DEPARTMENT OF ECOLOGY State of Washington

Governor Inslee's 2015-17 Budget Proposal — Operating

1/30/15 $ in thousands - Biennialized FTEs		FTE	GF-State	Other	Total
2015-2017 Carryforward Level		**1,580.5**	**62,072**	**407,442**	**469,514**
Maintenance Level Changes					
1	Public Participation Grants	-	-	428	428
2	Insuring Conservation Corps Members	-	136	-	136
3	Managing State Revolving Loans		-	541	541
4	Headquarters Building COP Reduction	-	(3,361)	(10,907)	(14,268)
5	Manchester Lab Facility Costs	-	46	182	228
6	Lease Adjustments < 20,000 sq. ft. (Richland)	-	-	24	24
7	Replace Core Technology Network	-	50	160	210
8	Other ML Changes (Central services, Self-Insurance, Pension, etc.)		788	3,813	4,601
Policy Level Changes					
GF-State Reductions					
9	Completed Rulemaking Reduction	(0.6)	(96)	-	(96)
10	Reduce Flood Planning Grants		-	(2,000)	(2,000)
11	Eliminate Watershed Planning Program	(1.7)	(2,014)	-	(2,014)
12	Shoreline Master Program	(0.5)	(736)		(736)
13	Air Quality and Shorelands Fund Shift		(1,000)	1,000	-
Deliver Integrated Water Solutions					
14	Regional Stormwater Monitoring Program	1.0	-	5,180	5,180
Reduce and Prepare for Climate Impacts					
15	Authorizing Zero Emission Vehicles	1.4	238	-	238
16	Reducing Carbon Pollution	23.8	5,285	4,599	9,884
Prevent and Reduce Toxic Threats					
17	Oil Spill Response Equipment Grants	4.6	-	4,584	4,584
18	Reduce Oil Spill Risk	5.8	-	1,354	1,354
19	Oil Spill Risk Assessments		-	500	500
20	Safe Transportation of Oil	12.3	-	2,795	2,795
21	Hazardous Material Response Study		-	321	321
22	*Safer Chemicals Act #*	2.4	-	524	524
23	*Expanding Local Source Control*	4.0	-	2,240	2,240
24	*Implement Chemical Action Plans*	9.2	-	2,671	2,671
25	*Technology Innovation Grants*	0.6	-	2,104	2,104
26	*Lean and Green Business Assistance*	0.9	-	998	998
27	*Study Toxics Sources in Stormwater*	0.2	-	864	864
28	*Water Quality Improvement for Toxics*	3.6	-	789	789
29	*Advancing Safer Products*	1.2	-	812	812
30	Lower Duwamish River Source Control	2.1	-	715	715
31	Preventing Nonattainment	2.3	-	408	408
32	Hanford Tank Permit & Compliance	3.5	-	548	548
33	Complying with Air Quality Lawsuits	2.5	-	448	448
34	Clean and Safe Groundwater	3.0	-	626	626
35	Spokane River Innovative Collaboration		-	120	120
36	Meeting Air Operating Permit Needs	0.3	-	66	66
Technical and Miscellaneous					
37	HQ Emergency Generator and HVAC Repl.		428	1,390	1,818
38	Upgrade to SharePoint 2013	0.9	102	319	421
39	Reduce Leaking Tank Cleanup Expenditures		-	(486)	(486)
40	Litter Control and Waste Reduction		-	(5,500)	(5,500)
41	Regional and Field Office Moves	0.1	152	488	640
42	WA Conservation Corps Minimum Wage		183	-	183
43	Biosolids Permitting	1.2	-	164	164
44	Wage Increases Represented/Nonrep		1,752	9,073	10,825
45	State Public Employee Benefits Rate		62	305	367
46	Other PL Changes (Central Services, IT Services, etc.)		108	376	484
47	Reduce WR Expenditures to Match Revenue		-	(236)	(236)
48	Reduce Wood Stove Expend to Balance		-	(100)	(100)
Total Budget Impact		**83.8**	**2,123**	**32,300**	**34,423**
Total Proposed Operating Budget		**1,664.2**	**64,195**	**439,742**	**503,937**

Note: Items 17-21 are related to Safe Transportation of Oil Initiative and items 22-29 are related to the Toxics Reduction Initiative.

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

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

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

The Governor's Operating Budget proposal for Ecology totals $33.6 million. This budget was developed recognizing economic recovery is slow and demand on state resources remains high—e.g., funding for basic education from the General Fund-State (GF-S). His proposal includes important new state investments for our agency and the work we do. It also includes a few targeted budget reductions in GF-S.

GF-S reductions for Ecology total $7.2 million impacting grants for flood control, watershed planning, shoreline master plan updates and certificate of participation cost savings for the agency headquarters facility. There is also a permanent fund shift of $1 million from GF-S to State Toxics in activities in the Air Quality and Shorelands and Environmental Assistance programs. New GF-S investments are proposed for reducing carbon pollution (one-time funding), compensation and other smaller adjustments.

Going into the 2015-17 Biennium, about 13 percent of our budget is supported by GF-S, with the remainder coming from dedicated environmental accounts and federal dollars. Ecology has seen a 53 percent decrease in Near GF-S since the start of the 2007-09 Biennium—from $132 million to $62.1 million in the 2015-17 carryforward level (CFL). During this same eight year period, legislative fund shifts and appropriations have increased our reliance on Model Toxics Control Act (MTCA) funding for base environmental program work by 39 percent—from $118 million in the 2007-09 Biennium to $164 million CFL in 2015-17.

The Governor's proposal includes significant investments from dedicated environmental funds for toxics prevention and reduction; integrated water management solutions; public health, air quality, and water quality protection; and Puget Sound protection and restoration. His environmental initiatives for Ecology are related to updating water quality standards to comply with the federal Clean Water Act and tackling the problem of toxics in products; addressing climate change through reducing carbon pollution and greenhouse gas emissions; and addressing new safety and environmental risks from changes in how oil comes into Washington State.

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

Maintenance Level

1. **Public Participation Grants** (PPG). Public participation grants help citizen groups and non-profit public-interest organizations to engage in public involvement and education in waste-reduction efforts and state oversight of toxic-cleanup projects, including those located at Hanford, Spokane River and along Puget Sound. Ongoing funding is provided to ensure resources for public participation grants are equal to the statutorily-mandated level of one percent of hazardous substance tax collections per RCW 70.105D.070. (Environmental Legacy Stewardship Account)
2. **Insuring Conservation Corps Members**. Ecology's Washington Conservation Corps (WCC) employs young-adult AmeriCorps members to work on a variety of natural resource and emergency projects, including habitat restoration, trail construction, and wild land fire response. Federal AmeriCorps funding requires corps members' health insurance plans to comply with the federal Affordable Care Act. Ongoing funding is provided to address the increased cost of compliance. (GF-S)
3. **Managing State Revolving Loans**. Ecology manages a water pollution facility loan program that provides low-interest financing to local governments for infrastructure projects designed to protect and restore water quality in local communities. Chapter 96, Laws of 2013, established a new loan administration charge

intended to cover the full cost of loan administration. Revenue collections from the charge, however, have been lower than anticipated and will not be sufficient to fund administrative costs until fiscal year 2017. Federal grant funds and state match are provided on a one-time basis to bridge the revenue gap while the new administrative charge is applied to an increasing number of loans entering the repayment stage. In addition, $1.1 million of funding from the Water Pollution Control Revolving Administration Account will not be needed and is reduced on a one-time basis. (Water Pollution Control Revolving Account-State/Federal; Water Pollution Control Revolving Administration Account)

4. **Headquarters Building COP Reduction**. Ecology's headquarters building in Lacey was built in 1993, and was originally financed through certificates of participation (COP). The final COP payment for the building will be made in March 2016 using funds set aside in a reserve account established for this purpose. Funding for this long-term obligation is permanently eliminated to reflect retirement of the debt. (Various Accounts)

5. **Manchester Lab Facility Costs**. Under an interagency agreement, Ecology and the federal Environmental Protection Agency share the cost of operating the Manchester Environmental Laboratory in Kitsap County. This lab provides technical, analytical and sampling support for chemistry and microbiology to multiple Ecology programs. Costs and proportionate shares are recalculated annually for such expenses as facility renovation, equipment maintenance, utilities and supplies. Ongoing funding is provided to cover increased costs associated with this agreement. (Various Accounts)

6. **Lease Adjustments < 20,000 sq. ft.** Ongoing funding is provided for increased lease costs at the Ecology's Richland field office. (General Fund-Federal, Radioactive Mixed Waste Account-State).

7. **Replace Core Technology Network**. Ecology's communications network design and hardware are well over eight years old and during the 2015-17 biennium will have aged well beyond normal life expectancy, presenting the risk of network downtime and security issues. One-time funding is provided for consulting services to design the replacement and modernization of Ecology's core network. (Various Accounts)

8. **Other ML Changes**. Ongoing funding is provided for changes in agencywide costs for services like utilities, workers compensation, central services, information technology services, audit and legal services, pension and retirement system rate changes, etc. (Various Accounts)

General Fund-State Reductions

9. **Completed Rulemaking Reduction.** Funding and FTE are reduced on an ongoing basis to reflect completion of the Water Quality program's participation in a forest practices rulemaking process required by Section 203, Chapter 1, Laws of 2012, 1st Special Session (Substitute Senate Bill 6406), relating to natural resources management. (GF-S)

10. **Reduce Flood Planning Grants**. The Flood Control Assistance Account program provides grants and technical assistance to local governments for flood damage reduction projects and comprehensive flood hazard management plans. The Flood Control Assistance Account that funds this work receives its revenue from transfers from the state general fund. Continuing a temporary reduction that began during the 2009-11 biennium, funding is reduced for competitive grants to local governments for flood hazard reduction projects. (Flood Control Assistance Account)

11. **Eliminate Watershed Planning Program**. Ecology's Watershed Planning Technical and Financial Assistance Program provides assistance to local watershed groups to develop plans and address watershed issues. Over 30 watersheds have adopted plans since the program's inception in 1997. State general funds provided for this work are permanently eliminated. The four remaining planning units eligible for implementation grants during the 2015-17 biennium will not receive funding (located in the Wind, Chelan, Lower Lake Roosevelt and Lower Spokane watersheds), and implementation projects will no longer be funded through this program. (GF-S)

12. **Shoreline Master Program**. General Fund-State funding and FTE are permanently eliminated from the Shoreline Master program. This will result in less grant funding available to local governments responsible for updating their development regulations under the state Shoreline Management Act (Chapter 90.58 RCW), and fewer staff at Ecology to provide technical assistance to local governments planning.

13. **Air Quality and Shorelands Fund Shift**. A total of $1.0 million of General Fund-State expenditures for Ecology's Air Quality program and the Shorelands and Environmental Assistance program are shifted permanently to the State Toxics Control Account. Specific work to be shifted includes reducing air pollution from commercial and industrial sources and reviewing and conditioning construction projects. (GF-S, State Toxics Control Account (STCA))

Deliver Integrated Water Solutions

14. **Regional Stormwater Monitoring Program**. Ongoing funding and FTE are provided to administer a program of regional monitoring, effectiveness studies, and analysis of stormwater pollution reduction efforts paid for by local governments participating in the Regional Stormwater Monitoring Program (RSMP). This monitoring is necessary to support data-driven decisions to improve stormwater management programs, and is required under the new general municipal stormwater National Pollution Discharge Elimination System Phase 1 and Phase 2 Western Washington permits. The western Washington permittees worked with Ecology to develop a regional program to perform the required monitoring, studies and analyses administered through the RSMP, rather than conducting the work individually. (General Fund-Private/Local)

Reduce and Prepare for Climate Impacts

15. **Authorizing Zero Emission Vehicles**. California's clean car standards include a provision requiring automobile manufacturers to develop and market cars that emit zero harmful tailpipe emissions, such as plug-in electric and fuel-cell powered vehicles. When Washington State adopted California's clean car standards in 2005, it specifically prohibited adopting the Zero-Emission Vehicle (ZEV) provision. Pending adoption of agency-request legislation to authorize Washington's participation in the ZEV program (as part of the Governor's climate initiative), a combination of one-time and ongoing funding and FTE are provided to update Washington's clean car regulations to incorporate the ZEV provision and coordinate and implement the program over the long term. (GF-S)

16. **Reducing Carbon Pollution**. To implement the Carbon Pollution Accountability Act, funding and FTE are provided for oversight and implementation of a new carbon market program, including compliance and enforcement, technical assistance, information technology work, data collection, emitter reporting and market monitoring. One-time bridge funding from GF-S is provided for carbon-market costs that will be incurred before the Carbon Pollution Reduction Account has sufficient revenue. In addition, biennial costs for greenhouse gas reporting will occur before revenue is available in the Air Pollution Control Account. (GF-S, Air Pollution Control Account, Carbon Emissions Reduction Account)

Prevent and Reduce Toxic Threats

17. **Oil Spill Response Equipment Grants**. The expansion of crude oil imports from Canada, North Dakota and other states that are transported via rail through Washington increases the risk of oil spill incidents. At least 10 to 15 proposals for new or expanded oil facilities are moving through state permitting processes. If approved, these proposals will bring millions of barrels of crude oil on rail through communities like Seattle, Spokane, Bellingham, Vancouver, and Grays Harbor. To better prepare local communities for rapid response to potential oil spills from rail incidents, ongoing funding and FTE are provided to strategically place oil spill response equipment caches where needed through an ongoing local government grant program. (STCA, Local Toxics Control Account (LTCA))

18. **Reduce Oil Spill Risk**. In rapidly increasing frequency and volume, crude oil is imported into Washington by railroad from Canada, the Dakotas and other states and then stored or refined in shore-side facilities. This shifts the risk of oil spills inland along rail corridors and increases the number of times oil is transferred to reach the refineries. At the same time, Ecology expects a significant change in vessel traffic over the next several years due to a variety of proposed oil projects. The department received one-time funding in the 2014 supplemental budget for additional resources to: 1) develop preparedness and response tools for mitigating oil spills to rivers and streams; and 2) analyze the changing risks associated with crude oil moved by rail and vessels. Ongoing funding and FTE are provided to complete and maintain the response tools along rail corridors and marine waterways, and retain staff expertise on spill risk assessment, mitigation, and rapid oil spill response. (Oil Spill Prevention Account (OSPA))

19. **Oil Spill Risk Assessments.** Vessel traffic risk assessments (VTRAs) measure changes in oil spill risk and help decision makers to ensure that prevention, preparedness and response measures are in place. Ongoing funding is provided to conduct VTRAs in areas of the state where they presently do not exist (Grays Harbor, Columbia River and the outer coast) and to periodically update VTRAs in future years, beginning with the Puget Sound assessment completed in March 2014. Funding will also allow Ecology to develop and periodically update a rail traffic risk assessment model to analyze changes in the rail transportation system. (OSPA)

20. **Safe Transportation of Oil.** Ecology issued a draft study in December 2014 with findings and recommendations to improve the safety of oil transported across Washington by rail and new marine routes. Contingent on passage of executive request legislation, a combination of one-time and ongoing funding and FTE are provided for: (1) oil spill contingency planning by railroads transporting oil in bulk; (2) rulemaking and modification of technology systems to accommodate advance notice of oil transfer data from railroads and pipelines; and 3) extension of financial-responsibility requirements to rail and mobile facilities. A total of $3.8 million of oil spill work funded by the State Toxics Control Account is shifted to the Oil Spill Prevention Account, which will receive increased revenue from an increase in the oil spill administration tax. (OSPA, STCA)

21. **Hazardous Material Response Study.** Increasing rail shipments of Bakken crude oil present public safety risks due to its greater volatility and flammability. Previous studies of hazardous materials response capability occurred in 1993 and 2005. One-time funding is provided to conduct a gap analysis of hazardous materials response capability in Washington by March 2016. The analysis will update previous studies and program descriptions, propose potential funding mechanisms, and may include legislative recommendations. Study scope will include assessing the current need for state-supported regional hazardous materials response teams, team composition and requirements for equipment and training, where teams should be located, and how they will provide mutual aid response to neighboring jurisdictions. (STCA)

22. **Safer Chemical Act**. One-time funding and FTE are provided for Ecology to write rules required under executive request legislation directing manufacturers and users of certain chemicals of concern to take steps that reduce or eliminate use of these chemicals. During the 2015-17 biennium, Ecology will adopt rules for identifying problem chemicals, including those slated for potential chemical action plan development. (STCA)

23. **Expanding Local Source Control.** Stormwater pollution is often the source of toxic contaminants, and small businesses using toxic materials have opportunities for pollution reduction. Through the Local Source Control (LSC) partnership, Ecology contracts with local specialists to offer technical and regulatory assistance to small businesses to prevent spills, identify illicit wastewater discharges, correct problems with oil/water separators, ensure storm drains are protected, and protect employees through proper storage and labeling of chemicals and hazardous wastes. The LSC partnership is limited to the Puget Sound and Spokane River Basins. Ongoing funding and FTE are provided to add additional LSC capacity in the Columbia River Basin, provide support to new local partners, and implement source tracing and watershed monitoring studies to better target site visits. (STCA, LTCA)

24. **Implement Chemical Action Plans**. Thousands of toxic chemicals are currently in use and some have characteristics that make them challenging and expensive to deal with if released into the environment. Often such chemicals impact air, water, and sediment resulting in a high likelihood that people and the environment can be harmed. Ecology addresses such chemicals through Chemical Action Plans (CAPs). CAPs identify chemical sources and releases and recommend steps to reduce impacts or phase out chemical uses. A combination of one-time and ongoing funding and FTE are provided to increase the number of CAPs developed each year, implement CAP recommendations, and monitor the results to reduce the impacts of toxic chemicals in Washington. (STCA)

25. **Technology Innovation Grants.** Consumer products made from chemicals designed to be safe for people and the environment are still the exception, not the rule. The emerging field of green chemistry designs chemicals with no or lower toxicity for products and processes, thus avoiding the creation of toxics and wastes. Ongoing funding is provided for competitively awarded contracts to develop marketable, safer chemical alternatives to such common products as zinc in galvanized flashing and petroleum-based plastics. (Environmental Legacy Stewardship Account (ELSA))

26. **Lean and Green Business Assistance.** Ecology provides business assistance combining Lean manufacturing and environmental expertise as a way for Washington businesses to save money, avoid the need for costly environmental permits, and significantly reduce toxic chemicals, energy consumption, and water use. Ongoing funding and FTE are provided to increase business participation by: 1) adding a critical marketing component to increase awareness of these services; 2) integrating energy audits into the program; 3) defraying businesses' costs for consulting services; and 4) providing financial assistance to jump-start recommendations. (ELSA)

27. **Study Toxics Sources in Stormwater.** Stormwater runoff is the largest source of toxic pollutants in urban waters. Two of the largest sources of runoff pollution are from roadways and roofs. Not enough is known about the direct impacts these two sources have on water quality, and research is needed to develop possible control measures. One-time funding and FTE are provided to carry out studies related to the sources of toxics in stormwater, including roofing materials and tires, as well as stormwater impacts on salmonids. This research, conducted by the Washington State University Stormwater Center in Puyallup, will help inform stormwater management practices that more effectively identify, prevent, and control releases of toxics. (STCA)

28. **Water Quality Improvement for Toxics.** Many rivers and coastal waters in Washington are not meeting water quality standards for toxic chemicals. Ongoing funding and FTE are provided to accelerate the process of identifying chemical sources and implementing actions to bring watersheds back into compliance to protect beneficial uses, like swimming and fishing, and to reduce human and wildlife exposure to harmful chemicals. Specific actions include: 1) conducting scientific studies to identify the sources of toxic chemicals; 2) working with local stakeholders to implement actions to address identified sources of water pollution; and 3) developing pollution-control programs for permitted and non-permitted discharges. (ELSA)

29. **Advancing Safer Products.** Growing concern about toxic chemicals in consumer products makes it important to prioritize these chemicals and find safer alternatives. Using safer alternatives protects people from harmful chemicals in products, protects the environment from contamination that would require expensive cleanup, and prevents potential recontamination of existing cleanup sites. Removing toxic chemicals from products also helps permittees meet water quality discharge limits. Ongoing funding and FTE are provided to assess alternatives for toxic chemicals and to help businesses understand and incorporate the recommendations into their industrial processes. (STCA)

30. **Lower Duwamish River Source Control**. The U.S. Environmental Protection Agency announced a $342 million Superfund cleanup of the Lower Duwamish Waterway (LDW) in late 2014. Ecology's role in this work is to control sources of pollution so cleanup can begin and protect the investment in sediment cleanup. Without source control, pollution of the LDW and Puget Sound will continue. Both regulated and

unregulated sources of pollution degrade water quality, contaminate fish and wildlife, and affect people's use of the river. Ongoing funding and FTE are provided to improve water quality permit implementation; strengthen strategic collaboration between water quality, cleanup, and toxics reduction efforts; and develop a watershed pollutant loading assessment modeling tool to help determine progress on cleanup and clean water goals. (ELSA)

31. **Preventing Nonattainment**. When national air quality standards are violated, federal law requires costly and rigorous regulatory interventions to return communities to clean air status. More than a dozen communities in Washington risk violating federal air quality standards, especially for fine-particle pollution and ozone. It is less costly to prevent such violations than to deal with their consequences. Ongoing funding and FTE are provided to conduct community-level air quality assessments and work closely with elected officials, citizens, local agencies, businesses and civic leaders in the state's highest-risk areas to help design preventive air pollution solutions. (ELSA)

32. **Hanford Tank Permit and Compliance**. New environmental and safety threats at Hanford are associated with waste tank leaks, tank waste treatment delays, and storage of cesium and strontium capsules. In March 2014, Ecology issued an administrative order to require the U.S. Department of Energy (USDOE) to remove waste from a leaking double shell tank. USDOE is not meeting milestones set in a federal consent decree for tank waste treatment, resulting in increased compliance and permitting work for Ecology. In response to these tank waste problems and to address safe storage of cesium/strontium capsules, the USDOE has proposed three new facilities that will require permitting and oversight by Ecology. Ongoing funding and FTE are provided to carry out this federally-funded work so that radioactive waste is appropriately managed. Costs will be paid for by USDOE through regulatory oversight fees. (Radioactive Mixed Waste Account)

33. **Complying With Air Quality Lawsuits**. Clean air lawsuits, judicial decisions, and still-pending court actions are driving changes in federal clean air regulations. These changes have created a backlog of related updates to state air quality regulations and federally-mandated state clean air plans. Federal lawsuits are compelling the U.S. Environmental Protection Agency to assert its oversight role on delinquent states. Failure by the state to submit timely updated regulations and plans results in a confused and conflicting regulatory landscape that increases costs and liability for business, impedes economic development and growth, and risks imposition of less-flexible federal air quality plans and loss of state control over air quality management. Ongoing funding and FTE are provided to update state implementation plans and regulations to better align the state's regulatory framework with federal regulatory requirements. (ELSA)

34. **Clean and Safe Groundwater**. Groundwater is a drinking water source for over 65 percent of our state's population and is used for industry, agriculture, and to sustain stream flows for salmon. The state's groundwater supply is stressed by infiltrating chemicals, changing climate, and increasing consumer demand. Despite the critical nature of groundwater, Washington lacks a systematic, statewide program to track status and trends in groundwater conditions. A combination of one-time and ongoing funding and FTE is provided to consolidate and standardize existing groundwater data into an organized information system as the first step to managing groundwater resources over the long term. Ecology will use this data to determine future monitoring needs. (STCA)

35. **Spokane River Innovative Collaboration**. The Spokane River Regional Toxics Task Force's innovative collaborative partnership works toward achieving water quality standards for toxics, specifically polychlorinated biphenyls (PCBs) in the Spokane River. The Task Force received one-time funding from Ecology during the 2013-15 biennium to begin actions to clean up the river. Continued contracted services are needed to help facilitate the work of the Task Force to identify, implement, and measure the reduction of toxic chemical inputs to the river. One-time funding is provided for this facilitation for a maximum of two more years. (STCA)

36. **Meeting Air Operating Permit Needs**. Industrial facilities that emit large amounts of air pollution are regulated by Ecology under the federally-mandated Air Operating Permit program. Under both federal and state law, the costs of the program must be fully supported with fees paid by these air pollution sources. Based on fee criteria and formulas specified in statute, Ecology intends to increase fees during the 2015-17 biennium to cover the cost of serving new sources entering the program, including writing permits, conducting inspections and updating emission inventories. Ongoing funding and FTE are provided to carry out this work. (Air Operating Permit Account)

Technical and Miscellaneous

37. **HQ Emergency Generator and HVAC COP**. Ecology is using Certificates of Participation to finance upgrades to the heating, ventilation and air conditioning system (HVAC) and to replace the emergency generator at its Lacey headquarters facility. Ongoing funding is provided to cover the cost of debt service. (Various Accounts)
38. **Upgrade to SharePoint 2013**. Ecology routinely uses SharePoint 2007 for internal staff collaboration and stakeholder involvement. The manufacturer of SharePoint 2007 will stop supporting the program during the 2015-17 biennium and the hardware platform that supports the application is reaching end of life and needs to be replaced. A combination of one-time and ongoing funding and FTE are provided to manage the SharePoint 2013 upgrade and pay ongoing software maintenance costs. This upgrade will allow Ecology to modernize and improve security for the SharePoint 2013 environment, continue working efficiently through technology-based collaboration, and respond more quickly to the public, particularly to public disclosure requests. (Various Accounts)
39. **Reduce Leaking Tank Cleanup Expenditures** State Toxics Control Account-Private/Local expenditure authority is reduced on an ongoing basis to align with projected cost recovery revenue collected from potentially liable parties at cleanup sites initially funded with Ecology's federal grant for leaking underground storage tanks. (STCA-Private/Local)
40. **Litter Control and Waste Reduction**. Funding is reduced on a one-time basis to reflect lower revenue in the Waste Reduction, Recycling and Litter Control Account. This will result in less litter pickup and waste reduction work across the state. (Waste Reduction, Recycling and Litter Control Account)
41. **Regional and Field Office Moves**. Ecology field offices in Vancouver and the central region are scheduled for relocation during the next two years. A combination of one-time and ongoing funding and FTE are provided to cover the cost of coordinating and moving staff, equipment, furniture, technology infrastructure, agency records, and for future lease costs at the Vancouver field office. Ongoing funding is provided for furniture for the central region office, which will be financed through Certificates of Participation. (Various Accounts)
42. **WA Conservation Corps Minimum Wage**. Ecology's Washington Conservation Corps (WCC) employs young adult AmeriCorps members to work on a variety of natural resource and emergency projects, including habitat restoration, trail construction, and wild land fire response. Ongoing funding is provided to support a corps member minimum wage increase to $9.47 per hour in 2015. (GF-S)
43. **Biosolids Permitting**. The Biosolids program provides oversight, permitting, and technical assistance for sewage treatment plants, facilities that manage wastewater from septic systems, and other facilities that generate, treat and use biosolids. Biosolids are a product of wastewater treatment and septic tanks, comprised primarily of organic material that can be beneficially used to condition soil and enhance plant growth, after meeting requirements under Ecology's Biosolids management rule. Ongoing funding and FTE are provided to increase technical assistance, enforcement, and compliance inspections of permit applicants. This will help Ecology keep pace with increased customer demands and population growth, while protecting public health and the environment through properly managed biosolids. (Biosolids Permit Account)

44. **Wage Increases Represented/Non-represented**. Funding is provided for wage increases for state employees for a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for employees who earn $2,500 a month or more, effective July 1, 2016; and a general wage increase of 1 percent plus a $20 per month increase for employees who earn less than $2,500 per month, effective July 1, 2016, and other salary adjustments. (Various Accounts)

45. **State Public Employee Benefits Rate.** Health insurance funding is provided for state employees. Insurance for employees covered by the health insurance coalition is included in funding for their respective collective bargaining agreements. The insurance funding rate is $913 per employee per month for Fiscal Year 2016 and $947 per employee per month for Fiscal Year 2017. (Various Accounts)

46. **Other Policy Level Changes.** Ongoing funding is provided for changes in agencywide costs for services like archives/records management, fleet management, central services, information technology services, legal services, etc. (Various Accounts)

47. **Reduce Water Resources Expenditures to Match Revenue.** Expenditure authority is reduced on an ongoing basis to match expected revenues in the Basic Data Account and the Water Rights Processing Account. These accounts fund stream flow data collection and water rights processing activity in the Water Resources program. (Basic Data Account-Nonappropriated, Water Rights Processing Account)

48. **Reduce Wood Stove Expenditures to Balance.** Expenditure authority is reduced permanently in the Wood Stove Education and Enforcement Account to reflect lower revenues. Reduced revenue results in less funding for public education on pollution-reducing ways to use woodstoves and for grants to local air authorities. (Wood Stove Education and Enforcement Account)

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Governor Inslee's 2015-17 Capital Budget Proposal Summary

12/18/14 $ in thousands		SBCA	Other	Total
Protect and Restore Puget Sound				
1	Cleanup Toxics Sites Puget Sound	-	28,000	28,000
Deliver Integrated Water Solutions				
2	Water Pollution Control Revolving Program	-	191,000	191,000
3	Stormwater Financial Assistance Program	62,000	12,000	74,000
4	Centennial Clean Water Program	20,000	20,000	40,000
5	Floodplains by Design	25,000	-	25,000
6	Yakima River Basin Water Supply	15,000	-	15,000
7	Columbia River Water Supply Development Program	-	11,400	11,400
8	Sunnyside Valley Irrigation District Water Conservation	3,055	-	3,055
9	Watershed Plan Implementation and Flow Achievement	5,000	-	5,000
10	Water Irrigation Efficiencies Program	4,000	-	4,000
Prevent and Reduce Toxic Threats				
11	Remedial Action Grants	-	75,000	75,000
12	Coordinated Prevention Grants	-	29,600	29,600
13	Eastern WA Clean Sites Initiative	-	11,000	11,000
14	Swift Ck Natural Asbestos FC & CU	3,800	-	3,800
15	ASARCO Cleanup	-	12,146	12,146
16	Reducing Toxic Diesel Emissions	-	2,000	2,000
17	Leaking Tank Model Remedies	-	2,000	2,000
18	Reducing Toxic Woodstove Emissions	-	2,000	2,000
19	Low-Level Nuclear Waste Disposal Trench Closure	-	3,675	3,675
20	Waste Tire Pile Cleanup and Prevention	-	1,000	1,000
Technical and Miscellaneous				
21	HQ Preservation Projects	760	-	760
22	HQ and ERO Programmatic	180	-	180
23	Coastal Wetland Federal Funds	-	10,000	10,000
Total Proposed Capital Budget		**138,795**	**410,821**	**549,616**

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

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

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

The Governor's proposal totals $549.6 million. Of that, $411 million is requested from dedicated environmental accounts and federal funding for investment in toxic cleanup and prevention, water quality and water quantity (water supply development) infrastructure, and cleanup/public health protection actions at the Hanford Nuclear Reservation. These capital investments:

- Promote local economic development (e.g., wastewater treatment plants, cleaning up contaminated sites for re-development, and developing water supplies for diverse uses)
- Create jobs
- Address local environmental and public health priorities
- Provide financial incentives for compliance with state-laws
- Provide core funding for many local government programs

The proposal also includes $0.9 million for needed capital improvements for Ecology's Lacey headquarters building and the eastern regional office building.

Model Toxics Control Act (MTCA) Requests

The Governor included several new investments in the Operating and Capital Budget based on the Hazardous Substance Tax revenue forecast, which is the primary revenue source for the Model Toxic Control Act (MTCA) accounts. The November 2014 forecast indicated an availability of about $152 million for the 2015-17 Biennium. His budget assumes burn rates on some of the capital cleanup projects, which provides another $65 million in MTCA capacity. Applying burn rates is a practice that anticipates only a portion of a new project will be spent within the first two years of the appropriation, and the rest is spent in future biennia. During the 2013-15 Biennium, the Legislature assumed a burn rate for several capital projects, which pushed $119 million of expenditures into the 2015-17 Biennium, reducing capacity for new projects. Based on the Brent Crude Oil index, the price of crude oil has dropped from an average of $107 per barrel in July 2014 to $53 per barrel in early January 2015. This significant price drop may result in revenue collections decreasing in the MTCA accounts, and should be closely monitored and considered in the coming months before the final budget is enacted.

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

Protect and Restore Puget Sound

1. **Cleanup Toxics Sites – Puget Sound. $28,000,000.** A leading source of pollution to the Puget Sound is contaminated sites around the basin and its shorelines. For more than ten years, Ecology has been identifying and cleaning up contaminated sites in the Puget Sound basin. This emphasis on Puget Sound baywide cleanup and surrounding areas has highlighted a valuable link between toxic site cleanup and habitat restoration. Cleanup and restoration can be done more economically, better, and quicker, because projects are designed and built in a coordinated manner, and equipment and resources are on site to do the work. This proposal funds toxic site cleanup projects that integrate shoreline habitat restoration opportunities. Cleaning up these contaminated sites protects public and environmental health, creates jobs, and promotes economic development by allowing these properties to be redeveloped. (State Toxics Control Account (STCA))

Deliver Integrated Water Solutions

2. **Water Pollution Control Revolving Program. $191,000,000.** Congress established the Clean Water State Revolving Fund (CWSRF) under Title VI of the Federal Clean Water Act to capitalize state-run, low interest loan programs to finance water quality facilities and activities. The Washington State Water Pollution Control Revolving Account or State Revolving Fund (SRF), established under Chapter 90.50A RCW, implemented the loan program to provide low interest loans to local governments, special purpose districts, and 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. (Water Pollution Control Revolving Account)

3. **Stormwater Financial Assistance Program. $74,000,000.** The Legislature provided Ecology with $100 million in the 2013-15 Capital Budget and directed us to establish an ongoing, comprehensive statewide stormwater financial assistance program. This proposal funds $74 million in the 2015-17 Biennium for the Stormwater Financial Assistance Program (SFAP) to assist local governments in implementing stormwater retrofit projects that treat polluted stormwater in priority areas throughout the state. The SFAP will distribute funds through a competitive rating and ranking process to ensure projects provide good water quality value and address problems from existing urban development. The work accomplished by local governments will help reduce toxics and other pollution from entering our waterways and protect our marine waters, estuaries, lakes, rivers, and groundwater resources.(State Building Construction Account (SBCA), Local Toxics Control Account (LTCA))

4. **Centennial Clean Water Program. $40,000,000.** This proposal for $40 million for Ecology's Centennial Clean Water Program (CCWP) will provide grants to public entities to finance planning, implementing, designing, acquiring, and constructing water pollution control facilities and nonpoint pollution control activities. Ecology distributes the funds through a statewide competitive rating and ranking process. Grant recipients are local governments that use the funds to address high priority statewide water quality needs. The work done by local governments using these funds is an integral and essential part of the state's strategy to reduce pollution and protect our marine waters, estuaries, lakes, rivers, and groundwater resources. (SBCA, LTCA)

5. **Floodplains by Design. $25,000,000.** Flooding is the number one natural hazard in Washington State. It has caused more than $2 billion in damages to the state since 1980, with the highly populated areas in western Washington most at risk. In the past, solutions to flooding problems were often out of sync with other ecosystem protection or restoration activities. Based on the pilot work funded by the Legislature in the 2013-15 Biennium, Ecology plans to coordinate flood hazard reduction and ecosystem benefits into larger scale, multiple benefit packages. This proposal will fund new projects that provide both flood hazard reduction and ecosystem benefits in communities prone to flooding. (SBCA)

6. **Yakima River Basin Water Supply. $15,000,000.** Current water resources infrastructure, programs, and policies in the Yakima River Basin have not been able to consistently meet the environmental and economic demands that support basin aquatic resources, fish and wildlife habitat, dry-year irrigation, and municipal water supplies. A diverse set of local stakeholders developed the Yakima River Basin Integrated Water Resources Management Plan to provide a comprehensive long-term water resources and habitat improvement program to address this situation. This proposal continues funding for implementation of the program in cooperation with the U.S. Bureau of Reclamation and local stakeholders. This program will support the regional economy and protect the environment. (SBCA)

7. **Columbia River Water Supply Development Program. $11,400,000.** This proposal continues implementation of the Columbia River Basin Water Supply Development Program (Chapter 90.90 RCW). It will fund projects that are in various stages of completion and provide the Office of Columbia River with resources needed to achieve substantial progress in the 2015-17 Biennium. Specifically, these funds will: provide an alternative to groundwater for agricultural users in the Odessa Subarea aquifer; deliver new

sources of water supply for pending water right applications; develop a new uninterruptible supply of water for those presently subject to interruption during times of drought or low flows; develop new municipal, domestic, industrial, and irrigation water throughout the Columbia River Basin; and, place one-third of these new water supplies instream to meet the flow needs of fish. With this funding, Ecology will be able to deliver additional water supplies for agricultural purposes, meet the water needs for growing communities, make several existing water uses more efficient, and improve stream flow conditions for fish and wildlife. These investments will help meet priority needs of the water users in the Columbia River Basin. (Columbia River Basin Water Supply Development Account, Columbia River Basin Water Supply Revenue Recovery Account)

8. **Sunnyside Valley Irrigation District Water Conservation. $3,055,000.** The United States Bureau of Reclamation manages conservation improvements required by the Sunnyside Division Water Rights Settlement Agreement in the Yakima Basin Water Rights Adjudication (State of Washington, Department of Ecology vs. James J. Acquavella, et al.). This proposal will cover Ecology's required state match of 17.5 percent of total project costs for the next four or five biennia for these multiyear projects: (1) Sunnyside Valley Irrigation District Phase 2B project cost estimated at $80 million ($14 million Ecology cost share) over a 15 year construction period; (2) Roza project cost estimated at $20 million ($3.5 million Ecology cost share) over a six year construction period. This work continues the construction schedule for the state's share of the Yakima River Basin Water Enhancement Project in the 2015-17 Biennium. (SBCA)

9. **Watershed Plan Implementation and Flow Achievement. $5,000,000.** Significant water supply capital needs have been identified in 29 completed local watershed plans. These plans cover all or parts of 38 statewide Water Resource Inventory Areas and non-planning basins. Needs include rehabilitating existing water systems, water conservation, and acquiring existing water rights for instream flow and other future needs. This proposal will finance capital projects and water acquisition for implementing locally developed watershed plans. These projects and acquisitions will help the state, local governments, and other stakeholders meet future water needs and achieve recommended instream flows. (SBCA)

10. **Water Irrigation Efficiencies Program. $4,000,000.** The Water Irrigation Efficiencies Program is a statewide effort to improve how water is delivered and applied on agricultural lands. Projects funded through the Water Irrigation Efficiencies Program provide improved on-farm water application so water use is more efficient, while still allowing the producer to grow crops. Program funding is also used to improve water conveyance to reduce loss of water through leakage and evaporation. Water saved in this program is placed into the Washington State Trust Water Rights Program for instream purposes. Ecology passes through these funds for the Washington State Conservation Commission and conservation districts to help the agricultural community implement water conservation measures and irrigation efficiencies projects. (SBCA)

Prevent and Reduce Toxic Threats

11. **Remedial Action Grants. $75,000,000.** Grant funds are provided to local governments for several programs designed to manage, prevent, recycle, and clean up toxic and solid waste in the land, air, and water. This proposal will fund pass-through grants to ready-to-proceed projects and actual spending requirements for the 2015-17 Biennium. It supports Remedial Action Grants to clean up contaminated industrial sites that impact the air, land, and water resources of the state and continue cleaning up Puget Sound. This grant funding will protect public and environmental health, create jobs, and promote economic development by allowing contaminated properties to be redeveloped. (LTCA)

12. **Coordinated Prevention Grants (CPG). $29,600,000.** The CPG Program supports essential local solid and hazardous waste programs and resource conservation through waste reduction, recycling, and reuse programs. CPG enforcement grants help ensure solid waste facilities comply with applicable laws to protect human health and the environment and reduce human exposure to toxins. This proposal continues grant funding for ongoing local solid waste management programs and enforcement activities. (LTCA)

13. **Eastern Washington Clean Sites Initiative. $11,000,000.** There are properties in Eastern Washington contaminated with hazardous wastes that have been abandoned or have owners unwilling or unable to pay for site investigation and cleanup. Without cleanup, these sites pose threats to public health, the environment, groundwater, and fish and wildlife resources. This proposal provides funding to continue the initiative to have a statewide cleanup program by making dedicated investments outside of the Puget Sound basin and Western Washington. Cleaning up these sites protects public and environmental health, creates jobs and promotes economic growth as these sites are redeveloped. (STCA)

14. **Swift Creek Natural Asbestos Flood Control and Cleanup. $3,800,000.** Swift Creek is a small creek in the northeastern lowlands of Whatcom County. An ongoing landslide that started in the late 1930s or early 1940s has resulted in a large load of naturally occurring asbestos and heavy metal contaminated sediment continuously filling up the creek bed. This proposal will fund the construction of sediment traps, debris flow deflection levees, and complete the design and permitting for large sedimentation basins. These remediation actions will minimize public and environmental health impacts associated with exposure to asbestos. This funding offers an interim solution that will address the historic liability of dredging and managing the sediment by stockpiling it next to the creek, and fund facilities needed to capture sediment over the next 10 to 15 years, depending on the rate of sedimentation. It provides time to develop a long-term strategy to either stabilize the slide or provide for ongoing management of the sediment with help from the Army Corps of Engineers. (SBCA)

15. **ASARCO Cleanup. $12,146,000.** This proposal will continue cleanup work related to former ASARCO smelter sites in Everett and Tacoma, and mining operations in eastern Washington. ASARCO operated smelters in Everett and Tacoma that released arsenic, lead, and other contamination into the air. The pollution settled down to earth in Everett and in the Tacoma Smelter Plume. In Tacoma, the smelter operated from 1890 to 1986 and contaminated over 1,000 square miles in the lower Puget Sound. The Everett site operated from1894 to 1912, and caused smaller scale contamination. ASARCO also owned or operated mines at various times between 1900 and 1960, and contamination from the tailings piles continues to create dangerous conditions for nearby waterways. This will protect public and environmental health, create jobs, and promote economic development by allowing contaminated properties to be redeveloped. (Cleanup Settlement Account)

16. **Reducing Toxic Diesel Emissions. $2,000,000.** Exposure to diesel exhaust, our state's number one airborne health threat, increases cancer risk and causes or worsens asthma, heart disease, and lung diseases. Public exposures are notably increased near urban areas, ports, distribution centers, rail yards, and transportation corridors. This is where heavy-duty diesel engines on buses, trucks, locomotives, cargo-handling equipment, and vessels operate close to populated areas. Strategies to reduce these emissions include exhaust retrofits, idle-reduction programs, installing idle-reduction technologies, engine replacement, vehicle/equipment replacement, and fuel-efficiency measures. Installing these technologies greatly reduces public health costs, lessens operating expenses for engine owners, and reduces greenhouse gas emissions. This will fund grants to local entities to reduce diesel emissions in high-risk diesel pollution areas statewide. (STCA)

17. **Leaking Tank Model Remedies. $2,000,000.** Model remedies are cleanup actions that Ecology has pre-approved for specific categories of contaminated sites to streamline the cleanup process so that protective cleanup actions are faster and less expensive. In response to legislation passed in 2013, Ecology is developing model remedies to address leaking fuel tanks and other common types of contaminated sites to help quickly and effectively restore the environment and protect public health. Leaks from underground fuel tanks can contaminate groundwater and cause significant environmental and human health risks. This proposal will focus funding specifically toward the development, implementation, and evaluation of these model remedies. (STCA)

18. **Reducing Toxic Woodstove Emissions. $2,000,000.** Smoke from wood burning stoves causes significant health problems, including asthma, lung disease, heart disease, stroke, and premature death. This proposal will help reduce the use of old, high-polluting wood stoves in communities facing high public health risk from wood smoke. Ecology will do this through wood stove change-out programs, resulting in up to 100 tons of fine particle pollution being reduced each year. Funds may also be used for strategies to reduce the

use of or need for wood heat in areas at high risk of violating national ambient air quality standards for fine particles. (STCA)

19. **Low-Level Nuclear Waste Disposal Trench Closure. $3,675,000.** This proposal will complete the project phases involving closure of the filled trenches at the commercial low level radioactive waste disposal facility at Hanford. Funding is for completing the Model Toxics Control Act (MTCA) remedial investigation and feasibility study; developing the Cleanup Action Plan; and constructing the initial cover, which is required to close the filled trenches. The cover must be installed before January 2016, which may precede the Cleanup Action Plan, to ensure that public health is protected from future off-site radiological exposure. It includes reappropriation for the installation of the Phase 1 closure cover and completion of the MTCA investigation at the commercial low-level radioactive waste disposal facility. The cover will address hazards posed by radiological and hazardous substances disposed in the trenches since 1964. The investigation will determine any additional remediation necessary to address hazardous substance releases under MTCA (Chapter 70.105D RCW). Ecology coordinates with the Department of Health to provide regulatory oversight of the closure of trenches that contain low level radioactive and toxic wastes at the Hanford Nuclear Reservation. Preparation for installation of the cover and completion of the MTCA investigation are progressing. (Site Closure Account)

20. **Waste Tire Pile Cleanup and Prevention. $1,000,000.** Illegally dumped tires in Washington continue to pose public health and environmental threats. Tire piles pose risks for highly toxic fires, and provide habitat for mosquitoes and other disease carriers. This proposal provides $1 million to continue preventing and removing waste tire piles, enforcement, and education on tire storage and hauling regulations. (Waste Tire Removal Account)

Technical and Miscellaneous

21. **HQ Preservation Projects. $760,000.** This proposal funds repairs and improvements to the headquarters (HQ) facility in Lacey. It includes $450,000 for exterior sealing and waterproofing; $150,000 for parking lot sealing and repair; and $160,000 for fire protection systems renovation. Funding this project will ensure the HQ building is a safe, well-maintained, and efficient facility. The HQ facility provides an operating base for Ecology's programs and administration, and is an important link in meeting Ecology's mission to protect, preserve, and enhance Washington's environment for current and future generations. (SBCA)

22. **HQ and Eastern Regional Office (ERO) Programmatic. $180,000.** This proposal funds repairs and improvements to the headquarters (HQ) facility in Lacey and ERO in Spokane. It includes $50,000 for installing four electric vehicle charging stations at the Lacey HQ facility. For ERO, it includes $75,000 for interior light fixture update and replacement, $25,000 for renovating the break room/storage area, and $30,000 for code-required fire safety improvements. (SBCA)

23. **Coastal Wetland Federal Funds. $10,000,000.** This appropriation is for two federal grant programs that fund wetlands and coastal and estuarine lands acquisition. The federal grant programs are the National Coastal Wetland Conservation Grant Program, administered by the U.S. Fish & Wildlife Service, and the Coastal and Estuarine Land Conservation Program, administered by the National Oceanic and Atmospheric Administration. These programs provide financing to protect important coastal and estuarine areas that have significant conservation, recreation, or ecological value. Coastal wetlands comprise less than 10 percent of the nation's land area, but support a much higher proportion of our living resources. Specifically, coastal areas support a high percentage of our threatened and endangered species, fishery resources, migratory songbirds, and migrating and wintering waterfowl. Ecology administers the pass through of these federal grants to other state or local government entities. Ecology requests $10.0 million in federal capital appropriation authority for the 2015-17 Biennium in case we are successful in these grant competitions. (General Fund-Federal)