for fish, wildlife, and recreational uses.

Chapter 90.94 RCW also requires a person seeking a building permit that would rely on a new permit exempt water well in any of 15 affected Hirst watersheds to pay a $500 fee to the city or county issuing the permit. Annually, $350 of each fee collected is remitted to Ecology to help implement a watershed restoration and enhancement program. Revenue remitted to Ecology is deposited into the Watershed Restoration and Enhancement Account (Fund 22K).

Revenue Estimate, Assumptions, and Calculation for ESSB 6091
When completing its fiscal note for ESSB 6091, Ecology used the average number of notice of intents (NOI) received per year (1,547) for permit exempt wells construction within the 15 affected watersheds over a 11-year period to estimate revenue collections under the new fee. Using this 11-year average, Ecology assumed, for the purposes of the fiscal note, that for every NOI received, a well would be constructed, and the fee would be paid.

On this basis, Ecology assumed that local governments would begin collecting fees on February 1, 2018, with 645 wells constructed in Fiscal Year 2018 (January through June), and 1,547 constructed in each following year. Total fees collected were estimated at $322,500 in Fiscal Year 2018 ($500 X 645 wells) and $773,500 in Fiscal Year 2019 and beyond. ($500 x 1,547 = $773,500).

Ecology established that local governments would pay Ecology its portion of the fee by August 15th of each year, beginning in 2018. Fees remitted by August 15, 2018 would be for fees collected beginning January 19, 2018 thru June 30, 2018. Fees remitted by August 15, 2019, and each year after, were assumed to be fees collected for the prior fiscal year by local governments. Fees remitted to Ecology from local government were estimated at $225,750 in Fiscal Year 2019 ($350 X 645 wells), and $541,450 per year each year thereafter. ($350 X 1,547 = $541,450).

Problem
Since January 2018 when the law was enacted and local governments began collecting the new fee, actual revenue collections have been far less than estimated in Ecology's fiscal note. As of September 12, 2019, estimated versus actual revenue received by Ecology and deposited into Fund 22K is shown in the table below.

Fiscal Year	Estimated Revenue	Actual Revenue	Deficit
FY18	$225,750	$51,100	$174,650
FY19	$541,450	$189,000	$352,450
Total	**$767,200**	**$240,100**	**$527,100**

In both Fiscal Years 2018 and 2019, Ecology billed all counties responsible for collecting the new permit exempt well fees, and we have obtained either remittance of the fees collected, or received confirmation from counties that no relevant fees were collected at the local level. Correspondence regarding Ecology's initial billing was sent to each county on December 28, 2018 (for Fiscal Year 2018), and Ecology notified the counties about the Fiscal Year 2019 billing on July 15, 2019. For Fiscal Year 2019, all but three counties (King, Okanogan, and Stevens) had fees collected for permit exempt wells.

To date, Ecology's portion of collected revenue ($240,100 for 2018 and 2019) has not kept pace with forecasted amounts of $541,450 per fiscal year.

In exploring the different factors that may have contributed to the lower revenue collection, two primary issues emerged.

1. The revenue estimates in the fiscal note did not account for the fact that ESSB 6091 authorized "grandfathering" of wells that were drilled prior to the enactment of the law on January 19, 2018. The fiscal note estimates for the number of wells drilled did not factor in how many wells would meet the grandfathering exception, and thus not require a fee. There was no available data when the fiscal note was written to estimate how the grandfathering provision would impact the 11-year baseline (number of wells) used in the estimate.
2. The revenue estimate assumed that there was a 1-to-1 relationship between NOIs received, wells constructed, and fees paid. That assumption has proven to be incorrect through the first two billing cycles. Based on revenue collections for Fiscal Year 2019, only about 48 percent of the NOIs Ecology received in 2018 resulted in a well being constructed, and a fee paid (540 wells constructed ($189,000 in revenue/$350 per fee = 540 wells) / 1,125 NOIs received).

To a lesser degree, the actual 11-year average used to estimate the revenue for the fiscal note also appears to have contributed to over estimation of revenue. The dataset used to build the estimate included all NOIs received over the 11-year period, instead of only those for domestic use wells. Between 2008 and 2016, the average difference between all NOIs received in the Hirst basins, and those for domestic use, was 80 fewer NOIs per year. In addition, a larger number of NOIs received between 2006 and 2008 inflated the overall average used for the estimate. The average NOIs received from 2006 and 2008 was 2,589, whereas the average number of NOIs received from 2009 and 2016 was 1,156 per year.

Back in 2016, there were numerous competing estimates related to the level of building growth that was expected to occur locally based on the passage of ESSB 6091. The actual level of growth in the watersheds appears to be far less than any of the external estimates predicted. Slower development

and a reduced number of wells being drilled is also believed to be contributing to the lower revenue collections.

The use of historical well drilling trends did not adequately predict future levels. One example of this at the local level is in Watershed Resource Inventory Area 1 (WRIA), where the planning group's estimate of 2,150 new homes (using permit-exempt wells for their water source) over the next twenty years, averages 107 new homes built per year. However, Whatcom County reported that during 2018 only eight building permits for new homes using domestic permit-exempt wells were issued. While this represents data for only one year, in one area, it suggests that projections at the local level were also significantly higher than what actual occurred.

Based on the fiscal note assumptions from 2018, the 2019-21 Operating Budget appropriated $1 million from Fund 22K to support base staffing and operational costs for streamflow restoration work in Ecology's Water Resources Program this biennium. However, because actual revenue collections are so much lower than the 2018 projections, there is not sufficient revenue in the account to support the $1 million appropriation level.

Solution

In order to maintain the existing base staff needed to implement the streamflow restoration program, Ecology is requesting an ongoing appropriation shift from Fund 22K to General Fund-State, beginning in Fiscal Year 2021. Ecology will use the $240,100 in Fund 22K revenue collected through September 12, 2019, and any additional revenue collected the remainder of Fiscal Year 2020, to support staff and streamflow restoration activities during the current fiscal year. Ecology will cover any revenue shortfall in Fiscal Year 2020 (between the $240,100 in revenue and the $500,000 in first-year appropriation) with one-time vacancy savings in the Water Resources Program.

However, beginning in Fiscal Year 2021, Ecology estimates it will need $310,000 per year in expenditure authority shifted from Fund 22K to General Fund-State, on an ongoing basis, in order to maintain its current level of streamflow restoration work. Based on Fiscal Year 2019 collections to date, Ecology estimates that annual revenue collections moving forward will be $190,000 per year, and we would expect to continue using this revenue to support the streamflow restoration program into the future. Therefore, this request only seeks to shift the estimated annual revenue shortfall amount of $310,000 from Fund 22K to General Fund-State.

Please note, the collection of this fee is the responsibility of our local partners and is carried out at the local government level (Ecology does not bill or collect the fee initially). Ecology does request that our local partners remit the portion that goes into Fund 22K each year as noted above. If in the future, collection of revenue to Fund 22K stabilizes and results in the need for less General Fund-State dollars to support the program, Ecology will submit a zero-sum budget request to lower General Fund-State appropriations, and increase Fund 22K appropriation to continue to fund this important work.

Impacts on Population Served:

This requested fund shift will allow Ecology and the Water Resources Program to maintain its existing level of service in implementing the streamflow restoration program.

Alternatives Explored:
One alternative to this request would be to reduce streamflow restoration program work to conform to the revenue levels. Alternatively, Ecology could reduce other agency activities within the Water Resources Program and shift them to streamflow implementation, but this would have significant impacts on the remainder of the program's core work. Neither of this options is a viable alternative for Ecology.

Consequences of Not Funding This Request:
If this request is not funded, the revenue shortfall in Fund 22K would have to be covered out of other existing base budget resources. Ecology would have to reduce a number of positions to cover the revenue shortfall, which would reduce streamflow restoration work or other services within the Water Resource Program, such as water right processing, technical assistance, compliance and enforcement, or other water management activities.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This fund shift will not alter or expand the activities of the Water Resources Program.

Detailed assumptions and calculations:

This request shifts $310,000 in appropriation authority within the Water Resources Program from Fund 22K to General Fund-State on an ongoing basis beginning in Fiscal Year 2021. The amount shifted is calculated based on the current Fund 22K appropriation level for Fiscal Year 2021 ($500,000) minus actual revenue collections for Fiscal Year 2019 ($190,000). Beginning in Fiscal Year 2021, Ecology would continue to use $190,000 per year in appropriation from Fund 22K to support streamflow restoration activities, while $310,000 of our base funding would be shifted to General Fund-State.

Funding Source	Fiscal Year 2020	Fiscal Year 2021	2021-23 and Beyond
Fund 22K	$240,100[1]	$190,000[2]	$380,000
One-Time Vacancy Savings	$259,900	$0	$0
General Fund-State	$0	$310,000	$620,000
TOTAL	**$500,000**	**$500,000**	**$1,000,000**

[1]Includes revenue collected from January 19, 2018 through September 12, 2019.

[2]Projected based on one full fiscal year of revenue collections (FY19).

Workforce Assumptions:

Expenditures by Object	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Objects	0	0	0	0	0	0

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total FTEs		0.0	0.0	0.0	0.0	0.0	0.0

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing a priority in Ecology's strategic plan to Develop Integrated Water Solutions, and the Governor's Results Washington Goal: Sustainable Energy and a Clean Environment. Increasing the amount of water instream helps meet economic and community needs for reliable water supplies, while protecting and enhancing streamflows and instream resources so that:

- Fish and wildlife species are more likely to maintain healthy populations with higher water levels (enough water to live and reproduce).
- Water temperatures are reduced (enough cool water to better disperse heat).
- Habitats are improved (food chain is maintained so they can find food to eat, shading from trees and plants is improved so the temperatures do not get too high, spawning grounds are available with the right size of gravel, etc.).

This request will also indirectly support Puget Sound recovery efforts through the development and implementation of local watershed plans that improve streamflows in many Puget Sound WRIAs.

Performance outcomes:

The outcome of this request will be continued statewide implementation of the Streamflow Restoration Program required by Chapter 90.94 RCW. Ecology will continue to work with local entities to develop local water supply projects that will offset permit exempt well water use and improve instream flows. Continued implementation of Chapter 90.94 RCW is critical to the most affected counties identified in ESSB 6091 to:

- Allow rural economic development throughout the rural area.
- Improve instream flow for aquatic resources.
- Avoid continued moratoriums on rural development and protracted litigation.

Other Collateral Connections

Intergovernmental:

Ecology anticipates that local governments will support the fund shift of Ecology appropriation authority from locally collected Fund 22K fees to the General Fund - State. Continuing to implement the streamflow restoration program at current levels is key to providing continued support of local watershed plans that increase instream flows in Hirst affected basins.

Stakeholder response:

Ecology anticipates that local governments and other stakeholders will support the fund shift of Ecology appropriation authority from locally collected Fund 22K fees to the General Fund - State. Continuing to implement the streamflow restoration program at current levels is key to providing continued support of local watershed plans that increase instream flows in Hirst affected basins.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

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

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CS - GW Monitoring to Reduce Risks
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Sage Park
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Agency Recommendation Summary

Groundwater in the Lower Yakima Valley aquifer is contaminated with elevated concentrations of nitrate, and is the principal drinking source for over 56,000 residents in the area. The Lower Yakima Valley developed a groundwater management area (GWMA) to address this significant health issue. The GWMA Advisory Committee has now finalized their implementation plan for reducing groundwater nitrate contamination area and is ready to move forward with implementation. To support this effort, Ecology requests ongoing funding and staff resources to conduct groundwater monitoring and take action to reduce nitrate contamination in the GWMA. Groundwater monitoring is a required element in WAC 173-100-100(6)(b) to evaluate the effectiveness of the program and will inform local efforts moving forward. (General Fund – State)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund 001 - 1	$0	$378	$372	$163
Total Expenditures	**$0**	**$378**	**$372**	**$163**
Biennial Totals		**$378**		**$535**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	2.9	2.9	1.2
Average Annual		**1.5**		**2.1**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$0	$189	$189	$85
Obj. B	$0	$70	$70	$32
Obj. E	$0	$23	$23	$7
Obj. G	$0	$10	$10	$3

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. J	$0	$9	$3	$1
Obj. T	$0	$77	$77	$35

Package Description

Groundwater in the Lower Yakima Valley is contaminated with elevated concentrations of nitrate. The Lower Yakima Valley aquifer is the principal drinking water source for over 56,000 residents in the area. Recent groundwater monitoring by Pacific Groundwater Group and the United States Geological Survey (USGS) indicated that 40 percent of 30 randomly placed monitoring wells and over 20 percent of 159 private drinking water wells sampled exceeded the safe drinking water standard for nitrate (https://fortress.wa.gov/ecy/ezshare/wq/groundwater/yakima-gwma-well-installation-report.pdf; https://pubs.usgs.gov/ds/1084/ds1084.pdf). These results indicate that elevated nitrate levels in the area's groundwater is a pervasive problem and that residents in the Lower Yakima Valley are drinking water that may pose a health risk.

Nitrate sources include commercial fertilizers, manure, compost, lagoons, on-site sewage systems, hobby farms, and abandoned wells, among others. Agriculture is the primary economic and land use activity in the Lower Yakima Valley, and most of the cropland is irrigated. The elevated nitrate concentrations detected in groundwater indicate impacts by these activities. These impacts are significant to human health. Drinking water high in nitrates is a potential health risk for infants, pregnant women, and people with compromised immune systems. The Washington State Department of Health (DOH) has warned that drinking water high in nitrate concentrations can lead to a serious condition that reduces oxygen to red blood cells.

In 2010, the U.S. Environmental Protection Agency (U.S. EPA) designated the Lower Yakima Valley as an Environmental Justice (EJ) Showcase Community. The Environmental Justice Showcase Communities effort brings together governmental and non-governmental organizations and pools their collective resources and expertise to help communities with EJ concerns, such as multiple disproportionate environmental health burdens and population vulnerability.

In 2012, a groundwater management area (GWMA) was formed to characterize, analyze, and develop a plan to reduce nitrate concentrations in the Lower Yakima Valley groundwater to safe levels. The Lower Yakima Groundwater Advisory Committee (Committee) is made up of a diverse group of about 30 representatives from local, state, and federal government agencies; local concerned citizens; farmers; livestock producers; tribes; university staff; environmentalists, and others. The Committee has been meeting monthly over the last six years and working to reach consensus on issues through the use of credible data and sound scientific practices.

Ecology received a one-time capital budget appropriation of $450,000 to support this work in the 2012 Supplemental Capital Budget (Engrossed Senate Bill 5127). Ecology provided funding to Yakima County to establish the GWMA and complete the initial plan. Tasks completed by the GWMA in the assessment and planning phase included:

- Offering free well water testing.

- Providing point–of-use water treatment systems.
- Conducting education and public outreach in both English and Spanish. This included:
    - Door-to-door outreach and surveys
    - Fact sheets
    - Community fairs
    - Community billboards
    - Website posts
    - Radio public service announcements
    - News releases
- Establishing a comprehensive database that can graphically display information (GIS).
- Collecting deep (six feet down) soil samples from 175 fields.
- Conducting a detailed nitrogen availability assessment to identify the predominant sources of nitrogen.
- Collecting samples from 159 private domestic wells for six consecutive months. (This sampling was conducted by the U.S. Geological Survey (USGS) through an interagency agreement, and no additional funding is available for continued monitoring.)
- Installing 30 monitoring wells (and conducting one-time sampling) for future monitoring of long-term trends (Pacific Groundwater Group).
- Developing sampling plans for all future monitoring work.
- Developing alternative management strategies intended to reduce the nitrate loading to groundwater from a variety of sources.

The work the Committee completed in the assessment and planning phase provides the foundation for the upcoming implementation phase of the GWMA plan. The plan includes the assessment and list of recommendations to help reduce nitrate concentrations in groundwater.

The Committee finalized their plan for reducing groundwater nitrate contamination in June 2019, which includes the required elements described in Chapter 173-100 WAC for reducing groundwater nitrates. This plan went through a State Environmental Policy Act (SEPA) process that included public comment, response to comments, and revisions to the plan. (GWMA plan: https://ecology.wa.gov/Water-Shorelines/Water-quality/Groundwater/Protecting-aquifers/Lower-Yakima-Valley-groundwater)

As the Lower Yakima Valley GWMA moves into the implementation phase, groundwater monitoring will establish baseline conditions to effectively measure how improved management practices affect groundwater quality. A groundwater monitoring system is essential to provide feedback about the effectiveness of alternative management practices designed to reduce nitrate loading to groundwater. It will help identify those practices most effective at reducing nitrate concentrations.

This budget request will support monitoring of 170 groundwater wells to determine how nitrate concentrations are changing with the implementation of new management practices. Figure 1 shows the results of recent groundwater monitoring in the Lower Yakima Valley GWMA.

The long-term groundwater monitoring effort will include 140 private domestic wells and the 30 recently installed groundwater monitoring wells. To establish baseline nitrate concentrations and natural seasonal variability that occurs in groundwater, Ecology proposes sampling these 170 wells four times a year during the first two years. After two years, sampling will be reduced to once per year. Seasonal variability established during the first two years of the monitoring program will help determine the optimal time of year to sample in later years. This sampling design is consistent with Pacific Groundwater Group's (2013, Report title: Potential Groundwater Monitoring Stations, Yakima Groundwater Management Area) recommendation that a groundwater monitoring network should consist of sampling 170 to 250 wells, four to six times per year, to provide the best representation across the GWMA, which consists of over 175,000 acres.

The sample design proposed provides a statistically sound evaluation of groundwater by providing adequate spatial coverage of the GWMA area and characterizing the seasonal variability that naturally occurs in groundwater.

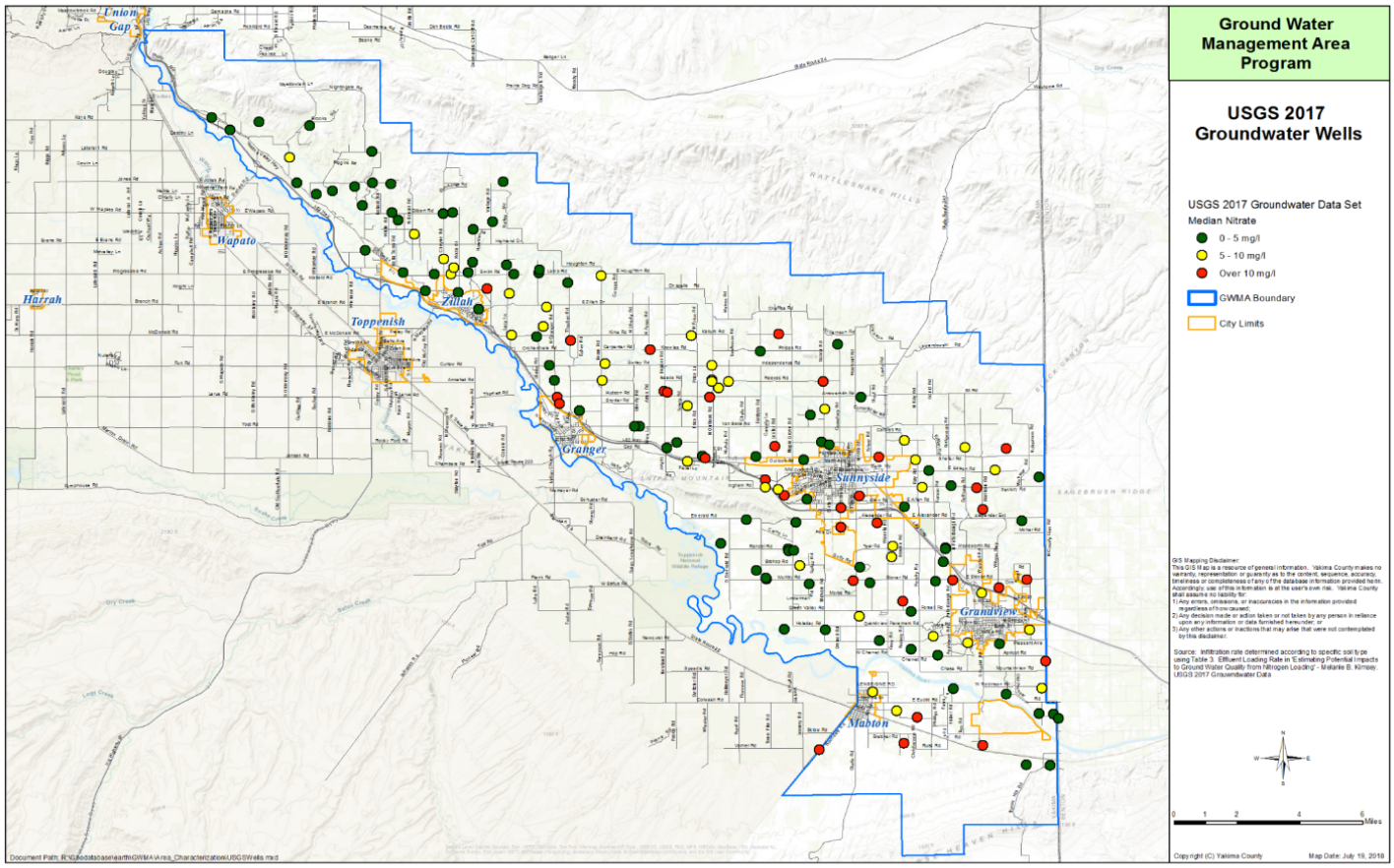

Figure 1. Recent Groundwater Monitoring Results in the Lower Yakima Valley Groundwater Management Area (USGS, 2017)

Impacts on Population Served:
The population of the Lower Yakima Valley will benefit from having a clean and safe source of drinking water. This monitoring program will direct efforts to improve groundwater quality by evaluating which management practices get the best results.

Information collected will help this community make better decisions about how best to protect their drinking water supplies. Clean, safe drinking water is important to the health of all our communities. It helps sustain the agricultural economy and is good for the environment. Working in concert to address all sources of nitrate will help improve groundwater quality so that all 56,000 area residents can have a safe source of drinking water.

Alternatives Explored:
Groundwater monitoring is a required element in WAC 173-100-100(6)(b) to evaluate the effectiveness of the program, but there are limited options as to who could potentially establish a monitoring network in the area. Ecology is the best positioned entity to conduct this monitoring because:

1. Ecology is responsible for protecting groundwater quality (Chapter 173-200 WAC);
2. Private domestic wells, which are the predominant source of drinking water in the area, are not regulated or monitored by either DOH or the Yakima Health District;
3. Many community members have limited economic resources, which precludes them from testing their water or finding safe clean alternative drinking water sources; and
4. Ecology has licensed hydrogeologists that can conduct a groundwater monitoring program. They will be rigorous about sample collection and will assure credible data standards are met.

Yakima County and the Yakima Health District are pursuing funding options to address the administrative aspect of GWMA implementation, but the county does not have the funding, staff, or expertise to conduct this monitoring program at this time.

Alternatives are limited, and since Ecology has the expertise to conduct this work, given adequate funding, Ecology would be the best option to develop and conduct a groundwater monitoring study.

Ecology considered varying sample sizes and sampling frequency, however it was decided it would be best to follow Pacific Groundwater Group’s recommendation of sampling a minimum of 170 wells at least four times a year. While this request would provide funding to sample 170 wells, a less robust alternative would be to sample approximately half of these wells with a savings of approximately 40 percent.

Consequences of Not Funding This Request:
Groundwater quality that exceeds a drinking water standard is a health risk. The Lower Yakima Valley residents need safe drinking water. For improvement to be made, residents in the area need to change what they are doing. It will be challenging to convince someone to change their habits if we can’t demonstrate that what they are doing impacts their environment and the safety of their drinking water. Groundwater monitoring is the tool to demonstrate which changes in management practices work, and which ones do not work.

If this request is not funded, the Lower Yakima Valley GWMA would have a plan, but would not have the means to implement the groundwater monitoring needed to determine if management practices work. There would continue to be data gaps in understanding the nitrate loading in the Lower Yakima Valley, making it difficult to analyze the impacts and reduce nitrate sources needed to meet water quality targets that protect community health.

Assumptions and Calculations

Expansion or alteration of a current program or service:

Ecology does not currently have base-budget funding for an ongoing groundwater monitoring network in the Lower Yakima Valley GWMA.

Detailed assumptions and calculations:

From July 1, 2020 through June 30, 2022, Ecology requires salaries, benefits, and associated staff costs for:

- 0.5 FTE Hydrogeologist 4 (HG4) to act as the licensed hydrogeologist and project manager to oversee the field monitoring, including maintaining dedicated monitoring well locations, assisting and auditing water quality sampling four times per year, providing active Quality Assurance/Quality Control (QA/QC) assessments of collected data, evaluating data, writing reports, and communicating groundwater data trends. Based on similar Ecology monitoring projects, it takes approximately 0.5 FTE of a senior level staff person to accomplish this work.
- 1.0 FTE Hydrogeologist 2 (HG2) to be the field lead (with oversight from the HG4), contact well owners, communicate results, help to maintain dedicated monitoring well locations, and assist HG4 with data analysis.
- 1.0 FTE Hydrogeologist 1 (HG1) (project position for 2 years) to purchase all field supplies, prepare for field monitoring and cleanup, assist the HG1 with water quality sampling four times per year, and enter data into EIM. For the safety of our staff, two-person teams typically conduct this type of field work.

Beginning July 1, 2022 and ongoing, water quality sampling will be reduced to once per year, so Ecology will require a reduced level of staffing of 0.5 FTE HG4 and 0.5 FTE HG2. The HG4 will continue all activities listed above and will also assist the HG2 with the annual groundwater sampling.The HG2 will continue all activities listed above, albeit at a reduced level.

Laboratory Analytical Costs

- From July 1, 2020 – June 30, 2022, sampling of 170 groundwater wells four times a year (800 total samples, including blanks and duplicates) for a total estimated cost of $12,000 per year.
- Beginning July 1, 2022 and ongoing, annual sampling of 170 groundwater wells once per year (200 total samples including blanks and duplicates), for a total estimated cost of $3,000 per year.

DES Vehicle Rental

- From July 1, 2020 – June 30, 2022, Ecology will rent a van through the Department of Enterprise Services (DES) to conduct sampling, at an estimated cost of $300 per month, for $3,600/year in Fiscal Years 2021 and 2022.

- Beginning July 1, 2022 and ongoing, a van will be rented a total of three months each year, at $300 per month, equating to $900 in Fiscal Year 2023 and ongoing.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries and Wages		188,917	188,917	84,778	84,778	84,778
B	Employee Benefits		70,088	70,088	31,452	31,452	31,452
E	Goods and Services		22,575	22,575	7,230	7,230	7,230
G	Travel		10,043	10,043	3,478	3,478	3,478
J	Capital Outlays		9,298	3,298	1,320	1,320	1,320
T	Intra-Agency Reimbursements		76,925	76,925	34,521	34,521	34,521
	Total Objects	**0**	**377,846**	**371,846**	**162,779**	**162,779**	**162,779**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
HYDROGEOLOGIST 4	93,133		0.50	0.50	0.50	0.50	0.50
HYDROGEOLOGIST 2	76,422		1.00	1.00	0.50	0.50	0.50
HYDROGEOLOGIST 1	65,928		1.00	1.00			
FISCAL ANALYST 2			0.25	0.25	0.10	0.10	0.10
IT APP DEVELOPMENT - JOURNEY			0.13	0.13	0.05	0.05	0.05
	Total FTEs	**0.0**	**2.9**	**2.9**	**1.2**	**1.2**	**1.2**

Explanation of costs by object:
Salary estimates are current biennium actual rates at Step L.
Benefits are the agency average of 37.1% of salaries.
Goods and Services are the agency average of $4,230 per direct program FTE. It also includes $12,000/year in FY 2021 and FY 2022 and $3,000/year in FY 2023 and ongoing for laboratory analytical costs.
Travel is the agency average of $2,577 per direct program FTE. It also includes $3,600/year in 2021 and FY 2022 and $900/year in FY 2023 and ongoing for renting a van from the Department of Enterprise Services.
Equipment is the agency average of $1,319 per direct program FTE. It also includes $6,000 in FY 2021 for initial equipment purchases of a pump, field meter, and tubing.
Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing a priority in Ecology's strategic plan to deliver integrated water solutions through using groundwater monitoring to evaluate alternative management strategies that will ultimately reduce nitrate concentrations in the Lower Yakima Valley groundwater. Groundwater monitoring conducted by USGS in 2017 indicated that over 20 percent of the private drinking water wells exceed the safe drinking water standard for nitrate. The Lower Yakima Valley aquifer is a principal drinking water source for over 56,000 residents in the area and these high concentrations of nitrates put the health of local residents at risk.

This request provides essential support to the Governor's Results Washington Goals of Prosperous Economy and Healthy and Safe Communities. Protecting groundwater is critical to maintaining agricultural economy and the health of community drinking water.

Performance outcomes:

The outcome of this request will be to provide credible scientific information to support management decisions for implementing nitrate reduction measures in groundwater in the Lower Yakima Valley. This investment will ensure critical data collection continues so the community can measure progress in water quality improvement during the implementation phase. The proposed monitoring program will provide reliable, long-term information on Lower Yakima Valley groundwater nitrate concentrations.

Other Collateral Connections

Intergovernmental:

Many local, state, and federal government agencies participate on the Lower Yakima Groundwater Advisory Committee. As the GWMA transitions from plan development to implementation, many of the affected agencies will combine to form an implementation executive committee that will act as the lead entity.

These include:

- Local jurisdictions
    - Yakima County
    - Yakima Health District
    - South Yakima Conservation District
    - Sunnyside and Roza Irrigation Districts
    - Port of Sunnyside
- State agencies
    - Department of Health
    - Department of Agriculture
    - Department of Ecology
- Tribal
    - Yakama Nation

These governmental agencies have a vested interest in making improvements to groundwater quality.

Ecology has, and will continue to work closely with, DOH and the Yakima Health District on GWMA related issues. DOH is responsible for drinking water from public water systems, but they do not address private domestic wells, which are the majority of drinking water wells in the Lower Yakima Valley. Because it is up to the homeowner to monitor the quality of well water, low-income residents often cannot afford this expense, and if they are renting, the landlord often does not provide this service. Ecology is also responsible for implementing the groundwater quality standards (Chapter 173-200 WAC). This authority and the conditions in the GWMA make this project more suited to Ecology and our expertise.

Stakeholder response:

The Committee is comprised of almost 30 stakeholders, including citizens and representatives of specific interest groups, such as farmers, dairy producers, environmental groups, local, state, and federal government agencies, and others. Groundwater monitoring was voted the highest priority identified by the Lower Yakima Valley Groundwater Advisory Committee. The GWMA plan was unanimously approved by the Committee.

The Committee just completed an intensive, six-year, community-based assessment addressing elevated nitrate in groundwater and drinking water. The community is ready to move into the implementation phase, where they will act on the recommendations that will reduce nitrate in groundwater. There is momentum and a willingness to act to improve the water quality in the Lower Yakima Valley. A delay would erode the great work and efforts over the last six years by so many individuals, local, state, and federal government agencies.

Legal or administrative mandates:

This request supports Ecology's statutory and regulatory responsibilities under Chapter 90.48 RCW (Water Pollution Control Act), and Chapter 173-200 WAC (Water Quality Standards for Groundwaters of the State of Washington), which protect and preserve groundwater quality. Also, Chapter 173-100 WAC (Groundwater Management Areas and Programs) provides the authority for designating the Lower Yakima Valley Groundwater Management Area. Groundwater monitoring is a required element in WAC 173-100-100(6)(b) to evaluate the effectiveness of the program.

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

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

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CF - Small Communities WQ Assistance
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Jeff Nejedly
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Agency Recommendation Summary

Small communities often lack the resources needed to plan for water quality infrastructure projects that meet federal requirements for project and financial planning, environmental review, public process engagement, and long-term asset management. Ecology coordinated with other state agencies under the Sync Infrastructure System Improvement Team and identified a critical need for increased technical assistance and capacity building for Washington's smaller communities. Ecology requests ongoing funding for small community engineering and technical assistance to improve and protect state and federal investments in local clean water infrastructure. Related to Puget Sound Action Agenda Implementation. (Water Pollution Control Revolving Administration Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund 564 - 1	$0	$350	$350	$350
Total Expenditures	**$0**	**$350**	**$350**	**$350**
Biennial Totals		**$350**		**$700**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	1.2	1.2	1.2
Average Annual		**0.6**		**1.2**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$0	$106	$106	$106
Obj. B	$0	$39	$39	$39
Obj. C	$0	$120	$120	$120
Obj. E	$0	$34	$34	$34

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. G	$0	$7	$7	$7
Obj. K	$0	$1	$1	$1
Obj. T	$0	$43	$43	$43

Package Description

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 like wastewater treatment plants and water quality improvement activities. Each year, Ecology accepts loan applications from cities, counties, special purpose districts (e.g., sewer districts), tribes, and conservation districts seeking financial help to improve or protect water quality in their communities. Ecology makes loans available through a statewide competitive rating and ranking process. Since its creation in 1989, the CWSRF program has loaned more than $1.9 billion to public entities. The CWSRF is by far the largest source of low-interest loan funds Washington State dedicates to environmental protection. The work accomplished through CWSRF loans to local governments, special purpose districts, and Tribes is a key part of the state's strategy to reduce pollution in Washington’s waters.

The CWSRF loan program includes complex federal requirements, which can be challenging for smaller communities to complete independently. These requirements include cost effectiveness analysis, fiscal sustainability, asset management planning, and energy and water efficiency audits. Recipients of CWSRF funding for wastewater facilities, stormwater projects with a construction component, and recipients of Centennial hardship funding must certify that they have prepared a Fiscal Sustainability Plan (FSP) or another plan that covers the entire system for which funding is provided.

The minimum required elements of a FSP are:

1. An inventory of critical assets that are part of the system.
2. An evaluation of the condition and performance of the critical assets.
3. A plan to maintain, repair, and replace the critical assets and to fund those activities.
4. A process to evaluate and implement water and energy conservation efforts as part of the plan.

Many small communities struggle to find affordable, sustainable alternatives to meet their water quality infrastructure needs. They rely heavily on consultants to help interpret federal requirements and to evaluate and select affordable infrastructure alternatives. Often, small communities cannot afford consultant services. When they do, services may not be tailored specifically to their community needs and capacity.

In 2017, the Legislature passed House Bill 1677, which directed the Public Works Board to lead an interagency systems improvement team with the departments of Commerce, Ecology, and Health. The result of this directive is Sync, Washington’s largest modern infrastructure program improvement effort. Sync’s task is to identify, implement, and report to achieve efficiency, minimize costs, and maximize value across drinking water, wastewater, and stormwater infrastructure programs. This

request supports the top four priority recommendations in the Sync Infrastructure System Improvement Team report (https://deptofcommerce.box.com/s/3fsvajagza7v30srh63j6kvs67drxgsp), submitted to the State Legislature December 2018. Those recommendations include:

1. Increased technical assistance for local capacity building.
2. Assistance and training for value planning.
3. Direct assistance for asset management.
4. Support for regionalization and regional governance for small communities.

This request will help small communities better plan and prepare for water quality infrastructure projects that meet federal requirements for:

- Project and financial planning.
- Environmental review.
- Public process engagement.
- Long-term asset management.

Ecology will provide engineering assistance to small communities to increase efficiency during project planning and fill a critical gap in the financial assistance program. Ecology is best suited, with the technical knowledge and familiarity with local infrastructure needs, to ensure that communities do not overbuild their wastewater and stormwater systems, creating undue burden on local ratepayers. Ecology can provide practical advice and guidance to small communities to help them meet water quality standards in the most cost-effective manner. Ecology will also coordinate with Commerce's Small Community Initiative, the Rural Community Assistance Corporation (RCAC), and other contractors (e.g., Evergreen Rural Water) to work directly with small communities to help develop project plans and improve project outcomes for long-term sustainability.

Impacts on Population Served:
Local governments will receive technical assistance on options for meeting critical water quality infrastructure needs. Assistance will help with planning for cost effective solutions that maximize public health protection and minimize impacts on local ratepayers. Ecology anticipates assisting 15-20 small communities per year and providing additional training and outreach to small communities across the state.

Alternatives Explored:
Other state and federal funding agencies agree that directed technical and planning support to the most vulnerable communities is the best approach to maximizing state resources for clean water infrastructure. There are limited options for addressing this need, and providing a combination of direct Ecology engineering staff support and contracted services is the most effective way to engage with small communities.

Other options include only contracting for additional technical assistance support or providing more preconstruction planning funding to small communities. Contract support for this kind of work is not readily available in some areas of the state, and it may be more expensive and less effective in meeting specific community needs. Using a multitude of contractors will not improve overall planning

and sustainability outcomes that protect state and federal investments in local clean water infrastructure. Ecology uses direct technical assistance to holistically address local clean water infrastructure improvements.

Ecology is requesting appropriation from the Water Pollution Control Revolving Administration Account (WPCRA) to fund this request. That account was created specifically for CWSRF loan administration costs, including conducting application processes, managing contracts, collecting loan repayments, managing the revolving fund, providing technical assistance, and meeting state and federal reporting requirements. The account is funded through an administration charge on loan repayments, and there is sufficient ongoing revenue in the account to fund this request.

Consequences of Not Funding This Request:
If this request is not funded, critical technical assistance to small challenged communities will continue to be inadequate. Small local governments, special purpose districts, and federally recognized Tribes will continue to struggle with proper project planning, fiscal sustainability, and asset management to meet federal requirements necessary to qualify for CWSRF loans. The CWSRF is often the only affordable funding option available to small communities to address failing water quality infrastructure.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request expands activity A043 – Provide Water Quality Financial Assistance. 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.

A043 – Provide Water Quality Financial Assistance		
	2017-19	**2019-21**
Avg. FTEs	48.9	49.3
001-2 General Fund - Federal	$21,354,769	$22,025,000
(173-1/19G-1) 23P-1 MTCA Operating	$11,626,872	$13,453,000
564-1 Water Poll. Ctrl. Rev. Admin	$3,248,170	$3,488,000
Other (10A-1 and 222-1)	$1,677,513	$1,698,000
TOTAL	**$37,907,324**	**$40,664,000**

Detailed assumptions and calculations:

Beginning in Fiscal Year 2021 and ongoing, Ecology requires salary, benefits, and associated staff costs for 1.0 FTE Environmental Engineer 5 (EE5) to provide specialized technical and engineering support to small, financially challenged communities throughout the state.

The EE5 will help small communities:

- Evaluate wastewater infrastructure alternatives specific to their needs.
- Manage project cost effectiveness, evaluate community and rate impacts, implement asset management and promote sustainability, energy and water efficiency.
- Plan and improve ongoing system operation and maintenance.

Ecology will also require $150,000 for ongoing support for Commerce, RCAC, and to initiate contracted services with organizations like Evergreen Rural Water, which are experienced with the challenges small communities face in managing water quality infrastructure, wastewater facility planning, and long-term asset management.

Ecology currently contracts for small community assistance with Commerce and RCAC. Personnel and other costs for these entities have increased over time, and part of this request will cover those inflationary adjustments.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries and Wages		105,381	105,381	105,381	105,381	105,381
B	Employee Benefits		39,096	39,096	39,096	39,096	39,096
C	Personal Service Contract		120,000	120,000	120,000	120,000	120,000
E	Goods and Services		34,230	34,230	34,230	34,230	34,230
G	Travel		7,000	7,000	7,000	7,000	7,000
J	Capital Outlays		1,319	1,319	1,319	1,319	1,319
T	Intra-Agency Reimbursements		42,909	42,909	42,909	42,909	42,909
	Total Objects	**0**	**349,935**	**349,935**	**349,935**	**349,935**	**349,935**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
ENVIRONMENTAL ENGINEER 5	105,381		1.00	1.00	1.00	1.00	1.00
FISCAL ANALYST 2			0.10	0.10	0.10	0.10	0.10
IT APP DEVELOPMENT - JOURNEY			0.05	0.05	0.05	0.05	0.05
Total FTEs		**0.0**	**1.2**	**1.2**	**1.2**	**1.2**	**1.2**

Explanation of costs by object:

- Salary estimates are current biennium actual rates at Step L.
- Benefits are the agency average of 37.1% of salaries.
- Goods and Services are the agency average of $4,230 per direct program FTE. Object E also includes $30,000 in increased support for Commerce's costs.
- Object C includes $120,000 for increased support from RCAC and other contracted services.
- Travel is estimated at $7,000 a year for airfare, hotel, per diem, and car rental/mileage.
- Equipment is the agency average of $1,319 per direct program FTE.
- Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing priorities in Ecology's strategic plan to Deliver Integrated Water Solutions and Protect and Restore Puget Sound by providing more technical and ongoing financial assistance for water pollution control infrastructure and projects that reduce nonpoint pollution and nutrient discharges.

This request also supports Ecology's strategic priority to Reduce and Prepare for Climate Impacts through project planning and design that addresses sustainability and resiliency in preparation for the impacts of climate change.

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

- Sustainable Energy and a Clean Environment, by providing technical support for small communities with high priority water quality projects. CWSRF loan funded projects, and associated technical assistance, help local communities plan for and protect public health and the environment by reducing pollution in Washington's waters.
- Prosperous Economy, by supporting sustainable lending and providing opportunities for quality jobs when a new wastewater system is constructed or an existing system is improved. State financial managers calculate that for $1 million spent on construction and design funding, about 11 jobs are created in Washington. This is especially important in small communities. The program also helps communities build well-functioning and sustainable clean water infrastructure that supports local economies.
- Healthy and Safe Communities, by ensuring that financial and technical assistance for appropriate and well-functioning clean water infrastructure is accessible to all communities in the state, especially small financially challenged communities.

In addition, this request directly addresses environmental justice issues by providing needed technical assistance to Washington's smallest, most vulnerable, and financially challenged communities.

Performance outcomes:

The outcome of this request will be improved support for small communities implementing affordable and sustainable clean water infrastructure projects leading to improved water quality and public health.

Other Collateral Connections

Intergovernmental:

This request supports priority recommendations in the Sync Infrastructure System Improvement Team report (https://deptofcommerce.box.com/s/3fsvajagza7v30srh63j6kvs67drxgsp), submitted to the State Legislature December 2018. The Sync team includes Ecology, the departments of Health

and Commerce, and the Public Works Board, under a memorandum of agreement. This request aligns with Commerce's supplemental request to add a technical assistance position and resources directly supporting the Small Community Initiative.

Ecology is also highly engaged in cross-agency coordination and collaboration through its commitment to the Infrastructure Assistance Coordinating Council, Maximizing Resources Workgroup, and Commerce's Small Communities Initiative.

Stakeholder response:

This request supports small community ratepayers through helping communities plan for cost effective wastewater solutions and connect with state and federal infrastructure funding options. Ecology anticipates these stakeholders will support the directed technical assistance in light of their long-term, ongoing support for the Small Community Initiative.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

This request supports Puget Sound Action Agenda implementation through the following Strategies:

- Strategy 10 - Use a comprehensive approach to manage urban stormwater runoff at the site and landscape scales by providing technical assistance to local governments through the CWSRF program and directly supports regional priorities.
- Sub-strategy 10.2 - Prevent problems from new development at the site and subdivision scale by providing financial assistance for watershed or catchment based capital planning with priority given to water quality protection and improvements made through integrated approaches to pollution reduction.
- Sub-strategy 10.3 - Fix problems caused by existing development by providing funding with an emphasis on regional approaches to constructing pollution control activities. The CWSRF program provides funding for design and construction phases for permitted facility projects with an emphasis on regionalizing where cost beneficial.
- Strategy 13 - Prevent, reduce, and/or eliminate pollution from decentralized wastewater treatment systems.
- Sub-strategy 13.3 - Improving and expanding funding for small and local Onsite Sewage Systems (OSS) Programs.

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

Washington Department of Ecology

2020 Supplemental

Operating Budget

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2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CE - Puget Sound Freshwater Monitoring
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Dale Norton
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Agency Recommendation Summary

The Salish Sea is experiencing serious impacts from excess nutrient inputs, climate change, and ocean acidification. A healthy marine food web is essential to regional efforts to recover salmon and Southern Resident orca populations and to support the commercial, tribal, and recreational shellfish industries. Ecology lacks continuous freshwater nutrient monitoring that is vital to our ability to assess nutrient loading impacts on Puget Sound from watersheds. This request will add continuous monitoring for dissolved oxygen, pH, nitrate, turbidity, temperature and conductivity, and targeted storm event sampling at the mouth of the seven largest rivers discharging to Puget Sound. The data collected will support a nutrient reduction strategy for Puget Sound and help inform decisions around the need for future infrastructure investments across the region. Related to Puget Sound Action Agenda Implementation. (General Fund – State)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$0	$748	$358	$358
Total Expenditures	**$0**	**$748**	**$358**	**$358**
Biennial Totals		**$748**		**$716**

Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	0.0	2.3	2.3	2.3
Average Annual		**1.2**		**2.3**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	$0	$153	$153	$153
Obj. B	$0	$57	$57	$57
Obj. E	$0	$68	$68	$68
Obj. G	$0	$5	$5	$5

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. J	$0	$403	$13	$13
Obj. T	$0	$62	$62	$62

Package Description

A healthy and resilient Salish Sea is critical to the regional economy and our way of life in Washington State. The Salish Sea is an intricate network of coastal waterways, which includes Puget Sound, the Strait of Juan de Fuca, and the San Juan Islands, as well as British Columbia's Gulf Islands and the Strait of Georgia. It currently suffers from a number of water quality problems, including low dissolved oxygen levels and ocean acidification, caused in part by an overabundance of nutrients – especially nitrogen.

Although much of the nutrients in Puget Sound come from the ocean, human contributions are also significant. Ecology has invested considerable resources over the last decade in developing the Salish Sea Model (Model). This is a powerful, computerized tool that helps evaluate and guide management actions for water quality problems in the Salish Sea. The Model allows Ecology to run virtual experiments to assess how water quality might change under different scenarios (e.g., river flow changes or reduced nutrient loading). The Model is a powerful scientific and engineering tool that is essential to answering questions, such as:

1) What are the relative impacts on dissolved oxygen and ocean acidification levels from key stressors, such as human nutrient loads and climate change?

2) Should human sources of nutrients be reduced to protect water quality and the Salish Sea food web and, if so, by how much?

The Model is foundational to the Puget Sound Nutrient Reduction Strategy that Ecology is developing. This strategy will define management actions needed to improve and protect water quality in the Salish Sea and to plan for future conditions in the region. But there are gaps in the data used in the Model that limit the certainty we have in the modeling results.

Ecology commissioned a report that estimated capital and operations/maintenance costs to implement nutrient removal technology at all municipal wastewater treatment plants discharging to Puget Sound would cost into the billions of dollars (Ecology, 2011). Also, the Washington portion of the Salish Sea supports an estimated $150 million per year shellfish industry that is threatened by ocean acidification (Washington Marine Resource Advisory Council, 2017). Important management decisions, such as whether to make large investments in advanced treatment technology, should be based on sound and complete scientific information to ensure the most efficient and effective approaches are selected.

In early 2019, a modeling analysis (https://fortress.wa.gov/ecy/publications/SummaryPages/1903001.html) from the Puget Sound Nutrient Source Reduction Project confirmed municipal wastewater facilities are contributing to

dissolved oxygen impairments in marine waters. The analysis found that, under existing conditions, approximately 20 percent of the area in the greater Puget Sound does not meet the dissolved oxygen standards. If reductions are made at all municipal wastewater treatment plants as modeled, approximately 10 percent of the greater Puget Sound would not meet the standards. This represents roughly a 50 percent improvement in compliance area for the dissolved oxygen standards. This report also concluded that reductions were needed from surrounding watersheds to further improved the area meeting standards and outlined the need to collect seasonal watershed loading information from rivers and streams to help understand non-point source nutrient contributions (Ahmed, et.al. 2019).

Collecting this new information will allow Ecology to better assess the impacts of nutrient loading, climate, and ocean acidification on the Salish Sea from regional sources. Scientists will be able to use this information to evaluate potential impacts to the Puget Sound food web, which is critical to the recovery of salmon and Southern Resident orca populations in the region.

Nutrient information from major tributaries to Puget Sound is currently limited to once a month sampling, which is not enough to characterize actual variations in seasonal loadings during the full range of flow conditions. Previous studies have shown that short episodic events, such as storm events or dam releases, can significantly increase loadings from a watershed. In a 2018 report, the USGS found that greater than 90 percent of the annual suspended sediment was transported to the Duwamish River during these events (USGS, 2018).

A 2011 Ecology report that compared continuous monitoring to less frequent sampling, found that, on an annual basis, loading estimates based on monthly sampling underestimated the true annual nitrate loading by about 10 percent (Sackmann, 2011). Assuming annual loading estimates using regression analysis and monthly sampling are within 10 percent of the true total load for nitrate, the watershed loads used in the Salish Sea Model would be missing approximately 2,700 kg per day of dissolved inorganic nitrogen per year. For comparison, of the 90 (79 municipal and 11 industrial) wastewater treatment facilities analyzed in the Model that discharge into the United States portion of the Salish Sea, only three discharge 3,000 kg of dissolved inorganic nitrogen/day or more per year. This uncertainty in watershed loads could have a significant impact on determining the level of reductions needed from various sources to meet water quality targets.

This request will add continuous monitoring for dissolved oxygen, pH, nitrate, turbidity, temperature and conductivity, and targeted storm event sampling at the mouth of the seven largest rivers discharging to Puget Sound (Nisqually, Puyallup, Green/Duwamish, Snohomish, Stillaguamish, Skagit, and Nooksack). This will better characterize water quality and nutrient loading at the point of discharge to Puget Sound. The data will be reported to the web on a near real-time basis (<3 hours), and Ecology will post storm event and monthly sampling results quarterly to its website.

A small portion of this request also includes monthly sampling for parameters affecting ocean acidification conditions (carbon species and alkalinity) in Puget Sound. In 2019, the Legislature approved a budget request to enhance Ecology's marine monitoring network to include nutrient and ocean acidification parameters. Adding these parameters to Ecology's freshwater network will provide us with the unique opportunity to link freshwater inputs with marine conditions.

Figure 1 illustrates the seven proposed freshwater stations.

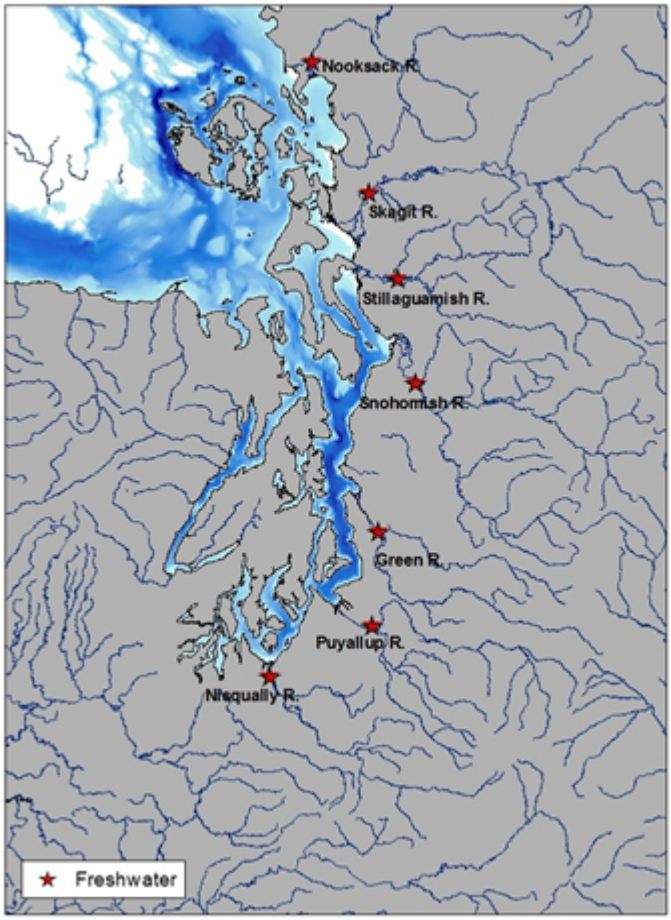

Figure 1: Map of proposed continuous freshwater sampling locations.

A related Ecology 2020 supplemental budget request is seeking funding to develop a Puget Sound Nutrients General Permit for wastewater treatment plants to reduce nutrient pollution through a coordinated and transparent public process. This will set the foundation for establishing limits on nutrient discharges, which will ultimately improve dissolved oxygen levels in the Sound.

The benefits of using a general permit over individual permits include:

- A foundation for numerous dischargers to work together toward successful implementation of nutrient controls across shared water bodies.
- Efficiencies from a single, coordinated public stakeholder process with permitted entities, Tribes, environmental nonprofit organizations, and others to collaborate on input to Ecology during the permit development process.
- Accomplishing Sound-wide improvements sooner than would be possible with individual permits alone.

Impacts on Population Served:
The information collected will support scientific research on two important issues that affect residents of the Puget Sound basin and Washington's economy – nutrient reduction and ocean acidification strategies. The data collected will help provide credible scientific information to aid natural resource managers in making decisions on pollution control measures needed to address these important issues. The data generated from this monitoring will also be useful in tracking the effectiveness of measures to reduce nutrients over time.

Nutrient over-enrichment and ocean acidification pose serious threats to Washington's marine economy, communities, and environment. Washington is the country's leading producer of farmed bivalves (oysters, clams, and mussels), with recent annual revenue of $150 million, In 2013, Pacific oysters alone contributed nearly $35 million to the state's farmed shellfish harvest production value, while geoduck and other clam sales contributed an additional $42 million. In addition to farmed bivalves, the wild Dungeness crab fishery is also a significant economic driver, providing more than $82 million in annual revenue in 2016. Washington's seafood industry generates profits and employment at neighborhood seafood restaurants, distributors, and retailers, contributing over 42,000 jobs in Washington and at least $1.7 billion to the gross state product. Not included in these statistics are the economic and cultural values of marine resources to Washington's Tribal communities (Washington Marine Resources Advisory Council, 2017).

Alternatives Explored:
Ecology submitted a Near Term Action (NTA) request (2018-0450) for continuous freshwater monitoring under the Chinook Recovery regional priority for inclusion in the 2018-2022 Puget Sound Action Agenda. This NTA was rated as a Tier 4 (highest priority) project, but was ultimately not funded due to limited availability of federal funding. The action agenda is now updated on a four-year cycle so the next solicitation for NTAs would be in would be in 2022. But given the limited amount of funding projected to be available, a shift in federal priorities for the NEP, and the fact that this funding would be one-time, this is not a realistic alternative for sustainable funding.

Consequences of Not Funding This Request:
If this request is not funded, a large data gap would continue to exist in our understanding of nutrient loading to the Salish Sea. This gap would make it difficult to analyze the impacts and source reductions needed to meet water quality targets that protect and preserve water quality in Puget Sound. Less accurate model scenarios could lead to an error in investments, such as additional wastewater treatment. This could result in significant costs that do not achieve intended benefits. The timeline to implement nutrient controls for Puget Sound would also be delayed, which would increase legal risk and bring further criticism from the environmental community, Tribes, and other stakeholders.

Without funding, Ecology would not have complete information to develop a strategy to deal with the impacts of excess nutrient loading, ocean acidification, and climate change. The shellfish industry in Puget Sound is in peril from the effects of ocean acidification, and a healthy food web is critical to successful recovery of salmon and orca populations.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request expands activity A027 Monitor the Quality of State Waters and Measure Stream Flows Statewide. 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.

A027 - Monitor the Quality of State Waters and Measure Stream Flows Statewide		
	2017-19	**2019-21**
FTEs Total	52.6	55.2
001-1 General Fund – State	$0	$652,000
001-2 General Fund - Federal	$4,058,786	$4,251,000
001-7 General Fund – Private/Local	$38,676	$38,000
(173-1/19G-1) 23P-1 MTCA Operating	$9,247,648	$10,197,000
176-1 Water Quality Permit Fees	$94,150	$96,000
222-1 Freshwater Aquatic Weeds	$249,194	$270,000
TOTAL	**$13,688,454**	**$15,504,000**

Activity A027 – *Monitor the Quality of State Waters and Measure Stream Flows Statewide*, includes long-term water quality and flow monitoring in rivers and streams statewide. Ecology monitors water quality at nearly 100 freshwater rivers and streams to understand the health of the state's waterways. The agency also maintains a network of nearly 100 stream gaging stations that monitor flow conditions for recreational activities, water supplies for migrating fish, and to develop strategies to respond to climate change.

The funding listed above supports existing, long-term, statewide programs. Monitoring for nutrients in freshwater tributaries flowing into Puget Sound is limited to once a month discrete sampling. Ecology currently spends approximately $20,000 per year to collect the monthly samples for nutrients at the mouths of fewer than 10 rivers discharging to Puget Sound. This generates about 100 data points for nitrate annually. In contrast, the continuous monitoring proposed in this request will generate around 240,000 data points for nitrate from seven rivers on an annual basis.

Detailed assumptions and calculations:

Beginning July 1, 2020 and ongoing, Ecology requires salaries, benefits, and associated staff costs for:

- 1.0 FTE Hydrogeologist 2 to lead the field monitoring, including installing and maintaining monitoring stations, monthly water quality sampling, storm event sampling, and calibration of continuous sensors at seven discharge points in major freshwater river systems throughout Puget Sound. Based on an analysis of Ecology's current statewide monitoring network, it takes approximately one FTE per eight stations to accomplish the work described above, which does not include storm event sampling.

- 1.0 FTE Hydrogeologist 2 to develop and maintain calibration records, provide active Quality Assurance/Quality Control (QA/QC) assessments, and compile and report the continuous water quality data stream. This position will also support installing, operating and maintaining the stations and helping with monthly monitoring and storm event sampling. Safety protocols require two-person teams to conduct field work that involves potentially hazardous situations that might occur during storm events.

Laboratory Analytical Costs

In addition to collecting continuous data for dissolved oxygen, nitrate, pH, conductivity and turbidity through sensors, discrete samples will be collected and laboratory analysis conducted on a monthly basis for total organic carbon, dissolved organic carbon, and alkalinity. All of these can affect marine water quality, including primary production, oxygen levels, and ocean acidification.

To assess nutrient and carbon loading during high flow conditions and calibrate the sensors, up to 15 individual samples from three storm events will be collected with automated samplers at each station. Total analytical costs beginning in Fiscal Year 2021 and ongoing are $60,000 per year.

Equipment

Initial equipment costs assume constructing seven new freshwater water quality monitoring stations at existing monthly sampling points, plus one set of equipment as a backup, at an estimated cost of $50,000 per station for infrastructure, sensors, and instruments. These stations will conduct continuous monitoring and targeted storm event sampling to characterize water quality and nutrient loading at discharge points to Puget Sound. Based on historical operation of our statewide monitoring network, annual operating costs for calibration and maintenance are typically $1,500 per station per year for a total of $10,500 per year for seven stations.

Total equipment one-time costs in Fiscal Year 2021 are $400,000.
Total equipment calibration and maintenance costs for subsequent years are $10,500 per year.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries and Wages		152,844	152,844	152,844	152,844	152,844
B	Employee Benefits		56,705	56,705	56,705	56,705	56,705
E	Goods and Services		68,460	68,460	68,460	68,460	68,460
G	Travel		5,154	5,154	5,154	5,154	5,154
J	Capital Outlays		402,638	13,138	13,138	13,138	13,138
T	Intra-Agency Reimbursements		62,236	62,236	62,236	62,236	62,236
	Total Objects	**0**	**748,037**	**358,537**	**358,537**	**358,537**	**358,537**

Staffing Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
HYDROGEOLOGIST 2	76,422		2.00	2.00	2.00	2.00	2.00
FISCAL ANALYST 2			0.20	0.20	0.20	0.20	0.20
IT APP DEVELOPMENT - JOURNEY			0.10	0.10	0.10	0.10	0.10
Total FTEs		**0.0**	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**

Explanation of costs by object:
Salary estimates are current biennium actual rates at Step L.
Benefits are the agency average of 37.1% of salaries.
Goods and Services are the agency average of $4,230 per direct program FTE. It also includes $60,000/year for laboratory analytical costs.
Travel is the agency average of $2,577 per direct program FTE.
Equipment is the agency average of $1,319 per direct program FTE. It also includes $400,000 one-time cost in FY 2021 for water quality monitoring stations and $10,500/year beginning in FY 2022 and ongoing for equipment calibration and maintenance.
Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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.

Strategic and Performance Outcomes

Strategic framework:

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

- Protect and Restore Puget Sound by collecting scientific data that directly supports development of a nutrient reduction strategy to improve water quality and addresses Clean Water Act impairments in Puget Sound. Ecology's Water Quality Program (WQP) is also submitting a complementary supplemental budget request to develop a general permit for wastewater treatment plants in Puget Sound, which is supported by this request. This request also supports shellfish health and abundance through continued support for the Washington Shellfish Initiative. Specifically, it calls for the following actions related to ocean acidification:
  - Secure funding to research and monitor ocean acidification in Puget Sound.
  - Determine how ocean acidification is impacting the food web in Puget Sound, including impacts to fisheries and other resources.
- Reduce and Prepare for Climate Impacts by reducing the amount of nutrients discharged to the Sound it will help improve water quality, which in turn will help minimize climate impacts and protect and restore Puget Sound.
- Deliver Integrated Water Solutions by implementing a collaborative approach to finding holistic solutions that reduce pollution and improve water quality.

This request provides essential support to the Governor's Results Washington goal for Sustainable Energy and a Clean Environment and the outcome measure for Keeping Puget Sound Ecosystem Healthy by collecting data used to assess river, stream and marine water quality with the goal of increasing the number of areas meeting water quality standards.

This request also supports the Governor's Southern Resident Orca Executive Order 18-02. The data collected under this proposal will help decision makers evaluate the options to reduce nutrient inputs and identify the most problematic areas for ocean acidification. Addressing both of these factors will promote a healthy Puget Sound food web. A healthy food web is critical to restoring Puget Sound salmon and Southern Resident Killer Whale populations. During the 2019 Legislative Session, the Governor and Legislature made significant investments toward orca and salmon recovery. The 2019 Legislature also supported recommendations from the Southern Resident Killer Whale Task Force. The Task Force requested Ecology to look at issues associated with nutrient loading and water quality, and provide an update and our recommendations to the Task Force. Ecology will provide nutrient reduction recommendations in fall 2019. Those recommendations will include developing a NPDES permit framework for managing nutrients in wastewater treatment in Puget Sound.

Performance outcomes:

The outcome of this request will be credible scientific information that supports management decisions to implement nutrient reduction measures in the Salish Sea and assess conditions to identify areas in Puget Sound most susceptible to ocean acidification.

Other Collateral Connections

Intergovernmental:

Tribal Communities - Shellfish and salmon are the center of the Salish Sea tribal community's culture and existence. Good water quality is critical to their survival. Ecology expects Tribal communities will fully support additional water quality monitoring efforts that protect marine resources.

Regional, County, and City Governments - Implementing advanced nutrient removal technology at wastewater treatment plants represents significant capital improvement costs that will likely result in associated ratepayer increases for both county and local municipalities. Decision makers need solid scientific information to make these important management decisions. At the Puget Sound Nutrient Forum, stakeholders consistently requested better information on non-point pollution loading to Puget Sound, which will be provided by the freshwater monitoring enhancements included in this request.

The Washington Department of Natural Resources has an established program to conserve eelgrass meadows, promote habitat restoration, and they have been actively coordinating activities among state agencies on ocean acidification. This request will help restoration efforts by collecting water quality information that can be used in modeling to help select the best sites for eelgrass restoration activities, which are affected by ocean acidification.

The University of Washington's Ocean Acidification Center (WOAC) helps provide data and modeling to support ocean acidification evaluation. The data generated from this request will be useful in supplementing ongoing work by the WOAC, by providing continuous freshwater monitoring information across the Puget Sound region. Availability of water quality monitoring information is critical to ongoing modeling efforts. The monitoring conducted under this request, along with the WOAC monitoring effort, will help focus, align, and build on Puget Sound-wide monitoring and research efforts (WMRAC, 2017).

Stakeholder response:

Commercial and recreational shellfish industries are significantly impacted by ocean acidification conditions. A partnership between shellfish growers and scientists has flourished in the Pacific Northwest. Exchanging data between growers and regional monitoring and modeling efforts has helped both groups better understand and predict ocean acidification conditions in nearshore areas (WMRAC, 2017).

Non-governmental stakeholders include environmental non-profit organizations and Puget Sound residents. Ecology anticipates their support for this work, based on interest in the Puget Sound Nutrients Reduction forums conducted over the past two years.

Legal or administrative mandates:

In November 2018, Ecology received a petition for rulemaking to establish technology-based limits for nitrogen and phosphorus on discharges from Puget Sound domestic wastewater facilities. Ecology denied the request in January 2019 (see attached letter), the Governor's Office affirmed Ecology's denial, and Northwest Environmental Advocates filed an appeal that is currently pending a hearing with Thurston County Superior Court in January 2020. A related petition is pending with the U.S EPA to withdraw Ecology's Clean Water Act delegation. This request is directly connected to addressing legal requirements and carrying out Ecology's commitment to ensure appropriate nutrient controls on permitted Puget Sound dischargers.

This request will help provide vital information for the Governor's Southern Resident Orca Task Force established in Executive Order 18-02 and subsequent recommendations.

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

This request supports Puget Sound Action Agenda implementation through:

- Regional Priority CHIN 2.5: Address and manage water quality parameters, including excess nutrient loading through data collection needed to establish and enforce water quality standards that manage excess nutrient loading for all sources.
- 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.

It 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) to address human sources of nutrients impacting the Sound.

The Washington Ocean Acidification Center (WOAC) promotes and supports multiple research endeavors related to ocean acidification including monitoring via buoys and cruises, laboratory studies of biological impacts, water quality monitoring and treatment options at hatcheries, and forecasting. This proposal provides a unique combination of freshwater and sound wide monthly marine monitoring to fill data gaps in our understanding of ocean acidification conditions in Puget Sound. Shellfish, Chinook salmon, and Southern Resident orca resources are all impacted by ocean acidification and as such are priority activities in the Puget Sound Action Agenda.

Reference Documents

- Puget Sound Freshwater Monitoring References.docx
- Puget Sound FW Monitoring 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

Dept. of Ecology
Puget Sound Freshwater Monitoring Attachment

References:

Information on the Puget Sound Nutrient Reduction Strategy and the Salish Sea Model can be found on Ecology's website at https://ecology.wa.gov/Water-Shorelines/Puget-Sound.

Ahmed, A., C. Figueroa-Kaminsky, J. Gala, T. Mohamedali, G. Pelletier, S. McCarthy, 2019. Puget Sound Nutrient Reduction Project. Volume 1: Model updates and Bounding Scenarios. Publication No. 19-03-001. Washington State Department of Ecology, Olympia, WA.
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Sackmann, 2011. Deschutes River Continuous Nitrate Monitoring. Publication No. 11-03-030. Washington State Department of Ecology, Olympia, WA.
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https://doi.org/10.3133/ofr20181029.

Washington Marine Resource Advisory Council, 2017. 2017 Addendum to Ocean Acidification: From Knowledge to Action, Washington State's Strategic Response. EnviroIssues (cds). Seattle, WA. http://oainwa.org/

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
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711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

January 11, 2019

Nina Bell, Director
Northwest Environmental Advocates
PO Box 12187
Portland, OR 97212

Re: Petition for Rulemaking to Adopt a Presumptive Definition of "All Known, Available, and Reasonable Treatment" as Tertiary Treatment for Municipal Sewage Dischargers to Puget Sound and its Tributaries

Dear Nina Bell:

Pursuant to RCW 34.05.330(1), this letter formally responds to your Petition for Rulemaking (Petition) to adopt technology-based effluent limits for the discharge of nutrients from municipal wastewater treatment facilities that discharge to Puget Sound and its tributaries. In particular, your Petition requests a presumptive definition of all known, available, and reasonable treatment (AKART) as tertiary treatment for municipal sewage dischargers to Puget Sound and its tributaries. The Washington State Department of Ecology (Ecology) received your Petition via email on November 14, 2018.

Your Petition asks Ecology to revise Chapter 173-221 WAC, Discharge Standards and Effluent Limitations for Domestic Wastewater Facilities, to establish year-round total technology-based effluent limits for total nitrogen and total phosphorus of 3 mg/L and 0.1 mg/L or lower, respectively. The Petition asserts that Ecology has the information necessary to establish and implement these technology-based effluent limits within Puget Sound without further analysis of the dissolved oxygen impairments through use of the Salish Sea Model.

Ecology has thoroughly evaluated and considered the issues raised in your Petition. After careful consideration and review, Ecology is denying your request to engage in rulemaking to adopt a rule to define AKART as tertiary treatment for municipal sewage dischargers into Puget Sound and its tributaries. Although Ecology has decided to deny your petition, we share your concerns regarding existing nutrient impacts and dissolved oxygen impairments within Puget Sound. However, Ecology does not agree that revising Chapter 173-221 WAC to define AKART as tertiary treatment for municipal discharges into Puget Sound and its tributaries is a reasonable approach to address Puget Sound water quality impairments. As discussed below, Ecology believes a water quality-based approach is necessary to address dissolved oxygen impairments caused by excess nutrient loading to Puget Sound and its tributaries.

AKART is a technology-based determination that requires dischargers to use all known, available, and reasonable methods to control and prevent pollution. Treatment technology must be both economically and technically feasible in order to be AKART. Currently, the Environmental Protection Agency is conducting a nationwide Publically Owned Treatment Works (POTW) nutrient survey, in part because enhanced treatment for nutrient removal is neither affordable nor necessary for all wastewater treatment plants. In contrast to technology-based effluent limits, water quality-based effluent limits are not limited to technology that is known, available, and reasonable. Rather, water quality-based effluent limits are set at the levels necessary to ensure that a discharger does not cause or contribute to a violation of water quality standards. The nutrient impacts addressed in your Petition result in dissolved oxygen water quality impairments, and a water quality-based approach is more appropriate than a broad AKART determination for Puget Sound.

Ecology agrees that portions of Puget Sound are impaired by nutrient pollution. We are actively leading efforts to reduce nutrient loading to Puget Sound, both in our permitting and non-point practices, and through public forums.

As you are aware, the Puget Sound Nutrient Source Reduction Project (PSNSRP) is a stakeholder engagement process aimed at finding holistic solutions to dissolved oxygen impairments in Puget Sound. The Salish Sea Model lies at the core of this effort. The Bounding Scenario Report will inform the spatial water quality response from different discharges located throughout Puget Sound. The initial report confirms the broad spatial relationships among discharges. Further model iterations are necessary to define discharger-specific nutrient loading limits based on localized and far-field impacts.

Ecology remains committed to continuing the PSNSRP process. While this work is progressing, Ecology will, through the individual permitting process:

1. Set nutrient loading limits at current levels from all permitted dischargers in Puget Sound and its key tributaries to prevent increases in loading that would continue to contribute to Puget Sound's impaired status.
2. Require permittees to initiate planning efforts to evaluate different effluent nutrient reduction targets.
3. For treatment plants that already use a nutrient removal process, require reissued discharge permits to reflect the treatment efficiency of the existing plant by implementing numeric effluent limits used as design parameters in facility specific engineering reports.

Ecology will use current permit reissuance schedules to include these requirements in National Pollutant Discharge Elimination System (NPDES) permits by mid-2019. These requirements for facilities that discharge directly into Puget Sound and the key tributaries will prevent increased nutrient loading as modeling efforts progress. Ecology will use PSNSRP outputs and outcomes to develop water quality-based effluent limits for nutrients and appropriate vehicles to implement them. This will include individual water quality permits, and may include a general permit, rulemaking, or other mechanisms identified through the PSNRP process.

Ecology believes the actions identified above are achievable in the near term and appropriate for our current level of understanding of nutrient dynamics in Puget Sound. Communication and outreach of these requirements will occur through the Puget Sound Nutrient Forum beginning in January 2019.

In closing, although Ecology is denying your request to engage in rulemaking, we are committed to reducing nutrient pollution in Puget Sound. We are confident that by working collaboratively with Puget Sound stakeholders, and working directly with permitted discharges, we will find lasting solutions to improve the health of Puget Sound.

Sincerely,

Maia D. Bellon
Director

cc: Heather R. Bartlett, Program Manager – Ecology Water Quality Program

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CJ - Nutrient Controls for Puget Sound
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Rebecca Pittman
(360) 407-7544
rpit461@ecy.wa.gov

Agency Recommendation Summary

The health of Puget Sound is threatened by human sources of excess nutrients, which cause low dissolved oxygen. Recent modeling shows wastewater treatment plants significantly contribute excess nutrients into the Sound, and additional action is needed to better control this pollution. Ecology requests funding to develop a Puget Sound Nutrients General Permit for wastewater treatment plants to reduce nutrient pollution through a coordinated and transparent public process. This request supports orca and salmon recovery and protection, the Puget Sound Action Agenda's Marine Implementation Strategy, and the Puget Sound Nutrient Source Reduction Project. Related to Puget Sound Action Agenda Implementation. (General Fund – State)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund 001 - 1	$0	$535	$74	$0
Total Expenditures	**$0**	**$535**	**$74**	**$0**
Biennial Totals		**$535**		**$74**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	2.4	0.6	0.0
Average Annual		**1.2**		**0.3**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$0	$165	$39	$0
Obj. B	$0	$61	$15	$0
Obj. C	$0	$150	$0	$0
Obj. E	$0	$83	$2	$0
Obj. G	$0	$6	$1	$0

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. J	$0	$3	$1	$0
Obj. T	$0	$67	$16	$0

Package Description

Background

Excess nutrients from human sources are changing Puget Sound's water quality and harming the nation's second largest marine estuary. Excess nutrients, such as nitrogen and carbon, can lead to low dissolved oxygen and cause stress on aquatic species. Excess nutrients can also increase acidity of the water, cause changes in the food web, and increase harmful algal blooms and the population of nuisance species, like jellyfish.

Ecology's research on low dissolved oxygen began in 2003 with an emphasis on Budd Inlet. That work suggested nutrient sources outside of Budd Inlet affect the inlet's water quality. In 2006, Ecology conducted public outreach and led a technical advisory committee for a larger South Puget Sound Dissolved Oxygen Study. That study initiated the development of the Salish Sea Model. Ecology published three Puget Sound Modeling reports in 2014 that document initial model calibration and data gaps. The agency has filled some of the data gaps and refined the model to better understand and communicate the dissolved oxygen problem in Puget Sound, which is influenced by physical, chemical, and biological factors, including:

- Quality and timing of water entering Puget Sound from the Pacific Ocean.
- Local circulation patterns.
- Air and water temperature.
- Salinity.
- Timing and size of river flows.
- Nutrient retention influences and nutrient loading from various sources.

In early 2018, Ecology kicked off the Puget Sound Nutrient Source Reduction Project and Forum to find ways to improve dissolved oxygen conditions in the Sound. The project is a collaborative effort with stakeholders to find the best solutions for reducing human sources of excess nutrients. The forum has a broad range of participants, including federal, state, and local governments; permittees; non-governmental organizations; environmental nonprofit organizations; academics and researchers; and concerned residents. The forum is a public advisory group created to discuss, learn, and provide input as Ecology explores solutions for point and nonpoint sources of excess nutrients.

Four recent actions significantly increased the urgency of addressing nutrient pollution in Puget Sound:

1. In November 2018, Ecology received a petition from Northwest Environmental Advocates for rulemaking to establish technology-based limits for nitrogen and phosphorus on discharges from Puget Sound domestic wastewater facilities. Ecology denied the petition (see attached letter)

and committed to working on a water quality-based approach to address dissolved oxygen impairment caused by overall excess nutrient loading to Puget Sound. The petition denial is currently in litigation before Thurston Superior Court with a hearing scheduled in January 2020.

Northwest Environmental Advocates also filed a related petition to withdraw Ecology's Clean Water Act delegation for the National Pollutant Discharge Elimination System (NPDES) permitting with the U.S. Environmental Protection Agency (EPA). EPA has not acted on that petition. The law does not require them to take action on any definitive timeline. If the State's NPDES permitting delegation is withdrawn, EPA will become responsible for all federal water quality permitting in the state. While Ecology could still use existing state authority to issue water quality permits, this could lead to duplication of effort and uncertainty for the regulated community.

2. In January 2019, a modeling analysis (https://fortress.wa.gov/ecy/publications/SummaryPages/1903001.html) from the Puget Sound Nutrient Source Reduction Project confirmed municipal wastewater facilities are contributing to dissolved oxygen impairments. The analysis found that, under existing conditions, approximately 20 percent of the area in the greater Puget Sound does not meet the dissolved oxygen standards. If reductions are made at all municipal wastewater treatment plants as modeled, approximately 10 percent of the greater Puget Sound would not meet the standards. This represents roughly a 50 percent improvement in compliance area for the dissolved oxygen standards.

3. In March 2019, experts from Long Island Sound and Chesapeake Bay visited Washington to share their successful use of water quality general permits to address nutrients. This sparked intense stakeholder focus on Ecology's approach to addressing nutrients through water quality permits.

4. During this same time, the Governor and Legislature made significant investments toward orca and salmon recovery. During the 2019 Legislative Session, the Legislature supported recommendations from the Southern Resident Orca Task Force to accelerate efforts to reduce toxic pollution and improve nutrient removal through future enhancements to wastewater treatment processes. The Task Force also recognized the stand-alone importance of managing nutrient pollution and requested Ecology provide nutrient reduction recommendations in fall 2019. Those recommendations included developing a NPDES permit framework for managing nutrients in wastewater treatment in Puget Sound.

These events, together with growing public concerns over the health of Puget Sound's ecosystem, suggest Ecology must take action now to develop nutrient control requirements for permitted sources.

Problem

Ecology must address nutrient loading to Puget Sound if we hope to improve dissolved oxygen levels and protect the food web critical to salmon and orca recovery and the overall aquatic health of the Sound. While the technology to control nutrients exists, and a few Puget Sound treatment plants have

nutrient controls in place, most plants do not have this technology. Tribes, environmental nonprofit organizations, natural resource agencies, and residents are concerned about the health of Puget Sound, including salmon and orcas, and expect actions to reduce nutrients. Excess nutrients like nitrogen and carbon impact water quality and cause:

- Stress on aquatic species.
- Increased water acidity.
- Changes in the food web.
- Increased harmful algal blooms.
- Increased nuisance species, like jellyfish.
- Threats to human use and enjoyment of fishing, digging shellfish, and swimming in the Sound.

Right now, there is not a coordinated, long-term nutrient reduction strategy in place for wastewater discharges to Puget Sound. Each wastewater treatment facility is individually permitted based on their site-specific activities and influences. Using individual permits to address nutrient discharges is inefficient and hampers the ability to make Sound-wide improvements to reduce nutrient loading.

Ecology's ability to provide a clear and reasonable approach to guide permitting and local investment to reduce nutrient loading is dependent on having appropriate resources.

Solution

Ecology is working to address excess nutrients in Puget Sound on multiple fronts. One area of focus is to control nutrients in permitted discharges to marine waters. Ecology proposes developing a Puget Sound Nutrients General Permit (under Chapter 173-226 WAC) to create a level playing field for the 70 or so wastewater dischargers to Puget Sound. This will set the foundation for establishing limits on nutrient discharges, which will ultimately improve dissolved oxygen levels in the Sound.

General water quality permits establish consistent requirements for categories of dischargers with similar types of wastewater and similar operating conditions in a defined geographic area. For example, construction and industrial stormwater, winery, and sand and gravel permits effectively utilize such general permits. Because Ecology is at the earliest stage of a general permit process, it is too soon to know what the exact permit conditions will be. Permit requirements are developed and finalized through a prescriptive regulatory process that includes significant stakeholder engagement.

For more information on the development of the nutrient general permit, please see the attached focus sheet.

The benefits of using a general permit over individual permits include:

- A foundation for numerous dischargers to work together toward successful implementation of nutrient controls across shared water bodies.
- Efficiencies from a single, coordinated public stakeholder process with permitted entities, Tribes, environmental nonprofit organizations, and others to collaborate on input to Ecology during the permit development process.

- Accomplishing Sound-wide improvements sooner than would be possible with individual permits alone.

In August 2019, Ecology issued a preliminary determination comment period to get feedback from stakeholders on the approach of using a Puget Sound Nutrients General Permit to control and reduce nutrients in discharges from wastewater treatment plants. This was the first step in the process, and Ecology will continue to work with stakeholders to incorporate their feedback into the permitting process.

Over the next several years, Ecology will work with stakeholders on the long-term strategy for implementing nutrient controls, which includes:

- Further refinement of permit requirements with each five-year reissuance (individual permits and the Puget Sound Nutrients General Permit).
- Technical assistance for permit holders and operators.
- Guidance based on national examples, Puget Sound conditions, and relevant laws. This could include exploring the concept of a nutrient trading program used successfully in other states.
- Financial assistance and ongoing funding stability.

Ecology will consider stakeholder feedback to help inform and refine future permits, and for potential legislative and budget requests in the future.

This request to fund general permit development will implement an important step of the ongoing, longer-term nutrient reduction strategy in Puget Sound.

A related Ecology 2020 supplemental budget request, Puget Sound Freshwater Nutrient Loading, will provide continuous freshwater nutrient monitoring data that will strengthen the Salish Sea Model. This is a powerful, computerized tool that helps evaluate and guide management actions for water quality problems in the Salish Sea. Nutrient information from major tributaries to Puget Sound is currently limited to once a month sampling, which is not enough to characterize actual variations in seasonal loadings during the full range of flow conditions. Continuous freshwater monitoring data is vital to assessing nutrient loading impacts on Puget Sound from watersheds.

Alternatives Explored:

Ecology could address nutrient discharges through individual permit requirements, but this is less efficient and will take more time to see results than having overarching general permit requirements for nutrient discharges. Individual permits also do not provide for a coordinated, Sound-wide approach to holistically address excess nutrient loading to the Sound.

Ecology is requesting General Fund-State for this work, because it benefits a wide variety of efforts for orca and salmon recovery and helps protect and restore Puget Sound. While water quality permit work is largely funded by permit fees, and there is a projected fund balance in the Water Quality Permit

Account (fund 176), Ecology does not believe this is the best funding source for developing a Puget Sound Nutrients General Permit.

RCW 90.48.465 directs Ecology to establish fees to cover the cost of issuing and administering water quality permits. But that same statute limits the amount that can be charged to municipal wastewater dischargers to 18 cents per month per residential equivalent (RE) ($2.16/year per RE). This rate has been capped in statute since 2009, creating a significant underpaying category within the permits we issue. Yet, inflationary growth has increased nearly 50 percent during the same time period, according to Washington's Expenditure Limit Committee Fiscal Growth Factor. Because of the cap on what municipal wastewater dischargers pay, Ecology will not be able to charge the appropriate permittees to recover the costs to develop a Puget Sound Nutrients General Permit.

Ecology already has an imbalance in the fees collected relative to permit implementation costs for municipal wastewater dischargers. The agency has tried to increase the 18-cent limit in statute over the last ten years, but has not been successful. We have also worked with permit fee stakeholders over time to move toward fee equity among fee payer groups where possible. But state funding and other fee payers have subsidized municipal wastewater permit work for many years. Using the Water Quality Permit Account balance to fund development of a general permit specific to wastewater treatment facilities in Puget Sound would further exacerbate the inequity among fee payers. Instead, Ecology hopes to use the revenue balance to help cover future inflationary costs and delay or reduce future fee increases for overpaying fee categories. Ecology will continue to work with fee payers to address the fee structure for the 2021-23 Biennium to keep moving toward equity across the universe of fee payers.

Consequences of Not Funding This Request:
If this request for funding to support development of a Puget Sound Nutrients General Permit is not approved, Ecology would not be able to develop a general permit in the near-term through a coordinated stakeholder outreach involvement effort. We would not be able to conduct necessary SEPA and economic analyses in a timely fashion, nor pursue necessary technical modeling.

The timeline to implement nutrient controls for Puget Sound would be delayed, which would increase legal risk and bring further criticism from the environmental community, Tribes, and other stakeholders. Ecology would experience increased legal pressure to reissue permits individually with nutrient limits, decreasing transparency and consistency. Longer-term, more efficient options for addressing excess nutrients (e.g., nutrient water quality trading) would be unlikely to proceed successfully without additional resources. Failure to provide the clarity of a general permit would limit options for local governments faced with the need for significant investments to reduce nutrients from human sources while accommodating some of the fastest population growth rates in the country.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request expands activity A032 Prevent Point Source Water Pollution, on a one-time basis, to support the development of the Puget Sound Nutrients General Permit. 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.

A032 - Prevent Point Source Water Pollution		
	2017-19	**2019-21**
FTEs Total	88.5	91.5
001-1 General Fund - State	$0	$710,000
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	$1,210,000
176-1 Water Quality Permit Fees	$20,280,096	$21,833,000
TOTAL	**$23,322,200**	**$25,701,000**

Detailed assumptions and calculations:

Beginning July 1, 2020 through September 30, 2021, Ecology will require 1.0 FTE Environmental Engineer 3 (EE3) to lead a general permitting process. The process requires coordinating a technical team of regional permit managers, technical review of nutrient model scenario results, permit writing expertise and assessment of existing permit requirements, developing technical guidance, and researching wastewater treatment technologies, including optimizing existing technologies for nutrient removal. The EE3 must also consult with experts in the field, provide expertise in responding to stakeholder and industry inquiries and discussions, and develop requirements to be included in the General Permit.

Ecology will also need 1.0 Environmental Specialist 3 (ES3) to coordinate the required public engagement process, including publications, stakeholder meetings, and feedback opportunities. The ES3 will also support the permit development process to help draft and edit the general permit, perform literature reviews, conduct supporting research, and assist the EE3 in responding to inquiries.

Ecology will also require 0.2 FTE Assistant Attorney General support for six months in Fiscal Year 2021 to provide legal consultation on developing the general permit, and $150,000 for personal contract services to review the permit for compliance with the State Environmental Protection Act and for economic analysis, as required. Ecology will also require 0.5 FTE Hydrogeologist 1 for the Environmental Assistance Program for three months in Fiscal Year 2021 and $50,000 for a contract with Pacific Northwest National Laboratory (PNNL). This laboratory will run an estimated six Salish Sea Model scenarios and provide analysis reports to support general permit development and answer nutrient management questions in response to public comments and concerns.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries and Wages		165,271	39,175			
B	Employee Benefits		61,315	14,534			
C	Personal Service Contract		150,000				
E	Goods and Services		83,010	2,116			
G	Travel		5,489	1,288			
J	Capital Outlays		2,809	660			
T	Intra-Agency Reimbursements		67,296	15,952			
	Total Objects	**0**	**535,190**	**73,725**	**0**	**0**	**0**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
ENVIRONMENTAL ENGINEER 3	95,481		1.00	0.25			
ENVIRONMENTAL SPECIALIST 3	61,219		1.00	0.25			
HYDROGEOLOGIST 1	65,928		0.13				
FISCAL ANALYST 2			0.21	0.05			
IT APP DEVELOPMENT - JOURNEY			0.11	0.03			
Total FTEs		**0.0**	**2.4**	**0.6**	**0.0**	**0.0**	**0.0**

Explanation of costs by object:
Salary estimates are current biennium actual rates at Step L.
Benefits are the agency average of 37.1% of salaries.
Object C includes $150,000 for contracted services.
Goods and Services are the agency average of $4,230 per direct program FTE. AAG support of $24,000 and $50,000 for PNNL modeling scenarios are included in object E.
Travel is the agency average of $2,577 per direct program FTE.
Equipment is the agency average of $1,319 per direct program FTE.
Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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.

Strategic and Performance Outcomes

Strategic framework:

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

- Protect and Restore Puget Sound by moving toward setting limits on nutrient loading in Puget Sound that will improve dissolved oxygen conditions.

- Reduce and Prepare for Climate Impacts by reducing the amount of nutrients discharged to the Sound it will help improve water quality, which in turn will help minimize climate impacts and protect and restore Puget Sound.
- Prevent and Reduce Toxic Threats by moving toward advanced treatment technologies that reduce nutrients and toxic pollutants discharging to Puget Sound, so that water quality is improved.
- Deliver Integrated Water Solutions by implementing a collaborative approach to finding holistic solutions that reduce pollution and improve water quality.

This request also supports Ecology's goal to Deliver Efficient and Effective Services by developing a Puget Sound Nutrients General Permit for domestic wastewater treatment plants that will allow for faster and more efficient permitting because a general permit will cover common elements and provide consistency across a specific type of discharger.

This request provides essential support to the Governor's Results Washington Goal Sustainable Energy and A Clean Environment by developing and implementing Puget Sound nutrient control requirements in a general water quality permit that will help:

- Improve dissolved oxygen levels in the Sound, which will help
- Improve the health of aquatic life and
- Move forward efforts to protect and improve the health of orca and salmon in the Sound.

This request also supports the Governor's Results Washington Goal Efficient, Effective, and Accountable Government by developing a Puget Sound Nutrients General Permit that works together with existing individual permit requirements. A general permit has efficiencies over individual permits through consolidated stakeholder involvement and public comment periods, and by establishing a foundation for numerous different dischargers to work together toward successful implementation of nutrient controls across Puget Sound.

Performance outcomes:

The outcome of this request will be a timely, efficient, and transparent approach to reducing nutrient discharges from domestic sewage plants discharging to Puget Sound.

Other Collateral Connections

Intergovernmental:

We anticipate broad support for this effort to reduce nutrients through a timely, efficient, and transparent permit development process. Stakeholders (including Tribal, county, and city governments) participating in the Puget Sound Nutrient Reduction Forum have asked if Ecology would pursue a general permit following early 2019 presentations of successful general permits in Long Island Sound and Chesapeake Bay. The broader Puget Sound Nutrient Reduction Project has been proceeding since early 2018, and ongoing stakeholder involvement occurs through the Nutrient Forum.

Also, Ecology staff have routine communications with domestic wastewater treatment permittees associated with existing permit implementation. Most treatment plants are owned and operated by municipalities or public utility districts. Infrastructure costs associated with treatment plants are primarily borne by the public through local sewer rates. Pursuing a general permit will allow for a deliberate and durable process to define and allocate infrastructure costs. A general permit may also create more efficient and cost effective options for municipalities to address nutrients under the federal Clean Water Act and state permitting requirements.

Tribal treatment plants discharging to Puget Sound are regulated by EPA and not directly affected by this request.

Stakeholder response:

Non-governmental stakeholders, including environmental non-profit organizations and Puget Sound residents concerned about the health of Puget Sound (including salmon and orcas), expect immediate actions to reduce nutrients. Ecology anticipates their support for this work based on interest from a March 2019 Puget Sound Nutrients Reduction Forum that showcased success other states have had through a general permit nutrient management approach. The agricultural community is also concerned that urban point source dischargers of domestic sewage will not be required to do their part to restore Puget Sound water quality.

Legal or administrative mandates:

Ecology is required by the federal Clean Water Act and State Water Pollution Control Act to control discharges that cause or contribute to water quality impairments.

In November 2018, Ecology received a petition for rulemaking to establish technology-based limits on nitrogen and phosphorus in discharges from Puget Sound domestic wastewater facilities. Ecology denied the request in January 2019 (see attached letter), the Governor's office affirmed Ecology's denial, and Northwest Environmental Advocates filed an appeal that is currently pending with Thurston County Superior Court. A related petition is pending with the U.S. EPA to withdraw Ecology's NPDES Clean Water Act delegation. This request will help address legal requirements and carry out Ecology's commitment to ensure appropriate nutrient controls on permitted Puget Sound dischargers. A general permit approach also reduces the number of distinct potential legal challenges to individual permits.

Changes from current law:

Ecology is able to develop a new Puget Sound Nutrients General Permit under existing authority (Chapter 173-226 WAC) using a public engagement process with the regulated community, stakeholders, and interested parties.

State workforce impacts:

N/A

State facilities impacts:

Of the nearly 70 wastewater treatment plants that discharge to Puget Sound, two are operated by the Department of Corrections and one by Washington State Parks. Impacts to these state agencies will depend on the specific nutrient reduction requirements written into either a general or individual permit. These smaller plants will also benefit from the common foundation that a general permit provides, such as potential future nutrients water quality trading.

Puget Sound recovery:

This request supports Puget Sound Action Agenda implementation through Regional Priority CHIN 2.5 - Address and manage water quality parameters, including excess nutrient loading by establishing and enforcing water quality standards that manage excess nutrient loading for all sources. It 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.

It also supports Puget Sound Action Agenda implementation through 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.

Reference Documents

- Nutrient Controls PS Attachment 1.pdf
- Nutrient Controls PS Attachment 2.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

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
PO Box 47600 • Olympia, WA 98504-7600 • 360-407-6000
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

January 11, 2019

Nina Bell, Director
Northwest Environmental Advocates
PO Box 12187
Portland, OR 97212

Re: Petition for Rulemaking to Adopt a Presumptive Definition of "All Known, Available, and Reasonable Treatment" as Tertiary Treatment for Municipal Sewage Dischargers to Puget Sound and its Tributaries

Dear Nina Bell:

Pursuant to RCW 34.05.330(1), this letter formally responds to your Petition for Rulemaking (Petition) to adopt technology-based effluent limits for the discharge of nutrients from municipal wastewater treatment facilities that discharge to Puget Sound and its tributaries. In particular, your Petition requests a presumptive definition of all known, available, and reasonable treatment (AKART) as tertiary treatment for municipal sewage dischargers to Puget Sound and its tributaries. The Washington State Department of Ecology (Ecology) received your Petition via email on November 14, 2018.

Your Petition asks Ecology to revise Chapter 173-221 WAC, Discharge Standards and Effluent Limitations for Domestic Wastewater Facilities, to establish year-round total technology-based effluent limits for total nitrogen and total phosphorus of 3 mg/L and 0.1 mg/L or lower, respectively. The Petition asserts that Ecology has the information necessary to establish and implement these technology-based effluent limits within Puget Sound without further analysis of the dissolved oxygen impairments through use of the Salish Sea Model.

Ecology has thoroughly evaluated and considered the issues raised in your Petition. After careful consideration and review, Ecology is denying your request to engage in rulemaking to adopt a rule to define AKART as tertiary treatment for municipal sewage dischargers into Puget Sound and its tributaries. Although Ecology has decided to deny your petition, we share your concerns regarding existing nutrient impacts and dissolved oxygen impairments within Puget Sound. However, Ecology does not agree that revising Chapter 173-221 WAC to define AKART as tertiary treatment for municipal discharges into Puget Sound and its tributaries is a reasonable approach to address Puget Sound water quality impairments. As discussed below, Ecology believes a water quality-based approach is necessary to address dissolved oxygen impairments caused by excess nutrient loading to Puget Sound and its tributaries.

AKART is a technology-based determination that requires dischargers to use all known, available, and reasonable methods to control and prevent pollution. Treatment technology must be both economically and technically feasible in order to be AKART. Currently, the Environmental Protection Agency is conducting a nationwide Publically Owned Treatment Works (POTW) nutrient survey, in part because enhanced treatment for nutrient removal is neither affordable nor necessary for all wastewater treatment plants. In contrast to technology-based effluent limits, water quality-based effluent limits are not limited to technology that is known, available, and reasonable. Rather, water quality-based effluent limits are set at the levels necessary to ensure that a discharger does not cause or contribute to a violation of water quality standards. The nutrient impacts addressed in your Petition result in dissolved oxygen water quality impairments, and a water quality-based approach is more appropriate than a broad AKART determination for Puget Sound.

Ecology agrees that portions of Puget Sound are impaired by nutrient pollution. We are actively leading efforts to reduce nutrient loading to Puget Sound, both in our permitting and non-point practices, and through public forums.

As you are aware, the Puget Sound Nutrient Source Reduction Project (PSNSRP) is a stakeholder engagement process aimed at finding holistic solutions to dissolved oxygen impairments in Puget Sound. The Salish Sea Model lies at the core of this effort. The Bounding Scenario Report will inform the spatial water quality response from different discharges located throughout Puget Sound. The initial report confirms the broad spatial relationships among discharges. Further model iterations are necessary to define discharger-specific nutrient loading limits based on localized and far-field impacts.

Ecology remains committed to continuing the PSNSRP process. While this work is progressing, Ecology will, through the individual permitting process:

1. Set nutrient loading limits at current levels from all permitted dischargers in Puget Sound and its key tributaries to prevent increases in loading that would continue to contribute to Puget Sound's impaired status.
2. Require permittees to initiate planning efforts to evaluate different effluent nutrient reduction targets.
3. For treatment plants that already use a nutrient removal process, require reissued discharge permits to reflect the treatment efficiency of the existing plant by implementing numeric effluent limits used as design parameters in facility specific engineering reports.

Ecology will use current permit reissuance schedules to include these requirements in National Pollutant Discharge Elimination System (NPDES) permits by mid-2019. These requirements for facilities that discharge directly into Puget Sound and the key tributaries will prevent increased nutrient loading as modeling efforts progress. Ecology will use PSNSRP outputs and outcomes to develop water quality-based effluent limits for nutrients and appropriate vehicles to implement them. This will include individual water quality permits, and may include a general permit, rulemaking, or other mechanisms identified through the PSNRP process.

Ecology believes the actions identified above are achievable in the near term and appropriate for our current level of understanding of nutrient dynamics in Puget Sound. Communication and outreach of these requirements will occur through the Puget Sound Nutrient Forum beginning in January 2019.

In closing, although Ecology is denying your request to engage in rulemaking, we are committed to reducing nutrient pollution in Puget Sound. We are confident that by working collaboratively with Puget Sound stakeholders, and working directly with permitted discharges, we will find lasting solutions to improve the health of Puget Sound.

Sincerely,

Maia D. Bellon
Director

cc: Heather R. Bartlett, Program Manager – Ecology Water Quality Program

Focus on: Water Quality Permitting to Control Nutrients in Puget Sound

Learn more…

Puget Sound Nutrient Reduction Project

Domestic Wastewater Treatment Technology

General permits

Provide feedback…

We are seeking public comments about using a general permit to control nutrients at WWTPs that discharge to Puget Sound marine waters and estuaries.

Aug. 21, 2019 through Oct. 21, 2019 at 11:59 pm

Submit Comments: http://ws.ecology.commentinput.com/?id=HMk9A

To view this public notice online, visit. https://ecology.wa.gov/Events/Search/Listing.

What problem are we trying to solve?

Excess nutrients can cause too much plant and algae growth which ultimately depletes dissolved oxygen (oxygen). Many parts of Puget Sound have oxygen levels that fall below the concentrations needed for marine life to thrive and concentrations that are below our state's water quality criteria. Discharges of excess nutrients to Puget Sound from domestic sewage treatment plants (WWTPs) are significantly contributing to low oxygen levels in Puget Sound. Ecology must require WWTPs to control nutrients consistent with the US Clean Water Act and Washington's Water Pollution Control Act.

Most WWTPs are owned and operated by municipalities or public utility districts. Infrastructure costs associated with reducing nutrients from WWTPs are primarily paid by the public through local sewer rates. With our region's growing population and recognizing that WWTP improvements to limit nutrients will take time, we need to start work now.

Why is Ecology considering a Puget Sound Nutrients General Permit?

We have made a preliminary determination that a general permit is the best tool for addressing excess nutrients from domestic WWTPs discharging to Puget Sound. A Puget Sound Nutrients General Permit would:

- Create a single coordinated public engagement process, allowing more stakeholder collaboration during permit development.
- Place WWTPs on a similar schedule rather than staggering requirements based on individual permit reissuance schedules.
- Provide a foundation for communities to work together to achieve nutrient controls across Puget Sound.

Stay informed…

To receive email updates about this effort, register for the Nutrients Permit listserv, http://listserv.ecology.wa.gov/scripts/wa-ECOLOGY.exe?SUBED1=NUTRIENTS-PERMIT&A=1.

Contact information

Maia Hoffman
425-649-7146

Rachel McCrea
425-649-7033
PSNutrientsGP@ecy.wa.gov

ADA accommodations

To request ADA accommodation including materials in a format for the visually impaired, visit https://ecology.wa.gov/accessibility, call Ecology at 360-407-6831, Relay Service 711, or TTY 877-833-6341.

Availability in alternate languages

If you need this document in a language other than English, call Maia Hoffman at 425-649-7146.

What is the purpose of this public comment period?

State regulation (Chapter 173-226 WAC) requires that we notify the public of a preliminary determination to develop a general permit. The primary purpose of this public comment period is to obtain feedback on whether a general permit is an appropriate tool to control and reduce nutrients in discharges from WWTPs to Puget Sound. The alternative to a general permit is to include nutrient control requirements in each WWTP's individual permit.

In addition, this is an opportunity for commenters to provide other information relevant to WWTPs and Puget Sound water quality. For example, you may provide any documented information on the characteristics of the discharge (individually or categorically) including effluent quantity, quality and any receiving water impacts. Existing information about Puget Sound water quality and WWTP discharges is available in our searchable database and relevant publications.

How would a Nutrients General Permit work?

A Puget Sound Nutrients General Permit would apply to nearly 70 WWTPs discharging to marine and estuarine waters of Puget Sound. These WWTPs already have individual permits. A Nutrients General Permit would focus only on controlling nutrients. It would work in conjunction with the individual permits that regulate all other pollutants. Therefore, WWTPs would have two permits.

Because we are at the earliest stage of a general permit process, it is too soon to be certain about what the exact permit conditions will be. If we move forward with the general permit, the permit development process will determine:

- Which specific domestic WWTPs will be regulated by the proposed permit. A potential WWTP permittee list is available.
- How to cap nutrient loading. A cap could be expressed as a numeric effluent limit or other similar value against which effluent quality would be compared.
- What planning efforts are needed to evaluate nutrient reduction targets. Planning efforts might involve near-term WWTP optimization to reduce nutrients where possible with existing treatment infrastructure. Additional planning considerations may include infrastructure upgrade feasibility assessments, foundational work for water quality trading programs or other collaborative water quality improvement efforts.
- How to specify numeric effluent limits that reflect treatment efficiency of existing WWTPs consistent with facility-specific engineering reports.

Controlling nutrients from WWTPs will not completely solve Puget Sound's low oxygen problem. WWTPs are only part of the solution, but a large part of the solution. We will continue our work to reduce nutrients from other sources as well.

Washington Department of Ecology

2020 Supplemental

Operating Budget

Table of Contents

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CR - Funding WCC Local Partnerships
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Bridget Talebi
(360) 407-6946
brim461@ecy.wa.gov

Agency Recommendation Summary

The Washington Conservation Corps (WCC) collaborates with state, federal, and local organizations to complete environmental restoration and enhancement projects statewide. The mix of our partner organizations changes from biennium to biennium, and over the last decade, the program's reliance on private/local projects has continued to grow. In 2019-21, a reduction in funding available from two of our state partners required Ecology to secure an even greater number of private/local projects, beginning this biennium, in order to avoid cutting crews. This request supports the additional private/local appropriation authority needed to maintain the WCC's current 388.5 Corps members and staff, beginning this biennium. WCC uses a cost-share model, in which partners provide 75 percent of the total funding needed to operate these crews. (General Fund – Private/Local).

Fiscal Summary

Dollars in Thousands

Operating Expenditures	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Fund 001 - 7	$0	$3,658	$1,829	$1,829
Total Expenditures	**$0**	**$3,658**	**$1,829**	**$1,829**
Biennial Totals		**$3,658**		**$3,658**
Staffing	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
FTEs	0.0	15.4	7.7	7.7
Average Annual		**7.7**		**7.7**
Object of Expenditure	**FY 2020**	**FY 2021**	**FY 2022**	**FY 2023**
Obj. A	$0	$777	$388	$388
Obj. B	$0	$525	$262	$262
Obj. C	$0	$38	$19	$19
Obj. E	$0	$135	$68	$68

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. G	$0	$229	$114	$114
Obj. J	$0	$19	$10	$10
Obj. N	$0	$1,761	$881	$881
Obj. T	$0	$174	$87	$87

Revenue	FY 2020	FY 2021	FY 2022	FY 2023
001 - 0597	$0	$3,658	$1,829	$1,829
Total	**$0**	**$3,658**	**$1,829**	**$1,829**
Biennial Totals		**$3,658**		**$3,658**

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 skills development, hands-on experience, and mentorship of young adults between the ages of 18 and 25 and military veterans. There are 388.5 members and staff statewide who restore critical habitat, improve trails, reduce wildfire hazards, control erosion, and respond to local and national disasters. The WCC collaborates with state, federal, and local organizations to complete environmental restoration and enhancement projects statewide.

WCC Cost Share Model
WCC uses a 75/25 cost share standard for crew costs associated with partner-sponsored projects. Partners include a mix of federal, state, and private/local agencies throughout Washington State (see Attachment 1 for a list of 2019-2021 partner organizations). The 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 the 75/25 basis.

Please note that the 25 percent cost share is different from the percent of state funding that supports total WCC costs. State appropriation funds 100 percent of 8.5 FTEs headquarters staff that are not part of the 75/25 cost share model. These staff provide management and program administration to support all 380 WCC members and field staff (380 field plus 8.5 office staff = 388.5 total). In addition, federal funds support 100 percent of costs related to national disaster response deployments.

Problem
Over time, private/local support for the WCC program has gradually increased as we have brought more local partners into the program. Between 2011-13 and 2017-19, WCC's private/local expenditures have grown by over 40 percent, as illustrated in the table below.

Table 1: WCC Private/Local Project Expenditures since 2011-13 Biennium.

Biennium:	2011-13	2013-15	2015-17	2017-19	2019-21[1]
P/L Expenditures[2]:	6,752,138	8,039,784	8,363,544	9,838,802	12,471,790
Biennial Change:		1,287,645	323,760	1,475,258	2,632,987
% Increase:		19.1%	4.0%	17.6%	26.8%

[1]Projected

[2]Amounts include 5 Percent Administrative Overhead (per RCW 43.220.231)

In 2019-21, this shift to private/local projects became even more pronounced as WCC funding from two of our state partners was reduced by a total of $2.6 million dollars. Due to their 2019-21 Capital Budget appropriation levels, the Department of Natural Resources (DNR) had to reduce funding for WCC by $2.4 million while State Parks reduced their request for WCC services by $200,000 beginning July 1, 2019.

Once Ecology was made aware that both DNR and State Parks funding would be reduced starting in the 2019-21 Biennium, the WCC reached out to over 200 partners to see if there were additional projects to fill the funding gap. Fortunately, the WCC was able to generate enough support from our other partners to maintain the program's existing staffing level this biennium. This outreach effort resulted in ten additional private/local projects for the 2019-21 Biennium.

However, in order to continue meeting the demand for increased use of crew time on private/local projects, Ecology requires an additional $3.66 million in ongoing private/local appropriation authority beginning in 2019-21. This additional spending authority is needed to maintain existing WCC crew size and to offset lost interagency spending authority that Ecology used to get from other state agency appropriations (via interagency agreements).

Impacts on Population Served:

WCC Members

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. The WCC provides employment for young adults and military veterans in 18 Washington counties - 15 that have unemployment rates exceeding the national average – including nine counties designated as rural. Also, five percent of WCC members are military veterans or active duty reservists, and nearly ten percent of WCC crew supervisors are military veterans. The WCC has demonstrated successful outcomes, including recent studies showing links between outdoor work, stress reduction, and personal resilience. Importantly, this study 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 state ecosystems directly affects economies and the health and safety of our communities. Improving and protecting at-risk ecosystems is vital to rural jobs and small businesses involved in forestry, farming, fishing, and recreation. WCC partners with more than 100 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 areas and helps implement additional critical environmental enhancements to Washington's air, land, and water. The 75/25 cost share applies to the cost of crew labor provided to partners. The other costs borne by our partners for accomplishing environmental restoration projects (plants, irrigation, hardscaping and engineering) further leverage Ecology's contribution.

Alternatives Explored:
Ecology considered submitting an unanticipated receipt for the additional private/local authority needed this biennium. However, because additional authority is needed on an ongoing basis, this alternative was not pursued at this point. If this budget request were not funded, Ecology would proceed with a submitting an unanticipated receipt for 2019-21, and then pursue additional ongoing authority in a 2021-23 budget request.

Ecology also explored whether there was sufficient private/local appropriation authority elsewhere in the agency, but determined there is not enough additional existing authority to support this need. Ecology programs that receive private/local agreements have current agreements, and intended uses based on historical agreements, that will utilize their private/local authority provided for these purposes.

Consequences of Not Funding This Request:
WCC could close the $3.66 million shortfall in private/local funding beginning in Fiscal Year 2021 by reducing WCC crews. However, cutting crews has a multi-layered, cumulative effect on WCC funding. Please note, all crew size references and figures below are for Fiscal Year 2021. The subsequent biennial impact would be approximately half as many crews because the reduction would be spread across the entire biennium.

Partner funding would be turned away. The 75 percent share of partner funding for 18 crews would be turned away. The 25 percent share of State/AmeriCorps funding would remain. A crew costs $277,039 in Fiscal Year 2021. The partner share of a crew is $207,779. A reduction of $3.66 million in WCC partner funding would result in a reduction of 18 crews. ($3,657,905/$207,779 per crew = 17.6 crews)

AmeriCorps funding would be reduced. The AmeriCorps grant is funded based on enrollment and retention. If Ecology eliminates 18 crews, then the associated AmeriCorps funding would be removed from the grant. AmeriCorps provides $11,580 per crew member every two years in the current agreement. There are five crew members on each crew. Therefore, a reduction of 18 crews would result in a reduction of 90 crew members (18 crews X 5 crew members = 90 crew members). A reduction of 90 crew members would result in a loss of $1,042,200 in AmeriCorps funding for the biennium (90 crew members X $11,580 per crew member). This would mean a biennial reduction in the AmeriCorps grant from $3.6 million to $2.56 million. Since past enrollment and retention drives future AmeriCorps funding, funds would not increase after a reduction. This would likely be a permanent loss of funding to the program.

In summary, cutting crews to make up for $3.66 million in private/local funding for WCC would result in $3.66 million from partners turned away, and loss of AmeriCorps grant funding of $1,042,200. This loss in funding would mean the elimination of 18 crews (90 members and 18 WCC Supervisors).

A reduction of 18 crews would result in decreased capacity to respond to disaster deployments. The WCC's leadership on deployments is a primary consideration when competing for federal AmeriCorps funding. When evaluating grant applications, AmeriCorps reviewers award higher points for disaster services (a tier 1 priority) than for environmental services (a tier 2 priority). The WCC may cease to secure AmeriCorps funding entirely in the event of a major reduction to disaster response capacity. The federal AmeriCorps program provides Ecology with $3.6 million each biennium to support WCC work. Ecology receives this funding on a per-member basis for a three-year grant cycle. The grant narrative specifies a model of five members led by one supervisor. If WCC does not employ the number of supervisors or corps members specified in the grant, AmeriCorps will reduce or even eliminate grant funding.

AmeriCorps also provides educational loan forbearance and a $6,000 education award to each member completing WCC so a loss of 18 crews will also result in $0.54 million in lost educational benefits (18 crews x 5 members x $6,000). 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. 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 public access to public lands. Job opportunities for young adults and military veterans would decrease, as would services to in-need communities following a disaster.

Assumptions and Calculations

Expansion 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 Biennium when seasonal crews were cut to make up for a funding shortfall.

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. Ecology requests General Fund – Private/Local appropriation to maintain the cost of 388.5 crew members and staff with the WCC's cost-share model.

Detailed assumptions and calculations:

In the 2019-21 Biennium and ongoing, Ecology requires $3.66 million in General Fund - Private/Local appropriation authority to sustain the WCC program at 388.5 members and staff, and maintain the 75/25 cost share model. This request will allow WCC to support the additional ten private/local agreements beginning this biennium in order to keep the program at current levels. Please note, for the purposes of this decision package, costs are shown as $3,657,905 in Fiscal Year 2021 and $1,828,952 in each subsequent fiscal year.

The amount requested is based on the following increases in private/local project expenditures since the 2011-13 Biennium:

Increases in Private/Local Projects Over Time	Amount[1]
Average Biennial Increase in Private/Local Project Expenditures Between 2011-13 and 2017-19	$1,028,889
Additional Private Local Projects to Cover DNR Reduction Beginning 2019-21	$2,429,016
Additional Private/Local Projects to Cover State Parks Reduction Beginning 2019-21	$ 200,000
TOTAL	**$3,657,905**

[1]Amounts include 5 Percent Administrative Overhead (per RCW 43.220.231)

The cost of one WCC crew is $277,039 in Fiscal Year 2021. A crew includes 4 regular crew members, 1 crew member assistant supervisor, 1.0 FTE WCC Crew supervisor 1 (Range 41/L), 0.02 FTE Environmental Planner 3 (EP3) (Range 57/L), and 0.08 FTE Natural Resources Specialist 5 (NRS5) (Range 60/L). Crew members are paid a living allowance. Crew member assistants are paid 2.5 percent more than regular crew members. The cost of each crew includes training, uniforms, tools, trucks, travel, per diem, food, stipend, benefits as applicable, and indirect.

The partner share of a crew is $207,779 in Fiscal Year 2021. The State/AmeriCorps share of a crew is $69,260 in Fiscal Year 2021. This request is for the 75 percent private/local appropriation share and does not include the 25 percent cost share match. The agency already has MTCA appropriation sufficient to match the agreements proposed. The explanation of costs below reflects the full cost of a crew, while the amount requested reflects appropriation needed for the 75 percent share.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries and Wages		776,995	388,498	388,498	388,498	388,498
B	Employee Benefits		524,563	262,281	262,281	262,281	262,281
C	Personal Service Contract		37,926	18,963	18,963	18,963	18,963
E	Goods and Services		134,915	67,457	67,457	67,457	67,457

G	Travel		228,795	114,398	114,398	114,398	114,398
J	Capital Outlays		19,187	9,593	9,593	9,593	9,593
N	Grants, Benefits, and Client Services		1,761,338	880,669	880,669	880,669	880,669
T	Intra-Agency Reimbursements		174,186	87,093	87,093	87,093	87,093
	Total Objects	**0**	**3,657,905**	**1,828,952**	**1,828,952**	**1,828,952**	**1,828,952**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total FTEs		**0.0**	**15.4**	**7.7**	**7.7**	**7.7**	**7.7**

Explanation of costs by object:
WCC Supervisor 1 salaries are an average of range 41, step L shown in object A.
Environmental Planner 3 salaries are an average of range 59, step L shown in object A.
Natural Resource Specialist 5 salaries are an average of range 60, step L shown in object A.
Crew member salaries are $2,163/month shown in object N.
Crew member supervisor assistant salaries are $2,217/month shown in object N.
WCC Supervisor 1, Environmental Planner 3, and Natural Resource Specialist 5 benefits are calculated using the agency average of 37.1% and shown in object B.
Crew member benefits are calculated at 6.2 percent of salaries for social security, 1.45 percent of salaries for Medicare, $0.1765/hour for L & I, and $154/month per member for medical insurance, and are shown in object B.
Contracts are calculated using an average of $2,872 per crew and are shown in object C.
Goods/services are calculated using an average of $10,218 per crew and shown in object E.
Travel costs are calculated using an average of $17,328 per crew and shown in object G.
Capital outlays are calculated using an average of $1,454 per crew and shown in object J.
Indirect is calculated at 5% of all costs and shown in object T.

Additional FTE authority is needed because as WCC shifts to more private/local projects over time, the program will use more budgeted FTEs, versus non-budgeted FTEs through inter-agency agreements. The direct FTE need is calculated based on total object A salary costs of $776,995 per year / $58,171 (annual salary for 1.0 FTE WCC Crew Supervisor 1, 0.02 FTE EP3, and 0.08 FTE NRS5) and Agency Administrative Overhead FTEs are 0.15 FTE per direct program FTE = 15.4 FTE in Fiscal Year 2021 and 7.7 FTE per year, ongoing, beginning in Fiscal Year 2022.

Please note, per RCW 43.220.231 a 5 percent administrative rate is applied to all costs in WCC as part of partner agreements.

Strategic and Performance Outcomes

Strategic framework:

This request is essential in implementing Ecology's strategic priorities to Protect and Restore Puget Sound and to Prevent and Reduce Toxic Threats. WCC Puget Sound Corps crews work on critical multi-agency partnership projects while cleaning up and helping restore state lands across the 12-county Puget Sound region.

To reduce toxic threats, WCC crews complete projects to remove creosote-treated debris from Washington's beaches, marine, and estuarine waters. Creosote removal is a high priority because creosote-treated materials leach carcinogenic chemicals into sediments that harm humans and wildlife.

Native trees and shrubs planted by WCC members filter toxins from state rivers and sequester carbon to reduce climate impacts. These plantings also support healthy watersheds by improving streamside and wetland areas that cool and clean waters and provide vital habitat for fish and wildlife.

This request provides essential support to the Governor’s Results Washington Goal – Sustainable energy and a clean environment by:

- Increasing the percentage of rivers meeting or exceeding good water quality standards. WCC does this through partnerships with 16 local conservation districts tasked with implementing the conservation Reserve Enhancement Program (CREP) projects to address salmonid riparian habitat functions and provide conditions for cool streams.
- Increasing the percentage of ESA-listed salmon and steelhead populations at healthy, sustainable levels. The WCC does this through partnerships with seven of the 14 Regional Fisheries Enhancement Groups (RFEGs) that work locally across the state to recover salmon.
- Increasing the average annual statewide treatment of forested lands for forest health and fire reduction through partnerships with state Department of Natural Resources and Washington State Parks and Recreation Commission.

This request provides essential support to the Governor’s Results Washington goal – Prosperous Economy by:

- Increasing jobs in the life sciences. The WCC provides nearly 390 opportunities in the environmental field.
- Increasing veteran employment. WCC provides opportunities through its sub-program, the Veteran Conservation Corps. Currently, 5 percent of WCC members are military veterans or active duty reservists and nearly 10 percent of WCC crew supervisors are military veterans.

Providing opportunities in rural areas. The WCC provides opportunities for young adults and military veterans in nine counties designated as rural by state Office of Financial Management.

Performance outcomes:

The outcome of this request will be continuing the legacy of a nationally-recognized Washington Conservation Corps. Continuing state WCC support at the proposed size, members, and staff levels will help WCC:

1. Remove invasive species and install native plants to improve habitat for fish and wildlife.
2. Increase 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.

While this request will not increase environmental, social, and health benefits, it will allow WCC to maintain its current level of service and outcomes. Maintaining the current level of 388.5 WCC members and staff will help complete environmental services in 20 Washington counties and provide disaster services across Washington and nationwide.

Every year, WCC will clear 4,000 acres of invasive plant species, improve 1,000 acres of public lands, and plant nearly 1 million native trees and shrubs. WCC will construct or improve 400 miles of trails, lead service-learning projects for 10,000 students, and assist 200 individuals during disaster response. In addition, WCC will leverage 8,000 volunteers engaged in completing environmental service projects for a total of 30,000 hours of volunteer service.

Other Collateral Connections

Intergovernmental:

The WCC collaborates with seven regional fishery enhancement groups, 16 conservation districts, 34 cities and counties, 7 tribal governments, and 27 nonprofit organizations. Other state agencies, including the departments of Fish and Wildlife, Military, Natural Resources, State Parks, and Transportation rely on WCC services to accomplish priority environmental restoration and recreational enhancement projects.

Maintaining the WCC's current crew size also provides the ability to deploy crews on disaster response when requested. WCC crews are highly trained and available to deploy for local, state, and national disasters. In the 2017-19 biennium, the WCC deployed to Florida, Nebraska, North Carolina, South Carolina, Texas, U.S. Virgin Islands, and Puerto Rico. The skills gained by the responders on these deployments proved invaluable during local deployments later that year in six rural Washington communities; Cusick, Newport, Omak, Okanogan, Oroville, and Tonasket.

Stakeholder response:

WCC's private/local partners include seven regional fishery enhancement groups, 16 conservation districts, 34 cities and counties, 7 tribal governments, and 27 nonprofit organizations. These partners will demonstrate strong support for this request, because it maintains the 75/25 cost share communicated to partner organizations for multi-year planning purposes. This request assumes partner organizations will continue to fund a share of crew costs that reflect the direct services actually received.

Legal or administrative mandates:

Chapter 43.220.231 RCW sets limitations on use of funds (agency administrative costs, program support costs, and supervision of corps 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 09/30/2020). 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 09/30/2020). 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 sponsors (expiration dates vary, 43 agreements slated to end September 2019). Agreements specify number of WCC crews (1 crew supervisor and 5 AmeriCorps members), number of weeks purchased, weekly rate, and Ecology-provided vehicles, program administration, and training and development.

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

N/A

Reference Documents

- Funding WCC Local Partnerships 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

Department of Ecology Attachment 1 - WCC 2019-21 Partner Organizations		
8/6/2019		
Federal	**Private/Local (City/County**	**Private/Local (Non-Profit)**
Bureau of Land Management	Chambers Lake Drainage District #3	Access Fund
Corporation for National and Community Service (AmeriCorps)	Chelan County	Backcountry Horsemen of Washington--Peninsula chapter
Federal Emergency Management Agency (national disaster)	Chelan County Natural Resources	Capitol Land Trust
Mount Rainier National Park	City of Auburn	Carnation Farms
North Cascades National Park	City of Bellingham	Citizens for a Healthy Bay
Olympic National Park	City of DuPont	Ducks Unlimited, Inc.
US Army Corps of Engineers	City of Everett Parks and Recreation	Fort Worden Public Development Authority
US Bureau of Reclamation	City of Issaquah	Forterra
US Fish and Wildlife (Nisqually)	City of Kirkland	Indralaya
US Forest Service/Colville National Forest	City of Lakewood	Lummi Island Heritage Trust
US Forest Service/Gifford-Pinchot National Forest	City of Mount Vernon	Methow Conservancy
US Forest Service/Okanogan-Wenatchee National Forest	City of Newcastle	Methow Salmon Recovery Foundation
US Forest Service/Olympic National Forest	City of Ocean Shores	Mountains To Sound Greenway Trust
	City of Olympia	Nisqually Land Trust
State	City of Orting	Olympia Coalition for Ecosystems Preservation
WA Department of Fish and Wildlife	City of Puyallup	Pacific Crest Trails Association
WA Department of Natural Resources	City of Redmond	Puget Sound Restoration Fund
WA Department of Transportation	City of Seattle	San Juan County Land Bank
Washington Office of Financial Management/Serve Washington	City of Tacoma	San Juan Preservation Trust
WA State Parks and Recreation	Clallam County	Skagit Land Trust
Washington Military Department	Clark County	The Corps Network
	Drainage District #11	Walla Walla Community College
Private/Local (RFEGs)	Jefferson County Noxious Weed Control Board	Washington Trails Association
Cascade Columbia Fisheries Enhancement Group	King County Department of Natural Resources and Parks	Whatcom Land Trust
Hood Canal Salmon Enhancement Group	Metro Parks Tacoma	Whidbey Camano Land Trust
Mid-Columbia Regional Fisheries Enhancement Group	Pierce County Parks	Vancouver Watersheds Alliance
Nooksack Salmon Enhancement Association	Pierce County Public Works	Vashon Maury Island Land Trust
North Olympic Salmon Coalition	Port of Seattle	
Skagit Fisheries Enhancement Group	San Juan County Public Works	**Private/Local (Conservation Districts)**
South Puget Sound Salmon Enhancement Group	Seattle City Light	Asotin Conservation District
	Snohomish County	Cascadia Conservation District
Private/Local (Tribes)	Snohomish County through its Dept. of Parks & Recreation	Columbia Conservation District
Confederated Tribes of the Umatilla Indian Reservation	Whatcom County Flood Control Zone District	Jefferson Conservation District
Kalispel Tribe of Indians	Whatcom County Parks and Recreation	King Conservation District
Lower Elwha Klallam Tribe		Kitsap Conservation District

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CP - NWRO Relocation
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Jason Norberg
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Agency Recommendation Summary

Ecology's lease for its Northwest Regional Office (NWRO) in Bellevue expires June 30, 2021. The Office of Financial Management's (OFM) 2017-23 Six-Year Facilities Plan includes the relocation of the NWRO into the Department of Transportation's (WSDOT) Shoreline facility by June 30, 2021, and both Ecology and WSDOT have finalized the business requirements and space needs required to validate this co-location. However, Ecology's 2019-21 budget request to support the project was only partially funded and is insufficient to complete the required work. This request supports the additional funding needed to successfully relocate the NWRO into the WSDOT facility in Shoreline by the time that our current lease expires.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$0	$270	$57	$57
Fund 027 - 1	$0	$19	$4	$4
Fund 02P - 1	$0	$19	$4	$4
Fund 044 - 1	$0	$70	$15	$15
Fund 176 - 1	$0	$296	$62	$62
Fund 182 - 1	$0	$26	$5	$5
Fund 199 - 1	$0	$15	$3	$3
Fund 207 - 1	$0	$41	$9	$9
Fund 216 - 1	$0	$17	$4	$4
Fund 217 - 1	$0	$58	$12	$12
Fund 219 - 1	$0	$23	$5	$5
Fund 23P - 1	$0	$1,262	$266	$266
Fund 564 - 1	$0	$26	$6	$6

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Total Expenditures	$0	$2,142	$452	$452
Biennial Totals		$2,142		$904

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$0	$462	$452	$452
Obj. J	$0	$1,680	$0	$0

Package Description

Ecology's NWRO has occupied a leased facility in Bellevue since 1992. That lease expires June 30, 2021 and Ecology must relocate to the WSDOT Shoreline facility by no later than that date. The NWRO is the largest of Ecology's four regional offices and provides services to King, Snohomish, Skagit, Whatcom, San Juan, and Island Counties. The NWRO provides space for many Ecology programs and activities 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 Washington Lease Space Requirements and it is inefficient in energy use, due in part to an outdated system of small HVAC (heating, ventilation, air conditioning) units supporting more than 30 separate zones. The interior wall layout makes the space inflexible and inefficient, and a structural evaluation performed by Putnam Collins Scott Associates in 2005 suggested the seismic structural integrity is outdated.

In addition, the current NWRO location does not have secure parking for our vehicle fleet or specialized emergency spill response trucks and boats. The vehicle fleet is stored in an unsecured parking lot while staff must travel to Issaquah, about 15 minutes away, to pick up spill response trucks and boats. This creates a security issue and a delay in responding to emergencies.

Because of the geographic size of Ecology's Northwest region, it is very common for staff to not return from field work until well after the close of business. The Shoreline location will be fenced, have security, and will have a dedicated storage space for emergency spill response vehicles and boats. This will decrease the time it will take for Ecology to respond to spills. After-hour employee safety and site security for fleet vehicles and specialized trucks and boats is important. A stolen or vandalized vehicle or boat prevents timely emergency response for hazardous waste spills and cleanups.

WSDOT's 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. The Shoreline 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.

The co-location in Shoreline is identified in OFM's current Six-Year Facility Plan and Ecology and WSDOT have finalized the business requirements and space needs required to validate this co-location. Ecology submitted a 2019-21 budget request to secure funding for our portion of the project, but it was only partially funded in the enacted budget. Ecology received just over $1.97 million of approximately $4.65 million in total project costs that were identified in our 2019-21 budget request. Ecology is now requesting the remainder of the funding needed to ensure a successful relocation of the NWRO into the Shoreline facility by June 30, 2021.

Please note, the House's initial budget proposal for the 2019-21 Biennium did not include any funding for the NWRO move, but indicated that Ecology should request funding to complete the project in the 2020 Supplemental Budget.

The costs included in Ecology's 2019-21 request were based on the "One-Time Project Cost Estimate" detail required by OFM as part of the pre-design process. The project costs include calculated Department of Enterprise Services (DES) fees, tenant improvements, information technology (IT) costs, furniture, and other related physical move expenses for a large facility. The costs included in our 2020 budget request are based on that same detail, but represent only the portion of funding that was not provided in the biennial budget.

A substantial portion of our 2020 budget request will be used to replace the furniture at NWRO as we relocate to Shoreline. The current NWRO furniture is 20 to 30 years old and is wholly inadequate to be reconfigured to comply with 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 the space and fit more staff within the Shoreline facility, without compromising each employee's ability to have an individual workspace.

Impacts on Population Served:
Ecology's NWRO serves residents and businesses in King, Snohomish, Skagit, Whatcom, San Juan and Island Counties. No adverse impacts are anticipated.

Alternatives Explored:
Ecology has consulted extensively with OFM and evaluated multiple alternatives for the NWRO. Alternatives explored included the co-location opportunity with WSDOT at their Shoreline facility, relocating NWRO to a different leased property elsewhere in King County, or renovating the current leased property in Bellevue. The co-location strategy was chosen because it best fit both Ecology and WDOTS's needs and best maximized the funds that both agencies will use to complete this project.

Relocating to a different leased property in northern King County or southern Snohomish County was identified as a second alternative. The disadvantages of this alternative included sizable one-time expenses to relocate (similar to costs for relocation to the WSDOT site in Shoreline), the fact that significant funding is already being provided to and used by WSDOT for the Shoreline co-location, and limited properties available in the current market.

The third alternative considered was to renew the lease on the current facility and renovate to improve business functionality. There were a number of advantages and disadvantages to this strategy. Staying could have alleviated substantial relocation expenses. The current property is well within the size requirements of the projected needs of the regional office, but it would have had to be retrofitted, and interior space would have had to be redesigned to be more efficient and better aligned with agency business needs. The disadvantages of this alternative included remaining in an older property with challenges characteristic of its age, uncertainty of costs for this option, and uncertainty of the plan for the property from the current owner. Renovating the existing building while occupying it would also have had its disadvantages including staff disruptions, multiple employee moves to accommodate renovations, dust and noise. An additional disadvantage would have been the lost investment from significant funding already provided and used by WSDOT for the Shoreline co-location effort.

Consequences of Not Funding This Request:
The lease for the current NWRO facility expires June 30, 2021 and Ecology must relocate or prepare to renovate the existing property to remain in-place. Terms of the current lease allows the property owner to request the State's intentions of renewing the lease on or after July 1, 2019. DES received the letter from the property owner on July 1, 2019, requesting a response by approximately October 28, 2019 as to whether Ecology would be renewing the lease. WSDOT and Ecology are on track to relocate the NWRO to Shoreline by June 30, 2021, but if delays start occurring, Ecology will need to start negotiations for a lease extension before October 28, 2019. We do not anticipate any such delays to materialize between now and October 28th, but lack of funding in the 2020 supplemental budget to finalize the renovation and move becomes more problematic due to these timeline logistics.

If this request is not funded, existing Ecology funds would need to be redirected from other activities to cover for the costs of the NWRO relocation. This would have negative implications to Ecology's programs and environmental work, because facility costs are allocated to programs based on their use of square footage. This would mean less funding for programs to do their core work in protecting and improving public health and the environment.

Not funding this request would limit Ecology's options to support modernization of the NWRO. This would restrict Ecology's ability to provide a functional, efficient space for its largest regional facility and could adversely impact agency services provided from this region.

Assumptions and Calculations

Expansion or alteration of a current program or service:

As identified in Ecology's 2013-2015 Legislative Budget Proviso Report and the OFM Six-Year Facilities Plan, the NWRO is scheduled to move and co-locate with WSDOT at their facility in Shoreline. The Proviso Report laid out a plan to reduce facility needs and costs per FTE through consolidation, co-location, and alternative space opportunities. Ecology's biennial base budget of $3,911,044 for the NWRO will increase by approximately $452,000 annually beginning in Fiscal Year 2022, based on Ecology's Modified Predesign and OFM Facilities Oversight's 2017 projected

costs for the Shoreline Co-location with WSDOT. The space utilization is being decreased from 61,143 square feet (including 720 square feet of nearby storage) to approximately 58,646 square feet (including approximately 6,000 square feet for warehouse and special equipment).

Detailed assumptions and calculations:

Ecology is requesting additional funding to carry out the NWRO's relocation to WSDOT's Shoreline facility. The OFM Modified Pre-Design for the NWRO relocation has been updated with new IT infrastructure estimates. To accomplish this relocation, Ecology requires one-time funding in Fiscal Year 2021. The NWRO relocation will also have an ongoing annual lease increase of approximately $452,000 beginning in Fiscal Year 2022. The ongoing lease increase and one-time expenditures are detailed in the table below and are from Ecology's Modified Pre-Design for the NWRO Relocation.

The total amount requested as part of Ecology's 2019-21 budget request was $4,648,000, which consisted of the one-time relocation costs and the ongoing base lease increase of $452,000 per year, beginning in Fiscal Year 2022. Ecology received $1,977,000 in the 2019-21 Enacted Operating Budget to partially fund the project, but still needs $2,142,000 in one-time funding and $452,000 per year beginning in Fiscal Year 2022 to complete this project.

NWRO Relocation Cost Breakdown			**Dollars in Thousands**
Expenditure Type	**Description**	**Status**	**Amount (Funded in 19-21 Enacted Budget)**
Tenant Improvements	$790,000 calculated using Life Cycle Cost Model at $15/RSF of the main office.	One-time	$790,000
Furniture Relocation Costs	Supports dismantling existing furnishings, relocating and reassembling, hauling and recycling expense associated with existing furnishings, and specialized services to relocate the large Spills Response hazardous waste container that serves as emergency response storage that can withstand catastrophes.	One-time	$260,000
Building Security and Access Systems	Supports relocating existing operating systems together with reinstallation at a different facility.	One-time	$180,000
Moving Vendor and Supplies	Based on Ecology's experience from three previous regional and field office move projects.	One-time	$100,000
Other	Project Contingency of 15%	One-time	$47,000
IT Infrastructure	Consultant services for IT project management (Personal Service Contract)[1]	One-time	$220,000
	Low-Voltage Wiring	One-time	$198,000
	Consumables (Power strips, patch cables, etc.)	One-time	$10,000
	Wireless Network Hardware	One-time	$24,000

	Un-interruptible Power Supplies (UPS)	One-time	$38,000
	Conference Room AV Capabilities	One-time	$110,000
Amount Already Funded in 2019-21 Biennial Budget			**$1,977,000**

Expenditure Type	Description	Status	Amount Needed in 2020 Supplemental Budget for Fiscal Year 2021
Furniture Costs	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 $30,000 for replacement conference room chairs.	One-time	$1,680,000
Other	Remaining Project Contingency of 15%	One-time	$462,000
Total Amount Needed in 2020 Supplemental for Fiscal Year 2021			**$2,142,000**

Expenditure Type	Description	Status	Amount Needed in 2021-23 Biennium
Facility Lease	Base lease cost increase from current facility to new facility. This cost increase will begin in the 2021-23 Biennium and is estimated as follows: $2,095,000 (new lease) - $1,643,000 (old lease) = $452,000 (annual increase).	Ongoing (beginning in FY22)	$452,000 per year
Total Amount Needed Ongoing Beginning in Fiscal Year 2022			**$452,000 per year**

[1]Consistent with our 2019-21 budget request, this amount was not included in the 15% contingency calculation.

Please note, the total one-time costs of $4,119,000 identified in the table above ($1,977,000 from the 2019-21 Biennium Budget and $2,142,000 needed in the 2020 Supplemental) are $529,000 less than the one-time costs identified in Ecology's 2019-21 budget request. That request included $460,000 for DES Real Estate Service Fees (and associated contingency costs of $69,000), which would have been required if DES had to negotiate a new lease for Ecology at a location other than Shoreline. However, DES does not charge this fee when agencies co-locate with each other in the same facility, so since Ecology has finalized plans to relocated the NWRO to Shoreline, those costs are not included in this package. Please note, while Ecology is working hard to complete the move to WSDOT's Shoreline facility, if that option fails, Ecology will need funding to pay DES to negotiate a new lease for a different location. Those funds would be requested as part of a 2021 Supplemental decision package.

Note: IT-related costs are for local area network capacity, not data servers and platforms that are required to be located in the state data center.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
E	Goods and Services		462,000	452,000	452,000	452,000	452,000
J	Capital Outlays		1,680,000				
	Total Objects	**0**	**2,142,000**	**452,000**	**452,000**	**452,000**	**452,000**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total FTEs		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Explanation of costs by object:
Goods and Services are $462,000 in Fiscal Year 2021 (Object E). Lease cost increases of approximately $452,000 identified in table above will not begin until the 2021-23 Biennium.
Capital Outlays are $1,680,000 in Fiscal Year 2021 (Object J).

Strategic and Performance Outcomes

Strategic framework:

This request is essential to Ecology's strategic priorities to Prevent and Reduce Toxic Threats, Protect and Restore Puget Sound, and Deliver Efficient and Effective Services by enhancing spill response capacity so that Ecology can promptly respond to releases of oil and hazardous materials so that impacts to the environmental and public health are minimized.

This request is a high priority on Ecology's risk register, and will allow Ecology to comply with Executive Order 16-06 – State Agency Enterprise Risk Managements. It supports the risk management and staff services and facilities objectives in Ecology's strategic plan to:

- Maintain headquarters, regional, and field offices that support staff in meeting current business.
- Monitor the efficiency and environmental performance of facilities and engage staff in targeted improvements that contribute to the sustainability of our operations.
- Deliver shared services in an efficient and customer-focused manner.

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

- Efficient, Effective, and Accountable Government by consolidating NWRO's business operations in one location.
- Sustainable Energy and a Clean Environment and Healthy and Safe Communities by providing an efficient operating base for critical spill response activities so that communities and the environment are protected from exposures to hazardous materials.

Performance outcomes:

The outcome of this request will be a regional office facility purposely designed to deliver Ecology's business needs in the Northwest region, now and well into the future. Ecology expects this funding to provide a NWRO facility that:

- Adapts to future workload requirements.
- Incorporates the essence of the modern work environment.
- Has the capacity to house all required program equipment and functions on-site.
- Is energy efficient with a modern HVAC system

Other Collateral Connections

Intergovernmental:

To prepare for this project, Ecology worked extensively with WSDOT and OFM. WSDOT and OFM both support the effort to co-locate Ecology's NWRO in the Shoreline facility. The co-location opportunity will help WSDOT fund extensive renovations to the 40-year-old facility in Shoreline and help expand on-site parking to support the increased occupancy of the facility.

Stakeholder response:

Feedback from stakeholders has been incorporated and will continue to be considered as the project moves forward. Ecology anticipates the property owners of the current NWRO facility will be adversely affected by the loss of a state tenant in their property.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

The 2019-21 WFSE Collective Bargaining Agreement (CBA) will be followed as relocation of the office is decided and plans are developed.

State facilities impacts:

Relocating Ecology's NWRO is a substantial amount of work requiring coordination among all administrative divisions and programs of Ecology. This one-time move requires multiple service and procurement contracts in excess of $2 million.

Puget Sound recovery:

N/A

Reference Documents

- NWRO Relocation IT Addendum.docx

- NWRO Relocation Modified PreDesign 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?

Yes

NWRO Relocation IT Addendum.docx

2019-21 IT ADDENDUM
NWRO Relocation

NOTE: Only use this addendum if your decision package includes IT and does NOT relate to the One Washington project.

Part 1: Itemized IT Costs

To itemize IT costs for this submittal, agencies must complete the imbedded IT Fiscal Estimates Worksheet (Excel workbook) and submit that with their final decision package.

2020 Supplemental IT
Fiscal Estimates Work

When itemizing costs in this workbook, 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.

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? ☒Yes ☐ No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) ☐Yes ☒ No
3. 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 you answered "yes" to any of the above questions, you must answer the questions in Part 3 to finish the IT Addendum. Refer to Chapter 10 of the operating budget instructions for more information and a link to resources and information about the evaluation criteria questions.

Part 3: IT Project Questions

Agency readiness/solution appropriateness

Organizational change management

1. Describe the types of organizational changes expected because of this effort. How has your agency considered these impacts in planning the project and within this funding request?

Include specific examples regarding planned Organizational Change Management (OCM) activities and whether or how the requested funding will support these efforts.

No organizational changes are anticipated as a result of the IT portion of this project to relocate the existing NWRO. The project will reestablish the existing IT infrastructure from the current facility in Bellevue at the new location with Washington State Department of Transportation (WSDOT) in Shoreline.

Agency technology portfolio risk assessment

2. How does this project integrate into and/or improve the overall health of your agency's IT portfolio? Include specific examples such as system efficiencies, technology risks mitigated, technology improvements achieved, etc.

No changes to IT risks are anticipated in this project as this project relocates Ecology's Northwest Regional Office (NWRO) from the current facility in Bellevue to the co-location with WSDOT in Shoreline. The existing infrastructure will be reestablished at the new facility.

Solution scale

3. Explain how this investment is scaled appropriately to solve the proposed business problem. Described what considerations and decisions the agency has made to determine the sizing of this investment and why it is appropriate to solve the business problem outlined in the decision package.

The estimated project expense and scope was built based on Ecology's recent experiences in relocating its Central Regional Office, Vancouver and Bellingham Field Offices. The IT infrastructure is a necessary business function of the current NWRO and must be reestablished at the office to maintain appropriate business functions and operations.

Resource availability

4. How has the agency determined the resources required for this effort to be successful? How does this funding request support that resourcing need? If the agency intends to use existing resources for this effort, how are risks around resource availability being addressed?

Experience in the relocation of other regional and field offices has shown substantive value in contracting IT project management assistance to oversee the planning and execution effort involved in the facility relocation. In addition to contracting an IT project manager, Ecology's IT and Facility team are collaborating with WSDOT to manage the complexities of the move. All teams have established project management procedures and have dedicated appropriate levels of staff time and resources to successfully relocate the NWRO.

Investment urgency

5. With regards to the urgency of this investment, please select one of the following that most closely describes the urgency of your investment, and explain your reasoning:

☐ This investment addresses a currently unmet, time sensitive legal mandate or addresses audit findings which require urgent action.

Reason:

☐ This investment addresses imminent failure of a mission critical or business essential system or infrastructure and will improve that issue.
Reason:

☐ This investment addresses an agency's backlog of technology systems and provides an opportunity for modernization or improvement.
Reason:

☒ This investment provides an opportunity to improve services, but does not introduce new capability or address imminent risks.
Reason: This investment is required to facilitate the relocation of Ecology's existing Northwest Regional Office housed in Bellevue to the co-location with WSDOT in Shoreline during Fiscal Year 2020. The current Ecology NWRO in Bellevue is scheduled to relocate on or before June 30, 2021. Ecology intends to develop a similar IT infrastructure at the WSDOT Shoreline facility, as it is currently using at the Bellvue NWRO location, by that date.

Architecture/Technology Strategy Alignment

Strategic alignment

6. 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.

This project substantially re-creates Ecology's NWRO network infrastructure from the current Bellevue property to a co-location with WSDOT in their Shoreline facility.

Technical alignment

7. 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: data minimization, incorporating security principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

Ecology's existing IT infrastructure is already technically aligned. This project to relocate Ecology's NWRO to the co-location with WSDOT in their Shoreline facility will introduce no changes in technical alignment.

Governance processes

8. What governance processes does your agency have in place to support this project, or what new governance processes will be introduce to accommodate this effort? Examples of governance processes include executive sponsorship and steering, vendor/contract management, change control, quality assurance (QA), independent verification and validation (IV&V), 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.

The Ecology executive sponsor for this project is the Administrative Services Director closely aligned with Ecology's Chief Information Officer. Both of which have extensive facility and IT project management experience. IT Project administration is anticipated through a IT Project Management contractor/consultant services agreement. All contracts will be managed by the Regional Facility Director who has extensive experience managing infrastructure contracts. Change control will be built into the contracts. Additionally, Ecology has esxtensive project and change management experience and established procedures and will be able to manage complications as they arise.

Interoperability, interfaces and reuse

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

This project implements the same infrastructure technologies, standards and practices currently applied throughout the agency. The current infrastructure design is based on modern technologies and engineering and as such is naturally extensible. It does not affect change to any existing system nor does it add a requirement for new systems.

Business/Citizen Driven Technology

Measurable business outcomes

10. Describe how this proposed IT investment improves business outcomes within your agency? Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.

The outcome of this request will be a regional office facility purposely designed to delivery Ecology's business needs today and well into the future. A facility that has the capacity to house all required program equipment and functions on-site, incorporates the essence the modern work environment, is energy efficient with a modernized HVAC system and adaptable to future workload requirements.

This request is essential to implementing a priority in Ecology's strategic plan as it helps prevent and reduce toxic threats to the environment and protects and restores Puget Sound. Because Ecology's NWRO Spill Response Section will be collocated with all its necessary equipment for efficient response to spills in the environment minimizing spill clean-up efforts compared to the existing facility. This more effective operation will help reduce pollution from reaching Puget Sound.

This project provides essential support to the Governor's Results Washington Goal; Efficient, Effective, and Accountable Government by more timely response to spills and other environmental threats. Co-locating Ecology's response teams with the correct equipment and supplies to efficiently respond to spills and environmental threats will significantly improve timeliness for agency core services.

Customer centered technology

11. Describe how this proposed investment improves customer experience. Include a description of the mechanism to receive and incorporate customer feedback. If the investment supports internal IT customers, how will agency users experience and interact with this investment? If the customers are external (citizen), how will the citizen experience with your agency be improved as result of implementing this investment? Provide specific examples.

This project replicates current infrastructure design and function used throughout the agency and so will not have an effect on internal or external technology customers of the NWRO. The project supports the physical relocation of the agency's NWRO from the current Bellevue location to the co-location with WSDOT in their Shoreline facility.

Business process transformation

12. Describe how this IT investment supports business processes in your agency. Include the degree of change anticipated to business processes and the expected improvements as a result of this technology. Describe how the business and technology will coordinate and communicate project tasks and activities. Provide specific examples of how business processes are related to this technology and expected improvements to business processes as a result of implementing this technology.

No business process changes are anticipated for reestablishing IT infrastructure from one building address to another. The project supports the physical relocation of the agency's NWRO from the current Bellevue location to the co-location with WSDOT in their Shoreline facility.

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

Agency Name:	**Agency Number:**	**Contact Person:**
Department of Ecology	461	Fran Huntington
Phone Number:	**E-Mail Address:**	
360-407-7028	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--160th 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 excepton 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 orginally 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 todays 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 addtion 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
Total of All Annual Expenditures	$1,941,505	$2,364,340
Annual Cost Per Square Foot	$31.76	$40.32
Approximate Annual Change		$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 mulitple 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
Total	$4,648,000

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	Erin Fairchild	**Date:**	7/26/18
Printed Name and Title	Erik Fairchild, Chief Financial Officer		
Agency Director or Designee Signature	~~Jason Norberg, Acting Admin Svc.~~	**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
Occupant Area	**34,186**
Base Building Circulation (40% of Total Occupant Area)	13,674
Usable (Total Occupant Area + Base Building Circulation)	**47,860**
Building Service and Amenity Areas (10% of Usable Square Feet)	4,786
Total Rentable Square Feet	**52,646**
Square Feet for Warehouse and Special Equipment (Not in Circulation Area)	6,000
Total Project Square Feet	**58,646**

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

Percent of Workspaces to Number of Users	**100.0%**	**97.5%**
Planned User Growth		**1.3%**
Planned Workspace Growth		**-1.3%**

PROJECT TITLE: Ecology Northwest Regional Office **Date: 07/31/2018**

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.

USERS AND WORKSPACES

USER INFORMATION					WORKSPACE INFORMATION					
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 If requesting an office(s) please describe the work being performed in the space that meets the space guideline criteria.
Marine Trans. Safety Specialist	Resident	Resident	5	4	Workstation	64	5	4	256	
Marine Trans. Safety Specialist		Internally Mobile							-	
Marine Trans. Safety Specialist		Externally Mobile		1	Mobile Bench	36		1	36	
Com Outreach & Envir Ed Specialist	Resident	Resident	6	5	Workstation	64	6	5	320	
Com Outreach & Envir Ed Specialist		Internally Mobile							-	
Com Outreach & Envir Ed Specialist		Externally Mobile		1	Mobile Bench	36		1	36	
IT Specialist	Resident	Resident	3		Workstation	64	3		-	
IT Specialist		Internally Mobile		3	Workstation	64		3	192	
IT Specialist		Externally Mobile		1	Mobile Bench	36		1	36	
Customer Service Specialist	Resident	Resident	1		Workstation	64	1		-	
Customer Service Specialist		Internally Mobile		1	Workstation	64		1	64	
Customer Service Specialist		Externally Mobile							-	
Administrative Intern	Resident	Resident	1	1	Workstation	64	1	1	64	
Administrative Intern		Internally Mobile							-	
Administrative Intern		Externally Mobile							-	
Communication Consultant	Resident	Resident	1	2	Workstation	64	1	2	128	
Communication Consultant		Internally Mobile							-	
Communication Consultant		Externally Mobile							-	
Grounds / Nursery Specialist	Resident	Resident	9		Workstation	64	9		-	
Grounds / Nursery Specialist		Internally Mobile							-	
Grounds / Nursery Specialist		Externally Mobile		9	Mobile Bench	36		9	324	
WCC Crew Supervisor	Resident	Resident	12		Workstation	64	12		-	
WCC Crew Supervisor		Internally Mobile							-	
WCC Crew Supervisor		Externally Mobile		12	Mobile Bench - Shared	36		6	216	
									-	
									-	
									-	
									-	
									-	
									-	
									-	
									-	
									-	
TOTAL			**38**	**40**			**38**	**34**	**1,672**	

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.

PROJECT TITLE: Ecology Northwest Regional Office **Date: 07/31/2018**

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.

ADDITIONAL USERS AND WORKSPACES

USER INFORMATION					WORKSPACE INFORMATION					
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 If requesting an office(s) please describe the work being performed in the space that meets the space guideline criteria.
Northwest Regional Director	Resident	Resident	1	1	Office	200	1	1	200	Confidential conversations 60% of the time or more daily.
Regional Business Administrator	Resident	Resident	1	1	Office	150	1	1	150	Confidential conversations 60% of the time or more daily.
WMS-2 Program Section Manager	Resident	Resident	7	8	Office	150	7	8	1,200	Confidential conversations 60% of the time or more daily.
Communications Consultant 5	Resident	Resident	1	1	Office	150	1	1	150	Confidential conversations 60% of the time or more daily.
WMS-1 Program Unit Supervisor	Resident	Resident	9	8	Workstation	64	9	8	512	
WMS-1 Program Unit Supervisor		Externally Mobile		1	Mobile Bench	36		1	36	
Secretary Supervisor and Senior	Resident	Resident	4	4	Workstation	64	4	4	256	
Secretary Supervisor and Senior		Internally Mobile							-	
Administrative & Office Assistant	Resident	Resident	7	7	Workstation	64	7	7	448	
Administrative & Office Assistant		Internally Mobile							-	
Forms & Records Analyst	Resident	Resident	5	5	Workstation	64	5	5	320	
Forms & Records Analyst		Internally Mobile							-	
Environmental Planner	Resident	Resident	14	13	Workstation	64	14	13	832	
Environmental Planner		Internally Mobile							-	
Environmental Planner		Externally Mobile		1	Mobile Bench	36		1	36	
Environmental Specialist & Technician	Resident	Resident	84	76	Workstation	64	84	76	4,864	
Environmental Specialist		Internally Mobile							-	
Environmental Specialist		Externally Mobile		8	Mobile Bench	36		8	288	
Environmental Engineer	Resident	Resident	36	34	Workstation	64	36	34	2,176	
Environmental Engineer		Internally Mobile							-	
Environmental Engineer		Externally Mobile		2	Mobile Bench	36		2	72	
Environmental Scientist	Resident	Resident			Workstation	64			-	Job class merged with Environmental Specialist Series
Environmental Scientist		Internally Mobile							-	Job class merged with Environmental Specialist Series
Environmental Scientist		Externally Mobile							-	Job class merged with Environmental Specialist Series
Hydrogeologist	Resident	Resident	22	21	Workstation	64	22	21	1,344	
Hydrogeologist		Internally Mobile							-	
Hydrogeologist		Externally Mobile		1	Mobile Bench	36		1	36	
Toxicologist	Resident	Resident	2	2	Workstation	64	2	2	128	
Toxicologist		Internally Mobile							-	
Toxicologist		Externally Mobile							-	
Natural Resource Scientist	Resident	Resident	6	5	Workstation	64	6	5	320	
Natural Resource Scientist		Internally Mobile							-	
Natural Resource Scientist		Externally Mobile		1	Mobile Bench	36		1	36	
TOTAL			**199**	**200**			**199**	**200**	**13,404**	

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

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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 **Date: 07/31/2018**

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

	SPACE CALCULATION							
TYPE OF SPACE	NUMBER OF USERS PER SPACE	SQUARE FEET PER USER	SQUARE FEET PER SPACE	EXISTING QUANTITY	PLANNED QUANTITY	TOTAL USERS PLANNED	PLANNED SQUARE FEET	NOTES
Conference Room	200	15	3,000	1	1	200	3,000	Subdividable large conference room for smaller reconfig
Conference Room	10	15	150	5	6	60	900	Video Conference Equipped
Collaboration Space	10	20	200	3	6	60	1,200	Program/Section "neighorhood" spaces
Focus Room	4	40	160	3	3	12	480	
Focus Point	1	40	40	-	6	6	240	
			-			-	-	
			-			-	-	
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			-			-	-	
TOTAL USERS						338		
TOTAL MEETING AND FOCUS SPACE							5,820	

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.

PROJECT TITLE: Ecology Northwest Regional Office					Date: 07/31/2018
Instructions: Identify the types of other office support areas that are necessary for this facility. See the guide below the table for types of space and their definitions to consider in this category.					
OFFICE SUPPORT					
	SPACE CALCULATION				
TYPE OF SPACE	SQUARE FEET PER SPACE	EXISTING QUANTITY	PLANNED QUANTITY	TOTAL PLANNED SQUARE FEET	NOTES
Copier / Printer Areas	100	10	4	400	
Mail Room	300	1	1	300	Adjacent / near ECY reception staff
IT Storage / Workroom Area	250	1	1	250	
Wellness	1,000	1	1	1,000	Potential Shared Space with DOT
Lactation Space	120	1	1	120	
Shower Rooms	300	2	2	600	
Staff Locker Rooms	550	2	2	1,100	
Telecom / LAN Room	250	2	1	250	Demark space required, plus small distribution room per floor
Conf. Rm. Equipment / Chair Storage	200		1	200	Adjacent to large conference room(s) for table / chair storage
Reception Area	1,000	1	1	1,000	Adjacent / near ECY Mail Room
Break / Social Hub (Lunch Room)	1,000	2	1	1,000	Potential Shared Space with DOT
Coffee Bar Areas	150	4	2	300	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
				-	
TOTAL SQUARE FEET FOR OTHER OFFICE SUPPORT AREAS				6,520	

SPACE TYPE	DEFINITION
Wellness	A semi-enclosed or enclosed space provided for staff.
Lactation Space	An enclosed space that is sanitary, safe and private, and not a restroom, that allows for breastfeeding or expressing breast milk.
Break/Social Hub	A multipurpose space that is open, semi-enclosed or enclosed that provides opportunities for people to connect with colleagues, perform concentrative or interactive work, and enjoy beverages and food.
Shower	
Staff Lockers	
Print/Scan	
Telecom/LAN	

PROJECT TITLE: Ecology Northwest Regional Office **Date: 07/31/2018**

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.

STORAGE & FILES AREAS

	SPACE CALCULATION				
TYPE OF SPACE	SQUARE FEET PER SPACE	EXISTING QUANTITY	PLANNED QUANTITY	TOTAL PLANNED SQUARE FEET	NOTES (Include any floor loading information)
Supply - Workroom	300	2	2	600	
Janitorial Closet / Supply Storage	150	1	1	150	
Files / Public Discloser Area	1,000	1	1	1,000	Must be located adjacent to High Density File Area
High Density File Area	1,000	1	1	1,000	** Floor loading to support 400 lbs per square foot is required. **
Modular Furn. Parts Storage	400	1	1	400	
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				-	
				-	
				-	
				-	
				-	
TOTAL SQUARE FEET FOR STORAGE & FILES				3,150	

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

PROJECT TITLE: Ecology Northwest Regional Office				Date: 07/31/2018	
Instructions: Identify the types of special areas that are necessary for this facility. See the guide below the table for types of space to consider in this category.					
PROGRAM SPECIFIC AREAS					
	SPACE CALCULATION				
TYPE OF SPACE	SQUARE FEET PER SPACE	EXISTING QUANTITY	PLANNED QUANTITY	TOTAL PLANNED SQUARE FEET	NOTES
Sample Preparation Room	650	1	1	650	Locate near service entrance
Chain of Custody Room	320	1	1	320	Secure space near service entrance
Secure Storage (Programs)	225	10	10	2,250	Program specific field gear located near service entrance
Wash Down Area--Coolers & Gear	100	1	1	100	Near service entrance to serve as a 'mud-room' / decon area
GIS / Map Room	300	1	1	300	Adjacent to program workspace
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				-	
TOTAL SQUARE FEET FOR PROGRAM SPECIFIC AREAS				3,620	

SPACE TYPE	
Hearing & Interview	Laboratory
Health Care Delivery	Secure Storage
Service Delivery Lobby	Entrance Lobby
Client Restrooms	Emergency Operations Center

PROJECT TITLE: Ecology Northwest Regional Office					Date: 07/31/2018	
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						
		SPACE CALCULATION				
TYPE OF SPACE	CONDITIONED/ NOT CONDITIONED	SQUARE FEET PER SPACE	EXISTING QUANTITY	PLANNED QUANTITY	TOTAL PLANNED SQUARE FEET	NOTES (Include any floor loading information)
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 Spiill Response, but includes all program use
					-	and requires sufficent hieght 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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					-	
					-	
					-	
					-	
TOTAL SQUARE FEET FOR WAREHOUSES AND SPECIAL EQUIPMENT					6,000	

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

LOCATION AND SITE REQUIREMENTS
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.
Provide requested geographic boundaries:
TBD. Generally I-90 corridor north to I-5 / I-405 intersection.
Location restrictions, if any:
Define the service area using zip codes, cities, counties, or regions:
King, Snohomish, Skagit, Whatcom, Island, San Juan and portions of Kitsap counties.
Describe any important adjacencies, such as proximity to a courthouse, a community partner, etc:
Proximity to major interstate routes to facilitate Spill Response deployment.
Define any public transportation requirements:
Near public transportation facilities is very desirable.
Define any access requirements to major routes of travel:
Proximity to major interstate routes to facilitate Spill Response deployment.
Describe preferences for access and storage for alternative transportation modes (bicycles, motorcycles, vanpools, charging stations for electric vehicles):
EV charging stations required, as well as vanpools and appropriate secure bicycle storage.
Describe any special site requirements (access, large turning radius, etc.):
ECY regional field operations require the use of large trucks and trailers for daily operations.
Describe any special pedestrian access requirements:
Will this facility house public employees that may also serve the general public? ☐ Yes ☐ No
Describe any unique parking requirements:
Secure vehicle parking to support 70+ general fleet and special use vehicles.
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 webite. 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.

2020 Supplemental Budget
Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CH - Ecology Security System Failure
Budget Session: 2020 Supp
Budget Level: Policy Level
Contact Info: Jason Norberg
(360) 407-6829
jason.norberg@ecy.wa.gov

Agency Recommendation Summary

Ecology's current key card access system is outdated, unable to meet current business and security needs, and must be replaced. The current system, which serves about 2,000 employees, tenants, support personnel, and contractors at nine facilities across the state, malfunctions regularly, and at times takes a month or more to repair. The current system is also housed on a centralized 2008 Microsoft Server platform that, by the end of 2019, will no longer be supported by Microsoft and cannot be migrated to another server. This request would provide funding for a new system that is comparable, if not identical, to the one recently installed on the Capital Campus in Olympia. This request will help ensure the safety of both staff and visitors at Ecology facilities and enable agency personnel to effectively respond to security incidents that may occur.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$0	$94	$0	$0
Fund 027 - 1	$0	$7	$0	$0
Fund 02P - 1	$0	$7	$0	$0
Fund 044 - 1	$0	$25	$0	$0
Fund 176 - 1	$0	$104	$0	$0
Fund 182 - 1	$0	$9	$0	$0
Fund 199 - 1	$0	$5	$0	$0
Fund 207 - 1	$0	$14	$0	$0
Fund 216 - 1	$0	$6	$0	$0
Fund 217 - 1	$0	$20	$0	$0
Fund 219 - 1	$0	$8	$0	$0
Fund 23P - 1	$0	$442	$0	$0

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 564 - 1	$0	$9	$0	$0
Total Expenditures	**$0**	**$750**	**$0**	**$0**
Biennial Totals		**$750**		**$0**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. E	$0	$750	$0	$0

Package Description

Problem and Solution:

The systemic problems with Ecology's current key card access system, and its soon to be unsupported server platform, have created an extremely high security risk for the agency. System malfunctions are becoming more and more frequent, and prevent Ecology from effectively managing the security and use of our facilities. Ecology commonly experiences lost connectivity across the state network, impacting the agency's immediate security response capabilities. System failures and crashes are common, affecting the activation/deactivation of access rights for staff and contracted vendors. These service interruptions increase the security risk at our facilities because we cannot reliably ensure that everyone with access to our facilities has the appropriate rights.

This request includes replacing and installing new software and hardware at nine Ecology facilities statewide, migrating the existing card-holder database to the new cloud-based platform, and training Ecology facilities staff and employees on the new system. The nine locations where the new system will be installed include Ecology's Headquarters/Southwest Regional Office in Lacey, Northwest Regional Office, Central Regional Office, Eastern Regional Office, Vancouver Field Office, Bellingham Field Office, Richland Field Office, Padilla Bay, and the EAP Operations Center. Ecology expects the project to take about 12 months to complete.

Ecology proposes using the State Procurement Master Contract #03017 for the new system. The products available through this contract will allow Ecology to replace our current key card system with a modern, cloud-based solution comparable to what was recently installed on the Capital Campus in Olympia. The new system will be modular and expandable in order to fulfill both current and future business needs. The new system will be easy to implement in new facilities, flexible enough to meet Ecology's future needs, and can be updated as new security protocols and procedures are implemented. Moving forward, the system could be expanded to include:

- Camera systems that can be added to monitor public entrances of Ecology facilities to improve security and provide situational awareness to law enforcement during an emergency.
- Automated emergency lock-down procedures can be built into the system.
- Heating, ventilation, air conditioning (HVAC), and lighting controls can be added to the system, which will mean more energy savings.

The new system will not only allow Ecology to replace its current failing system, it will prepare the agency for future upgrades when they are available and approved. The new key card system will allow Ecology to provide a safe work environment for our current employees and keeps us flexible enough to manage the growth of our workforce over time.

Modern key card systems now come standard with some automatic lock-down procedures and accessibility options. Lock-down procedures include customizable pre-determined levels of lockdowns and will allow Ecology to pre-program “emergency” key cards that, when swiped, will instantly lock down a facility. This will allow staff who are responsible for employee and visitor security to immediately respond to an incident anywhere in the state. Accessibility features include the ability to program a specific employee’s badge to keep a door open or unlocked for longer periods of time. This will give employees who may need a greater amount of time to enter or exit the facilities that opportunity at every door they have access to within the facility.

This request will retire two current IT applications, one that creates and manages the physical key cards and one that operates the key card system, and replace them with a single modern solution. Ecology has had detailed discussions with the Department of Enterprise Services (DES) over the last six months and we will be able to leverage the lessons they learned when implementing new security systems on the Capital Campus over the last several years. In addition, DES has offered to continue these discussions as Ecology implements the new key card system throughout our facilities. Ecology intends to start the implementation of the new system at its smaller facilities and, over the course of Fiscal Year 2021, systematically replace the systems at Ecology’s larger and more complex facilities. This staggered approach, along with Ecology’s highly knowledgeable Facilities project management team, will help ensure a successful implementation within the designated timeframe.

Previous Request
This request is a scaled-down version of what Ecology requested with its 2019-21 budget request and focuses on the critical security elements that cannot wait until the 2021-23 budget cycle. The original budget request included camera systems at the public entrances, automated emergency lock-down procedures, additional HVAC and lighting controls, and IT interface solutions. These expansions are not part of our 2020 request, but may be considered for future budget requests.

Impacts on Population Served:
This request will benefit employees and visitors at Ecology facilities throughout Washington by improving safety and security.

Alternatives Explored:
Ecology consulted with the vendor for the current system to explore updates. The vendor has not been able to provide assurances that upgrades or repairs will continue to be available, and they are considering discontinuing support for their facility key card access software entirely. For these reasons, making upgrades or incremental fixes to the current system are not good alternatives and may become impossible. This makes system replacement the only viable alternative.

Consequences of Not Funding This Request:
If this request is not funded, Ecology's business operations would continue to be disrupted by a poorly performing key card access system, and agency facilities would continue to lack critical facility access and security features, putting employees, building tenants, and visitors at risk. If Ecology cannot replace the current key card system, it could become non-functional without suitable options to restore this service. Staff would need to resort to using hard keys and manual access controls. At the Lacey HQ facility, the current key card system is connected to lighting and HVAC controls, so those systems would also be adversely impacted by a failure of the current key card system.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request maintains basic safety and security services at Ecology facilities.

Detailed assumptions and calculations:

Ecology is requesting $750,000 for one-time costs in Fiscal Year 2021 to replace the key card access system at nine facilities statewide. Ecology's current key card access system does not perform consistently and is badly in need of replacement. This request includes replacing and installing software and hardware at nine Ecology facilities, migrating the cardholder database, and training for all employees on the new system.

Cost Elements	FY 2021
Procuring hardware and software	$400,000
Installing Hardware and Software	$250,000
System Programming, Database Migration, and Training	$100,000
Total	**$750,000**

This budget request is based on information and discussions with the Department of Enterprise Services Director of Capitol Security, Washington State Patrol, and vendors from the current State Master Contract for key card access systems. Ecology's Facility Manager has managed key card installation projects in multiple regional facilities, including the Bellingham Field Office, Eastern Regional Office, Padilla Bay, and EAP Operations Center. Ecology is confident this project can be completed within the budget and timeframe indicated in this decision package. Ecology anticipates having a more formal quote for the project finalized by late fall/early winter, and will provide that information to the OFM and Legislature as soon as it is available.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
E	Goods and Services		750,000				
	Total Objects	**0**	**750,000**	**0**	**0**	**0**	**0**

Staffing

Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total FTEs		0.0	0.0	0.0	0.0	0.0	0.0

Explanation of costs by object:
Goods and Services are $750,000 in Fiscal Year 2021 for software purchase, key card equipment, installing the hardware and software, database migration, and training.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing Ecology's strategic goal to deliver efficient and effective services, by keeping Ecology employees and visitors safe when they are in the facilities.

This request is a high priority on Ecology's risk register and will allow Ecology to comply with Executive Order 16-06 – State Agency Enterprise Risk Managements.

It supports the risk management and operation support services' objectives in Ecology's strategic plan to:

- Maintain headquarters, regional, and field offices that support staff in meeting current business.
- Monitor environmental performance of facilities and engage staff in targeted improvements that contribute to the sustainability of our operations.
- Deliver shared services in an efficient and sustainable manner.

This request is essential to support the Governor's Results Washington Goal - Healthy and Safe Communities by improving the safety of these facilities.

This request provides essential support to the Governor's Results Washington Goal - Efficient, Effective, and Accountable Government by providing effective security measures to protect staff and visitors.

Performance outcomes:

The outcome of this request will be Ecology's ability to effectively manage key card access to all agency facilities. Having a reliable, user-friendly system with updated security features that can be expanded in the future will immediately improve business operation efficiency and ensure secure access to Ecology facilities. It will also allow Ecology to expand safety and security procedures in the future as needed.

Other Collateral Connections

Intergovernmental:

Funding this request will positively impact Ecology, other state agencies, and governmental entities that work closely with us. Ecology facilities provide a safe and efficient operating base for environmental programs and administration, and house partner agencies like the Washington Conservation Commission, the federal Environmental Protection Agency, and the Pollution Liability Insurance Agency. Providing efficient and secure key card access to Ecology facilities will benefit these agencies directly.

Stakeholder response:

Ecology has consulted with employees, other state agencies, and law enforcement partners regarding security updates; some features that are common at other state facilities are not currently provided at Ecology facilities. This investment will provide protection and peace of mind at a level consistent with other state agencies and better meet the expectation of our employees, visitors, and community partners.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

This request will provide key card access and security systems at Ecology facilities statewide.

Puget Sound recovery:

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?

Yes

Ecology Security System Failure IT Addendum.docx

2019-21 IT ADDENDUM
Ecology Security System Failure

NOTE: Only use this addendum if your decision package includes IT and does NOT relate to the One Washington project.

Part 1: Itemized IT Costs

To itemize IT costs for this submittal, agencies must complete the imbedded IT Fiscal Estimates Worksheet (Excel workbook) and submit that with their final decision package.

2020 Supplemental IT
Fiscal Estimates Work

When itemizing costs in this workbook, 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.

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? ☒Yes ☐ No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) ☐Yes ☒ No
3. 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 you answered "yes" to any of the above questions, you must answer the questions in Part 3 to finish the IT Addendum. Refer to Chapter 10 of the operating budget instructions for more information and a link to resources and information about the evaluation criteria questions.

Part 3: IT Project Questions

Agency readiness/solution appropriateness

Organizational change management

1. Describe the types of organizational changes expected because of this effort. How has your agency considered these impacts in planning the project and within this funding request?

Include specific examples regarding planned Organizational Change Management (OCM) activities and whether or how the requested funding will support these efforts.

The organizational changes expected because of this effort are minor, and the impacts will be largely positive.

Ecology facilities statewide lack adequate features to ensure the safety and security of staff and visitors. This project is necessary to protect staff and visitors from unnecessary risk and to provide a level of security consistent with other state agency facilities. As the project is implemented, Ecology will communicate changes to employees statewide to help manage expectations and ensure a smooth transition. Testing will be completed as needed to ensure new security features are functioning properly.

Ecology's current key card access system is supporting almost every Ecology building in the state. The system is antiquated with an operating system that is no longer supported and it requires its own dedicated server. As a result, Ecology commonly experiences lost connectivity across the state network that impacts immediate security responses. System failures and crashes are common, happening weekly. These interruptions include activating and deactivating access rights for staff and contracted vendors, which increases security risks from not being able to lock down facility access or by providing inappropriate or no access rights.

This request is necessary for Ecology to properly manage key card access to all agency facilities. Replacing the current security key card system with a reliable, user-friendly system with updated security features will improve the efficiency of business operations and ensure secure access to Ecology facilities. Funds for training facilities staff and all users on the new key card system are included with this request. Facilities staff and system administrators will monitor roll-out to help ensure the transition to the new system is seamless for all users and will take appropriate measures to address any unforeseen challenges.

Agency technology portfolio risk assessment

2. How does this project integrate into and/or improve the overall health of your agency's IT portfolio? Include specific examples such as system efficiencies, technology risks mitigated, technology improvements achieved, etc.

This project will add safety and security features that benefit Ecology employees statewide, adding capabilities that have not previously existed in Ecology's IT portfolio.

This project will replace an aging, poorly performing, key card access system with a new system that is expected to perform better and be more reliable.

Solution scale

3. Explain how this investment is scaled appropriately to solve the proposed business problem. Described what considerations and decisions the agency has made to determine the sizing of this investment and why it is appropriate to solve the business problem outlined in the decision package.

Ecology's current key card system needs to be replaced. In preparation for this request, Ecology consulted with the vendor for the current key card system, who has not been able to provide assurance that repairs will continue to be available and has considered discontinuing support for their facility key card access software entirely. Because problems can't be reliably addressed by the current vendor, Ecology has determined that replacing the key card access system entirely is the appropriate solution.

Resource availability

4. How has the agency determined the resources required for this effort to be successful? How does this funding request support that resourcing need? If the agency intends to use existing resources for this effort, how are risks around resource availability being addressed?

Ecology will complete this project with existing staff resources, drawing on the expertise of facility managers and IT staff from within the agency. Traditional project management methodologies for resource planning will be used to mitigate the risk associated with resource availability.

Investment urgency

5. With regards to the urgency of this investment, please select one of the following that most closely describes the urgency of your investment, and explain your reasoning:

☐ This investment addresses a currently unmet, time sensitive legal mandate or addresses audit findings which require urgent action.
Reason:

☒ This investment addresses imminent failure of a mission critical or business essential system or infrastructure and will improve that issue.
Reason: Providing secure, access-controlled, facilities is essential to support Ecology's business operations statewide. By the end of 2019 Microsoft will stop supporting the server platform the current key card system is operating on and it cannot be migrated to a new server. Additionally, the current key card system performs poorly and lacks critical security features, and without appropriate vendor support this system is at risk of failure without suitable options to restore the service. Replacing the key card access system will eliminate frequent system failures and improve the security of Ecology facilities statewide.

☐ This investment addresses an agency's backlog of technology systems and provides an opportunity for modernization or improvement.
Reason:

☐ This investment provides an opportunity to improve services, but does not introduce new capability or address imminent risks.
Reason:

Architecture/Technology Strategy Alignment

Strategic alignment

6. 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.

This investment aligns with strategic elements of the Enterprise Technology Strategic Plan by purchasing dependable, modern, and effective key card access system that integrates updated security features.

Technical alignment

7. 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: data minimization, incorporating security principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

This investment aligns with technical elements of the Enterprise Technology Strategic Plan by purchasing a key card access system that provides stable security features. Access to this system will be provided to a limited number of Ecology staff including facility managers, security staff, and IT support; role-based security will incorporated into system design and implementation.

Governance processes

8. What governance processes does your agency have in place to support this project, or what new governance processes will be introduce to accommodate this effort? Examples of governance processes include executive sponsorship and steering, vendor/contract management, change control, quality assurance (QA), independent verification and validation (IV&V), 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.

The executive sponsor of the key card access system replacement will be Ecology's Administrative Services Director. Project Management activities will be carried out by a team with representation from Ecology's Administrative Services Division and Information Technology Services Office.

Ecology has a well-established IT governance process:

- IT BAT – IT Business Advisory Team is a combination of IT and business representatives that establish the agency's business driven IT strategy.
- SAT – Strategic Architecture Team collaborates with the BAT to select technical opportunities to best meet business needs. Advises IT Leadership Team.

Ecology also has a well-established governance process for budget building that thoroughly vets IT budget requests and prioritizes them based on best value.

Interoperability, interfaces and reuse

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

Ecology's current key card access system interfaces with building HVAC and lighting controls at the Lacey HQ facility; the replacement system is likely to maintain this functionality and Ecology will actively seek opportunities to interface with other internal building systems at facilities statewide, with the goals of improving security, energy efficiency, and system reliability.

Business/Citizen Driven Technology

Measurable business outcomes

10. Describe how this proposed IT investment improves business outcomes within your agency? Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.

This request supports the agency's strategic plan by contributing to the Results Ecology priority of effective workforce, business technology, and operational support services. This request supports the risk management and operation support services objectives included in Ecology's strategic plan and agency risk register, specifically, to maintain headquarters, regional, and field offices that support staff in meeting current business, monitor environmental performance of facilities and engage staff in targeted improvements that contribute to the sustainability of our operations, and to deliver shared services in an efficient and sustainable manner. Replacing the key card access system is a critical step to keeping Ecology facilities in good condition so that they continue to provide a safe and efficient operating base for Ecology's programs, administration, and public visitors.

This request provides essential support to the Governor's Results Washington priority of an Efficient, Effective, and Accountable Government by providing effective security measures to protect staff and visitors, and by providing energy-efficient, environmentally responsible tools that support Ecology's programs as they work to reduce negative impacts on the environment.

Customer centered technology

11. Describe how this proposed investment improves customer experience. Include a description of the mechanism to receive and incorporate customer feedback. If the investment supports internal IT customers, how will agency users experience and interact with this investment? If the customers are external (citizen), how will the citizen experience with your agency be improved as result of implementing this investment? Provide specific examples.

Funding this request will positively impact Ecology and other agencies and government entities that work closely with us. Ecology facilities provide a safe and efficient operating base for environmental programs and administration, and house partner agencies like the Washington Conservation Commission, the federal Environmental Protection Agency (EPA), and the Pollution Liability Insurance Agency. Maintaining safe, secure, and energy efficient facilities will benefit these agencies directly.

This project will improve the experience of internal users and the facility and IT staff that manage the key card access system. This system is used every day to issue access badges to Ecology employees statewide, so problems with the current system have had broad impacts including problems with facility access and delays in issuing badges to new employees. When the key card access system replacement is completed, customer feedback will be received by the Staff Services Help Desk team that issues access badges to employees. Ecology expects the response to this project to be overwhelmingly positive, and will use customer feedback to improve service delivery to the extent possible.

Business process transformation

12. Describe how this IT investment supports business processes in your agency. Include the degree of change anticipated to business processes and the expected improvements as a result of this technology. Describe how the business and technology will coordinate and communicate project tasks and activities. Provide specific examples of how business processes are related to this technology and expected improvements to business processes as a result of implementing this technology.

Ecology's key card access system is a critical part of three business processes at Ecology: new employee onboarding, facility access, and facility security. Problems with the current system have caused delays and frustration during employee onboarding, have interrupted facility access, and have put facility security at risk by regular system failures. Replacing the current system with a more modern, functional solution will improve the efficiency of all three of these business processes.

2020 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: CG - Cloud Services Team
Budget Session: 2020 Supp
Budget Level: Policy Level
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Agency Recommendation Summary

With investments projected to continue increasing, cloud computing technology is a foundational element of the state's digital business landscape moving forward. A February 2018 Gartner, Inc. research publication predicted that through 2020, 80 percent of organizations will initially overspend their cloud infrastructure as a service (IaaS) budgets due to lack of cost optimization governance or misguided spending commitments. To successfully integrate and implement cloud computing technical services at Ecology, we must have the technical skills, expertise, and capacity needed to design and deliver ongoing, effective, and cost efficient cloud-base solutions—both now and in the future. This request will provide funding for Ecology to establish two key leadership positions needed to support cloud computing readiness, platforms, and applications within the agency's Information Technology Services Office.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 001 - 1	$0	$47	$47	$47
Fund 027 - 1	$0	$3	$3	$3
Fund 02P - 1	$0	$4	$4	$4
Fund 044 - 1	$0	$12	$12	$12
Fund 176 - 1	$0	$52	$52	$52
Fund 182 - 1	$0	$5	$5	$5
Fund 199 - 1	$0	$2	$2	$2
Fund 207 - 1	$0	$7	$7	$7
Fund 20R - 1	$0	$22	$22	$22
Fund 216 - 1	$0	$3	$3	$3
Fund 217 - 1	$0	$10	$10	$10
Fund 219 - 1	$0	$4	$4	$4

Operating Expenditures	FY 2020	FY 2021	FY 2022	FY 2023
Fund 23P - 1	$0	$220	$220	$220
Fund 564 - 1	$0	$5	$5	$5
Total Expenditures	**$0**	**$396**	**$396**	**$396**
Biennial Totals		**$396**		**$792**

Staffing	FY 2020	FY 2021	FY 2022	FY 2023
FTEs	0.0	2.3	2.3	2.3
Average Annual		**1.2**		**2.3**

Object of Expenditure	FY 2020	FY 2021	FY 2022	FY 2023
Obj. A	$0	$214	$214	$214
Obj. B	$0	$79	$79	$79
Obj. E	$0	$8	$8	$8
Obj. G	$0	$5	$5	$5
Obj. J	$0	$3	$3	$3
Obj. T	$0	$87	$87	$87

Revenue	FY 2020	FY 2021	FY 2022	FY 2023
20R - 0294	$0	$22	$22	$22
Total	**$0**	**$22**	**$22**	**$22**
Biennial Totals		**$22**		**$44**

Package Description

Background:

The world of information technology (IT) is always changing, always evolving. From mainframe computers to desktops, laptops, and beyond, organizations throughout the world require the ability to effectively adapt to and navigate this ever-changing environment. One of the largest changes currently facing both the public and private sectors is the transition from on-premise IT infrastructure to a cloud-based computing environment. Simply put, cloud computing is the delivery of computing services—including servers, storage, databases, networking, software, analytics, and intelligence—over the Internet (“the cloud”). These solutions offer faster innovation, flexible resources, and greater economies of scale than traditional on-premise infrastructures.

The benefits of cloud computing include:

- The ability for organizations to scale their IT investments elastically. In cloud speak, that means delivering the right amount of IT resources—for example, more or less computing power, storage, bandwidth—right when they're needed, and from the right geographic location.

- Improved performance, reliability, and security. Cloud computing services run on a worldwide network of secure datacenters, which are regularly upgraded to the latest generation of fast and efficient computing hardware. This offers several benefits over a single, corporate datacenter, including reduced network latency for applications, greater economies of scale, and improved security.

- Increased productivity. On-site datacenters typically require a lot of "racking and stacking"—hardware setup, software patching, and other time-consuming IT management chores. Cloud computing removes the need for many of these tasks, so IT teams can spend time on achieving more important business goals.

- Greater reliability. Cloud computing makes data backup, disaster recovery, and business continuity easier and less expensive because data can be mirrored at multiple redundant sites on the cloud provider's network.

Pressures from both our internal and external environment are requiring state agencies to adopt cloud-based technology solutions. Throughout the industry, IT service providers, such as Microsoft, Amazon, and Google, are no longer investing in on-premise solutions. Instead, they are transitioning their focus and resources to supporting cloud-based infrastructure.

The 2019-21 Biennium Operating Budget included a proviso (see Chapter 415, Laws of 2019, Section 152(9) (ESHB 1109)) requiring the Office of the Chief Information Officer (OCIO) to conduct a statewide cloud computing readiness assessment to prepare for migrating core services across the state to the cloud. Further supporting a significant interest among the Legislature, state agencies, and the OCIO to continue investing in cloud computing technologies.

The OCIO's FY14-17 IT Biennial Report also reinforced that the use of clould-based technology within state government is expected to continue growing in the coming years. "With the current need to modernize and mobilize state systems, the overall cloud adoption rates are expected to accelerate in the next two years as the state builds a hybrid cloud environment. Private network connections, security and identity services will be extended to leading public cloud providers, creating high-performance access to secured virtual private clouds, integrated with on-premises services." (OCIO, 2017).

During the 2017-19 Biennium, Ecology invested $3.2 million in cloud-based solutions, of which, $2.1 million was spent on Microsoft Dynamics 365 (D365) and Microsoft Azure. D365 is being used to redevelop and integrate four of Ecology's aging financial systems into a single consolidated business application. Phase one of that project will be deployed to production in 2020. For the 2019-21 Biennium, Ecology submitted a budget request and received funding to use that same D365 platform to replace two additional financial systems that are beyond end of life.

Moving forward, Ecology plans to leverage the D365 platform for future projects, including our Accident and Injury Database, which is currently hosted on a custom-built 2003 Access Database. The Occupational Safety and Health Administration (OSHA) and Labor and Industries (L&I) require employers to maintain accurate records of work related fatalities, injuries, and illnesses and report these records annually. This is a small-scale project, but has a large impact on Ecology if data is not maintained and reported correctly. Using a modern solution, which has already been procured and is being maintained by the vendor, will allow Ecology to maintain compliance with state and federal records requirements, be good stewards of our resources, and leverage a current cloud solution already in use.

Ecology is currently using Microsoft Azure, a service that provides cloud computing for building, managing, deploying, and testing applications and services, to support Ecology's backup solution (a copy of the agency's data and data files to be used if the original data and data files are lost or destroyed). Due to lack of resourcing and expertise, Ecology is not planning to expand Azure beyond its current use. Until we have the needed expertise and technical skills in place to expand Azure, Ecology must continue investing in additional on-premise server capacity. Eventually, Azure will replace much of our on-premise server infrastructure to support new and existing application systems and services. This will include high-intensity systems, such as analytics, data warehousing, and on-line transaction processing (OLTP).

Problem

Managing cloud-based solutions not only requires a unique skill set that Ecology does not currently have, but it represents an additional workload for the agency. Ecology does not have the staffing capacity or technical expertise needed to fully support and grow the cloud solutions we have invested in or plan to invest in. And, because the agency still has significant investments in on-premise infrastructure and applications, it is not feasible to reallocate current positions to meet this new and emergent cloud-computing need. Gartner Inc., an industry-leading IT research and advisory company, suggests that to properly manage cloud solutions, an organization should have a solid plan for moving forward, including the resources needed to establish and govern the plan.

"Cloud computing governance includes oversight and management for various cloud service activities, including usage, access control, monitoring and auditing". – Gartner, Inc.

Solution

Ecology proposes creating a new Cloud Services Team within our Information Technology Services Office (ITSO) to administer our cloud-computing environment. This team of two IT professionals will be responsible for the infrastructure, operations, and governance of Ecology's cloud-based computing solutions, including:

- Creating and applying Ecology policies.
- Managing and delegating users and security groups.
- Managing the agency's D365 and Azure instances, including delegating roles to Ecology staff.

The D365 Administrator will be the technical expert responsible for configuring, administering, documenting, and implementing D365 solutions. They will develop and oversee a governance structure and associated strategies that drive toward simplifying and standardizing processes, data, systems, and integration to support business functions. Duties include:

- Administer the D365 Cloud Enterprise Resource Planning (ERP) Application.
- Design, custom configure, and manage user access and administer security rights and user/group roles.
- Work collaboratively to troubleshoot and resolve D365 Operations/ERP issues for technical end-user support.
- Monitor the application stack performance, storage use, and archive. Identify continuous improvement opportunities for assigned systems and processes.
- Support ERP Business & Development Teams Provision and maintain non-production environments. Refresh environments, application changes, and data.
- Manage the change control process of future changes, releases, updates, upgrades, and enhancements from internal developers.
- Support, perpetuate, and assist with organizational strategy and goals by implementing objectives, processes, or programs.

The Azure Administrator will be the technical expert responsible for core administration, implementation, development, and support of the Azure environment. Duties include:

- Implement, configure, and maintain new and improved platform functionality and systems to ensure continuous availability and operational up time, with a focus on scalability.
- Tailor and extend solutions to increase efficiency and effectiveness.
- Consult and advise cross-functional teams on existing and forthcoming solutions.
- Perform platform administration, including data management, security, integrity, and release and update validation protocols.
- Develop standard operating procedures and guidance documentation.
- Coordinate with operations staff and cross-functional business users to resolve technical concerns.
- Triage and coordinate responses to performance and accessibility issues, incidents, system changes, and reporting requirements.

To fully realize the benefits of cloud solutions Ecology must be able to properly administer, monitor, and optimize our cloud-computing environment. Investing in dedicated resources will ensure Ecology can optimize the use of our cloud-computing infrastructure, add capacity when needed, and redistribute resources that are better used elsewhere.

To identify risks and develop mitigation strategies early on, Ecology will apply common governance structures to identify applications that are cloud appropriate, which will ensure optimization and control costs. With teams dedicated to supporting both cloud solutions and our existing on-premise environments, Ecology will be able to maximize use of our IT infrastructure, ensuring that the agency, as a whole, is ready for moving to the cloud, and is properly aligned to take advantage of the benefits of cloud solutions.

Impacts on Population Served:
Washington residents are indirectly impacted because the integrated financial systems currently moving to the cloud help manage the funds for critical 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 (about 65% of Ecology's operating and capital budgets combined are passed through for work in local communities throughout the state). Furthermore, both stakeholders and the general public expect access to a variety of environmental data from Ecology. Our ability to provide accessible, reliable, and accurate data has an indirect impact on everyone in the state.

Alternatives Explored:
Ecology considered reassigning existing staff to lead a new Cloud Services Team. But the agency still has significant investments in on-premise infrastructure and applications, and has limited expertise in this area. So it is not feasible to reallocate current positions to meet this new, emergent cloud-computing need. As we migrate more business processes and applications to the cloud over the next several biennia, existing staff resources will also migrate to support those environments. However, Ecology has an immediate need for the technical skills and organizational leadership that these new positions will provide in order to ensure a successful transition and sustainable future in the cloud.

Consequences of Not Funding This Request:
Progress in developing Ecology's cloud-base governance and infrastructure would be substantially slowed if this request is not funded. Industry leaders and service providers, such as Microsoft, Amazon, and Google are investing research, development, and money into their cloud solutions. If this request is not funded, Ecology would be without the needed support to maintain existing systems and/or implement new solutions as these service providers move away from supporting on-premise solutions. Aligning Ecology's long-term plans to leverage industry offerings will allow us to take advantage of technical advancements as they become available.

Assumptions and Calculations

Expansion or alteration of a current program or service:

This request expands Ecology's Information Technology Services Office (ITSO). Ecology has approximately 85.15 FTEs in ITSO, but does not have the FTE capacity or technical expertise needed to effectively support our cloud-computing environment. This add would be part of the overall IT infrastructure at Ecology; cloud-computing costs are not tracked separately.

Detailed assumptions and calculations:

Beginning July 1, 2020, Ecology will require salary, benefits, and associated staff costs for 2.0 FTE IT System Administrator/Senior Specialists to administer and manage our cloud computing environments. One FTE will focus on D365 and the other on Azure. These positions will be

responsible for upkeep, configuration, and reliable operation of both platforms, ensuring that system uptime, performance, resources, and security meet the needs of our users and stakeholders.

Workforce Assumptions:

Expenditures by Object		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
A	Salaries and Wages		213,654	213,654	213,654	213,654	213,654
B	Employee Benefits		79,266	79,266	79,266	79,266	79,266
E	Goods and Services		8,460	8,460	8,460	8,460	8,460
G	Travel		5,154	5,154	5,154	5,154	5,154
J	Capital Outlays		2,638	2,638	2,638	2,638	2,638
T	Intra-Agency Reimbursements		86,998	86,998	86,998	86,998	86,998
	Total Objects	**0**	**396,170**	**396,170**	**396,170**	**396,170**	**396,170**

Staffing Job Class	Salary	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
IT SYSTEM ADMINISTRATION-SENIOR/SPECIALIST	106,827		2.00	2.00	2.00	2.00	2.00
FISCAL ANALYST 2			0.20	0.20	0.20	0.20	0.20
IT APP DEVELOPMENT-JOURNEY			0.10	0.10	0.10	0.10	0.10
Total FTEs		**0.0**	**2.3**	**2.3**	**2.3**	**2.3**	**2.3**

Explanation of costs by object:
Salary estimates are current biennium actual rates at Step L.
Benefits are the agency average of 37.1% of salaries.
Goods and Services are the agency average of $4,230 per direct program FTE.
Travel is the agency average of $2,577 per direct program FTE.
Equipment is the agency average of $1,319 per direct program FTE.
Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% 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.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to supporting the priorities and goals of Ecology's strategic plan. Specifically, these positions will allow Ecology to meet the goal of Delivering Efficient and Effective Service. Azure and D365 both support Ecology's financial systems. These systems allow Ecology to securely and efficiently manage the billions of dollars passed through to local communities each biennium.

This request helps to address a "high risk level" identified in Ecology's risk register related to "Financial Data System Integrity". The risk register was developed as required in Governor Inslee's Executive Order 16-06 (State Agency Enterprise Risk Management) from 2016.

This request provides essential support to the Governor's Results Washington goal for Efficient, Effective, and Accountable Government. Cloud solutions offer many benefits to organizations, including flexibility, increased collaboration, and the ability for staff and partners to effectivity operate in a mobile environment.

This request also supports the OCIO's Enterprise Technology Strategic Plan 2017-2021 by supporting the modernization of infrastructure and applications.

Performance outcomes:

The outcome of this request will be Ecology's ability to successfully implement and govern cloud solution platforms, allowing a purposeful transition of critical IT applications to the cloud.

Other Collateral Connections

Intergovernmental:

Ecology expects support from local, federal, and state governmental entities, including the OCIO and WaTech, in establishing these positions. These positions will set clear and thoughtful direction of Ecology's cloud plan, which is an integral part of Ecology's IT portfolio. OCIO policy 112 and OCIO standards 112.10 and 112.20 require agencies to have a robust Portfolio Management program that includes collecting the data necessary to manage existing technology assets and prioritize new investments. This level of visibility increases Ecology's accountability, both internally and externally.

Stakeholder response:

These new positions will not have a direct impact to other stakeholders. But Ecology expects support from local partners for these new resources, due to the increased level of accountability and visibility that would be achieved.

Legal or administrative mandates:

N/A

Changes from current law:

N/A

State workforce impacts:

N/A

State facilities impacts:

N/A

Puget Sound recovery:

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?

Yes

Cloud Services Team IT Addendum.docx

2019-21 IT ADDENDUM

NOTE: Only use this addendum if your decision package includes IT and does NOT relate to the One Washington project.

Part 1: Itemized IT Costs

To itemize IT costs for this submittal, agencies must complete the imbedded IT Fiscal Estimates Worksheet (Excel workbook) and submit that with their final decision package.

2020 Supplemental IT
Fiscal Estimates Work

When itemizing costs in this workbook, 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.

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? ☐Yes ☒ No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See OCIO Policy 184 for definition.) ☐Yes ☒ No
3. 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 you answered "yes" to any of the above questions, you must answer the questions in Part 3 to finish the IT Addendum. Refer to Chapter 10 of the operating budget instructions for more information and a link to resources and information about the evaluation criteria questions.

Part 3: IT Project Questions

Agency readiness/solution appropriateness

Organizational change management

1. Describe the types of organizational changes expected because of this effort. How has your agency considered these impacts in planning the project and within this funding request? Include specific examples regarding planned Organizational Change Management (OCM) activities and whether or how the requested funding will support these efforts.

Agency technology portfolio risk assessment

2. How does this project integrate into and/or improve the overall health of your agency's IT portfolio? Include specific examples such as system efficiencies, technology risks mitigated, technology improvements achieved, etc.

Solution scale

3. Explain how this investment is scaled appropriately to solve the proposed business problem. Described what considerations and decisions the agency has made to determine the sizing of this investment and why it is appropriate to solve the business problem outlined in the decision package.

Resource availability

4. How has the agency determined the resources required for this effort to be successful? How does this funding request support that resourcing need? If the agency intends to use existing resources for this effort, how are risks around resource availability being addressed?

Investment urgency

5. With regards to the urgency of this investment, please select one of the following that most closely describes the urgency of your investment, and explain your reasoning:

   ☐ This investment addresses a currently unmet, time sensitive legal mandate or addresses audit findings which require urgent action.
   Reason:

   ☐ This investment addresses imminent failure of a mission critical or business essential system or infrastructure and will improve that issue.
   Reason:

   ☐ This investment addresses an agency's backlog of technology systems and provides an opportunity for modernization or improvement.
   Reason:

   ☐ This investment provides an opportunity to improve services, but does not introduce new capability or address imminent risks.
   Reason:

Architecture/Technology Strategy Alignment

Strategic alignment

6. 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

7. 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: data minimization, incorporating security

principles into system design and implementation, publishing open data, and incorporating mobile solutions into systems.

Governance processes

8. What governance processes does your agency have in place to support this project, or what new governance processes will be introduce to accommodate this effort? Examples of governance processes include executive sponsorship and steering, vendor/contract management, change control, quality assurance (QA), independent verification and validation (IV&V), 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.

Interoperability, interfaces and reuse

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

Business/Citizen Driven Technology

Measurable business outcomes

10. Describe how this proposed IT investment improves business outcomes within your agency? Provide specific examples of business outcomes in use within your agency, and how those outcomes will be improved as a result of this technology.

Customer centered technology

11. Describe how this proposed investment improves customer experience. Include a description of the mechanism to receive and incorporate customer feedback. If the investment supports internal IT customers, how will agency users experience and interact with this investment? If the customers are external (citizen), how will the citizen experience with your agency be improved as result of implementing this investment? Provide specific examples.

Business process transformation

12. Describe how this IT investment supports business processes in your agency. Include the degree of change anticipated to business processes and the expected improvements as a result of this technology. Describe how the business and technology will coordinate and communicate project tasks and activities. Provide specific examples of how business processes are related to this technology and expected improvements to business processes as a result of implementing this technology.

Washington Department of Ecology

2020 Supplemental

Operating Budget

Table of Contents

Tab D Other Reports

Summarized Revenue by Account and Source

Agency: 461 Department of Ecology

Session: 2020 Supp

Version: S1 - Supplemental 2020

Program: Agency Level - All Programs at the Program Level

Supporting Text Excluded

Dollars in Thousands

	Maintenance Level		Policy Level		Annual Totals		
	FY2020	FY2021	FY2020	FY2021	FY2020	FY2021	Biennial Total
001 - General Fund							
0597 - Reimburs Contracts - P/L							
CR - Funding WCC Local Partnerships	0	0	0	3,658			
Total - 0597 - Reimburs Contracts - P/L	0	0	0	3,658		3,658	3,658
001 - General Fund - Private/Local				**3,658**		**3,658**	**3,658**
Total - 001 - General Fund						**3,658**	**3,658**
20R - Radioactive MW Acct							
0294 - Hazardous Waste Fees - S							
CG - Cloud Services Team	0	0	0	22			
CQ - Hanford Dangerous Waste Permit	0	0	0	498			
CT - Hanford Cleanup Litigation	851	859	0	0			
Total - 0294 - Hazardous Waste Fees - S	851	859	0	520	851	1,379	2,230
20R - Radioactive MW Acct - State	**851**	**859**		**520**	**851**	**1,379**	**2,230**
Total - 20R - Radioactive MW Acct	**851**	**859**			**851**	**1,379**	**2,230**
Agency: 461 ECY - State	**851**	**859**		**520**	**851**	**1,379**	**2,230**
Agency: 461 ECY - Private/Local				**3,658**		**3,658**	**3,658**
Total - Agency: 461 ECY	**851**	**859**		**4,178**	**851**	**5,037**	**5,888**

State of Washington
Request for Fees or Taxes
2020 Supplemental

	Code	Title
AGENCY	461	Dept. of Ecology

							Incremental Revenue Dollars in Thousands						
							GF-S		Other Funds				
Agy #	Agency Name	Fee Code	Name of Fee or Tax	Is a bill required?	Z-Draft # (or Pending)	New, Increased, Continued?	FY 2020	FY 2021	FY 2020	FY 2021	Tied to Expenditure Change?	Fee Payer Position	**Explanation of Change**
461	Dept. of Ecology	K003	Mixed Waste Management Fee	No	No Legislation	Increased			851	1,379	Yes See ML CT, PL CG, CQ	Fee payers are aware of the annual adjustment. Adjustments to billing are communicated to facilities.	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.

Additional Comments

2020 Supplemental Requested Fund Transfers

Department of Ecology

September 2019

Purpose: This table summarizes Treasurer fund transfers identified by Ecology for inclusion in the 2020 Supplemental Budget.

Item	Budget Reference	Account From	Account To	FY 2020 Amt.	FY 2021 Amt.	Biennium Total	Explanation & Statutory Citation
1	Operating	Oil Spill Prevention Account (217)	Oil Spill Response Account (223)	$0	$2.2 million	$2.2 million	Ecology requests a one-time transfer from the Oil Spill Prevention Account (OSPA) to the Oil Spill Response Account (OSRA) to provide available fund and cash balance in the OSRA for capacity to respond to large oil spills in the 2019-21 biennium.

Department of Ecology
2020 Supplemental Operating Budget Requests Supporting the Puget Sound Action Agenda

September 18, 2019

Decision Package	Sub-strategy	Vital Sign Regional Priorities	Ongoing Program	2018 Near Term Action (NTA)	Puget Sound Dollars	Total Request Dollars
1. PL CW Funding Oil Spills Program	•20.1 - Prevent and reduce the risk of oil spills.	CHIN 6.1 CHIN 6.2			$ 3,848,000	$ 5,200,000
2. PL CE Puget Sound Freshwater Monitoring	•1.2 - Support local governments to adopt and implement plans, regulations, and policies consistent with protection and recovery targets, and incorporate climate change forecasts •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	CHIN 2.5	EAP - Freshwater Quality Monitoring Program	2018-0450	$ 748,000	$ 748,000
3. PL CJ Nutrient Controls for Puget Sound	•14.1 - Reduce the concentrations of contaminant sources of pollution conveyed to wastewater treatment plants through education and appropriate regulations, including improving pretreatment requirements.	CHIN 2.5	WQP - Control Stormwater and Wastewater Pollution		$ 535,000	$ 535,000
4. PL CD Support Voluntary Cleanups	•10.3 - Fix problems caused by existing development and Sub-Strategy Regional Priority 10.3-2 - Provide infrastructure and incentives to accommodate redevelopment within designated urban centers in urban growth areas. •21.2 - clean up contaminated sites within and near Puget Sound by reducing and controlling the sources of pollution. Ecology's work to cleanup areas contaminated with hazardous substances returns a polluted or degraded environment, as much as possible, to a healthy, self-sustaining ecosystem.	LDC1.4 TIF1.1 TIF3.1 CHIN2.6	TCP - Voluntary Cleanup Program		$ 508,000	$ 668,000
5. PL CK Cleanup & Study PFAS Contamination	•9.1 - Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem.		WQP - Control Stormwater and Wastewater Pollution		$ 235,000	$ 1,036,000

Department of Ecology
2020 Supplemental Operating Budget Requests Supporting the Puget Sound Action Agenda

September 18, 2019

Decision Package	Sub-strategy	Vital Sign Regional Priorities	Ongoing Program	2018 Near Term Action (NTA)	Puget Sound Dollars	Total Request Dollars
6. PL CF Small Communities WQ Assistance	•10.2 - Prevent problems from new development at the site and subdivision scale by providing financial assistance for watershed or catchment based capital planning with priority given to water quality protection and improvements made through integrated approaches to pollution reduction. •10.3 - Fix problems caused by existing development by providing funding with an emphasis on regional approaches to constructing pollution control activities. The CWSRF program provides funding for design and construction phases for permitted facility projects with an emphasis on regionalizing where cost beneficial. •13.3 - Improving and expanding funding for small and local Onsite Sewage Systems (OSS) Programs.		WQP - Provide WQ Financial Assistance		$ 210,000	$ 350,000
7. PL CN Local Source Control Program	• 9.1 - implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem (Stormwater) by reducing hazardous waste and discharges of toxic chemicals being released into the environment. This work secures environmental performance data from site visits on gaps in acceptable waste handling and disposal practices. This allows Ecology to prioritize business sector outreach and training. It is the best source of available data that documents environmental issues for small businesses in Washington.	TIF1.1 BIBI1.1	HWTR - Local Source Control Program	2018-0474	$ 608,000	$ 750,000
8. PL CX Safer Products Washington	•9.1 - Implement and strengthen authorities and programs to prevent toxic chemicals from entering the Puget Sound ecosystem. •9.2 - Promote the development and use of safer alternatives to toxic chemicals. •9.4 - Provide education and technical assistance to prevent and reduce releases of pollution.			2018-0465	$ 287,000	$ 479,000
Total Operating Requests in Support of the Puget Sound Action Agenda					**$ 6,979,000**	**$ 9,766,000**

Central Service Fund Splits

461-Department of Ecology

Save/Update

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
Percent Totals (only applies when one agency chosen)		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
461-Department of Ecology	001-1 General Fund-State	11.90%	27.30%	11.90%	11.90%	11.90%	11.90%	11.90%	11.90%	11.90%	11.90%
461-Department of Ecology	027-1 Reclamation Account-State	0.80%	1.70%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
461-Department of Ecology	02P-1 Flood Control Assistance Account-State	0.90%		0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
461-Department of Ecology	044-1 Waste Reduct/Recycle/Litter Control-State	3.10%	0.90%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
461-Department of Ecology	176-1 Water Quality Permit Account-State	13.00%	11.10%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%
461-Department of Ecology	182-1 Underground Storage Tank Account-State	1.20%	1.70%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%	1.20%
461-Department of Ecology	199-1 Biosolids Permit Account-State	0.60%		0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%
461-Department of Ecology	207-1 Hazardous Waste Assistance Account-Stat	1.80%	1.20%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%	1.80%
461-Department of Ecology	20R-1 Radioactive Mixed Waste Account-State	5.60%	7.70%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
461-Department of Ecology	216-1 Air Pollution Control Account-State	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%
461-Department of Ecology	217-1 Oil Spill Prevention Account-State	2.60%	1.00%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%	2.60%
461-Department of Ecology	219-1 Air Operating Permit Account-State	1.00%	0.80%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
461-Department of Ecology	23P-1 Model Toxics Control Operating Account	55.60%	44.70%	55.60%	55.60%	55.60%	55.60%	55.60%	55.60%	55.60%	55.60%
461-Department of Ecology	564-1 Water Pollution Ctrl Revl Admin-State	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%	1.10%