



Washington Department of Ecology

2019 Supplemental Budget

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STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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September 26, 2018

TO: David Schumacher, Director
Office of Financial Management

FROM: Maia D. Bellon, Director 

SUBJECT: 2019 Supplemental Budget Requests for Ecology

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

Ecology's 2019 Supplemental Operating Budget request totals \$1.6 million, and the Capital Budget request is \$200,000. We are requesting operating resources for three maintenance level adjustments and unanticipated litigation costs related to the Millennium Bulk Terminal. We are also requesting additional state match capital funding for the Clean Water State Revolving Fund loan program because we received \$1 million more in federal funding than originally anticipated. The federal capitalization grant requires a 20 percent state match.

Thank you for considering our 2019 Supplemental Budget request. We will work with our assigned budget analysts as they review this request in detail. Please let us know if you have questions.

Attachment

cc: JT Austin, Senior Policy Advisor, Natural Resources, Office of the Governor
Myra Baldini, Budget Assistant to the Governor, OFM
Jim Cahill, Senior Budget Assistant to the Governor, OFM
Chris Davis, Senior Policy Advisor, Climate & Energy Affairs, Office of the Governor
Rob Duff, Senior Policy Advisor, Natural Resources/Environment, Office of the Governor
Erik Fairchild, Chief Financial Officer, Department of Ecology

David Schumacher, Director

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Jed Herman, Fiscal Analyst, Senate Ways & Means Committee

Dan Jones, Fiscal Analyst, House Appropriations/Natural Resources Committee

Steve Masse, Fiscal Analyst, House Capital Budget Committee

Jennifer Masterson, Senior Budget Assistant to the Governor, OFM

Lisa McCollum, Legislative Assistant, House Appropriations Committee

Melissa Palmer, Capital Budget Coordinator, House Capital Budget Committee

Keith Phillips, Policy Director, Office of the Governor

Richard Ramsey, Capital Budget Coordinator, Senate Ways and Means Committee

Linda Steinmann, Budget Assistant to the Governor, OFM

**Department of Ecology
2019 Supplemental Budget**

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Department of Ecology

2019 Supplemental Budget Request

\$ in thousands

9/20/2018

Operating				
	FTE [*]	GF-State	Other	Total
2017-19 Current Biennium Total (after 2018 Supp.)	1,635.7	42,240	462,999	505,239
Maintenance Level Changes				
1. DES Vehicle Fleet Costs	0.0	47	341	388
2. Manchester Lab Facility Costs	0.0		75	75
3. DES Training Admin Fee Increase	0.0	4	31	35
Policy Level Changes				
Other				
4. Lighthouse Litigation	0.0	1,137		1,137
Total Changes	0.0	1,188	447	1,635
Total Proposed Operating Budget Request	1,635.7	43,428	463,446	506,874

* Biennialized FTEs

Capital				
	SBCA	MTCA	Other	Total
1. Water Pollution Control State Match			194	194
Total Proposed Capital Budget Request	0	0	194	194

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Recommendation Summary

Agency: 461 Department of Ecology

Version: S2 Supplemental 2019

Dollars in Thousands

	FY2 FTEs	General Fund State	Other Funds	Total Funds
CB T0PL Current Biennium Base	1,635.7	42,240	462,999	505,239
2017-19 Current Biennium Total	1,635.7	42,240	462,999	505,239
Total Carry Forward Level	1,635.7	42,240	462,999	505,239
Percent Change from Current Biennium	.0%	.0%	.0%	.0%
Maintenance – Other Changes				
ML9Z Recast to Activity	0.0	0	0	0
MLDB DES Vehicle Fleet Costs	0.0	47	341	388
MLDC DES Training Admin Fee Increase	0.0	4	31	35
MLDD Manchester Lab Facility Costs	0.0	0	75	75
Maintenance – Other Total	0.0	51	447	498
Total Maintenance Level	1,635.7	42,291	463,446	505,737
Percent Change from Current Biennium	.0%	.1%	.1%	.1%
Policy – Other Changes				
PL DA Lighthouse Litigation	0.0	1,137	0	1,137
Policy – Other Total	0.0	1,137	0	1,137
Subtotal - Policy Level Changes	0.0	1,137	0	1,137
2017-19 Total Proposed Budget	1,635.7	43,428	463,446	506,874
Percent Change from Current Biennium	.0%	2.8%	.1%	.3%

Recommendation Summary

Agency: 461 Department of Ecology

Version: S2 Supplemental 2019

Dollars in Thousands

	General		
FY2 FTEs	Fund State	Other Funds	Total Funds

ML DB DES Vehicle Fleet Costs

Ecology’s vehicle costs have increased considerably since the agency’s fleet merged with the Department of Enterprise Services (DES), beginning in Fiscal Year 2014. DES fleet vehicles are charged on a fee for service basis, and are excluded from the allocation funding provided to state agencies through the central service model. Ecology is requesting additional appropriation authority for the 2019 Fiscal Year to cover the cost increases incurred between the last two closed biennia, 2013-15 and 2015-17.

ML DC DES Training Admin Fee Increase

The Department of Enterprise Services (DES) has reassessed the administrative fee they charge for in-person training classes. This has resulted in a cost increase of \$350 per class, from \$150 per class in the 2015-17 Biennium to \$500 effective October 1, 2018. Ecology is requesting a maintenance level increase in Fiscal Year 2019 appropriation to cover the cost increases associated with this reassessment.

ML DD 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 for the facility have increased as of January 2018. This request is for a maintenance level increase in Fiscal Year 2019 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. (State Toxics Control Account, Water Quality Permit Account)

PL DA Lighthouse Litigation

Ecology is a co-defendant with the Governor and Commissioner of Public Lands in a U.S. federal court case filed by Lighthouse Resources, parent company of Millennium Bulk Terminals. Trial is set for May 2019, and Ecology is requesting appropriation consistent with the Office of the Attorney General (AGO) request to cover the costs of expert witnesses, discovery, motions practice, and other costs that will occur during the trial preparation and trial phases of the case. (General Fund-State)

Performance Measure Incremental Estimates

Agency: 461 Department of Ecology

Session: 2019 Supp

Activity:

CB	T0PL	Current Biennium Base
CB	T0PL	Current Biennium Base
ML	9Z	Recast to Activity
ML	9Z	Recast to Activity
ML	DB	DES Vehicle Fleet Costs
ML	DB	DES Vehicle Fleet Costs
ML	DC	DES Training Admin Fee Increase
ML	DC	DES Training Admin Fee Increase
ML	DD	Manchester Lab Facility Costs
ML	DD	Manchester Lab Facility Costs
PL	DA	Lighthouse Litigation
PL	DA	Lighthouse Litigation

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

Activity: A001 Clarifying Water Rights

ML	9Z	Recast to Activity
ML	DB	DES Vehicle Fleet Costs

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

Activity: A002 Administration

ML	9Z	Recast to Activity
ML	DB	DES Vehicle Fleet Costs
ML	DC	DES Training Admin Fee Increase
PL	DA	Lighthouse Litigation

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

Activity: A003 Implementing Integrated Solutions to Protect Instream Resources

ML	9Z	Recast to Activity
ML	DB	DES Vehicle Fleet Costs
ML	DC	DES Training Admin Fee Increase

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

Performance Measure Incremental Estimates

Session: 2019 Supp

Agency: 461 Department of Ecology

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Activity: A006 Clean Up Polluted Waters

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Activity: A008 Control Stormwater Pollution

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Activity: A009 Eliminate Waste and Promote Material Reuse

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Performance Measure Incremental Estimates

Session: 2019 Supp

Agency: 461 Department of Ecology

Activity: A010 Prevent and Pick Up Litter

ML	9Z	Recast to Activity
ML	DB	DES Vehicle Fleet Costs
ML	DC	DES Training Admin Fee Increase

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

Activity: A011 Ensure Dam Safety

ML	9Z	Recast to Activity
ML	DB	DES Vehicle Fleet Costs
ML	DC	DES Training Admin Fee Increase

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

Activity: A012 Ensure Environmental Laboratories Provide Quality Data

ML	9Z	Recast to Activity
----	----	--------------------

No measures linked to decision package

Activity: A013 Fund Local Efforts to Clean Up Toxic Sites and Manage or Reduce Waste

ML	9Z	Recast to Activity
ML	DB	DES Vehicle Fleet Costs

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

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

ML	9Z	Recast to Activity
ML	DB	DES Vehicle Fleet Costs

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

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

ML	9Z	Recast to Activity
----	----	--------------------

No measures linked to decision package

Performance Measure Incremental Estimates

Session: 2019 Supp

Agency: 461 Department of Ecology

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

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

- ML 9Z Recast to Activity

No measures linked to decision package

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Performance Measure Incremental Estimates

Agency: 461 Department of Ecology

Session: 2019 Supp

Activity: A022 Increase Safe Hazardous Waste Management

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Activity: A023 Manage Underground Storage Tanks to Minimize Releases

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Activity: A024 Manage Water Rights

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Activity: A025 Measure Air Pollution Levels and Emissions

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

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

- ML 9Z Recast to Activity
- ML DC DES Training Admin Fee Increase
- ML DD Manchester Lab Facility Costs

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Performance Measure Incremental Estimates

Session: 2019 Supp

Agency: 461 Department of Ecology

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Activity: A029 Prepare and Respond to Drought

- ML 9Z Recast to Activity

No measures linked to decision package

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Activity: A032 Prevent Point Source Water Pollution

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Performance Measure Incremental Estimates

Agency: 461 Department of Ecology

Session: 2019 Supp

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Activity: A035 Promote Compliance with Water Laws

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Activity: A038 Protect, Restore, and Manage Wetlands

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Performance Measure Incremental Estimates

Session: 2019 Supp

Agency: 461 Department of Ecology

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Activity: A043 Provide Water Quality Financial Assistance

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Activity: A044 Provide Water Resources Data and Information

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Performance Measure Incremental Estimates

Session: 2019 Supp

Agency: 461 Department of Ecology

Activity: A045 Reduce Air Pollution from Industrial and Commercial Sources

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Activity: A048 Reduce Health and Environmental Threats from Smoke

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Activity: A049 Reduce Nonpoint-Source Water Pollution

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Activity: A051 Reduce Risk from Toxic Air Pollutants

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Performance Measure Incremental Estimates

Session: 2019 Supp

Agency: 461 Department of Ecology

Activity: A053 Regulate Well Construction

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Activity: A055 Restore Public Natural Resources Damaged by Oil Spills

- ML 9Z Recast to Activity

No measures linked to decision package

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

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

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Activity: A063 Climate Change Mitigation and Adaptation

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

Performance Measure Incremental Estimates

Agency: 461 Department of Ecology

Session: 2019 Supp

Activity: A064 Manage Solid Waste Safely

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs
- ML DC DES Training Admin Fee Increase

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

Activity: A065 Reduce Persistent, Bioaccumulative, Toxic Chemicals and Promote Safer Consumer Products

- ML 9Z Recast to Activity
- ML DB DES Vehicle Fleet Costs

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

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Agency DP Priority (PL)

(Lists only the agency Policy Level budget decision packages, in priority order)

Agency: 461 Department of Ecology

Session: 2019 Supp

PL-DA

Lighthouse Litigation

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2019 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: DB - DES Vehicle Fleet Costs
Budget Session: 2019 Supp
Budget Level: Maintenance Level
Contact Info: Rebecca Pittman
 (360) 407-7282
 Rpit461@ecy.wa.gov

Agency Recommendation Summary

Ecology's vehicle costs have increased considerably since the agency's fleet merged with the Department of Enterprise Services (DES), beginning in Fiscal Year 2014. DES fleet vehicles are charged on a fee for service basis, and are excluded from the allocation funding provided to state agencies through the central service model. Ecology is requesting additional appropriation authority for the 2019 Fiscal Year to cover the cost increases incurred between the last two closed biennia, 2013-15 and 2015-17.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001 - 1	\$0	\$47	\$0	\$0
Fund 027 - 1	\$0	\$3	\$0	\$0
Fund 02P - 1	\$0	\$2	\$0	\$0
Fund 044 - 1	\$0	\$10	\$0	\$0
Fund 163 - 1	\$0	\$2	\$0	\$0
Fund 173 - 1	\$0	\$173	\$0	\$0
Fund 174 - 1	\$0	\$5	\$0	\$0
Fund 176 - 1	\$0	\$53	\$0	\$0
Fund 182 - 1	\$0	\$5	\$0	\$0
Fund 199 - 1	\$0	\$3	\$0	\$0
Total Expenditures	\$0	\$388	\$0	\$0
Biennial Totals		\$388		\$0

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 19G - 1	\$0	\$32	\$0	\$0
Fund 207 - 1	\$0	\$9	\$0	\$0
Fund 20R - 1	\$0	\$22	\$0	\$0
Fund 216 - 1	\$0	\$4	\$0	\$0
Fund 217 - 1	\$0	\$10	\$0	\$0
Fund 219 - 1	\$0	\$4	\$0	\$0
Fund 564 - 1	\$0	\$4	\$0	\$0
Total Expenditures	\$0	\$388	\$0	\$0
Biennial Totals		\$388		\$0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. G	\$0	\$388	\$0	\$0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
20R - 0294	\$0	\$22	\$0	\$0
Total	\$0	\$22	\$0	\$0
Biennial Totals		\$22		\$0

Package Description

In Fiscal Year 2014, Ecology's fleet vehicles were purchased by DES and leased back to Ecology at a consolidated, reduced rate as part of a Governor's 2009 shared services directive ([Directive 09-02](#)) to consolidate vehicle fleets. When Ecology's fleet merged with DES, the majority (86%) of our vehicles were consolidated-rate vehicles that have a much lower monthly base rate than new vehicles (average current consolidated base rate is \$117 per month). The following table notes the percentage of consolidated versus new vehicles over the last five years. By fiscal year 2018, the composition of Ecology's fleet has changed significantly, with 69 percent of the fleet being new vehicles that have a higher base rate (average current new base rate is \$273 per month).

Vehicle Type	2014*	2015	2016	2017	2018
Consolidated	86%	74%	47%	42%	31%
New	14%	26%	53%	58%	69%
Total	100%	100%	100%	100%	100%

Source: DES and Ecology data - June 2018

This change in fleet composition over the years has had a direct impact on vehicle fleet costs. For example, in Fiscal Year 2015, Ecology paid a total of \$117,240 for 68 Prius/Camry vehicles (42 were consolidated and 26 were new). In Fiscal Year 2018, Ecology paid \$208,920 for 67 Prius/Camry vehicles (eight are consolidated and 61 are new).

DES fleet vehicles are charged on a fee for service basis, and costs increases like the composition change are excluded from the allocation funding provided by the central service model. Therefore, Ecology is requesting a maintenance-level supplemental budget increase in appropriation authority of \$387,766 to cover the cost increases for Fiscal Year 2019.

Impacts on Population Served:

This request will help maintain the current level of fleet vehicles supporting Ecology staff. These vehicles enable staff to provide critical environmental work across the state.

Alternatives Explored:

In exploring the different factors that may have contributed to the cost increases, Ecology worked closely with DES staff to verify that neither the number of miles driven, nor the overall size of the fleet were significant contributors. While there were minor fluctuations year-to-year, Ecology total fleet size stayed steady at an average of 300 vehicles per year, and the net increase in miles driven between calendar years 2015 and 2017 was only 8,200 miles.

Through its analysis, Ecology was able to confirm that the two main factors driving cost increases were (1) the change in the composition of the fleet, and (2) increases in fuel prices, which are part of DES's base lease rates.

The alternative to this request would be to reduce the number of vehicles needed to support Ecology's environmental programs, but this would negatively impact critical environmental work that helps protect, preserve, and enhance Washington's environment for current and future generations.

Consequences of Not Funding This Request:

If Ecology does not receive additional appropriation to cover these cost increases, core environmental work would have to be cut, with impacts to Ecology programs and the environment. 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 maintain the current level of fleet vehicles supporting Ecology staff.

Detailed assumptions and calculations:

Expenditure calculations: To sequester just the costs related to fleet lease increases, Ecology compared expenditures within sub-objects GN (DES vehicle costs) and ES-fuel (agency-owned fuel costs) to determine the change in fleet costs over the last two closed biennia. ES-fuel costs are specific to vehicles Ecology still owns, so as these vehicles age out and new vehicles are provided through a DES lease, the GN costs increase and the ES costs decrease.

Object Structure	2013-15	2015-17	Change
G-GN	\$ 1,038,240	\$ 2,123,638	\$ 1,085,398
E-ES-Fuel	\$ 388,883	\$ 79,016	\$ (309,867)
Total	\$ 1,427,123	\$ 2,202,654	\$ 775,531

Source: AFRS

In determining the operating cost increase between 2013-15 and 2015-17, Ecology excluded costs incurred by the Washington Conservation Corps (these are included in a separate 2019-21 request titled, "WCC 75/25 Cost-Share Model) and capital budget costs. Also excluded were other vehicle-related costs (other sub-objects ES and TE) since they are related to vehicle maintenance and outside the scope of this maintenance-level request.

Ecology is only requesting half of the shortfall in the 2017-19 Biennium (\$775,531 divided by 2 = \$387,766) as the first fiscal year will be closed by the time a 2019 Supplemental Budget passes.

Workforce Assumptions:

Expenditures by Object		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
G	Travel		387,766					
	Total Objects	0	387,766	0	0	0	0	0

Staffing								
Job Class	Salary	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
	Total FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Explanation of costs by object:

- All costs are shown in object G.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing all priorities in Ecology's strategic plan because these vehicles allow staff to carry out of the mission, priorities, and objectives of the agency across the state.

This request provides essential support to the Governor's Results Washington Goal 5, Effective, Efficient, and Accountable Government and Goal 3, Sustainable Energy and Clean Environment by maintaining the right number of fleet vehicles at Ecology to help increase productivity and streamline logistics, particularly for environmental fieldwork operations.

Performance outcomes:

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

Other Collateral Connections

Intergovernmental:

Ecology worked closely with DES Fleet Operations personnel to obtain vehicle usage data, validate shared assumptions, and determine that a budget request to cover lease cost increases was justified. These cost increases are the result of transformations in the composition of Ecology's fleet and rising inflationary costs (like new vehicle purchases and fuel), and not the result of discretionary adjustments made by DES.

Ecology also worked with the Office of Financial Management in determining that DES vehicle costs are not included as part of the state's central service model, and that a maintenance level request is appropriate to ask for the inflationary cost increase between the last two biennia.

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

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2019 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: DD - Manchester Lab Facility Costs
Budget Session: 2019 Supp
Budget Level: Maintenance Level
Contact Info: Carol Smith
 (360) 407-6699
 casm461@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 for the facility have increased as of January 2018. This request is for a maintenance level increase in Fiscal Year 2019 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. (State Toxics Control Account, Water Quality Permit Account)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 173 - 1	\$0	\$60	\$0	\$0
Fund 176 - 1	\$0	\$15	\$0	\$0
Total Expenditures	\$0	\$75	\$0	\$0
Biennial Totals		\$75		\$0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E	\$0	\$75	\$0	\$0

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, rather operational costs of the facility 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 staffing levels and facility usage, the overall facility costs have steadily increased.

Ecology and EPA entered into a new five-year agreement to share space in MEL with an effective date January 1, 2018 (signed into agreement April 2018.) Ecology receives laboratory space for instruments and analytical work, and storage space 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. The remaining 26,784 square feet is treated as common space for conference and break rooms, and other uses like the boiler room, and not part of the allocation. EPA estimated that costs will increase at least 9 percent for calendar year 2019, but those costs will likely not be determined until April 2019. Ecology will provide updated cost estimates once actual costs are known.

This request is for a maintenance level increase to ensure that 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 calculated based on the current calendar year 2018 costs compared with budgeted amounts in calendar years 2016 and 2017 that include the most recent maintenance level increase in the 2015-17 Biennium of \$114,000 a 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. In previous years, we have worked closely with the Office of Financial Management and the Department of Enterprise Services Real Estate Services to ensure this is the best alternative for Ecology and the state. 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 doesn't receive an appropriation for this cost increase, core environmental work would have to be cut to absorb these costs, which will 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 2019 and ongoing, Ecology will require \$74,738 a year to cover the increased costs for the Manchester facility. Ecology is submitting a separate decision package for the 2019-21 Biennium for the ongoing cost increase.

Expenditure calculations are based on the current agreement with EPA for calendar year 2018, which is \$831,457/year. Ecology's base funding for Manchester facility costs in the 2017-19 Biennium was \$756,719/year. The requested annual increase is calculated as follows: \$831,457 (new lease cost) - \$756,719 (base funding) = \$74,738 in Fiscal Year 2019.

Workforce Assumptions:

Expenditures by Object		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
E	Goods and Services		74,738				
	Total Objects	0	74,738	0	0	0	0

Staffing

Job Class	Salary	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
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 goal to maintain facilities 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 lab work.

This request provides essential support to the Governor's Results Washington Goal 5, Effective, Efficient, and Accountable Government and Goal 3, 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 this 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



2019 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: DC - DES Training Admin Fee Increase
Budget Session: 2019 Supp
Budget Level: Maintenance Level
Contact Info: Jacqueline Galan
 (360) 407-6642
 jgal461@ecy.wa.gov

Agency Recommendation Summary

The Department of Enterprise Services (DES) has reassessed the administrative fee they charge for in-person training classes. This has resulted in a cost increase of \$350 per class, from \$150 per class in the 2015-17 Biennium to \$500 effective October 1, 2018. Ecology is requesting a maintenance level increase in Fiscal Year 2019 appropriation to cover the cost increases associated with this reassessment.

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001 - 1	\$0	\$4	\$0	\$0
Fund 044 - 1	\$0	\$1	\$0	\$0
Fund 173 - 1	\$0	\$16	\$0	\$0
Fund 174 - 1	\$0	\$1	\$0	\$0
Fund 176 - 1	\$0	\$5	\$0	\$0
Fund 19G - 1	\$0	\$3	\$0	\$0
Fund 207 - 1	\$0	\$1	\$0	\$0
Fund 20R - 1	\$0	\$2	\$0	\$0
Fund 216 - 1	\$0	\$1	\$0	\$0
Fund 217 - 1	\$0	\$1	\$0	\$0
Total Expenditures	\$0	\$35	\$0	\$0
Biennial Totals		\$35		\$0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E	\$0	\$35	\$0	\$0

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
20R - 0294	\$0	\$2	\$0	\$0
Total	\$0	\$2	\$0	\$0
Biennial Totals		\$2		\$0

Package Description

Ecology's core training plan for the 2017-19 Biennium has scheduled 270 classes (135 a year) that fit the DES definition of Single Agency Agreement (SAA) classes, and these classes are subject to an administrative fee. The current base budget was built around an administrative fee of \$150 per SAA class in the 2015-17 Biennium. Ecology has received written notice that DES's Administrative Fee will increase to \$500 per class starting October 1, 2018. The rate has increased by \$350 per class, from \$150 to \$500. Ecology absorbed these cost increases in the past, but can no longer afford to do so.

This maintenance level request is to cover the cost increase for Ecology's core training from \$150 per SAA class to \$500 in Fiscal Year 2019. Ecology is also submitting a 2019-21 budget request to cover the cost increase next biennium.

Background: DES charges fees to cover the costs of providing administrative support to statewide training. The administrative fee pays for staff to schedule classes, contract with instructors, coordinate training space and invoice for classes. The rate is based on a business model to determine rates related to cost recovery so that DES funds their infrastructure in order to continue to do the work. It includes a small re-investment fee and a personnel services fee (PSF) for DES training services.

Based upon information from DES, funding for the PSF in DES's budget was cut in the 2015-17 Biennium as part of implementing administrative reductions in the enacted budgets. Costs that had previously been covered for state agencies by the PSF, such as the administrative component of statewide training, had to be adjusted to recover the program's costs.

As part of their recent analysis, DES completed their fiscal year projections and analysis, confirmed their data, and tested the numbers in order to be able to develop and pass on a better and sustainable cost solution for all agencies. The DES analysis included how they can best apply the PSF to their rates. This resulted in an increase to the fee charged for each SAA class.

Ecology is requesting a maintenance level increase in the 2019 Supplemental Budget to cover the additional costs associated with mandatory statewide training.

Impacts on Population Served:

This request will help to maintain the current level of training services provided to Ecology staff.

Alternatives Explored:

The only alternatives to fund this cost increase is to reduce the level of training services purchased through DES for core personnel training classes, or to redirect existing environmental program resources. Redirecting resources from Ecology programs would reduce core work that helps protect, preserve, and enhance Washington's environment for current and future generations.

Consequences of Not Funding This Request:

If Ecology does not receive an appropriation for this cost increase, either staff will not receive core training, or core environmental and public health work would have to be cut to absorb these costs, which will impact Ecology programs and the environment. 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 training services provided to agency staff.

Detailed assumptions and calculations:

Expenditure calculations: In Fiscal Year 2019, Ecology will require \$35,238 a year from multiple funding sources to cover the increased costs for the DES Training Administrative Fee. Expenditure calculations are based on the new administrative fee per class for Fiscal Year 2019, which is \$500 per class starting October 1, 2018. Over the last four years, Ecology has averaged 135 classes taken by staff per year. Ecology's base funding for these classes in Fiscal Year 2016 was \$150/class. The requested 2019 increase is calculated as follows: 101.25 classes between October 2018 and June 2019 at the new rate of \$500 per class (135 classes per year / 12 = 11.25, 11.25*9=101.25). 101.25*\$350=\$35,438.

Workforce Assumptions:

Expenditures by Object		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
E	Goods and Services		35,438				
	Total Objects	0	35,438	0	0	0	0

Staffing			<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Job Class		Salary						
	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) and are \$35,438 in Fiscal Year 2019.

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 agency goals stated in the strategic plan and supports increased development and productivity of agency staff.

This request provides essential support to the Governor's Results Washington Goal 5, Effective, Efficient, and Accountable Government and Goal 3, Sustainable Energy and Clean Environment by maintaining the current level of training to Ecology staff.

Performance outcomes:

The outcome of this request will be maintaining the current level of training provided to Ecology staff.

Other Collateral Connections

Intergovernmental:

Ecology first received notice regarding the latest cost increase in April 2018 that was originally going into effect July 1, 2018. After discussion, the DES Chief Learning Officer worked with the DES budget office to determine a new admin rate for Ecology (and all other agencies), and extended the implementation date to October 1, 2018 for Ecology.

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



2019 Supplemental Budget Decision Package

Agency: 461 - Department of Ecology
Decision Package Code-Title: DA - Lighthouse Litigation
Budget Session: 2019 Supp
Budget Level: Policy Level
Contact Info: Allen Robbins
 (360) 407-7099
 arob461@ecy.wa.gov

Agency Recommendation Summary

Ecology is a co-defendant with the Governor and Commissioner of Public Lands in a U.S. federal court case filed by Lighthouse Resources, parent company of Millennium Bulk Terminals. Trial is set for May 2019, and Ecology is requesting appropriation consistent with the Office of the Attorney General (AGO) request to cover the costs of expert witnesses, discovery, motions practice, and other costs that will occur during the trial preparation and trial phases of the case. (General Fund-State)

Fiscal Summary

Dollars in Thousands

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 001 - 1	\$0	\$1,137	\$0	\$0
Total Expenditures	\$0	\$1,137	\$0	\$0
Biennial Totals		\$1,137		\$0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E	\$0	\$1,137	\$0	\$0

Package Description

Millennium Bulk Terminals (a subsidiary of Lighthouse) proposes to build the largest coal terminal in North America on state-owned aquatic lands on the shores of the Columbia River in Longview.

Cowlitz County invited Ecology to co-lead in preparing an Environmental Impact Statement (EIS) for this project. This resulted in a 30,000-plus page study identifying multiple, significant, unavoidable environmental impacts, including:

1. Increased cancer risk rates to a nearby low-income neighborhood due to diesel emissions.
2. Over two hours daily in traffic delays, including delays to emergency vehicles. This is based on 16 transits of mile-plus long trains traveling through already congested areas.

3. 22 percent increase in the potential for train accidents along the rail routes in Washington.
4. An increase in the risk of vessel collisions, fires, and groundings, based on a 37 percent increase in vessel transits in the Columbia River.
5. Impacts to Tribal resources, arising from injury to fish and aquatic habitat from in-water construction, increased ship traffic, and coal dust entering the water.

Millennium challenged the local and state permit decisions in state court, and also filed a federal lawsuit seeking to compel state agencies to approve the project. Trial is set for May 2019.

Discovery, motions practice, and trial are expected to be extremely resource intensive. The AGO also anticipates expert costs associated with the litigation. This request will fund the state's defense of the lawsuit through trial.

Impacts on Population Served:

This request will help continue ensuring that state agencies and state officers have the authority to enforce laws that protect and enhance the lives of Washington residents.

Alternatives Explored:

This request agrees with the AGO's 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 Fiscal Year 2019.

Detailed assumptions and calculations:

This request will give Ecology one-time appropriation authority in Fiscal Year 2019 of \$1,137,000. The AGO provided Ecology the cost estimates for this request for work that includes:

Assistant Attorney General (AAG) tasks:

1. Researching, briefing, and arguing motions.
2. Propounding and responding to discovery, including written discovery and depositions.
3. Assisting expert witnesses in preparing their reports.
4. Preparing trial briefs and written expert testimony.
5. Working with fact and expert witnesses to prepare them for trial.
6. Identifying trial exhibits.
7. Preparing opening statements, direct examinations, cross examinations, and closing arguments.
8. Presenting the state's case at trial.

Paralegal tasks:

1. Extensive document management associated with discovery.
2. Compiling exhibit notebooks.
3. Developing and arranging presentation of the state’s electronic exhibits for trial.
4. Providing technical and other assistance to AAGs during trial.

The AGO anticipates hiring up to two experts for trial at an assumed combined cost of \$400,000.

Expert tasks include:

1. Meetings with AAGs.
2. Reviewing relevant trial-related materials.
3. Preparing expert reports and possible rebuttal reports.
4. Preparing for and delivering live trial testimony.
5. Helping to prepare AAGs for depositions and cross examination of opposing experts.

Workforce Assumptions:

Expenditures by Object		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
E	Goods and Services		1,137,000				
	Total Objects	0	1,137,000	0	0	0	0

Staffing			<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Job Class		Salary						
	Total FTEs		0.0	0.0	0.0	0.0	0.0	0.0

Explanation of costs by object:

Goods and Services are \$1,137,000 for AGO costs in Fiscal Year 2019.

Strategic and Performance Outcomes

Strategic framework:

This request is essential to implementing all of Ecology's priorities in its strategic plan. The request protects Washington’s environment and public health because it funds the defense of Ecology’s decision to deny permits based on environmental and public health grounds.

This request provides essential support to the Governor’s Results Washington Goal 5: 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 the defense of this lawsuit. This will allow Ecology to focus on its core mission.

Other Collateral Connections

Intergovernmental:

The AGO supports this request and intends to submit a parallel request. Ecology expects the Governor and Department of Natural Resources will also support this request as co-defendants.

Stakeholder response:

Several conservation organizations have intervened in the lawsuit on behalf of state defendants and will likely support this request. The intervening organizations include Washington Environmental Council, Climate Solutions, Columbia Riverkeepers, Friends of the Columbia Gorge, and Sierra Club.

Legal or administrative mandates:

This request is intended to fund litigation costs associated with the Millennium lawsuits.

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

Summarized Revenue by Account and Source

Agency: 461 Department of Ecology

Session: 2019 Supp

Version: S2 - Supplemental 2019

All Programs at the Program Level

Supporting Text Excluded

Dollars in Thousands

	Maintenance Level		Policy Level		Annual Totals		Biennial Total
	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	
20R - Radioactive MW Acct							
DB - DES Vehicle Fleet Costs		22				24	24
DC - DES Training Admin Fee Increase		2				24	24
Total - 0294 - Hazardous Waste Fees - S		24				24	24
20R - Radioactive MW Acct - State		24				24	24
Total - 20R - Radioactive MW Acct		24				24	24
Agency: 461 ECY - State		24				24	24
Total - Agency: 461 ECY		24				24	24

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**461 - Department of Ecology
Ten Year Capital Plan by Project Priority**
2017-19 Biennium *

Version: S2 2019 Supplemental

Report Number: CBS001

Date Run: 9/27/2018 7:58AM

Project by Agency Priority

Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2017-19	New Approp 2017-19	Estimated 2019-21	Estimated 2021-23	Estimated 2023-25	Estimated 2025-27
1	40000013 Water Pollution Control State Match									
	355-1 St. Bld Const Acct-State	194,000				194,000				
	355-B St. Bld Const Acct-Debt Limit									
	Project Total:	194,000				194,000				

Total Account Summary

Account-Expenditure Authority Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2017-19	New Approp 2017-19	Estimated 2019-21	Estimated 2021-23	Estimated 2023-25	Estimated 2025-27
355-1 St. Bld Const Acct-State	194,000				194,000				
355-B St. Bld Const Acct-Debt Limit									
Total	194,000				194,000				

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Capital Project Request

2017-19 Biennium

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Version: S2 2019 Supplemental

Report Number: CBS002

Date Run: 9/20/2018 12:25PM

Project Number: 40000013

Project Title: Water Pollution Control State Match

Description

Starting Fiscal Year: 2018

Project Class: Grant - Pass Through

Agency Priority: 1

Project Summary

The Washington State Water Pollution Control Revolving Account or Clean Water State Revolving Fund (CWSRF), established under Chapter 90.50A RCW, provides low-interest loans to local governments, special purpose districts, and recognized tribes for high-priority water quality projects statewide. Ecology uses these funds to finance planning, designing, acquiring, constructing, and improving water pollution control facilities and for related nonpoint source activities that help meet state and federal water pollution control requirements. The annual CWSRF federal capitalization grant must be matched with 20 percent state funds. Ecology is requesting an additional \$194,000 in the 2019 Supplemental Budget from the State Taxable Building Construction Account for the 20 percent state match required to receive an additional \$970,000 in federal capitalization grant. The new appropriation is subject to the same proviso conditions as the original 2017-19 appropriation (Substitute Senate Bill 6090 Sec. 3024), and should be revised to: "\$10,194,000 of the appropriation is provided solely as state match for federal clean water funds. \$10,194,000 of the appropriation must be transferred into the water pollution control revolving account." (STBCA)

Project Description**What is the proposed project?**

This request will provide the 20 percent state match required to receive an additional \$970,000 in the federal capitalization grant provided by the U.S. Environmental Protection Agency in Federal Fiscal Year 2018 (FFY). Funding is allocated to states through a formula established in the Clean Water Act, and the calculation for FFY 2018 resulted in Washington receiving \$970,000 more in federal funding than originally anticipated. The additional \$194,000 state match must be deposited in the Water Pollution Control Revolving Account (WPCRA) according to federal and state regulations.

What opportunity or problem is driving this request?

A number of ongoing and emerging issues drive Washington's water quality funding needs. Ecology works with local governments, special purpose districts, tribes, state and federal agencies, and other stakeholders to ensure financial assistance programs are meeting water quality needs by providing grants that address:

- Aging and new wastewater treatment infrastructure.
- Water quality cleanup plans required under the federal Clean Water Act.
- Advanced wastewater treatment to meet designated uses of the receiving water.
- Wastewater reclamation and reuse to address sustainability and resiliency.
- Stormwater planning.
- Non-point pollution from agricultural, forested, and urban areas.
- Failing onsite sewage systems.
- Water quality needs of financially distressed communities.

Continued funding of the state match for the capitalization grant is critical for helping Washington's local governments, special purpose districts, and recognized tribes update and improve water quality infrastructure and implement associated water quality projects focused on protecting and improving water quality and public health.

CWSRF statutory requirements, administrative rule uses and limitations, and program and agency policy provide the framework for the Funding Guidelines, including:

- Chapter 173-98 WAC, *Uses and Limitations of the Water Pollution Control Revolving Fund*
- Chapter 70.146 RCW, *Water Pollution Control Facilities Financing*
- Chapter 90.50A RCW - *Water Pollution Control Facilities*
- Chapter 173-240 WAC, *Submission of Plans and Reports for Construction of Wastewater Facilities*
- Chapter 90.46 RCW, *Reclaimed Water Use*
- Administrative Requirements for Recipients of Ecology Grants and Loans (Yellow Book)

Capital Project Request

2017-19 Biennium

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Version: S2 2019 Supplemental

Report Number: CBS002

Date Run: 9/20/2018 12:25PM

Project Number: 40000013

Project Title: Water Pollution Control State Match

Description**What are the specific benefits of this project?**

The CWSRF loan program provides low-interest loans to local governments, special purpose districts, and recognized tribes for wastewater treatment, nonpoint source pollution control, and watershed and estuary management projects that achieve specific environmental and public health benefits, including:

- Eliminating severe public health hazards and environmental degradation.
- Achieving regulatory compliance with a consent decree, compliance order, Total Maximum Daily Load (TMDL), or waste load allocation.
- Restoring and protecting designated uses of Washington's waters, such as drinking water, aquatic habitat, and shellfish harvesting.

The economic value water quality infrastructure projects provide to the community and economy includes short-term benefits by supporting construction jobs and long-term benefits by funding sustainable clean water infrastructure that also supports growth and economic development.

What are the effects of non-funding?

If this request is not funded, \$970,000 in federal capitalization grant funding would be lost, and the associated jobs, water quality, and public health improvements would not materialize.

Why is this the best option or alternative?

This request is for continuing state match support of the federal capitalization grant for the CWSRF loan program to help local governments with high-priority water quality projects throughout Washington. Ecology's well established, accountable, and transparent water quality funding program is the best and most effective option available to distribute money for priority water pollution control projects on a statewide, competitive basis. The program considers legal mandates, local efforts, rate payer impacts, and evolving water quality priorities.

How will clients be affected and services change if this project is funded?

This request will allow public entities to proceed with planning, designing, acquiring, constructing, and improving water pollution control facilities and related nonpoint activities that help achieve state and federal water pollution control requirements. These improvements contribute significantly to protecting public health, restoring water quality statewide and in Puget Sound, and creating jobs and improving economic health.

What is the agency's proposed funding strategy for the project?

The WPCRA and its dedicated revenue sources support the CWSRF loan program. Dedicated revenue sources include:

- Yearly capitalization grants from the Environmental Protection Agency (EPA), authorized by Congress in the federal budget process (match is required for these new dollars).
- State match (20 percent) – required under the federal Clean Water Act of 1987 – transferred into the fund from the State Taxable Building Construction Account.
- Principal and interest repayments by loan recipients.
- Interest earned on the fund balance by investments from the State Treasurer.

The CWSRF loan program provides low-interest loans for high-priority water quality projects. To continue funding projects, Ecology ensures long-term health of the fund by managing the fund in perpetuity. Ecology bases interest rates on a percentage of the bond buyers' index, allowing sufficient capital to loan out for future water quality projects.

Capital Project Request

2017-19 Biennium

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Version: S2 2019 Supplemental

Report Number: CBS002

Date Run: 9/20/2018 12:25PM

Project Number: 40000013

Project Title: Water Pollution Control State Match

Description

Ecology typically awards half of the funds available for the biennium at the beginning of each fiscal year.

Are FTEs required to support this project?

No Capital FTEs are required for this request.

How does the project support the agency and statewide results?

This request is essential to implementing Ecology's strategic priorities to Deliver Integrated Water Solutions and Protect and Restore Puget Sound because it continues funding projects for water pollution control infrastructure and projects that reduce nonpoint pollution and nutrient discharges.

This request also supports the strategic priority to Reduce and Prepare for Climate Impacts. CWSRF funded projects often integrate climate resiliency and long-term sustainability. Examples are reclaimed water and water reuse facilities that help small communities be resilient and sustainable in water-short areas, and increased stream buffers and native vegetation to help address stream flow dynamics, temperature impacts, and carbon sequestration, in addition to improving water quality.

This request provides essential support to the Governor's Results Washington Goal 3: Sustainable Energy and a Clean Environment by providing loans for high-priority water quality projects statewide so that CWSRF loan projects can reduce pollution of our lakes, rivers, streams, marine waters, estuaries, and groundwater so that local communities can help protect public health and the environment.

It also supports Goal 2: Prosperous Economy by providing opportunities for quality jobs when a new wastewater system is constructed or an existing system is repaired or upgraded. State financial managers calculate that about 11 jobs in Washington are created for every \$1 million spent for construction and design. The program also helps communities build well-functioning and sustainable clean water infrastructure that supports local economies.

Also, this request supports efforts under the Governor's Executive Order 18-02, Southern Resident Killer Whale Recovery, through funding projects that reduce toxic pollutant migration to Puget Sound.

How will the other state programs or units of government be affected if this project is funded?

Many local governments, special purpose districts, and recognized tribes propose important water quality projects that cannot be fully funded with one funding source. This is especially true for small, financially-distressed communities. Ecology works with recipients and other state and federal agencies to coordinate funding and technical assistance for water quality infrastructure projects. Together, the agencies collaborate and leverage their funds to meet the financial situation of the community. Many small communities with large-scale projects use multiple funding sources, including the CWSRF, Centennial Clean Water Program, Public Works Assistance Account, Department of Commerce, USDA Rural Development, and the State Tribal Assistance Grant Program. The lack of Public Works Assistance Account funding over the past few years has increased the demand and importance of CWSRF loan funding for local governments.

Ecology is currently working with the Public Works Board, Department of Commerce, and Department of Health in an ongoing effort to improve and better collaborate and coordinate state financial assistance for water infrastructure in Washington. This effort, called the Sync System Improvement Team, is focused on identifying and implementing strategies and best practices for improving access to funding programs and improved value, outcomes, cost effectiveness, and sustainability of water infrastructure projects. This effort, in conjunction with ongoing CWSRF funding, supports improved statewide financial assistance and water quality project outcomes and also allows Washington to better serve small, financially challenged communities that receive CWSRF loan and Centennial Grant assistance.

What is the impact on the state operating budget?

None

Proviso

Capital Project Request

2017-19 Biennium

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Project Title: Water Pollution Control State Match

Description

Note: Federal and state regulations require match funding be deposited directly into the WPCRA. The proviso language in SSB 6090 Sec. 3024 should be amended to include the additional \$194,000: \$10,194,000 of the appropriation is provided solely as state match for federal clean water funds. \$10,194,000 of the appropriation must be transferred into the water pollution control revolving account.

Project Type

Grants

Grant Recipient Organization: Public entities, local gov't's, special purpose districts, quasi-municipals, fed. recognized tribes.

RCW that establishes grant: Chapter 90.50A RCW

Application process used

Ecology manages an integrated annual funding approach using a joint application, evaluation, and rating and ranking process for the CWSRF, Centennial Clean Water Program, Stormwater Financial Assistance Program, and the Clean Water Act Section 319 federal grant program. The application period begins in August with applications due mid-October. Ecology staff screen, review, and rate and rank the applications from November through December. The evaluation and points are assigned according to an objective rating system that identifies the highest priority water quality needs statewide. In January, Ecology produces a combined draft project list for the Legislature to use during budget considerations. The list becomes final on July 1 or sooner, contingent on capital budget appropriations.

Growth Management impacts

N/A

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2017-19 Fiscal Period	
			Prior Biennium	Current Biennium	Reapprops	New Approps
355-1	St. Bld Const Acct-State	194,000				194,000
355-B	St. Bld Const Acct-Debt Limit					
	Total	194,000	0	0	0	194,000
Future Fiscal Periods						
		<u>2019-21</u>	<u>2021-23</u>	<u>2023-25</u>	<u>2025-27</u>	
355-1	St. Bld Const Acct-State					
355-B	St. Bld Const Acct-Debt Limit					
	Total	0	0	0	0	

Operating Impacts

No Operating Impact

2019 Supplemental Budget Requested Fund Transfers

Department of Ecology September 2018

Purpose: This table summarizes Treasurer fund transfers identified by Ecology for inclusion in the 2019 Supplemental Budget,

Item	Budget Reference	Account From	Account To	FY 18 Amt	FY 19 Amt	Biennium Total	Explanation & Statutory Citation
1	Capital Project 40000013	State Taxable Building Construction Account (355)	Water Pollution Control State Revolving Account – Federal (727)		\$194,000	\$194,000	The Washington State Water Pollution Control Revolving Fund (SRF), established under Chapter 90.50A RCW , implements the state's loan program to provide low- interest loans to public entities for high priority water quality projects statewide. Twenty percent state match toward federal capitalization dollars is required. The state provides the match funds as federal dollars are actually spent. Ecology is requesting an additional \$194,000 from the State Taxable Building Construction Account for the 20% state match to the \$970,000 million additional federal capitalization grant received in State Fiscal Year 2019. The new appropriation is subject to the same proviso conditions as the original 2017-19 appropriation (Substitute Senate Bill 6090 Sec. 3024), and should be revised to: "\$10,194,000 of the appropriation is provided solely as state match for federal clean water funds. \$10,194,000 of the appropriation must be transferred into the water pollution control revolving account."