



DEPARTMENT OF
ECOLOGY
State of Washington

House Bill 1761

Model Toxics Control Accounts

Ten-Year Financing Plan

Clean Up, Manage, and Prevent Toxic Threats

December 2008
Publication no. 08-01-044

Publication and Contact Information

This report is available on the Department of Ecology's Web site at:

www.ecy.wa.gov/biblio/0801044.html

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Financial Services Division
Washington State Department of Ecology
Lacey, Washington 98504-7600

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About This Report

The data and information in this report were collected and analyzed before September 1, 2008. Consequently, it represents the needs and financial plans as they were known prior to the major downturn in the economy. It does not reflect the Governor's budget proposal or the November 2008 Department of Revenue forecasts, which significantly reduced revenue projections for the 2009-11 biennium.

The report includes a summary of House Bill 1761 (a full copy of the bill is included in the appendix), a summary of the assumptions that guided the development of the report, background information on the Model Toxic Control Act (MTCA), and a high-level summary of the ten-year financing plan for the State Toxic Control Account (STCA) and the Local Toxic Control Account (LTCA).

A summary of Ecology's 2009-11 Puget Sound budget request and MTCA bond financing proposal is included in Appendix C.

The report is divided into three sections: (1) Cleanup, (2) Prevention, and (3) Waste Management. More specific information for major activities within each section is summarized, including: ten-year needs assessments, findings, conclusions, and financing plans. In addition to this report, Ecology is required to develop an annual MTCA report that provides detailed fiscal year information about the LTCA and STCA fund sources. Specifically, this annual report provides a review of accomplishments by state agencies and programs that rely on MTCA funding. It includes a summary of how much revenue was generated, which agencies received funding and for what purposes, and what results were obtained. The "Model Toxics Control Account Fiscal Year 2007 Annual Report" will be available in December 2008 on the Ecology Web site (www.ecy.wa.gov).

Summary of House Bill 1761

In the 2007 session, the Legislature passed Substitute House Bill 1761, directing the Department of Ecology to prioritize MTCA funding to clean up hazardous waste sites and prevent the creation of future hazards due to improper disposal of toxic wastes. The law requires Ecology to submit a comprehensive ten-year MTCA financing report to the Legislature in coordination with local governments that have cleanup responsibilities by December 20 in even numbered years. This report is designed to provide more planning certainty for the state, local jurisdictions, and ports regarding future hazardous waste cleanup, and toxics release and waste prevention needs.

The report includes:

- Identification of long-term hazardous waste cleanup needs for local governments and projections of future costs for programs and activities funded under the LTCA.
- Identification of the projected remedial action needs for orphaned, abandoned, and other cleanup sites eligible for funding from the STCA.
- Identification of projected solid and hazardous waste planning, prevention, reduction and recycling, and solid waste facility compliance and enforcement needs eligible for funding from LTCA and STCA.
- Long-term projections of the remedial action need, cost, revenue, and capital reserve estimates for both the LTCA and the STCA.
- Ranked lists of remedial action projects under both accounts.

Assumptions

The following summary of Key Assumptions guided the development of the ten-year financing report to the Legislature:

- Current law and current rule provide the basis for programs, initiatives, activities, financial information, and project lists included in this report. Current law and current rule are defined as included in statute (RCW), Washington Administrative Code, Ecology program plan, and proposed budget.
- The initial MTCA ten-year financial planning effort and report to the Legislature focus on core hazardous waste cleanup, prevention, and waste management activities, based on the intent of SHB 1761.
- The Governor's Priority of Government budget activities provide a uniform, generally accepted way of summarizing MTCA programs and initiatives. Ecology's biennial budget is developed in this framework, and it provides important focus for the MTCA ten-year financial plan and report to the Legislature.
- This report to the Legislature presents program plans and financial information for fiscal years 2010-19. Ecology's biennial 2009-11 budget submittals for MTCA programs and activities are consistent with the 2009-11 portion of the ten-year financing report to the Legislature.
- Cost estimates for most programs or activities beyond the 2009-11 budget for operating expense activities use the Implicit Price Deflator for Personal Consumption (IPD-PC) as the primary measure of inflation. Most capital appropriation estimates were held constant, particularly if they include pass-through grants to local governments for hazardous/toxic waste cleanup, prevention, or waste management programs.
- Ten-year Hazardous Substance Tax revenue forecasts and distributions to State and Local Toxics Accounts were prepared by the Department of Revenue and are included in the financial information summaries. Other ten-year State Toxics Control Account revenue estimates (Voluntary Cleanup, Cost Recovery, and Miscellaneous Revenues) were prepared by Ecology staff.

Background

The Model Toxics Control Act or MTCA (RCW 70.105D) was established through a citizen initiative (Initiative 97) in November 1988. The law funds hazardous waste cleanup and prevention activities through a tax on the wholesale value of hazardous substances. This tax (the Hazardous Substances Tax, or HST) is imposed on petroleum products, pesticides, and certain chemicals at a rate of \$7 per \$1,000 of wholesale value.

Revenues from the HST are deposited in the State Toxics Control Account (STCA) and the Local Toxics Control Account (LTCA). The STCA is used to support toxic waste cleanup; hazardous waste planning; hazardous waste prevention; solid waste planning; waste management and technical assistance; and other programs at Ecology and other state agencies. The LTCA is used primarily to support local efforts to clean up hazardous waste sites, plan for solid and hazardous waste management, prevent contamination, and reduce and recycle solid and hazardous wastes.

For the purposes of this report, MTCA funds are broken down into three main categories of use as follows:

- **Cleanup activities** remove or immobilize hazardous substances at contaminated sites, keep hazardous substances out, and provide opportunities for habitat restoration, economic development, and public recreation.
- **Waste management activities** focus on making sure toxic chemicals and hazardous wastes are safely stored, treated, recycled, or disposed properly.
- **Pollution prevention activities** focus on changes to process, practice, materials, and energy to minimize or eliminate the creation of hazardous waste or use of toxic chemicals.

Washington State has made a lot of progress in the last 25 years when it comes to cleaning up, handling, reducing, and recycling toxic chemicals – hundreds of cleanups have been completed or are underway, most hazardous wastes from industry are managed well, and the volume of hazardous waste has dropped considerably. In 2005, Ecology reached a 1990 legislative goal of reducing hazardous waste in the state by 50 percent.

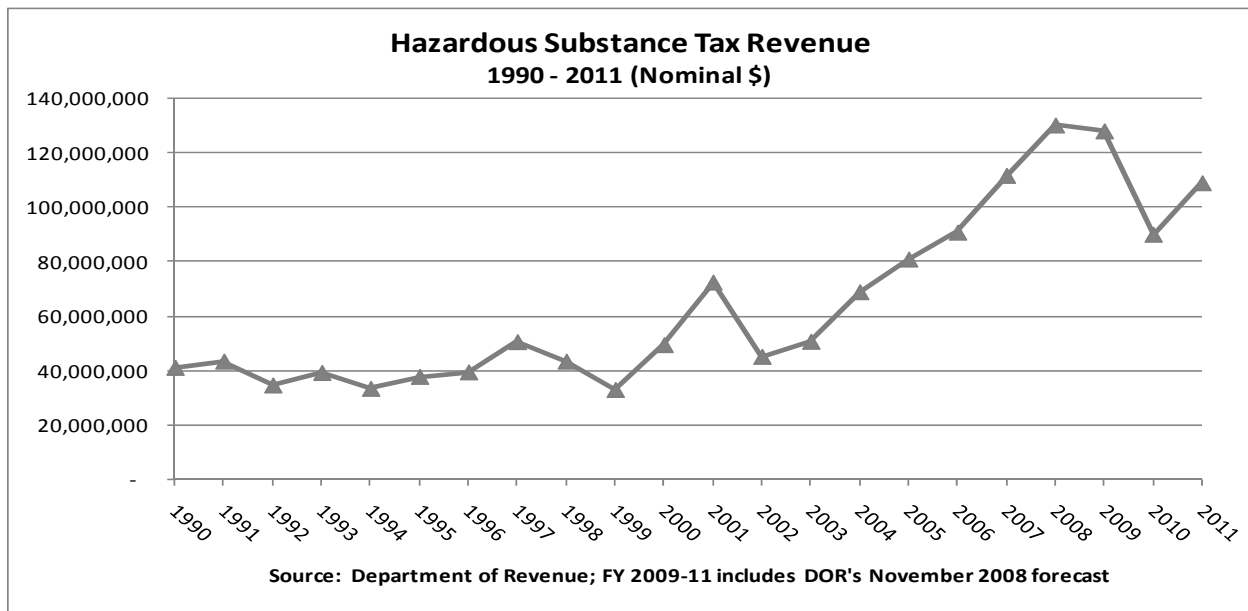
Approaches that anticipate and prevent the creation of pollutants and wastes are preferred to management methods, such as treatment, re-use, and recycling. Safe management is still important in overall environmental protection efforts, but even the best waste management practices are not the same as avoiding the creation of waste in the first place. Avoiding the use of toxic chemicals is the smartest, cheapest, and healthiest approach. Efforts to streamline business production and reduce toxic chemicals also lead to significant energy, water, and money savings for Washington manufacturers. Hundreds of businesses in Washington have saved money and increased their competitive advantage through reducing their use of toxic chemicals; and often, the more significant the reduction effort - the more the cost savings.

Summary Ten-Year Financing Plan for STCA and LTCA

Fund Volatility / Working Capital Reserves

As oil prices and utilization change, Hazardous Substance Tax (HST) revenue can increase or decrease dramatically. Sharply increased oil prices in recent years have dramatically increased the available revenue. However, the long-term forecast is for oil prices to moderate, thereby lowering future MTCA revenue. This is further underscored by a 53 percent drop in oil prices between July and September 2008. Highlighting the volatility of this revenue source is the Department of Revenue's November 2008 forecast of the HST, which shows a 24 percent reduction in revenue for 2009-11 from the September 2008 forecast.

Figure 1: Hazardous Substance Tax Revenue



To sustain funding for long-term needs and mitigate for revenue volatility, it is important to not over-commit the funds. Historically, this has been accomplished by funding one-time projects (primarily capital projects) and activities at the margin to maintain a sustainable level of ongoing activities. The ten-year financing plan includes a reserve of \$3 million in both the STCA and LTCA to mitigate for short-term fund volatility due primarily to refunds.

Working capital reserves are intended to cover fluctuations in cash flow. For most funds, a reasonable amount would be sufficient to cover two month's worth of cash expenditures. Due to the large cash balances in both the STCA and LTCA, the state has not found it necessary to establish working capital reserves to cover cash flow fluctuations. These large cash balances occur primarily due to capital budget re-appropriations. Generally, these are dollars committed to large-scale cleanups that take several years to complete.

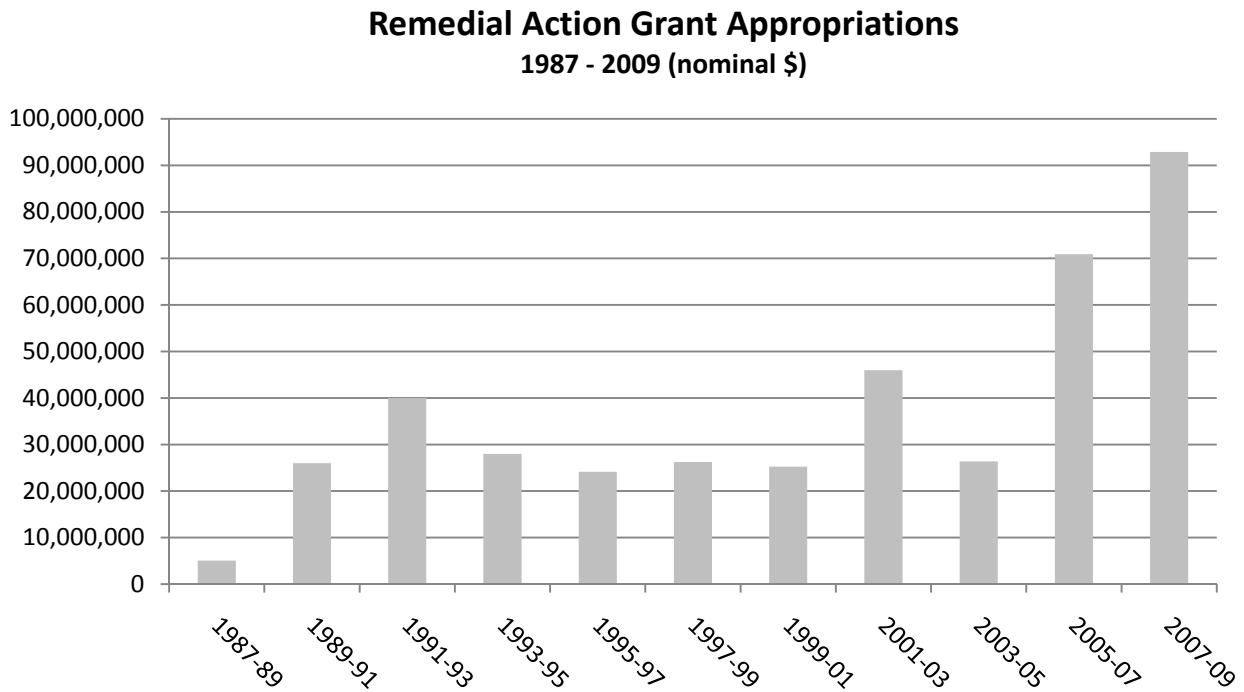
HB 1761 requires Ecology to work with local governments on developing working capital reserves to be incorporated in the 10 year report. In response, Ecology with local government input, developed a \$100 million Remedial Action Grant (RAG) bond proposal to help meet the long-term financing needs for cleaning up high priority sites in Puget Sound and statewide (see Figure 6). The RAG bond proposal intends to meet the working capital reserve requirements of the law by putting MTCA resources to work by providing local governments with planning certainty and focusing additional resources on cleaning up toxic waste sites critical for economic development and habitat restoration projects.

Remedial Action Grants / Puget Sound Action Agenda

As oil prices have risen, investments in remedial action grants (RAG) for large, complex cleanup projects have grown by approximately 300 percent. These projects often take several biennia to complete, resulting in large re-appropriations carried from one biennium to the next.

Consequently, LTCA funds are held in re-appropriations to meet future commitments critical to ports and local governments as they raise funds to match planned cleanup costs.

Figure 2: Remedial Action Grant New Appropriations (Does not reflect re-appropriation amounts.)



The ten-year financing plan assumes RAG spending needs for 2009-11 is based on historic spending patterns (summarized in the table below). Comparing RAG capital appropriations to actual expenditures over the last several biennia shows a reduction in the percentage of expenditures compared to appropriation authority. Larger scale projects often take several biennium to finish. Grant recipients are on track to spend 50 percent of the 2007-09 RAG appropriation in the current biennium, and have spent about the same portion (50 percent) of the 2005-07 appropriation, resulting in large capital re-appropriation requests.

Figure 3: Remedial Action Grant Applications & Expenditures

Biennium	RAG Appropriations (\$)	RAG Expenditures (\$)	Percent Expended in Biennium
1997-1999	26,226,000	21,024,000	80%
1999-2001	25,233,000	17,058,000	68%
2001-2003	45,982,000	38,318,000	83%
2003-2005	26,380,000	25,855,000	98%
2005-2007	70,900,000	35,956,000	51%
2007-2009	92,875,000	45,816,000	49%

The following two charts summarize the MTCA ten-year financing plans for revenue, including working capital or contingency reserves, and expenditures from the State STCA and LTCA. Please note the 10-year summary plans focus on core MTCA cleanup, prevention, and waste management activities and programs funded largely by traditional cash spending of Hazardous Substance Tax revenues. The plans do not include revenues (bond proceeds) or proposed operating or capital budgets aligning with bond proceeds from the \$100 million RAG and \$200 million Puget Sound Initiative bond financing budget proposals from November 2008 (see Appendix C). Details of the proposed \$100 million RAG bond 10-year plan, however, are summarized at the bottom of Figure 5 since it was critical to supporting the long-term cleanup needs of ports and local governments. Also, Figure 4 does not include Mixed Waste Fee revenues in the STCA or related maintenance level or policy level budget activities.

Figure 4: State Toxics Control Account Ten-Year Financing Plan, 2009-11 Budget Request and 2011-19 Projected Needs

(Dollars In Thousands)		2009-11	2011-13	2013-15	2015-17	2017-19	Ten-Year Total
Source of Funds: Revenue							
DOR	Hazardous Substance Tax (DOR 10 year forecast, Sept. 2008)	122,510	128,560	129,560	129,560	127,280	637,470
ECY	Cost Recovery (Ecology forecast, October 2008)	14,440	14,490	15,790	17,210	18,760	80,690
ECY	Voluntary Cleanup Program (Ecology forecast, October 2008)	1,770	1,770	1,770	1,770	1,770	8,850
ECY	Fines and Penalties (Ecology forecast, October 2008)	320	320	320	320	320	1,600
ECY	Spills Cost Recovery (Ecology forecast, October 2008)	50	50	50	50	50	250
ECY	ASARCO Cost Recovery	-	-	-	-	-	-
ECY	Reserves (Working Capital)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(15,000)
Total Revenue		\$ 136,090	142,190	144,490	145,910	145,180	713,860
Uses of Funds							
Operating Appropriations							
Maintenance Level (ML) Requests for Ecology and Other Agencies							
	Cleanup Maintenance Level	46,601	48,605	50,549	52,571	54,674	253,000
	Prevention Maintenance Level	3,643	3,799	3,951	4,109	4,274	19,776
	Waste Management Maintenance Level	12,558	13,098	13,622	14,167	14,734	68,179
	Cleanup/Prevention/Waste Management ML*	11,098	11,575	12,038	12,519	13,020	60,250
	Administration	11,663	12,165	12,651	13,157	13,683	63,319
	Other Agency Cleanup & Waste Management ML	10,386	10,833	11,266	11,717	12,185	56,387
Total ML Requests For Ecology & Other Agencies		\$ 95,949	100,075	104,077	108,240	112,570	520,911
09-11 Ecology Policy Level Budget Requests							
	Cleanup: Cleanup Pollution in Puget Sound - PSI	3,630	4,340	4,340	4,340	4,340	20,990
	Cleanup: Accelerate Toxic TSD Cleanups	810	840	710	740	470	3,570
	Cleanup: Defense Sites Cleanup Fund Shift	1,200	1,200	1,200	1,200	1,200	6,000
	Cleanup: Enhance Grant and Cleanup Capacity	1,250	1,220	1,220	1,220	1,220	6,130
	Cleanup: Enhancing Puget Sound Restoration	720	720	720	720	720	3,600
	Cleanup: Pre-Payment Agreement Authority	1,460	1,200	1,200	1,200	1,200	6,260
	Cleanup: Superfund Operation & Maintenance	2,350	2,350	2,350	2,350	2,350	11,750
	Management: Expand Compliance Capacity - PSI	4,148	2,704	2,704	2,704	2,704	14,964
	Management: Accelerate Stormwater Management - PSI	2,000	220	220	220	220	2,880
	Prevention: No Discharge Zone - PSI	320	310	310	310	310	1,560
	Prevention: Stabilize Water Quality - PSI	4,595	3,196	-	-	-	7,791
	Prevention: Update Shoreline Regulations - PSI	2,054	1,993	1,993	1,993	1,993	10,026
	Prevention/Management: Community Right to Know Fund Shift	600	600	600	600	600	3,000
Total 09-11 Ecology Policy Level Budget Requests		\$ 25,137	20,893	17,567	17,597	17,327	98,521
09-11 Non-Ecology Policy Level Budget Requests							
PSP	Cleanup: Staffing/Regional Support - PSI	2,128	2,128	-	-	-	4,256
PSP	Cleanup: Status and Trends - PSI	1,300	1,350	1,400	1,460	1,520	7,030
PSP	Cleanup: Implement the Biennial Science Work Plan	1,120	1,160	1,210	1,270	1,300	6,060
DNR	Cleanup: Aquatic Lands	800	800	800	800	800	4,000
PSP	Prevention: Low Impact Stormwater Technical Assistance - PSI	750	520	550	570	590	2,980
DOH	Prevention/Management: Managing PS Septic Systems - PSI	880					880
Total 09-11 Non-Ecology Policy Level Budget Requests		\$ 6,978	5,958	3,960	4,100	4,210	25,206
Total 09-11 Operating Appropriations Request		\$ 32,115	26,851	21,527	21,697	21,537	123,727
Use of Funds: 09-11 Capital Appropriations Request							
Ecology Ongoing Capital Requests							
	Cleanup: Orphaned and Abandoned Site Cleanup Initiative	2,900	1,900	1,900	1,900	1,900	10,500
	Cleanup: Safe Soils Remediation Program	4,000	-	-	-	-	4,000
	Cleanup: Clean up Toxic Sites - Puget Sound	9,600	12,000	12,000	12,000	12,000	57,600
Ecology New or Time-Limited Capital Requests							
	Cleanup: BNSF Skykomish Cleanup and Restoration	2,300	-	-	-	-	2,300
	Cleanup: Upper Columbia River Black Sand Beach Cleanup	3,000	-	-	-	-	3,000
	Cleanup: Elwha River Restoration - PSI	4,800	-	-	-	-	4,800
Total Ecology 09-11 Capital Budget Requests		\$ 26,600	13,900	13,900	13,900	13,900	82,200
Other Agency Capital Requests							
DNR	Cleanup: Clean up State Owned Aquatic Lands	5,000	4,000	-	-	-	9,000
DNR	Cleanup: Marine Station Toxics Cleanup	1,000	-	-	-	-	1,000
Total 09-11 Capital Appropriations Request		\$ 32,600	17,900	13,900	13,900	13,900	92,200
	Projected Cleanup, Prevention, and Waste Management Needs Beyond Budget Requests **		13,984	18,309	18,312	18,767	69,372
Total Operating and Capital Appropriations		\$ 160,664	158,810	157,813	162,149	166,774	806,210

* Note: The Cleanup/Prevention/Waste Management maintenance level row summarizes Ecology budget activities that cross functional lines. For example, the Solid Waste and Financial Assistance Program activity A013 "Fund Local Efforts to Clean Toxic Sites, Manage, and Reduce Trash" involves cleanup, prevention, and waste management resources and staff funded from both the State and Local Toxics Control Accounts.

** Note: Additional Detail on Cleanup, Prevention, and Waste Management needs beyond 2009-11 is provided in Appendix B.

Figure 5: Local Toxics Control Account Ten-Year Financing Plan, 2009-11 Budget Request and 2011-19 Projected Needs

(Dollars In Thousands)		2009-11	2011-13	2013-15	2015-17	2017-19	Ten-Year Total
Source of Funds: Revenue							
DOR	Hazardous Substance Tax (DOR 10 year forecast, September 2008)	138,150	144,390	145,520	145,510	142,950	716,520
	Reserves (Working Capital)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(15,000)
Total Revenue		\$ 135,150	141,390	142,520	142,510	139,950	701,520
Uses of Funds							
Operating Appropriations							
Maintenance Level (ML) Requests by Function for Ecology							
	Cleanup Maintenance Level	1,317	1,374	1,429	1,486	1,545	7,151
	Prevention Maintenance Level	9,854	10,278	10,689	11,116	11,561	53,498
	Waste Management Maintenance Level	3,141	3,276	3,407	3,544	3,685	17,053
	Cleanup/Prevention/Waste Management ML*	3,994	4,165	4,332	4,505	4,685	21,681
	Administration	1,066	1,106	1,151	1,197	1,244	5,758
Total Maintenance Level Requests for Ecology		\$ 19,366	20,199	21,008	21,848	22,720	105,141
09-11 Ecology Policy Level Budget Requests							
	Cleanup: Enhancing PS Restoration	1,000	1,000	1,000	1,000	1,000	5,000
	Cleanup: Enhance Grant and Cleanup Capacity	520	500	500	500	500	2,520
	Cleanup: Spill Response Equipment Caches	600	-	-	-	-	600
	Management: Update Shoreline Regulations - PSI	3,000	3,000	3,000	-	-	9,000
	Management: Expand Compliance Capacity - PSI	400	400	400	400	400	2,000
	Management: Oil Spill Account Shortfall - PSI	8,000	-	-	-	-	8,000
	Prevention: Neah Bay Tug - PSI	3,600	-	-	-	-	3,600
Total 09-11 Ecology Policy Level Budget Requests		\$ 17,120	4,900	4,900	1,900	1,900	30,720
09-11 Non-Ecology Policy Level Budget Requests							
WSDOT**	Prevention: Stormwater - PSI	19,714	-	-	-	-	19,714
DOH**	Prevent./Manage.: Managing Septic Systems - PSI	7,906	-	-	-	-	7,906
Total 09-11 Non-Ecology Policy Level Budget Requests		27,620	-	-	-	-	27,620
Total 09-11 Operating Appropriations Request		\$ 44,740	4,900	4,900	1,900	1,900	58,340
Use of Funds: 09-11 Capital Appropriations Request							
Ecology Ongoing Capital Requests							
	Cleanup: Remedial Action Grants	45,000	45,000	45,000	45,000	45,000	225,000
	Prevention/Management: Coordinated Prevention Grants	27,060	28,730	30,500	32,290	34,160	152,740
	Prevention: Reducing Health Threats from Port Trucks	3,250	6,000	6,000	6,000	-	21,250
	Prevention: Reducing Health Treats from Wood Stoves	2,000	2,000	2,000	2,000	2,000	10,000
New or Time Limited Capital Requests							
	Cleanup: Swift Creek	1,000	7,800	2,900	2,000	2,100	15,800
Total 09-11 Capital Appropriations Request		\$ 78,310	89,530	86,400	87,290	83,260	424,790
	Projected Cleanup, Prevention, and Waste Management Needs Beyond Budget Requests **		3,274	9,888	10,751	11,644	35,557
Total Operating and Capital Appropriations		\$ 142,416	117,903	122,196	121,789	119,524	623,828
* Note: The Cleanup/Prevention/Waste Management maintenance level row summarizes Ecology budget activities that cross functional lines. For example, the Solid Waste and Financial Assistance Program activity A013 "Fund Local Efforts to Clean Toxic Sites, Manage, and Reduce Trash" involves cleanup, prevention, and waste management resources and staff funded from both the State and Local Toxics Control Accounts.							
** Note: Additional Detail on Cleanup, Prevention, and Waste Management needs beyond 2009-11 is provided in Appendix B.							
*** Note: WSDOT and DOH drafted decision packages for Puget Sound Initiative but may not have submitted to formal budget reporting system.							
Remedial Action Grant \$100 Million Bond Proposal							
Part of the Proposed Puget Sound Investment Strategy							
(Dollars In Thousands)		2009-11	2011-13	2013-15	2015-17	2017-19	Ten-Year Total
Revenue							
	RAG Bond Proceeds to New Bond Fund (DXW-1 RAA-State)	20,000	20,000	20,000	20,000	20,000	100,000
09-11 Operating Appropriations Request							
	RAG Bond Debt Service Funded from the LTCA	1,357	4,554	7,767	10,981	14,194	38,853
09-11 Capital Appropriations Request							
	RAG Grants to Local Governments From New Bond Fund (DXW-1 RAA-State)	20,000	20,000	20,000	20,000	20,000	100,000
Total 09-11 RAG Bond Appropriations		\$ 21,357	24,554	27,767	30,981	34,194	138,853

The LTCA and STCA financing plans (figures 4 and 5) summarize Ecology and other agency budget requests for 2009-11 and projections for future needs through 2019. On the operating appropriations side, activities are grouped separately for maintenance and policy level budget

activities and by cleanup, prevention, and waste management functions. Capital appropriations are organized as ongoing or new/time-limited. The ongoing are long-standing waste management grant programs to local governments or established cleanup programs. The new/time limited are shorter duration investments reflecting Ecology and legislative policy for focusing marginal Hazardous Substance Tax revenue toward targeted, ready-to-proceed investment in toxics cleanup and prevention.

The majority of the fund sources include the Department of Revenue September 2008 ten-year projections of Hazardous Substance Tax forecasts and distributions to the LTCA and STCA. Other ten-year STCA revenue estimates (Voluntary Cleanup, Cost Recovery) are prepared by Ecology staff. Ecology's 2009-11 budget submittal for LTCA and STCA programs and activities aligns with the 2009-11 portion of the ten-year financing report.

The LTCA and STCA ten-year financing summary tables include both short- and long-term MTCA needs and cost estimates for cleanup, prevention, and waste management activities and initiatives. The ten-year tables include short-term prioritized needs associated with 2009-11 maintenance level and policy level budget requests, along with long-term (out-biennia) needs based on new or expanded program activities and initiatives. The out-biennia MTCA needs are summarized at the bottom of the STCA and LTCA charts as "Projected cleanup, prevention, and waste management needs beyond 2009-11 budget requests." Appendix B includes summary tables with additional agency detail on planned MTCA budget proposals beyond 2009-11. It is assumed these proposals will be further developed and reviewed by agencies through individual budget development process, and ultimately decided by the Governor and Legislature.

The LTCA ten-year financing summary shows total 2009-11 budget requests exceed Hazardous Substance Tax revenue distributions. Growth in estimated out-year expenditures reflects the impacts of inflation on baseline operating maintenance level activities; proposed 2009-11 new programs; ongoing capital cleanup, prevention, and waste management grants to local governments; and the estimated needs for remedial action grant cleanups through 2019. The combination of inflation impacts, proposed new budget requests, continuing capital programs including remedial action grants, and flat or declining revenue estimates by 2019, provides little

capacity for Hazardous Substance Tax revenue fluctuations or growth or expansion of cleanup, prevention, and waste management activities.

The STCA ten-year financing summary shows total 2009-11 budget requests exceed total revenue estimates. This is caused, in part, by proposed new 2009-11 capital and operating spending. Through the 2017-19 biennium, total cost estimates generally exceed revenues. Long-term STCA financing pressures are caused by flat or declining HST revenue projections, growth in projected baseline operating activity costs in the out years from inflation, and new 2009-11 Ecology or other state agency initiatives funded from the STCA. As a result, there is little or no capacity for Hazardous Substance Tax revenue fluctuations, or growth or expansion of cleanup, prevention, and waste management activities. The legislative appropriations process will ultimately decide priority investment in STCA activities and initiatives.

Stakeholder Involvement and Coordination

The MTCA ten-year financing report is intended to provide more planning and funding certainty by identifying future hazardous waste cleanup, prevention, and waste prevention needs. Stakeholder participation in the process and input on cost estimates is critical for providing a comprehensive and credible report.

In preparing this report, Ecology coordinated and consulted with the Legislature, the Office of Financial Management, other state agencies that receive MTCA funds, local governments (cities, counties, and ports), business organizations and associations, the MTCA stakeholder group, Ecology program stakeholders, and environmental groups.

Local Government Input

Local governments, through activities and initiatives funded largely by appropriations from the LTCA, are critical to delivering the environmental benefits of hazardous waste cleanup, prevention, and waste management strategies. LTCA grant programs generally require matching funds from local governments, increasing the total resources available to support cleanup, prevention, and waste management initiatives. Ecology worked closely with local governments¹ to prioritize uses of MTCA resources, consistent with requirements of the law. Ecology provides ongoing technical assistance, and administers local government grants and loans.

For this report, local government stakeholder meetings provided opportunities for input on the MTCA ten-year financing report assumptions. Local governments also provided insight into more technical issues related to toxic waste cleanup cost estimates; solid and hazardous waste planning; waste prevention and reduction; recycling and solid waste facility compliance and enforcement needs; and remedial action project lists, cost estimates, and prioritization.

Ecology used several forums to get input on the ten-year MTCA plans, initiatives¹, and cost estimates. These forums included:

- Remedial Action Grant program recipients; namely ports and local governments.

¹ City and county associations, public health agencies, ports/port association, Solid Waste Advisory Committee.

- Diverse stakeholders, including local environmental health directors, statewide business and governmental associations (cities and counties), and environmental groups.

State Agencies Receiving MTCA Funding

Ecology coordinated with other agencies to prepare needs and cost estimates for this report. During May of 2008, Ecology staff conducted briefings with the Office of Financial Management and legislative committee staff, sharing assumptions and describing the process underway for completing the ten-year financing report.

In May and June of 2008, other state agencies that receive MTCA funds for hazardous waste cleanup, prevention, and management activities were integrated into the process. They include the Department of Health, Department of Agriculture, Department of Natural Resources, Washington State Patrol, Washington State Department of Transportation, and the Puget Sound Partnership. Their cost forecasts are included in Figures 4 and 5, and new proposals beyond 2009-11 are summarized in Appendix B. Coordination with other state agencies highlights the importance of providing the Legislature and public with accurate and complete financial estimates for planned activities and initiatives to help inform future uses of MTCA resources. For additional information on other state agency MTCA programs, activities, and initiatives, see the Model *Toxics Control Account Fiscal Year 2007 Annual Report* on the Ecology Web site (www.ecy.wa.gov).

Other Stakeholder Input

Other stakeholders had varying roles in preparing this report. The MTCA Stakeholder Group, ranging from oil and chemical companies to environmental groups, meets periodically to review MTCA priorities, plans, and strategic directives. Associations representing business interests were contacted by Ecology as part of ongoing communication and outreach related to the Beyond Waste Plan.

Project Lists and Financing Plans

Project lists and financing plans are organized around Ecology's three basic strategies to reduce toxic threats to human health and the environment:

- **Cleanup activities** remove or immobilize hazardous substances at contaminated sites, keep hazardous substances out, and provide opportunities for habitat restoration, economic development, and public recreation.
- **Waste management activities** focus on making sure toxic chemicals and hazardous wastes are safely stored, treated, recycled, or disposed properly.
- **Pollution prevention activities** focus on changes to process, practice, materials, and energy to minimize or eliminate the creation of hazardous waste or use of toxic chemicals.

Cleanup – Project Lists and Financing Plans

Background

Ecology's goal is to remove contaminants from the environment and keep them out. Ecology has identified over 11,000 toxic contaminated sites since the mid-1980s, and 57 percent of these sites have been cleaned up or require no further action. Another 2,750 are currently in the process of being cleaned up by site owners (including government) or through the orphaned site (clean sites) program. Roughly 1,900 sites still need to be cleaned up.

Over the last five years, 400 new sites have been reported to the agency each year. Most of these sites are being cleaned up voluntarily by the site owner.

Once a site is contaminated with toxic chemicals, it can take up to 12 years to clean it up. This is especially true for sites that have contaminated water (surface or ground) or marine sediment. Ecology makes every attempt to locate and hold liable individuals and businesses – both private and government - responsible for the site cleanup. Ecology works with potentially liable parties to:

- Investigate the extent of contamination.
- Develop feasible approaches for cleanup.
- Develop cleanup plans and conduct the cleanup construction.

Emerging Issues

There are two significant issues creating challenges for cleaning up contaminated sites. The financial mechanisms to pay for large, complex cleanup projects and additional “area-wide” type contamination that will create new sites or threaten to re-contaminate sites already cleaned up.

Funding Large Cleanup Projects

Today's contaminated site cleanups are much larger than in the past, and the complexity at sites is increasing. For instance, marine ports with sediment contamination are very expensive to clean up and currently use most of the available LTCA grant funding. Port sites commonly take ten years or

more to clean up. The current model for financing these longer-term cleanup projects is tied to the state's biennial funding and expenditure plan. This model does not provide long-term funding certainty for local government once they begin the cleanup process using state grants.

The ten-year financing plan proposal to establish a \$100 million bond authority for Remedial Action Grants provides greater certainty for communities such as Bellingham Bay, Lower Duwamish, Commencement Bay and the Port of Ridgefield as they pursue economic planning and development.

Area-wide Contamination

Traditionally, the state has cleaned up contamination one site at a time. Technology and knowledge about the science of contamination is improving. This is leading to an increased awareness of contamination that is more widespread. For instance, Ecology is working with local governments to address lead and arsenic contamination from the historical use of smelters and former orchard lands that are now schools and playgrounds. Broad areas of land have been contaminated from these sources.

Nonpoint source pollution, such as stormwater, is causing contamination and re-contamination of already cleaned up sites. Source control of pollution is becoming a major focal point in the use of funds to prevent site contamination.

Four ranked and prioritized project lists are included in this report. The first list is for RAG local government sites eligible for funding from the LTCA. The remaining lists are from the STCA and are comprised of sites that include "Safe Soils," "Puget Sound Initiative," and "orphaned, abandoned, or other eligible sites." Orphaned and abandoned sites are ones where the site owner has been unable or unwilling to pay for the cleanup costs. These are sites where the state steps in and begins cleanup actions. The state retains the option to cost recover cleanup and oversight costs. Several factors were considered in developing criteria for the contaminated site lists:

- Discussions with local governments.
- Hazard ranking of contaminated sites.

- Length of time the site has been waiting to be cleaned up.
- Contaminated site priority of local governments.
- Readiness of local government or private site to proceed with a cleanup.

A steady number of sites are reported to Ecology each year. It is likely that sites more hazardous to human health and the environment will be reported and moved up in priority for cleanup actions in the future.

Remedial Action Grant Program

Background

Through Ecology, the state offers remedial action grants and loans to local governments to encourage and expedite cleanup activity. “Local government” means any political subdivision, regional-government unit, district, or municipal or public corporation, including cities, towns, and counties. The grants and loans lessen the impact of the cost to rate payers and taxpayers and remove harmful substances from the environment.

Findings

- Based on coordination with local governments statewide, Ecology estimates that 118 of the nearly 1,000 public sites waiting to begin cleanups and with cleanups underway will need RAG funding through 2019. This is one percent of all sites statewide and 27 percent of all public sites waiting to begin cleanup.
- RCW 70.105D provides for a 50 percent matching grant program to reimburse local government costs for federal (Superfund) and state (MTCA) remedial action sites. Recent changes to the statute allow for raising the state share for fund contributions to expedite cleanups and encourage revitalizing properties where contamination has hindered reuse.
 - The total ten-year estimated cost to complete remediation at these sites is \$1,029,000,000.
 - The state share of these costs is estimated at a minimum of \$532,000,000.
- Of the reported 118 sites, 48 are high priority (41 percent), and 68 percent are in the Puget Sound Basin.
- The cost range is between \$10,000 and \$ 350,000,000 per site cleanup, indicating variability in the size and nature of cleanups being conducted under the RAG program.

Conclusions

- The RAG program estimated need for state matching funds for all projects currently identified is \$532 million or an average \$116,750,000 per biennium. Operating the program at this level would provide the resources to meet all local government estimates for site cleanups under the RAG program during the next ten years. This is based on Ecology estimates for the state portion of RAG cleanups which is 50 percent in most cases.
- The state portion of the 2009-11 RAG need for high priority projects is estimated at \$85 million including a mix of on-going cleanups at current sites and new projects. Ecology's 2009-11 capital budget request included \$45 million in cash and a \$100 million bond authorization as a means of meeting longer term commitments and matching spending needs more closely to actual spending patterns. Ecology estimates this is sufficient to maintain progress on RAG programs since actual expenditures during the last two biennia have been 50 percent of appropriation authority.

Figure 6: Ten-Year Remedial Action Grant Needs List

Site Name	Rank HML	Region	County	Total Project Costs Requested 09-11	Total Project Costs Requested 11-13	Total Project Costs Requested 13-15	Total Project Costs Requested 15-17	Total Project Costs Requested 17-19	Total Project Cost	Future Cost Local Share	Future Cost State Share
Boulevard Park	H	NWRO	Whatcom	800,000	8,000,000	-	-	-	8,800,000	4,400,000	4,400,000
Bulk Fuel Terminal - Port of Pasco	H	ERO	Franklin	266,072	450,000	285,000	120,000	-	1,121,072	560,536	560,536
Cascade Pole - Port of Olympia	H	SWRO	Thurston	3,376,134	1,665,566	-	-	-	5,041,700	2,520,850	2,520,850
Central Waterfront	H	NWRO	Whatcom	7,120,000	-	-	-	-	7,120,000	3,560,000	3,560,000
Cornwall Landfill	H	NWRO	Whatcom	1,620,000	220,000	-	-	-	1,840,000	920,000	920,000
Dock Street (4th - 11th) - City of Tacoma	H	SWRO	Pierce	500,000	-	-	-	-	500,000	250,000	250,000
East Waterway - Port of Seattle - EPA Lead	H	NWRO	King	5,290,000	20,000,000	22,000,000	36,000,000	45,000,000	128,290,000	64,145,000	64,145,000
Ephrata Landfill-Grant County	H	ERO	Grant	5,000,000	-	-	-	-	5,000,000	2,500,000	2,500,000
Focus Fidalgo (Former Scott Paper, Former Shell Tank Farm, Pier 2 Log Haul Out, Cap Sante Sediments)	H	LAC	Skagit	42,886,179	1,410,372	-	-	-	44,296,551	22,148,276	22,148,276
Former Safeway Site - City of Olympia	H	SWRO	Thurston	1,600,000	-	-	-	-	1,600,000	800,000	800,000
Former Weyerhaeuser Mill	H	LAC	Snohomish	-	9,460,376	14,365,316	465,072	285,400	24,576,164	12,288,082	12,288,082
Foss Waterway Site 6 - City of Tacoma	H	SWRO	Pierce	500,000	-	-	-	-	500,000	250,000	250,000
Foss Waterway Site 8 - City of Tacoma	H	SWRO	Pierce	500,000	-	-	-	-	500,000	250,000	250,000
Foss Waterway Site 9 - City of Tacoma	H	SWRO	Pierce	500,000	-	-	-	-	500,000	250,000	250,000
Gas Works Park	H	NWRO	King	1,421,000	18,246,000	60,000	30,000	30,000	19,787,000	9,893,500	9,893,500
GP Mill (Chlor Alkali, Pulp & Tissue Mill)	H	NWRO	Whatcom	7,900,000	8,820,000	-	-	-	16,720,000	8,360,000	8,360,000
Harris Ave Shipyard	H	NWRO	Whatcom	1,800,000	-	-	-	-	1,800,000	900,000	900,000

Site Name	Rank HML	Region	County	Total Project Costs Requested 09-11	Total Project Costs Requested 11-13	Total Project Costs Requested 13-15	Total Project Costs Requested 15-17	Total Project Costs Requested 17-19	Total Project Cost	Future Cost Local Share	Future Cost State Share
Head of Hylebos Cleanup	H	SWRO	Pierce	-	100,000	100,000	50,000	-	250,000	125,000	125,000
Hylebos: Pier 25 Bank Cleanup	H	SWRO	Pierce	-	5,338,000	51,000	40,000	-	5,429,000	2,714,500	2,714,500
Hylebos: Segments 3, 4 & 5	H	SWRO	Pierce	-	130,000	40,000	40,000	-	210,000	105,000	105,000
Hylebos: Zinc Remediation for Pier 24	H	SWRO	Pierce	50,000	-	-	-	-	50,000	25,000	25,000
I & J Waterway	H	NWRO	Whatcom	1,700,000	-	-	-	-	1,700,000	850,000	850,000
Jones(Head of Foss Waterway) - City of Tacoma	H	SWRO	Pierce	300,000	-	-	-	-	300,000	150,000	150,000
Lake Washington Ship Canal	H	NWRO	King	-	-	1,200,000	2,400,000	3,650,000	7,250,000	3,625,000	3,625,000
Little Squalicum Park	H	NWRO	Whatcom	500,000	-	-	-	-	500,000	250,000	250,000
Lower Duwamish Waterway (King County)	H	NWRO	King	466,509	-	-	-	-	466,509	233,255	233,255
Lower Duwamish Waterway (SCL)	H	NWRO	King	4,406,163	1,156,250	248,500	190,000	-	6,000,913	3,000,457	3,000,457
Lower Duwamish Waterway (SPU) (Includes 3 M for Dallas St.as part of T117)	H	NWRO	King	7,000,000	3,000,000	1,000,000	1,000,000	-	12,000,000	6,000,000	6,000,000
Lower Duwamish Waterway (Port of Seattle)(includes 2M for Dallas St as part of T117, and T11-13 includes T117 Sediments cleanup \$ for all the LDWG partners)	H	NWRO	King	8,000,000	108,403,334	170,040,000	63,576,667	-	350,020,001	175,010,001	175,010,001
Marine Services NW	H	NWRO	Whatcom	560,000	-	-	-	-	560,000	280,000	280,000
North Boeing Field/Georgetown Steamplant (KC Airport)	H	NWRO	King	256,000	126,000	-	-	-	382,000	191,000	191,000
North Boeing Field/Georgetown Steamplant (SCL)	H	NWRO	King	256,000	122,000	-	-	-	378,000	189,000	189,000
North Boeing Field/Georgetown Steamplant (SPU)	H	NWRO	King	256,000	130,000	-	-	-	386,000	193,000	193,000
North Marina Redevelopment - Everett Shipyard	H	LAC	Snohomish	4,405,000	50,000	-	-	-	4,455,000	2,227,500	2,227,500
North Marina Redevelopment (West End, Ameron, Baywood)	H	LAC	Snohomish	4,520,000	2,990,000	3,940,000	790,000	-	12,240,000	6,120,000	6,120,000
Other Port of Bellingham Sites	H	NWRO	Whatcom	1,200,000	1,460,000	1,480,000	1,840,000	-	5,980,000	2,990,000	2,990,000
Pacific Wood Treating- Port of Ridgefield Grant/Loan	H	SWRO	Clark	15,424,846	14,700,000	3,100,000	400,000	-	33,624,846	-	33,624,846
Percival Landing - City of Olympia	H	SWRO	Thurston	800,000	-	-	-	-	800,000	400,000	400,000
Puget Creek Beach - Pierce County	H	SWRO	Pierce	750,000	-	-	-	-	750,000	375,000	375,000
R.G. Haley	H	NWRO	Whatcom	6,000,000	2,000,000	-	-	-	8,000,000	4,000,000	4,000,000
South Park Landfill - Seattle Public Utilities	H	NWRO	King	8,362,000	2,800,000	596,000	-	-	11,758,000	5,879,000	5,879,000
South Terminal - Mill A Sediments	H	LAC	Snohomish	-	1,850,000	12,860,000	50,000	-	14,760,000	7,380,000	7,380,000
T-30 - Port of Seattle	H	NWRO	King	250,000	394,000	84,000	60,000	-	788,000	394,000	394,000
T-91 - Port of Seattle	H	NWRO	King	655,000	6,000,000	8,000,000	8,000,000	-	22,655,000	11,327,500	11,327,500
Weldcraft	H	NWRO	Whatcom	800,000	-	-	-	-	800,000	400,000	400,000
Whatcom Waterway	H	NWRO	Whatcom	17,240,000	-	-	-	-	17,240,000	8,620,000	8,620,000
Whitmarsh Landfill (March Point)	H	LAC	Skagit	6,000,000	4,000,000	-	-	-	10,000,000	5,000,000	5,000,000
Blair Backup Cleanup Monitoring	M	SWRO	Pierce	155,000	-	10,000	5,000	-	170,000	85,000	85,000
Brandon CSO	M	NWRO	King	-	1,300,000	3,040,000	35,000	-	4,375,000	2,187,500	2,187,500
Brown & Haley Cleanup	M	SWRO	Pierce	150,000	-	100,000	-	-	250,000	125,000	125,000
Castle Rock City Maintenance Shop	M	SWRO	Cowlitz	-	-	-	170,300	119,372	289,672	72,418	217,254
Chelan CSO	M	NWRO	King	1,300,000	335,000	30,000	-	-	1,665,000	832,500	832,500
Chevron Seattle Terminal 4097	M	NWRO	King	-	-	6,386,333	3,082,680	243,471	9,712,484	4,856,242	4,856,242
Dickman Mill	M	SWRO	Pierce	-	-	3,902,901	2,421,061	146,516	6,470,478	3,235,239	3,235,239

Site Name	Rank HML	Region	County	Total Project Costs Requested 09-11	Total Project Costs Requested 11-13	Total Project Costs Requested 13-15	Total Project Costs Requested 15-17	Total Project Costs Requested 17-19	Total Project Cost	Future Cost Local Share	Future Cost State Share
Dome District Inventory - City of Tacoma	M	SWRO	Pierce	50,000	-	-	-	-	50,000	25,000	25,000
East Bay Remediation-Port of Oly	M	SWRO	Thurston	20,580,000	200,000	-	-	-	20,780,000	10,390,000	10,390,000
Former DOT Site - City of Olympia	M	SWRO	Thurston	1,888,660	-	-	-	-	1,888,660	944,330	944,330
International Financial Services Area Inventory - City of Tacoma	M	SWRO	Pierce	50,000	-	-	-	-	50,000	25,000	25,000
Interstate 82 Exit 33 A (Yakima Old City Landfill)	M	CRO	Yakima	-	1,682,342	3,425,315	659,622	168,995	5,936,274	2,968,137	2,968,137
King Street CSO	M	NWRO	King	5,300,000	85,000	-	-	-	5,385,000	2,692,500	2,692,500
Marina Dredging-Port of Olympia	M	SWRO	Thurston	100,000	9,150,000	3,250,000	-	-	12,500,000	6,250,000	6,250,000
Marine Terminal Dredging - Port of Olympia	M	SWRO	Thurston	250,000	10,000,000	250,000	-	-	10,500,000	5,250,000	5,250,000
Marine Terminal Mid Section Remediation - Port of Oly	M	SWRO	Thurston	100,000	3,586,000	100,000	-	-	3,786,000	1,893,000	1,893,000
Maytown/Pacific Powder Cleanup (possibly Clitfor - 1391)	M	SWRO	Thurston	175,000	-	50,000	-	-	225,000	112,500	112,500
Northwest Plating	M	SWRO	Clark	-	-	1,836,600	1,232,882	88,381	3,157,863	1,578,932	1,578,932
Occidental Chemical Cleanup - 1212	M	SWRO	Pierce	-	7,622,000	5,256,000	197,000	-	13,075,000	6,537,500	6,537,500
Pacific Pride Tanker Fire	M	CRO	Chelan	-	417,568	905,858	219,396	149,218	1,692,040	846,020	846,020
Port Angeles Harbor Works Development Authority	M	SWRO	Clallam	4,000,000	-	-	-	-	4,000,000	2,000,000	2,000,000
Seattle S Transfer Station	M	NWRO	King	-	-	3,318,728	2,243,089	217,710	5,779,527	2,889,763	2,889,763
Spokane County Water Dist. 3	M	ERO	Spokane	-	623,034	1,192,380	168,141	50,372	2,033,927	1,016,964	1,016,964
Stadium High School	M	SWRO	Pierce	-	-	1,176,335	820,570	65,179	2,062,084	1,031,042	1,031,042
Sunnyside Municipal Well	M	CRO	Yakima	-	467,315	1,035,423	267,178	117,227	1,887,143	943,571	943,571
West Bay Park - City of Olympia	M	SWRO	Thurston	2,000,000	-	-	-	-	2,000,000	1,000,000	1,000,000
West Valley High School Yakima Auto Shop	M	CRO	Yakima	-	313,519	515,410	-	-	828,929	414,464	414,464
Yakima Trolley Barn (3rd & Walnut)	M	CRO	Yakima	-	750,317	1,425,505	192,018	94,607	2,462,447	615,612	1,846,835
19th & D (BNSF Oil Pipeline) City of Tacoma	L	SWRO	Pierce	800,000	-	-	-	-	800,000	400,000	400,000
American Fast Freight Cleanup	L	SWRO	Pierce	-	1,154,000	4,171,000	66,000	-	5,391,000	2,695,500	2,695,500
Anacortes City	L	NWRO	Skagit	-	-	2,753,499	1,809,320	114,893	4,677,712	2,338,856	2,338,856
Arkema Manufacturing Area - 1220	L	SWRO	Pierce	10,246,500	8,058,000	8,745,000	69,000	-	27,118,500	13,559,250	13,559,250
Brown Star Grill - City of Tacoma	L	SWRO	Pierce	400,000	-	-	-	-	400,000	200,000	200,000
Central Shop - Lewis County	L	SWRO	Lewis	440,500	-	-	-	-	440,500	110,125	330,375
Cheney Super Stop Lots 8 & 9	L	ERO	Spokane	-	260,291	555,623	127,717	62,860	1,006,491	503,246	503,246
City of Darrington	L	NWRO	Snohomish	500,000	-	-	-	-	500,000	250,000	250,000
CleanCare/Don Oline Cleanup	L	SWRO	Pierce	-	699,000	3,886,000	61,000	-	4,646,000	2,323,000	2,323,000
CMC Real Estate Othello	L	ERO	Adams	-	1,713,996	3,631,473	813,742	96,744	6,255,956	3,127,978	3,127,978
Columbia Street Parking Lot - City of Olympia	L	SWRO	Thurston	200,000	-	-	-	-	200,000	100,000	100,000
Dunlap Mound - Atofina Chemical 3009 Taylor Way log yard - 1219	L	SWRO	Pierce	8,814,000	-	-	-	-	8,814,000	4,407,000	4,407,000
Early Business Center	L	SWRO	Pierce	-	625,000	5,547,000	69,000	-	6,241,000	3,120,500	3,120,500
Edmonds Port W Dayton	L	NWRO	Snohomish	-	-	1,709,253	1,177,261	110,441	2,996,955	1,498,478	1,498,478
Hands on Museum - City of Olympia	L	SWRO	Thurston	800,000	-	-	-	-	800,000	400,000	400,000
Hansville Landfill - Kitsap County	L	NWRO	Kitsap	259,450	251,500	277,300	355,750	-	1,144,000	572,000	572,000
Hungry Whale - Port of Grays Harbor	L	SWRO	Grays Harbor	750,000	-	-	-	-	750,000	375,000	375,000

Site Name	Rank HML	Region	County	Total Project Costs Requested 09-11	Total Project Costs Requested 11-13	Total Project Costs Requested 13-15	Total Project Costs Requested 15-17	Total Project Costs Requested 17-19	Total Project Cost	Future Cost Local Share	Future Cost State Share
Ilwaco Port Lyles Cannery	L	SWRO	Pacific	-	-	199,981	612,088	158,074	970,143	485,072	485,072
Kaiser Development Removal Action	L	SWRO	Pierce	-	561,000	-	-	-	561,000	280,500	280,500
Kaiser Ditch Cleanup	L	SWRO	Pierce	-	75,000	-	-	-	75,000	37,500	37,500
Kaiser: Admis/Cleanup	L	SWRO	Pierce	-	2,820,000	1,237,000	57,000	-	4,114,000	2,057,000	2,057,000
Kaiser: Potline Removal and Disposal	L	SWRO	Pierce	-	10,000	-	-	-	10,000	5,000	5,000
Little Hoquiam Boat Shop 2	L	SWRO	Grays Harbor	-	-	819,571	548,755	43,724	1,412,051	706,025	706,025
Marshall Landfill	L	ERO	Spokane	-	901,910	1,330,003	3,963,703	294,541	6,490,157	3,245,079	3,245,079
Mason County Wood Recyclers	L	SWRO	Mason	-	-	900,605	1,271,557	64,147	2,236,309	1,118,155	1,118,155
McCarver Elementary - City Of Tacoma	L	SWRO	Pierce	150,000	-	-	-	-	150,000	75,000	75,000
Olalla Landfill - Kitsap County	L	NWRO	Kitsap	346,550	137,900	134,100	199,700	163,000	981,250	490,625	490,625
Old Olympia Landfill - City of Olympia	L	SWRO	Thurston	300,000	-	-	-	-	300,000	150,000	150,000
Phillip #1/Don Oline Cleanup	L	SWRO	Pierce	-	505,000	7,533,000	79,000	-	8,117,000	4,058,500	4,058,500
Portac Removal Action - 1215	L	SWRO	Pierce	-	2,656,000	65,000	-	-	2,721,000	1,360,500	1,360,500
PRI Cleanup (Glenn Springs Holdings) - 1246	L	SWRO	Pierce	-	240,000	1,883,000	-	-	2,123,000	1,061,500	1,061,500
Prologis/Don Oline	L	SWRO	Pierce	-	98,000	1,368,000	31,000	-	1,497,000	748,500	748,500
Public Plaza - City of Olympia	L	SWRO	Thurston	400,000	-	-	-	-	400,000	200,000	200,000
Salishan Hope VI - City of Tacoma Tacoma Housing Authority	L	SWRO	Pierce	10,000	-	-	-	-	10,000	5,000	5,000
Salvation Army Site - City of Tacoma	L	SWRO	Pierce	125,000	-	-	-	-	125,000	62,500	62,500
Sauros - City of Tacoma	L	SWRO	Pierce	2,700,000	-	-	-	-	2,700,000	1,350,000	1,350,000
Spokane Transit Auth Bus Barn	L	ERO	Spokane	-	309,350	547,172	38,614	55,303	950,439	475,219	475,219
Station 5 - Mason County Fire District	L	SWRO	Mason	34,000	-	-	-	-	34,000	17,000	17,000
Time Oil Cleanup - 92733723	L	SWRO	Pierce	200,000	-	-	-	-	200,000	100,000	100,000
Union Pacific Parcel Remediation	L	SWRO	Pierce	-	157,000	92,000	29,000	-	278,000	139,000	139,000
US Gypsum Cleanup Investigation (Thermalfiber LLC)	L	SWRO	Pierce	98,000	-	-	-	-	98,000	49,000	49,000
LTCA Oversight Remedial Action Grant Program				\$234,909,563	\$280,786,939	\$324,042,185	\$138,144,887	\$51,590,174	\$1,029,473,748	\$497,126,296	\$532,347,451
Site Hazard Assessment (includes Meth & II)				\$6,742,421	\$5,678,398	\$5,885,216	\$6,324,917	\$6,791,756	-	-	-
Voluntary Cleanups & Integrated Planning Grants				\$3,806,603	\$3,710,972	\$3,710,972	\$3,710,972	\$3,710,972	-	-	-

Clean Sites Program

Background

There are properties in 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. The Clean Sites Initiative supports cleaning up orphaned or abandoned contaminated sites, using a "worst-first" approach.

Ecology has historically run the Clean Sites Program from operating budget appropriations. It is proposed in the 2009-11 budget request as a \$3.177 million capital budget appropriation (\$2.9 million from STCA, \$277,000 from the Cleanup Settlement Account) to allow Ecology to more effectively address larger scale, longer-term cleanups requiring significant up-front investigation to quantify cleanup needs. The historical base for the Clean Sites Program is approximately seven million dollars per biennium from the operating budget. A portion of this program overlaps with Puget Sound site cleanups. Since 2006, eight million dollars has been appropriated for orphaned and abandoned cleanups in the Puget Sound region.

Ecology expects sites that are more hazardous to human health and the environment will be reported and moved up in priority for cleanup actions. Based on best available information, we developed a specific project list and cost estimates for sites that could reasonably undergo cleanup actions in ten years. Several considerations were used to estimate how many additional sites may need funding for cleanup:

- Other states' estimates of percentages of their sites abandoned or orphaned.
- Six county governments contributed to identifying sites that are likely orphaned or abandoned.
- Calculation of underground storage tanks and non-tank sites.

In the state of Washington, there are currently over 11,000 sites that have been confirmed or suspected of having contamination at them. The sites are approximately 20 percent publicly-owned and 80 percent private, and over half of these sites have been cleaned up. Orphaned,

abandoned, and other eligible sites are a subset of the privately owned sites, and are primarily defined as sites where the owner is unwilling or unable to pay for the cleanup.

Findings

- Ecology estimates that 425 of the 1,440 private sites waiting to begin cleanup actions are orphaned and abandoned, and eligible for state funding. The 425 sites are four percent of all contaminated sites that have been reported to Ecology.
- Of these 425 sites, 38 are estimated to be high priority (nine percent). Highly-ranked sites are those of greatest concern. Ranking is based on risk to human health and the environment using the Washington Ranking Method.
- Modeling under the Remedial Action Cost Engineering and Requirements system (RACER) tool was used to estimate costs for 33 sites. The cost distribution is \$408,000 to \$15,500,000 per site cleanup, indicating variability in the size and nature of cleanups being conducted. The average cost under the model is \$2,900,000 per site. The RACER system has been shown to be within ten percent accuracy.
- Currently, Ecology has resources to ensure progress at 13 to 15 orphaned and abandoned sites per biennium. Remediation at these sites often takes several biennia, which means we may not be able to complete cleanup actions at all sites each biennium. These sites represent a mix of high-priority and other sites ready to proceed with cleanup actions. Approximately 400 new sites are reported to the program each year. It is likely new sites that include those more hazardous to human health and the environment will be reported and moved up in priority for cleanup actions.

Conclusions

- \$109,200,000 is the estimated need to address all currently known high-priority orphaned and abandoned sites, at an estimated average cost of \$2,900,000 per site.
- There is potential to cost recover state resources at these sites (note: cost recovery is intrinsically labor intensive, and may not always be successful at an abandoned site).

Sites and cost estimates were developed based on a reasonable expectation of the work Ecology could do in ten years with projected resources. The following chart shows the current ten-year project list for planned orphaned and abandoned site cleanups. The list is based on continuing the 2009-11 budget request for the Clean Sites Program through 2019.

Figure 7: Ten-Year Clean Sites Initiative Projects, Budgeted & Abandoned Needs 2010-19

Capital Budget						
Site Name	Rank	2009-11	2011-13	2013-15	2015-17	2017-19
City Parcel Site in Spokane	H	1,000,000	-	-	-	-
Country Junction Store	H	375,000	-	-	-	-
Tiki Car Wash	H	50,000	-	-	-	-
Circle K LUST Cleanup	H	60,000	-	-	-	-
BP Oil LUST Cleanup	H	230,000	-	-	-	-
Schwerin Concaves	H	1,185,000	-	-	-	-
Darrington Exxon	H	-	2,146,802	181,455	106,950	55,937
Tidricks Quality Transmission	M	-	753,198	-	1,054,456	352,638
Frank Wear Cleaners on 3rd Street	M	-	-	578,600	234,311	103,156
La Rosita Bakery	M	-	-	810,636	251,493	115,139
Valley Dry Cleaners	M	-	-	1,329,309	592,609	202,079
Sprague Pest Control	M	-	-	-	407,883	28,533
Whitney Distributing Co	M	-	-	-	252,297	2,042,517
Capital Budget Totals*		\$ 2,900,000	\$ 2,900,000	\$ 2,900,000	\$ 2,900,000	\$ 2,900,000

Operating Budget						
Site Name	Rank	2009-11	2011-13	2013-15	2015-17	2017-19
Emergency Response and Removal Actions	H	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Most Western Laundry	H	870,445	175,648	105,195	96,996	96,996
Buena LUST	H	3,170,994	528,940	787,554	336,459	336,459
Colville Post and Pole	H	295,652	295,651	295,651	295,651	-
Spokane River Beach Cleanups	H	260,000	260,000	-	-	-
Phillips Residential Property	H	402,909	5,438	-	-	-
Gold Nugget Market	H	-	1,555,043	402,713	184,548	148,391
Tony's Auto Repair	M	-	1,246,201	488,845	326,248	216,555
Harwood Grocery	M	-	933,079	380,934	227,262	156,986
Molson Dump	M	-	-	2,539,109	449,671	94,258
Malcolm Montague	M	-	-	-	2,340,173	724,467
Sumner Towing-Abandoned Tank	M	-	-	-	575,879	490,431
Skyline Fluid Power Inc	M	-	-	-	167,113	788,970
Maralco	H	-	-	-	-	1,737,130
Monroe Auto Salvage Sites (Parcel 3 and 6)	L	-	-	-	-	209,358
Operating Budget Totals		\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000

Summary of Capital & Operating Budgets	2009-11	2011-13	2013-15	2015-17	2017-19
Budgeted Orphaned & Abandoned Needs 2010-2019	\$ 9,900,000	\$ 9,900,000	\$ 9,900,000	\$ 9,900,000	\$ 9,900,000
Total Budgeted Needs 2010-2019					\$ 49,500,000

*Note: The capital budget totals in Figure 7 assume continuing the clean sites initiative at current proposed levels through 2019.

Safe Soils Program

Background

Industrial air emissions and pesticides used in farming have polluted large areas of soil in Washington with arsenic and lead. This type of pollution, called area-wide soil contamination, puts many of our communities at risk. Arsenic and lead are toxic metals that can be harmful to human health - and children are especially vulnerable.

Ecology is working with communities, local health departments, and other government agencies to reduce exposure to polluted soils in several parts of Washington.

- The Tacoma Smelter Plume covers large areas of Pierce, King, and Thurston counties and puts thousands of children at risk. A 2005 law helped create the Soil Safety Program, which provides soil testing and resources for schools, childcares, and other areas where these children play.
- The Everett Smelter in Snohomish County was sold as residential and commercial land in the 1920s-1930s. Today, this 600-acre site is being cleaned up to protect the community from high levels of lead and arsenic.
- Former orchard lands can have soil pollution from past use of lead arsenate pesticides. Some of the largest affected areas are in central Washington.

In 2003, the Area-wide Soil Contamination Task Force recommended a statewide strategy be developed to address arsenic and lead soil contamination. Ecology developed a priority list and financing plan for childcare facilities and schools (Figure 8).

Findings

- Over 400 public schools located in King, Pierce, Snohomish, Stevens, Chelan, Spokane, Yakima, and Okanogan counties have been sampled for lead and arsenic contamination.
- 63 schools and childcare sites have been identified as requiring further action during the 2009-11 and 2011-13 biennia.
- All sites are high-priority because the soils at these schools and childcares contain arsenic and lead at levels that pose threats to children. Childcares, having the youngest children,

are the highest priority sites for removing soil contamination. Elementary, middle, and high schools are the next highest priority for cleanups.

- The cost distribution is \$30,000 to \$600,000 per site cleanup, for a total of \$4,000,000 needed in the 2009-11 biennium and \$2,550,000 in the 2011-13 biennium.
- The average cost of safe soils remediation projects, based on three years of program experience and future cleanup cost estimates, is \$115,800.

Conclusions

Ecology has requested resources to ensure cleanup progress at 55 schools and childcare sites in the 2009-11 biennium and seven schools in the 2011-13 biennium. All childcares will be cleaned up in 2009-11. The schools scheduled for cleanup in 2011-13 are all in eastern Washington and specific reasons for later cleanups include:

- Ecology is working with the schools on scheduling cleanups to efficiently complete the projects during times that minimize exposure;
- At least one school will need to move summer school classes to accommodate the cleanup activities;
- Some of the schools are part of a much larger school district and the cleanups were prioritized within the school district; and
- There are also limited staff and available contractors to conduct the cleanups. Some of the more complex cleanups cannot be completed until the 2011-13 biennium.

All schools and childcares scheduled for safe soils cleanups have been provided with precautionary measures to take until the cleanup actions occur. The requested resources will complete the efforts required under the safe soils remediation program during the 2011-13 biennium. This will complete the safe soils program in its entirety.

Figure 8: Safe Soils Projects

Site Name	Rank	2009-11	2011-13	Total Cost
Autumn Peele Daycare	H	30,000	-	30,000
Barge Lincoln Elementary	H	150,000	-	150,000
Beverly Park @ Glendale ES	H	30,000	-	30,000
Carmen Relano Daycare	H	30,000	-	30,000
Children's Life	H	30,000	-	30,000
Children's Villa	H	30,000	-	30,000
Chrystale Kelly	H	30,000	-	30,000
Coleen Shearer Daycare	H	30,000	-	30,000
Crystal Wyant Daycare	H	30,000	-	30,000
Cynthia Brinkerhoff Daycare	H	30,000	-	30,000
Diane Vomaske Daycare	H	30,000	-	30,000
East Valley Intermediate	H	280,000	-	280,000
Elaine Gibson Daycare	H	30,000	-	30,000
Elizabeth Marshall Daycare	H	30,000	-	30,000
Evon Fernandez Daycare	H	30,000	-	30,000
General Butler Daycare	H	30,000	-	30,000
Gilbert Elementary	H	250,000	-	250,000
Hoover Elementary	H	300,000	-	300,000
Hunt Middle School	H	260,000	-	260,000
Jennifer Conn Daycare	H	30,000	-	30,000
Julieta Quantrille Daycare	H	10,000	-	10,000
Kathleen Painter Daycare	H	30,000	-	30,000
Kidz Academy	H	30,000	-	30,000
Kimberly Cline Daycare	H	30,000	-	30,000
Kindergarten House Daycare	H	30,000	-	30,000
Kris Ohanu Daycare	H	30,000	-	30,000
Lakesha Davis Daycare	H	30,000	-	30,000
Lalaine Jansuy Daycare	H	30,000	-	30,000
Lee Ann Hawks Daycare	H	30,000	-	30,000
Lena Humbert	H	30,000	-	30,000
Leta Penton	H	30,000	-	30,000
Levette Michel Daycare	H	30,000	-	30,000
Lorraine Hudson	H	30,000	-	30,000
Lydia Matthews Daycare	H	30,000	-	30,000
Mary Blakey Daycare	H	10,000	-	10,000
Mary Devine Daycare	H	30,000	-	30,000
New Jerusalem	H	30,000	-	30,000
Nichelle Fredrickson	H	30,000	-	30,000
North Tacoma Montessori	H	10,000	-	10,000
Patricia Irish	H	30,000	-	30,000
Phylis Henry Daycare	H	30,000	-	30,000

Site Name	Rank	2009-11	2011-13	Total Cost
Rebecca Jones Daycare	H	30,000	-	30,000
Refugee & Immigrant Family Daycare	H	10,000	-	10,000
Robertson Elementary	H	200,000	-	200,000
Sandra Hart	H	30,000	-	30,000
Sunset Christian Daycare	H	30,000	-	30,000
Tracey Thomas Daycare	H	20,000	-	20,000
Tracy Holmes	H	30,000	-	30,000
University Sunshine Preschool	H	30,000	-	30,000
West Valley HS	H	270,000	-	270,000
West Valley JH	H	600,000	-	600,000
Whitney Elementary	H	150,000	-	150,000
WILSON High School	H	130,000	-	130,000
Wilson Middle School	H	150,000	-	150,000
Eisenhower HS	H	-	600,000	600,000
Garfield ES	H	-	150,000	150,000
Manson HS	H	-	200,000	200,000
McKinley ES	H	-	300,000	300,000
Pioneer MS	H	-	450,000	450,000
Wenatchee HS	H	-	300,000	300,000
West Valley ES	H	-	550,000	550,000
YMCA Morgan Family Daycare	H	30,000	-	30,000
Totals*		\$4,000,000	\$2,550,000	\$6,550,000

Note: The safe soils cost estimates for 2011-13 are included in Figure 8 to highlight needs for completing these cleanups by 2013 in accordance with current program plans.

Puget Sound Cleanups

Ecology has been identifying and cleaning up contaminated sites in the Puget Sound area through MTCA for many years. As this work continues, new resources allow us to focus additional efforts to clean up and restore bays within Puget Sound. Through the Puget Sound Initiative, Washington State has committed the resources and funding for a healthier Puget Sound and surrounding communities. The Puget Sound Initiative is a collaborative effort – by local, tribal, state, and federal governments; business; agricultural and environmental interests; and the public – to restore and protect the Sound.

A leading source of pollution to the Sound is contaminated sites around its shorelines. Ecology identified contaminated sites within one-half mile of the Sound. In response to the Puget Sound Initiative and with increased funding, we accelerated efforts to clean and restore contaminated sites within identified priority bays. These areas are one of the cornerstones of Ecology's approach to protect and restore Puget Sound.

This bay-wide approach, in addition to site-specific cleanups, will result in larger areas of usable shoreline habitat for fish, wildlife, and people. Ecology negotiated numerous cleanup agreements to meet Puget Sound Initiative objectives.

This bay-wide approach, in addition to site-specific cleanups, will result in larger areas of usable shoreline habitat for fish, wildlife, and people. Ecology negotiated numerous cleanup agreements to meet Puget Sound Initiative objectives. The table (Figure 9) summarizes these cleanup project needs for the next ten years and ranks the sites within each project.

Figure 9: Puget Sound Cleanup & Restoration Projects

Project Name	Rank (HML)	09-11 Estimate	11-13 Estimate	13-15 Estimate	15-17 Estimate	17-19 Estimate
Duwamish River, Source Control	H	1,045,040	641,042	609,594	204,324	-
Padilla Bay, Whitmarsh Landfill Focused RI	H	100,000	200,000	-	-	-
Port Angeles Harbor	H	633,780	401,608	379,045	260,567	250,000
Planning Process		106,756	96,156	91,439	30,649	50,000
Woodwaste Cleanup Interim Action		527,024	305,452	287,606	229,918	200,000
Port Gamble	H	661,586	1,050,000	1,000,000	3,409,850	2,410,549
Ecology Lead RI/FS/CAP		200,000	-	-	-	-
Potential Ecology Cleanup Action		261,586	1,000,000	1,000,000	3,409,850	2,410,549
Ecology Participation in PSP Pilot		200,000	50,000	-	-	-
Port Of Anacortes/Fidalgo Bay	H	563,512	1,420,822	874,806	390,861	-
New Site Focused Sampling		250,000	-	-	-	-
Custom Plywood		313,512	1,420,822	874,806	390,861	-
Oakland Bay	H	104,504	64,104	269,225	238,931	73,236
RI/FS		104,504	64,104	60,959	20,432	-
Bay-wide Woodwaste Cleanup		-	-	208,266	218,498	73,236
Airo Services, Cleanup Action	M	-	209,008	128,208	121,919	40,865
Irondale Iron & Steel, RI/FS	M	209,008	128,208	121,919	40,865	-
Lower Budd Inlet	M	351,023	584,063	591,617	198,298	-
Planning Process		76,309	126,970	128,612	43,108	-
Remedial Investigation		81,396	135,435	137,186	45,982	-
Bay-wide Remedial Action		193,317	321,658	325,818	109,208	-
Port Angeles – Rayonier, Cleanup Per SW	M	418,016	467,313	465,095	155,891	-
Port Gardner/Snohomish River Estuary	M	600,000	100,000	291,735	500,000	208,265
Bay-wide Sediment Study Follow-Up		200,000	-	-	-	-
East Waterway RI/FS		150,000	-	-	-	-
Orphan Woodwaste Cleanup		-	50,000	291,735	500,000	208,265
New Site Focused Sampling		250,000	50,000	-	-	-
Miscellaneous Projects		4,913,532	4,333,831	4,868,755	4,078,496	6,617,085
Bellingham Bay - Piling Removal	H	1,000,000	1,000,000	-	-	-
Cornet Bay	H	1,000,000	1,000,000	1,000,000	1,192,204	4,807,796
Dioxin Public Workshops	H	100,000	-	-	-	-
Marine Criteria Update	H	150,000	150,000	300,000	-	-
NMFS PSI Assistance	H	175,000	175,000	175,000	175,000	175,000
Puget Sound Initiative Technical & Scientific Support	H	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Puget Sound Public Involvement/Engagement Assistance	H	300,000	315,000	300,000	300,000	-
Sinclair Dyes Inlet NRD	H	-	200,000	-	-	-
Spikes Hydraulic	H	763,532	118,831	88,142	81,270	-
Tribal Northwest Indian Fisheries	H	175,000	175,000	175,000	175,000	175,000
USFWS PSI Assistance	H	175,000	175,000	175,000	175,000	175,000
Woodwaste Resource Mgmt Plan Development	H	25,000	25,000	200,000	-	-
Olympia Dry Cleaner	M	-	-	-	632,475	155,017
Puget Sound Periodic Reviews (Freeze Impact)	M	50,000	-	-	-	-
Lamberts Radiator Shop	L	-	-	1,455,613	347,547	129,272
Total*		\$9,600,000	\$9,600,000	\$9,600,000	\$9,600,000	\$9,600,000

Note: The capital budget totals in Figure 9 assume continuing Puget Sound cleanups at proposed levels through 2019.

Toxic Treatment, Storage, and Disposal (TSD) Cleanup Program

Ecology issues permits to facilities that treat, store and/or dispose of hazardous wastes. We also oversee closure and needed corrective action at these facilities. Sixty facilities that operated over the past 20 years are contaminated and require some form of cleanup. Completion of cleanup is required at 34 medium- or high-priority sites because of their significance, as designated by the Environmental Protection Agency. TSD cleanups deal with complex contamination problems and require 10-12 years to complete.

Ecology’s 2009-11 budget request to “Accelerate Toxic TSD Cleanups” (\$810,600 from the STCA and 2.3 FTEs) would put the program on track to have 34 cleanups finished or in maintenance mode by 2020. Most of these costs are recoverable from property owners. All these sites, the majority of which are near Puget Sound, have documented soil and groundwater contamination and potential or actual impact to surface waters. Without additional funding, full site cleanup would be delayed until 2028.

Ecology’s ten-year TSD plan would add staff to accelerate completion of cleanup at the contaminated TSD sites listed in Figure 10.

State Toxics Control Account

Fund Source & Activity	2009-11	2011-13	2013-15	2015-17	2017-19	10-Year Sum
Cleanup CFL	2,660,000	2,782,000	2,896,000	3,013,000	3,135,000	14,486,000
New - Accelerate Toxic TSD Cleanups	810,600	795,300	650,300	740,000	470,000	3,466,200
Total Operating	\$3,470,600	\$3,577,300	\$3,546,300	\$3,753,000	\$3,605,000	\$17,952,200

Figure 10: Ranked List of TSD Projects

Facility or Site	Priority (H/M)	County	Intended Use after Cleanup
Bay Zinc Company, Inc.	H	Yakima	Recycle or Transfer
Boeing – Everett	H	Snohomish	Other business use
Boeing – Renton	H	King	Other business use
Boeing A&M Developmental Center	H	King	Other business use
Cameron Yakima, Inc.	H	Yakima	Recycle or Transfer
CleanCare Corporation	H	Pierce	Other business use
ConocoPhillips Company, Ferndale Refinery	H	Whatcom	Remain TSD—own use only

Facility or Site	Priority (H/M)	County	Intended Use after Cleanup
Emerald Kalama Chemical, LLC (formerly Noveon Kalama, Inc.)	H	Cowlitz	Other business use
General Electric Aviation Division (aka General Electric Dawson Plant)	H	King	Other business use
International Paper, Longview	H	Cowlitz	Other business use
McFarland Cascade Pole and Lumber Company, Tacoma	H	Pierce	Other business use
Occidental Chemical Corporation (formerly Pioneer Americas Inc.)	H	Pierce	Other business use
Pacific Functional Fluids (formerly Lilyblad Petroleum, Inc.)	H	Pierce	Recycle or Transfer
Port of Seattle, Pier 91 (formerly PSC/Burlington Environmental Inc.)	H	King	Other business use
PSC/Burlington Environmental LLC – Georgetown	H	King	Recycle or Transfer
PSC/Burlington Environmental LLC – Tacoma	H	Pierce	Remain TSD
PSC/Burlington Environmental LLC – Washougal	H	Clark	Recycle or Transfer
Schwerin Concaves, Walla Walla	H	Walla Walla	Other business use
Shell OPUS Puget Sound Refinery	H	Skagit	Remain TSD—own use only
SSA Containers Inc. (formerly Reichhold Inc., Tacoma)	H	Pierce	Other business use
TOXGON Corporation Seattle	H	King	Other business use
US Army Headquarters I Corps & Fort Lewis	H	Pierce	Other use
Boeing – Auburn	M	King	Other business use
BP Cherry Point Refinery	M	Whatcom	Remain TSD—own use only
BSB Diversified Company, Inc.	M	King	Other business use
Emerald Services, Inc. - Alexander Avenue	M	Pierce	Remain TSD
Fuel Processors	M	Cowlitz	Recycle or Transfer
Petroleum Reclaiming Services, Inc.	M	Pierce	Recycle or Transfer
PSC/Burlington Environmental LLC – Kent	M	King	Remain TSD
Safety Kleen Systems Inc. Auburn	M	King	Recycle or Transfer
Safety Kleen Systems Inc. Lynnwood	M	King	Recycle or Transfer
Tesoro Refining and Marketing Company	M	Skagit	Remain TSD—own use only
University of Washington - Tacoma Branch Campus	M	Pierce	Other business use
US Army Yakima Training Center, Bldg. T14	M	Yakima	Other use

Prevention – Ten-Year Financing Plans

Reducing the use of toxic chemicals avoids the creation of costly new cleanup sites, restores and protects Washington's waters, reduces health risks and costs, and saves money for businesses and taxpayers. The risk from toxic chemicals doesn't begin with a leaking drum at an industrial site; it begins when products that contain toxic chemicals are manufactured, bought, and used.

Washington citizens generate more than twice the amount of hazardous waste generated by Washington industry. According to a 2007 statewide survey, nearly 40 percent of Washington citizens are concerned about toxic products they have or use in their homes.

Getting toxics out of what we use, make, and buy is the wave of the future - yet chemical producers aren't required to provide information on the health and environmental safety of 80,000 chemicals in use in Washington. Reducing toxic chemical use by creating and implementing an action plan, one chemical at a time, does not address the health and environmental risks in a timely manner. Ecology's chemical action plans (CAPs) for chemicals with tremendous legacy problems, like lead and mercury, take several years to develop and implement.

Pollution prevention activities use processes, practices, materials, and energy that avoid or minimize the creation of pollutants and waste and reduce the use of toxic chemicals in the first place so that less waste needs to be managed or cleaned up. Captured under this category are technical assistance, education, pollution prevention planning, regulatory actions, incentives that result in less waste, and reducing or eliminating the use of toxic substances. Prevention that focuses on eliminating toxic substances will protect Washington's water, soil, air, and citizens. It involves continual improvements through design, technical, operational, and behavioral changes.

Ten-Year Financing Plan and the Beyond Waste Plan

Ecology's ten-year financing plan builds capacity to prevent pollution by implementing the Beyond Waste plan recommendations to eliminate most toxic substance use by:

- Providing safer chemical assistance to businesses and governments, including identification of high-priority hazardous substances; assistance with chemical substitution and assessments; on-site technical assistance; workshops; and participation in interstate chemical clearinghouses.
- Increasing technical assistance to businesses for safer alternatives to toxic chemicals and improving processes that result in cost and environmental savings.
- Increasing environmentally-preferred purchasing by citizens, businesses, and governments.
- Improving citizen access to and use of information about toxic substances, safer alternatives, and safe disposal methods. Reducing household use of toxic chemicals is key to restoring and protecting Puget Sound.
- Developing Chemical Action Plans (CAP) for reducing the use of specific chemicals, similar to CAPs for mercury and lead.

Prevent Hazardous Waste and Reduce Toxics Use

Ecology developed a 30-year Beyond Waste plan with the goal to eliminate most wastes and recycle the remaining wastes in a closed-loop system. (Closed loop recycling is making an old product into the same thing again, like turning old aluminum cans into new aluminum cans). This direction is critical to avoid recontamination of sites that have already been cleaned up. The Beyond Waste vision is the underlying foundation for the three main types of activities Ecology does - cleanup, waste management, and waste prevention.

Ecology has a goal of working more with manufacturers to reduce toxic substances used to make products. The 2008 Legislature required Ecology to evaluate pollution prevention plan requirements currently in law and other prevention methods for their ability to help meet the goal of reducing the use of toxic chemicals in the state by 50 percent by 2020. The Legislature directed Ecology to convene a balanced stakeholder group and report its findings and recommendations by

the end of 2008 (Enacted Supplemental Operating Budget, ESHB 2687.SL, Section 302, Subsection 38). Findings and recommendations from this report will be folded into future ten-year financing projections. The Toxics Reduction Advisory Committee Findings and Recommendations report is publication 08-04-029 (www.ecy.wa.gov/biblio/0804029.html).

Reducing toxic substances will involve researching hazardous substances and their alternatives, then providing this information to businesses, state, local agencies, and consumers. Additional resources, as aligned with stakeholder recommendations in future biennia for the following focus areas, would contribute toward achieving this goal:

- More research on safer chemical alternatives.
- More technical assistance to businesses through programs like TREE (Technical Resources for Engineering Efficiency) and “lean” manufacturing.
- More communication and outreach.

Ecology ensures existing businesses and public facilities manage their hazardous waste properly. This is done with a variety of compliance related activities. When toxic chemicals are mishandled, they can end up in stormwater, streams, rivers, and Puget Sound. Every year, Ecology staff help ensure that over 100 million pounds of hazardous waste are safely managed by Washington businesses.

Records show that hazardous waste generators who have not been inspected for three years show a significant increase in their non-compliance rate. This results in a documented increase of spills and releases of hazardous waste into the environment. Ecology’s goal is to have every large and medium-size hazardous waste generator receive an inspection once every three years. Additional funding beginning in 2009-11 adds more inspectors to meet this goal and respond to referrals from local source control specialists.

Beyond Waste and Funding Priorities

The goals of Ecology’s Beyond Waste plan are to reduce the amount and toxicity of waste. A key goal to reducing toxic threats and future cleanup sites is to focus available MTCA dollars on the prevention of toxic waste rather than management and cleanup. Ecology hopes that current

funding of grants for waste management can be targeted toward high priority prevention activities.

New staff resources will be requested to develop a new Beyond Waste Prevention Grant program in the 2011-13 biennium. Currently, the coordinated prevention grant (CPG) program requires a 25 percent match from local governments. Some local governments do not have sufficient resources to invest in new prevention programs. The proposed Beyond Waste Prevention Grants program, with a sliding scale match, will help local governments get funding for new programs focusing on prevention. New green building, toxics reductions, and organics projects aimed at reducing toxic chemical use and eliminating wastes through prevention, reduction, reuse, and recycling strategies, would be eligible for funding.

MTCA funding for management and prevention is often the sole funding for many small and rural local governments. While we don't want to continue using the MTCA account to fund the solid waste infrastructure, without stable funding for local governments to manage and reduce solid waste, those governments will continue to rely on this account to fund their solid waste system.

During these difficult economic times, many local governments may not be able to take advantage of grants and programs offered through the MTCA account. While Ecology believes there needs to be a local investment in these programs, we are exploring methods to provide relief to local governments - including reducing or eliminating match requirements.

Toxic Diesel and Wood Smoke Emission Reduction

Air quality in Washington has greatly improved since 1991, when the state Legislature expanded air quality safeguards. However, hundreds of newer scientific studies show air pollution levels routinely measured in Washington are at harmful levels for people, even when those levels don't violate federal standards. The primary cause is toxics in the air. Ecology has determined that soot from diesel engines is the greatest toxic health threat from air pollution, followed by fine particle pollution from smoke.

Ecology's ten-year financing plan for air pollution focuses on diesel soot and wood smoke reduction strategies. Diesel and wood smoke pollution are known to cause significant adverse

human health effects, including premature death, and impose hundreds of millions of dollars annually in health care costs on residents, governments, and businesses. Retrofitting the dirtiest diesel engines with improved emission controls and replacing the dirtiest woodstoves where each operates in densely populated areas can reduce public exposure to the pollutants, reduce the risk of disease and death, and decrease health care costs. Retrofit projects and woodstove replacements also help the economy by creating installation jobs and increasing sales of certain equipment in Washington State. In the 2009-11 biennial budget request, Ecology proposes two long-term funding strategies to address diesel (\$21.25 million) and wood smoke (\$10 million) problems in high-exposure, high health-risk communities.

Waste Management Ten-Year Financing Plans

As we move toward the goals of the Beyond Waste plan, reducing the amount and toxicity of waste, there are still wastes that need to be managed properly.

Waste management includes programs, activities, assistance, and grants. These are provided with the primary purpose of safely managing toxic substances and harmful wastes in the air, water, and soil to minimize or eliminate the impacts of discharges and emissions of pollutants. This includes permitting and compliance activities, developing and enforcing environmental standards, collecting and analyzing data, education, and technical assistance.

Local governments are required to plan for management of solid waste and moderate risk waste by preparing both local solid waste and hazardous waste plans.

Manage Solid Waste

Improper disposal practices of the past have resulted in many of today's cleanup sites. Ecology uses funds from MTCA to provide technical hydrogeology and engineering assistance and permit review to local health jurisdictions (e.g. review landfill cover design and operation issues, landfill liners, leachate collection systems, and groundwater sampling). This helps protect ground and surface water and air quality. Ecology staff provide technical assistance to ensure moderate risk waste facilities and other solid waste handling facilities meet current regulations that protect human health and the environment.

Ecology is making progress toward its Beyond Waste goal to reduce the amount and toxicity of waste. However, there are still wastes from households, businesses, industry, and government that need to be properly managed. A key aspect of managing solid waste is providing grants and loans to local governments through Coordinated Prevention Grants (CPG).

Local governments are required to plan for prevention and management of solid waste and moderate risk waste (hazardous waste from households and businesses producing small amounts). The CPG program funds collection of hazardous waste from citizens and businesses that produce

small quantities. CPG funds are also used in constructing and managing various solid waste handling and management facilities.

Currently, 60 percent of the CPG funding is used for waste management activities. Provided the state can secure stable funding for the solid waste infrastructure, Ecology would begin to shift toward a 40 percent management and 60 percent prevention in support of the Beyond Waste plan in the future.

Expand Compliance and Local Source Control Specialists

Mismanagement of hazardous waste lets toxic chemicals into our water, soil, and air. Current hazardous waste inspections result in a 76 percent rate of finding a significant environmental threat. Ecology's ten-year financing plan builds capacity to make sure that hazardous waste is safely managed by:

- Immediately increasing capacity to inspect, at least once every three years, businesses that produce large amounts of hazardous waste. Our records show that facilities have more spills and other serious hazardous waste violations if not inspected every three years. During an economic downturn, businesses often cut back, and the first place they often cut is their environmental safety program. We expect to find more, not less, spills and other environmental threats during these tough economic times.
- Providing local governments, primarily within the Puget Sound Region, positions to inspect the large number of businesses that produce smaller volumes of hazardous waste. These positions also provide pollution prevention and multi-media technical assistance.

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Appendix

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CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1761

Chapter 446, Laws of 2007

60th Legislature
2007 Regular Session

HAZARDOUS WASTE CLEANUP

EFFECTIVE DATE: 07/22/07

Passed by the House April 14, 2007
Yeas 93 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 10, 2007
Yeas 48 Nays 0

BRAD OWEN

President of the Senate

Approved May 11, 2007, 11:27 a.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1761** as passed by the House of Representatives and the Senate on the dates hereon set forth.

RICHARD NAFZIGER

Chief Clerk

FILED

May 11, 2007

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 1761

AS AMENDED BY THE SENATE

Passed Legislature - 2007 Regular Session

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Capital Budget (originally sponsored by Representatives Linville, Hunter, Priest, Hunt, B. Sullivan, Upthegrove, Kessler, Sump, Hankins, Jarrett, Fromhold, Appleton, Rolfes, Darneille, Campbell, Conway, Green, O'Brien, Schual-Berke, Simpson, Ormsby and Chase)

READ FIRST TIME 3/5/07.

1 AN ACT Relating to expediting the cleanup of hazardous waste and
2 creating incentives for Puget Sound cleanups; and amending RCW
3 70.105D.030 and 70.105D.070.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 70.105D.030 and 2002 c 288 s 3 are each amended to
6 read as follows:

7 (1) The department may exercise the following powers in addition to
8 any other powers granted by law:

9 (a) Investigate, provide for investigating, or require potentially
10 liable persons to investigate any releases or threatened releases of
11 hazardous substances, including but not limited to inspecting,
12 sampling, or testing to determine the nature or extent of any release
13 or threatened release. If there is a reasonable basis to believe that
14 a release or threatened release of a hazardous substance may exist, the
15 department's authorized employees, agents, or contractors may enter
16 upon any property and conduct investigations. The department shall
17 give reasonable notice before entering property unless an emergency
18 prevents such notice. The department may by subpoena require the

1 attendance or testimony of witnesses and the production of documents or
2 other information that the department deems necessary;

3 (b) Conduct, provide for conducting, or require potentially liable
4 persons to conduct remedial actions (including investigations under (a)
5 of this subsection) to remedy releases or threatened releases of
6 hazardous substances. In carrying out such powers, the department's
7 authorized employees, agents, or contractors may enter upon property.
8 The department shall give reasonable notice before entering property
9 unless an emergency prevents such notice. In conducting, providing
10 for, or requiring remedial action, the department shall give preference
11 to permanent solutions to the maximum extent practicable and shall
12 provide for or require adequate monitoring to ensure the effectiveness
13 of the remedial action;

14 (c) Indemnify contractors retained by the department for carrying
15 out investigations and remedial actions, but not for any contractor's
16 reckless or wilful misconduct;

17 (d) Carry out all state programs authorized under the federal
18 cleanup law and the federal resource, conservation, and recovery act,
19 42 U.S.C. Sec. 6901 et seq., as amended;

20 (e) Classify substances as hazardous substances for purposes of RCW
21 70.105D.020(7) and classify substances and products as hazardous
22 substances for purposes of RCW 82.21.020(1);

23 (f) Issue orders or enter into consent decrees or agreed orders
24 that include, or issue written opinions under (i) of this subsection
25 that may be conditioned upon, deed restrictions where necessary to
26 protect human health and the environment from a release or threatened
27 release of a hazardous substance from a facility. Prior to
28 establishing a deed restriction under this subsection, the department
29 shall notify and seek comment from a city or county department with
30 land use planning authority for real property subject to a deed
31 restriction;

32 (g) Enforce the application of permanent and effective
33 institutional controls that are necessary for a remedial action to be
34 protective of human health and the environment and the notification
35 requirements established in RCW 70.105D.110, and impose penalties for
36 violations of that section consistent with RCW 70.105D.050;

37 (h) Require holders to conduct remedial actions necessary to abate

1 an imminent or substantial endangerment pursuant to RCW
2 70.105D.020(12)(b)(ii)(C);

3 (i) Provide informal advice and assistance to persons regarding the
4 administrative and technical requirements of this chapter. This may
5 include site-specific advice to persons who are conducting or otherwise
6 interested in independent remedial actions. Any such advice or
7 assistance shall be advisory only, and shall not be binding on the
8 department. As a part of providing this advice and assistance for
9 independent remedial actions, the department may prepare written
10 opinions regarding whether the independent remedial actions or
11 proposals for those actions meet the substantive requirements of this
12 chapter or whether the department believes further remedial action is
13 necessary at the facility. The department may collect, from persons
14 requesting advice and assistance, the costs incurred by the department
15 in providing such advice and assistance; however, the department shall,
16 where appropriate, waive collection of costs in order to provide an
17 appropriate level of technical assistance in support of public
18 participation. The state, the department, and officers and employees
19 of the state are immune from all liability, and no cause of action of
20 any nature may arise from any act or omission in providing, or failing
21 to provide, informal advice and assistance; and

22 (j) Take any other actions necessary to carry out the provisions of
23 this chapter, including the power to adopt rules under chapter 34.05
24 RCW.

25 (2) The department shall immediately implement all provisions of
26 this chapter to the maximum extent practicable, including investigative
27 and remedial actions where appropriate. The department shall adopt,
28 and thereafter enforce, rules under chapter 34.05 RCW to:

29 (a) Provide for public participation, including at least (i) public
30 notice of the development of investigative plans or remedial plans for
31 releases or threatened releases and (ii) concurrent public notice of
32 all compliance orders, agreed orders, enforcement orders, or notices of
33 violation;

34 (b) Establish a hazard ranking system for hazardous waste sites;

35 (c) Provide for requiring the reporting by an owner or operator of
36 releases of hazardous substances to the environment that may be a
37 threat to human health or the environment within ninety days of

1 discovery, including such exemptions from reporting as the department
2 deems appropriate, however this requirement shall not modify any
3 existing requirements provided for under other laws;

4 (d) Establish reasonable deadlines not to exceed ninety days for
5 initiating an investigation of a hazardous waste site after the
6 department receives notice or otherwise receives information that the
7 site may pose a threat to human health or the environment and other
8 reasonable deadlines for remedying releases or threatened releases at
9 the site;

10 (e) Publish and periodically update minimum cleanup standards for
11 remedial actions at least as stringent as the cleanup standards under
12 section 121 of the federal cleanup law, 42 U.S.C. Sec. 9621, and at
13 least as stringent as all applicable state and federal laws, including
14 health-based standards under state and federal law; and

15 (f) Apply industrial clean-up standards at industrial properties.
16 Rules adopted under this subsection shall ensure that industrial
17 properties cleaned up to industrial standards cannot be converted to
18 nonindustrial uses without approval from the department. The
19 department may require that a property cleaned up to industrial
20 standards is cleaned up to a more stringent applicable standard as a
21 condition of conversion to a nonindustrial use. Industrial clean-up
22 standards may not be applied to industrial properties where hazardous
23 substances remaining at the property after remedial action pose a
24 threat to human health or the environment in adjacent nonindustrial
25 areas.

26 (3) To achieve and protect the state's long-term ecological health,
27 the department shall prioritize sufficient funding to clean up
28 hazardous waste sites and prevent the creation of future hazards due to
29 improper disposal of toxic wastes, and create financing tools to clean
30 up large-scale hazardous waste sites requiring multiyear commitments.
31 To effectively monitor toxic accounts expenditures, the department
32 shall develop a comprehensive ten-year financing report that identifies
33 long-term remedial action project costs, tracks expenses, and projects
34 future needs.

35 (4) Before (~~November 1st~~) December 20th of each even-numbered
36 year, the department shall (~~develop, with public notice and hearing,~~
37 ~~and submit to~~):

1 (a) Develop a comprehensive ten-year financing report in
2 coordination with all local governments with clean-up responsibilities
3 that identifies the projected biennial hazardous waste site remedial
4 action needs that are eligible for funding from the local toxics
5 control account;

6 (b) Work with local governments to develop working capital reserves
7 to be incorporated in the ten-year financing report;

8 (c) Identify the projected remedial action needs for orphaned,
9 abandoned, and other clean-up sites that are eligible for funding from
10 the state toxics control account;

11 (d) Project the remedial action need, cost, revenue, and any
12 recommended working capital reserve estimate to the next biennium's
13 long-term remedial action needs from both the local toxics control
14 account and the state toxics control account, and submit this
15 information to the ((ways and means and)) appropriate standing fiscal
16 and environmental committees of the senate and house of representatives
17 ((a ranked list of projects and expenditures recommended for
18 appropriation from both the state and local toxics control accounts.
19 The department shall also)). This submittal must also include a ranked
20 list of such remedial action projects for both accounts; and

21 (e) Provide the legislature and the public each year with an
22 accounting of the department's activities supported by appropriations
23 from the state and local toxics control accounts, including a list of
24 known hazardous waste sites and their hazard rankings, actions taken
25 and planned at each site, how the department is meeting its ((top two))
26 waste management priorities under RCW 70.105.150, and all funds
27 expended under this chapter.

28 ~~((4))~~ (5) The department shall establish a scientific advisory
29 board to render advice to the department with respect to the hazard
30 ranking system, cleanup standards, remedial actions, deadlines for
31 remedial actions, monitoring, the classification of substances as
32 hazardous substances for purposes of RCW 70.105D.020(7) and the
33 classification of substances or products as hazardous substances for
34 purposes of RCW 82.21.020(1). The board shall consist of five
35 independent members to serve staggered three-year terms. No members
36 may be employees of the department. Members shall be reimbursed for
37 travel expenses as provided in RCW 43.03.050 and 43.03.060.

1 (~~(5)~~) (6) The department shall establish a program to identify
2 potential hazardous waste sites and to encourage persons to provide
3 information about hazardous waste sites.

4 **Sec. 2.** RCW 70.105D.070 and 2005 c 488 s 926 are each amended to
5 read as follows:

6 (1) The state toxics control account and the local toxics control
7 account are hereby created in the state treasury.

8 (2) The following moneys shall be deposited into the state toxics
9 control account: (a) Those revenues which are raised by the tax
10 imposed under RCW 82.21.030 and which are attributable to that portion
11 of the rate equal to thirty-three one-hundredths of one percent; (b)
12 the costs of remedial actions recovered under this chapter or chapter
13 70.105A RCW; (c) penalties collected or recovered under this chapter;
14 and (d) any other money appropriated or transferred to the account by
15 the legislature. Moneys in the account may be used only to carry out
16 the purposes of this chapter, including but not limited to the
17 following activities:

18 (i) The state's responsibility for hazardous waste planning,
19 management, regulation, enforcement, technical assistance, and public
20 education required under chapter 70.105 RCW;

21 (ii) The state's responsibility for solid waste planning,
22 management, regulation, enforcement, technical assistance, and public
23 education required under chapter 70.95 RCW;

24 (iii) The hazardous waste cleanup program required under this
25 chapter;

26 (iv) State matching funds required under the federal cleanup law;

27 (v) Financial assistance for local programs in accordance with
28 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW;

29 (vi) State government programs for the safe reduction, recycling,
30 or disposal of hazardous wastes from households, small businesses, and
31 agriculture;

32 (vii) Hazardous materials emergency response training;

33 (viii) Water and environmental health protection and monitoring
34 programs;

35 (ix) Programs authorized under chapter 70.146 RCW;

36 (x) A public participation program, including regional citizen
37 advisory committees;

1 (xi) Public funding to assist potentially liable persons to pay for
2 the costs of remedial action in compliance with cleanup standards under
3 RCW 70.105D.030(2)(e) but only when the amount and terms of such
4 funding are established under a settlement agreement under RCW
5 70.105D.040(4) and when the director has found that the funding will
6 achieve both (A) a substantially more expeditious or enhanced cleanup
7 than would otherwise occur, and (B) the prevention or mitigation of
8 unfair economic hardship; and

9 (xii) Development and demonstration of alternative management
10 technologies designed to carry out the (~~top two~~) hazardous waste
11 management priorities of RCW 70.105.150.

12 (3) The following moneys shall be deposited into the local toxics
13 control account: Those revenues which are raised by the tax imposed
14 under RCW 82.21.030 and which are attributable to that portion of the
15 rate equal to thirty-seven one-hundredths of one percent.

16 (a) Moneys deposited in the local toxics control account shall be
17 used by the department for grants or loans to local governments for the
18 following purposes in descending order of priority: (i) Remedial
19 actions; (ii) hazardous waste plans and programs under chapter 70.105
20 RCW; (iii) solid waste plans and programs under chapters 70.95, 70.95C,
21 70.95I, and 70.105 RCW; (iv) funds for a program to assist in the
22 assessment and cleanup of sites of methamphetamine production, but not
23 to be used for the initial containment of such sites, consistent with
24 the responsibilities and intent of RCW 69.50.511; and (v) cleanup and
25 disposal of hazardous substances from abandoned or derelict vessels
26 that pose a threat to human health or the environment. For purposes of
27 this subsection (3)(a)(v), "abandoned or derelict vessels" means
28 vessels that have little or no value and either have no identified
29 owner or have an identified owner lacking financial resources to clean
30 up and dispose of the vessel. Funds for plans and programs shall be
31 allocated consistent with the priorities and matching requirements
32 established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW. During
33 the 1999-2001 fiscal biennium, moneys in the account may also be used
34 for the following activities: Conducting a study of whether dioxins
35 occur in fertilizers, soil amendments, and soils; reviewing
36 applications for registration of fertilizers; and conducting a study of
37 plant uptake of metals. During the 2005-2007 fiscal biennium, the
38 legislature may transfer from the local toxics control account to the

1 state toxics control account such amounts as specified in the omnibus
2 capital budget bill. During the 2005-2007 fiscal biennium, moneys in
3 the account may also be used for grants to local governments to
4 retrofit public sector diesel equipment and for storm water planning
5 and implementation activities.

6 (b) Funds may also be appropriated to the department of health to
7 implement programs to reduce testing requirements under the federal
8 safe drinking water act for public water systems. The department of
9 health shall reimburse the account from fees assessed under RCW
10 70.119A.115 by June 30, 1995.

11 (c) To expedite cleanups throughout the state, the department shall
12 partner with local communities and liable parties for cleanups. The
13 department is authorized to use the following additional strategies in
14 order to ensure a healthful environment for future generations:

15 (i) The director may alter grant-matching requirements to create
16 incentives for local governments to expedite cleanups when one of the
17 following conditions exists:

18 (A) Funding would prevent or mitigate unfair economic hardship
19 imposed by the clean-up liability;

20 (B) Funding would create new substantial economic development,
21 public recreational, or habitat restoration opportunities that would
22 not otherwise occur; or

23 (C) Funding would create an opportunity for acquisition and
24 redevelopment of vacant, orphaned, or abandoned property under RCW
25 70.105D.040(5) that would not otherwise occur;

26 (ii) The use of outside contracts to conduct necessary studies;

27 (iii) The purchase of remedial action cost-cap insurance, when
28 necessary to expedite multiparty clean-up efforts.

29 (4) Except for unanticipated receipts under RCW 43.79.260 through
30 43.79.282, moneys in the state and local toxics control accounts may be
31 spent only after appropriation by statute.

32 (5) One percent of the moneys deposited into the state and local
33 toxics control accounts shall be allocated only for public
34 participation grants to persons who may be adversely affected by a
35 release or threatened release of a hazardous substance and to not-for-
36 profit public interest organizations. The primary purpose of these
37 grants is to facilitate the participation by persons and organizations
38 in the investigation and remedying of releases or threatened releases

1 of hazardous substances and to implement the state's solid and
2 hazardous waste management priorities. However, during the 1999-2001
3 fiscal biennium, funding may not be granted to entities engaged in
4 lobbying activities, and applicants may not be awarded grants if their
5 cumulative grant awards under this section exceed two hundred thousand
6 dollars. No grant may exceed sixty thousand dollars. Grants may be
7 renewed annually. Moneys appropriated for public participation from
8 either account which are not expended at the close of any biennium
9 shall revert to the state toxics control account.

10 (6) No moneys deposited into either the state or local toxics
11 control account may be used for solid waste incinerator feasibility
12 studies, construction, maintenance, or operation.

13 (7) The department shall adopt rules for grant or loan issuance and
14 performance.

15 (8) During the 2005-2007 fiscal biennium, the legislature may
16 transfer from the state toxics control account to the water quality
17 account such amounts as reflect the excess fund balance of the fund.

Passed by the House April 14, 2007.

Passed by the Senate April 10, 2007.

Approved by the Governor May 11, 2007.

Filed in Office of Secretary of State May 11, 2007.

Appendix B

The following tables summarize cost estimates for proposed Ecology and other state agency MTCA activities and initiatives planned beyond 2009-11 carry forward level and policy level budget requests. Information is provided for the State and Local Toxics Accounts by agency, cleanup/prevention/waste management function, Priority of Government Activity, and sub-activity summary description. It is assumed individual agencies will pursue future budget requests according to their own budget development process, with funding decisions ultimately decided by the Governor and Legislature.

Appendix B, Figure 1: State Toxics Control Account Future Needs Beyond 2009-11 Budget Requests

Agency, Planned Activity & Description <i>(Dollars in Thousands)</i>	2011-13	2013-15	2015-17	2017-19	Total 2011-19
Ecology Waste Management – Increase Compliance and Act on Environmental Threats from Hazardous Waste: Expand compliance capacity for hazardous waste management and increase funding for large generator inspections and state priority inspections targeted toward the greatest environmental threats, many of which are in the Puget Sound area. This would expand funding from what is requested in the 2009-11 budget submittal.	1,054	1,471	1,639	2,077	6,241
Ecology Prevention – Reduce Generation of Hazardous Waste and Use of Toxics: Expand business technical assistance such as on site pollution prevention (P2) planning and TREE (Technical Resources for Engineering Efficiency) no cost engineering analysis focusing on reducing environmental impacts, facility costs, and regulatory requirements.	4,124	2,951	3,070	3,195	13,340
Ecology Prevention – Safer Chemical Alternatives: Expand program to analyze, evaluate, and develop a clearinghouse to support development of alternatives to hazardous chemicals.	2,728	2,840	1,945	2,023	9,536
Ecology Prevention – Environmentally Preferred Purchasing: Expand work with other state and local agencies to encourage purchases of environmentally friendly products. Efforts include developing fact sheets and providing technical assistance to government officials through workshops and other information.	909	947	985	1,025	3,866
Ecology Prevention – Chemical Action Plans: Expand activities focusing on developing and implementing chemical action plans for Mercury, Lead, and other toxics.	404	623	850	1,086	2,963
Ecology Prevention – Toxic Education & Outreach: Develop additional programs to provide governments and the public with accurate information about the types, location, and source of hazardous substances that impact them.	1,465	1,275	1,404	730	4,874
Ecology Prevention – Policy and Coordination: Research and develop policy and coordination actions within Ecology and with other agencies to efficiently focus resources on high priority hazardous waste prevention programs such as Safe Chemical Alternatives, Green Chemistry, and Children's Safe Products.	657	672	685	699	2,713
Ecology Prevention – Technical Assistance to Local Governments for Reducing Threats from Moderate Risk Waste: This funding change would focus on technical assistance provided to governments for preventing primarily moderate risk hazardous wastes.	810	837	864	892	3,403
Department of Health Prevention and Waste Management – New/Expanded Chemical Exposure Prevention and Outreach Activities would focus on DOH's involvement in hazardous waste site cleanups, ambient air quality work, and public communications.	981	1,020	1,060	1,101	4,162
Department of Health Waste Management – New Indoor Air Quality Efforts aimed at homeowners, renters, and landlords focus on hazardous chemicals contained in household products which contribute to health problems.	119	308	321	331	1,079
Department of Health Waste Management – Biomonitoring: Future funding is needed to carry out and implement biomonitoring priorities identified in DOH's plan.	-	2,236	2,324	2,368	6,928
Department of Health Cleanup – Water System Grants (Capital): Proposed new program provides capital funding to local water systems having toxic pollution contamination problems.	733	739	744	750	2,966
Puget Sound Partnership Cleanup – Implement Action Agenda: Anticipated funding need beyond base funding for out biennial regional support and staffing. Includes technical support to state agencies and local governments on water quality, endangered species, habitat, land use, and human health issues.	-	2,390	2,421	2,490	7,301
Total 2011-19	\$13,984	\$18,309	\$18,312	\$18,767	\$69,372

Appendix B, Figure 2: Local Toxics Control Account Future Needs Beyond 2009-11 Budget Requests

Agency, Planned Activity & Description <i>(Dollars in Thousands)</i>	2011-13	2013-15	2015-17	2017-19	Total 2011-19
Ecology Waste Management – Increase Compliance Capacity for Hazardous Waste Management: Proposal would increase funding for compliance and build upon the successes of the Local Source Control Partnership which focuses on outreach and technical assistance in the Puget Sound area. This increased funding from what is requested in the 2009-11 budget submittal is for initiatives like the Environmental Results Program which focuses on smaller hazardous waste generators. Beginning in 2011-13, the activity would expand statewide.	2,438	2,879	3,377	3,895	12,589
Ecology Prevention – Reduce Generation of Hazardous Wastes and Use of Toxics: Increase local source control specialists that would expand recently started programs to help businesses that generate smaller quantities of hazardous waste. The expanded programs would be similar in structure to the Urban Waters Initiative and the Local Source Control Partnership which have focused largely on technical assistance for businesses to reduce generation of wastes in the Puget Sound area.	606	712	832	956	3,106
Ecology Prevention – Beyond Waste Prevention Grants (Capital): The proposed new Beyond Waste Prevention Grant program, with a sliding scale match, would help local governments obtain funding for new programs focusing on prevention by implementing goals of the Beyond Waste plan. The program would fund green buildings, toxics reductions efforts, and other projects aimed at reducing toxic chemical use.	230	6,297	6,542	6,793	19,862
Total 2011-19	\$3,274	\$9,888	\$10,751	\$11,644	\$35,557

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Puget Sound Investment Strategy

The Puget Sound Partnership's (PSP's) charge of restoring Puget Sound by 2020 depends upon an early and decisive investment in the Action Agenda. Funding to launch the Action Agenda and build a foundation for long-term sustainable revenue is more difficult given the slowing economy and projected deficits in the state general fund. The Department of Ecology's 09-11 budget request outlined here proposes using existing revenue in the Model Toxic Control Accounts (MTCA) as bridge funding until a sustainable source of long-term funding can be established to support the Action Agenda.

Ecology and the PSP management team aligned this request with the draft Action Agenda and Strategic Priorities. As such, this process included consideration of budget requests that transcend Ecology and PSP. The Leadership Council's final decisions on the Action Agenda and budget recommendations may differ from the proposal contained in this request.

The primary strategy supports the Puget Sound Action Agenda providing \$266 million—\$66 million in cash and a \$200 million bond repaid from State and Local Toxics Control Accounts (STCA and LTCA). The proposal also calls for meeting traditional Remedial Action Grant (RAG) needs with \$45 million in cash and a \$100 million bond backed by LTCA.

An alternative "cash only without ASARCO" proposal provides \$30.8 million for Puget Sound and \$71 million for RAG. Without the bond for RAG, \$26 million reserved for Puget Sound is necessary to address RAG needs in 09-11. The primary strategy also assumed a \$16 million repayment from ASARCO to the STCA in fiscal year 2009. Due to the economic downturn, the purchase of ASARCO and repayment of settlement claims has been delayed. As a result, there is \$16 million less in STCA.

Puget Sound Action Agenda Strategic Priorities

Protect Intact Ecosystem Processes, Structures, and Functions

1. Protect Puget Sound Shorelines – \$2.054 million from the State Toxics Control Account and \$3 million from the Local Toxics Control Account – This request will ensure local shoreline regulations are updated on time and improve Ecology oversight of compliance with aquatic habitat protection regulations. Ecology and our local government partners are in the process of updating local Shoreline Master Programs, as part of a negotiated legal settlement in 2003. Updating these shoreline regulations is needed to adequately protect shoreline habitat, water quality, and provide local land use certainty. Many local shoreline regulations have not been updated for over 25 years. Developing and implementing updated shoreline master programs is a critical component to protect over 15,000 miles of fresh and saltwater shoreline in Puget Sound and throughout the state. (Department of Ecology)

2. Puget Sound Coastal Wetlands Conservation Fund – \$5 million Puget Sound Bond – Ecology would expand on an existing program and create a Puget Sound Coastal Wetlands Conservation Fund to provide pass through money to eligible applicants to conserve natural areas on Puget Sound shorelines. Coastal properties throughout Puget Sound are highly prized and are being developed at a rapid clip. Once developed, activities on these shorelines can strain the surrounding ecosystem and contribute to the pollution of Puget Sound. Ecology will partner with the Alliance for Puget Sound Shorelines, Pacific Coast Joint Venture, and other non-government organizations (NGOs), treaty tribes, and state and local governments to prioritize and conserve coastal wetland complexes. We expect these organizations to permanently conserve up to 4,000 acres of ecologically valuable coastal wetlands in Puget Sound. (Department of Ecology)

Restore Ecosystem Processes, Structures, and Functions

3. Elwha River Ecosystem and Fisheries Restoration – \$4.8 million from the State Toxics Control Account – This project will provide state cost share funding for water quality work related to removing the Elwha and Glines Canyon Dams. These dams are the primary cause of the drastic decline of Elwha River salmonid populations. Today, the Elwha River supports fewer than 3,000 naturally produced fish, compared to an estimated 392,000 fish prior to dam construction. The loss of fish from 93 percent of the Elwha River has caused severe impacts to the entire Elwha River ecosystem. Removing these dams can provide an early success for recovery of Puget Sound by 2020 and has enormous benefits for restoring habitat - both in the river system and in the nearshore environment. This money is needed to avoid delay of dam removal and ecosystem restoration. (Department of Ecology)

Reduce the Sources of Water Pollution

4. Clean up Toxic Sites and Habitat Restoration – \$6 million Puget Sound Bond – This money will be used to enhance the state's capacity to focus on identifying shoreline habitat conditions and potential restoration opportunities; engage project proponents in evaluating options for improved habitat; and ensure habitat objectives identified in shoreline and other restoration plans are maximized through the cleanup process. Cleaning up toxic sites and restoring habitat at the same time make efficient and effective use of state and local resources. Ecology's recent emphasis on bay-wide cleanup in seven priority bays has highlighted a valuable link between cleanup and habitat restoration. Restoration can be done cheaper, better, and quicker, because projects are designed and built in a coordinated manner, and equipment and resources are on-site to do the work. (Department of Ecology)

5. Clean Up Pollution in Puget Sound – \$3.63 million from the State Toxics Control Account FTEs – This request will advance scientific work for key marine Water Cleanup Plans (TMDLs) and initiate corrective actions in South Puget Sound. This includes nutrient removal at wastewater treatment plants and control of nonpoint pollution sources. TMDLs help identify point-source and nonpoint source pollution contributors and specify corrective actions needed to clean up the water. This request complements the Capital Budget request "State Assistance for Modernizing Wastewater Treatment." In the "cash without ASARCO" proposal, this is assumed to be funded with federal dollars. (Department of Ecology)

6. No-Discharge Zone for Puget Sound – \$300,000 from the State Toxics Control Account – This request will establish a vessel sewage no-discharge zone (NDZ) for Puget Sound. Commercial and recreational boating is widely popular in the Puget Sound, but these activities can contribute to water quality problems. Discharging untreated or partially treated human wastes from vessels can contribute to high bacteria counts and increased human health risks. Excessive amounts of nutrients from improperly treated sewage can harm ecosystems and create algae blooms. This request will fund a petition to the Environmental Protection Agency for the NDZ; study the number and location of needed pump-out stations for Puget Sound; and provide outreach and contracts and grants for operating and maintaining the pump-out stations. A Puget Sound NDZ will prevent sewage from vessels entering the waterways and reduce bacteria, nutrients, and pollutants. Risks to human health and shellfish beds will decrease. (Department of Ecology)

7. Neah Bay Tug – \$3.6 million from the Local Toxics Control Account – Ecology requests \$3,600,000 for fiscal year (FY) 2010 from the Local Toxics Control Account to fund an emergency response tug at Neah Bay. Puget Sound and Washington's outer coastal waters and shorelines are vulnerable to major oil spills. These spills are caused by large commercial vessels that lose propulsion or steering, go adrift, and break up on rocky headlands. The state has funded an emergency response tug at Neah Bay since 2000 to mitigate this risk. This funding will continue to provide year-round response tug coverage to protect Puget Sound and the outer coast

during FY 2010 while a long term federal funding solution is pursued. If the response tug is not funded, Puget Sound and Washington's coastal natural resources and rural economies will be at a greater risk for major oil spills. (Department of Ecology)

8. Oil Spill Prevention Account Bridge Funding – \$8 million transfer from the Local Toxics Control Account to the Oil Spill Prevention Account – Ecology is requesting a transfer of \$8,000,000 from the Local Toxics Control Account to the Oil Spill Prevention Account to ensure Ecology's oil spill prevention and preparedness operations in Puget Sound and statewide will not be impacted. Ecology's Spill Prevention, Preparedness and Response Program conducts vital oil spill prevention and preparedness work in Puget Sound, the outer coast, and inland waters of the state. The program is facing a projected \$8,000,000 revenue shortfall in the 2009-11 biennium as a result of declining revenues. Ecology has proposed an Oil Handling Fee for the 2009 legislative session to address this shortfall. If the Legislature acts and establishes the fee in statute, no bridge funding will be needed. Without a fee increase or if a fee were established by administrative rule (rather than detailed in statute), one-time "bridge" funding will be needed to cover core spill prevention and preparedness costs. (Department of Ecology)

9. Accelerate Stormwater Management – \$2 million from the State Toxics Control Account – This request will establish a stormwater technical center to evaluate emerging stormwater technologies, conduct pilot projects to test technical solutions and provide outreach to business. Stormwater is Washington State's fastest growing water quality problem, and it poses an unprecedented challenge to restore and protect waters statewide. Stormwater runoff contains a variety of toxic contaminants, bacteria, sediment, nutrients, and petroleum products that degrade water quality and impact public health and other beneficial uses, such as salmon habitat, shellfish harvesting areas.

The challenge of reducing pollution from contaminated stormwater runoff requires an ongoing partnership with local governments. The technical center will provide business and local governments with tools and training to manage stormwater and speed up implementation of new technologies. This proposal complements Ecology's companion capital proposal that advances retrofit and low-impact development projects. (Department of Ecology)

10. Support for Stormwater Control – \$19.714 million transfer from the Local Toxics Control Account to the Motor Vehicle Account – This provides funding to allow the Washington State Department of Transportation comply with Ecology's new stormwater permit requirements under the federal Clean Water Act, Section 402 National Pollution Discharge Elimination System (NPDES). Under the new permit, WSDOT is responsible for extensive water quality monitoring; inventory and mapping of all stormwater ditches, pipes, and treatment facilities; inspecting and maintaining existing stormwater facilities; implementing Stormwater Pollution Prevention Plans (SWPPPs), including some capital improvements, for maintenance facilities, park & ride lots, ferry terminals, and rest areas; and comprehensive data management and reporting. (Department of Transportation)

11. Stormwater Retrofit and LID Implementation Grant Program – \$20 million Puget Sound Bond – This proposal provides financial assistance in form of grants to local governments for high priority projects to retrofit existing, inadequate stormwater infrastructure and to implement innovative low-impact development techniques for stormwater management. Stormwater is Washington State's fastest growing water quality problem, and it poses an unprecedented challenge to restore and protect waters statewide. Stormwater runoff contains a variety of toxic contaminants, bacteria, sediment, nutrients, and petroleum products that degrade water quality and impact public health and other beneficial uses, such as salmon habitat and shellfish harvesting areas. (Department of Ecology)

Financial assistance will be based on demand throughout the state with the initial objective of \$20 million provided through a state bond issue. \$16 million will be directed to Puget Sound communities and \$4 million to non-Puget Sound local governments. If it's determined a bond is not a viable option for the 2009-11 biennium, the cash proposal would provide: \$4.8 million directed to Puget Sound, and \$1.2 million available to non-Puget Sound stormwater needs of local governments.

12. State Assistance Modernizing Wastewater – \$6 million Puget Sound Bond – This program provides \$6 million in financial assistance to local governments for targeting wastewater treatment plants scheduled to be upgraded in the next five to ten years in areas where treatment plants contribute significantly to nutrient pollution. This request builds on current water quality grant programs to include advanced treatment technologies for nutrient removal at wastewater treatment plants in the Puget Sound region. It complements Ecology's Operating Budget proposal to "Clean Up Pollution in Puget Sound." This capital request is contingent on the issuance of a Puget Sound Bond. (Department of Ecology)

13. Managing Puget Sound Septic Systems – \$880,000 from the State Toxics Control Account and \$7.906 million from the Local Toxics Control Account – This will fund full implementation of the 12 local septic system management plans crucial for the state to achieve a healthier Puget Sound. This funding is a near-term bridge until dedicated funds can either be secured regionally or individually by the 12 counties. Puget Sound's water quality is in trouble, and septic systems are one of the significant contributors to the Sound's water quality concerns. The Legislature and State Board of Health have recognized this reality and required the development and implementation of local septic system management plans. (Department of Health)

14. Increase Compliance & Enforcement – \$4.148 million from the State Toxics Control Account and \$400,000 from the Local Toxics Control Account – This request adds compliance inspectors to reduce the rate of finding an environmental threat from 76 percent to 50 percent by 2011 and to 35 percent by 2015. Ensuring compliance with hazardous waste laws is a critical component for restoring Puget Sound. The current rate of finding an environmental hazard during an inspection is 76 percent - the highest rate since 1992. When hazardous waste is mismanaged, it lets toxic chemicals into our water, soil, and air, where they damage the environment and are very expensive to clean up.

As inspections reveal contaminant sources, follow-up compliance and permitting must be tracked to ensure proper pollution-control actions are completed. Information about these actions is currently fragmented across several program-level databases within Ecology. This request will fund a business assessment of compliance inspections, and will implement an agency wide tracking and reporting database system to inform those working to prevent and control sources of toxic pollution. (Department of Ecology)

Work Together as a System on Priority Actions

15. Perform Watershed-scale Assessments – \$1.3 from the State Toxics Control Account – This proposal will complete watershed assessments in the basin to inform land use planning decisions, such as stormwater, shorelines and mitigation and guide Puget Sound restoration actions. Watershed-scale assessments help identify the best places in a watershed to protect, restore, and develop. A multi-agency "watershed characterization" approach has been applied to several watersheds in Puget Sound to better understand what is needed to sustain ecosystem processes. The PSP's Action Agenda has identified watershed assessments as a key tool to guide recovery actions and targets spending for Puget Sound. The ecosystem processes assessed through watershed characterization include the movement of water, sediment, large wood debris, nutrients, toxicants, and heat through the basin. The assessment tool draws from and builds on existing technical studies

and presents the information in a GIS format that can be used by a wide variety of decision makers. (Puget Sound Partnership)

16. Improve the Success of Mitigation - \$750,000 from the State Toxics Control Account and \$10 million Puget Sound Bond – Ecology has facilitated a broad-based stakeholder effort to improve the success of aquatic resource mitigation from roughly 50 to 100 percent. An in-lieu-fee program is one of the recommended “tools” to improve performance. In conjunction with other partners, the Puget Sound Partnership and Ecology seek to establish an in lieu fee program in the Puget Sound area. The focus of the program is to allow public and private developers to pay into a fund instead of mitigating for impact on or near the development site. The fund will be invested in larger, more intensively managed restoration projects that are professionally designed, built and maintained. The \$10 million capital proposal would “pre-capitalize” a line of mitigation credit by creating working wetlands and stream habitat in advance of development impacts.

17. Water Quality Program Bridge Funding – \$4.595 from the State Toxics Control Account – This proposal will supplement permit fee funding and add Water Quality permit positions until fees are restructured in 2010.

Ecology regulates discharges of pollution to Washington's surface and groundwater by writing and managing wastewater discharge permits for sewage treatment plants, industrial facilities, and other wastewater and stormwater dischargers. State law requires Ecology to charge permit fees to approximately 6,000 permit holders to fully support the program. Over time, however, water quality permit fee revenue has not increased at the same rate as costs. For example, since 1992, the number of permits per inspector has almost doubled - from 402 to 748. Yet, in Fiscal Year 2008, Ecology eliminated 30 positions due declining revenue.

Ecology is working with an advisory group to restructure the permit fee system to make it self-supporting again. This request provides a "bridge" to supplement fee funding and add permit positions until the fees are restructured in 2010. Depending on how restructured fees are phased in, additional funding may be needed in the 2011-13 biennium. (Department of Ecology)

Continue and Expand the Foundations That Will Support Protection, Restoration, Pollution Reduction and Work as a System on Priorities

18. Staffing/Regional Support – \$2.128 million from the State Toxics Control Account – Three ongoing staff will act as liaisons to the North Central Puget Sound, South Central Puget Sound, and San Juan/Whatcom Action Areas; and five ongoing staff will provide technical support to state agencies and local governments on water quantity, water quality, species, habitat and land use, and human health and well-being. The PSP's Leadership Council must work closely with organizations and all levels of government to ensure the Action Agenda and its implementation are scientifically sound, efficient, and achieve necessary results. They must also support, engage, and foster collaboration among watershed groups in Puget Sound recovery. This request will provide sufficient staff to guide and support recovery actions in the seven Action Areas, and to address specific technical issues related to achieving the Partnership's goals. (Puget Sound Partnership)

19. Status and Trends - \$1.3 million from the State Toxics Control Account – This funding will establish a status and trends monitoring program to determine whether we are making progress in restoring the health of Puget Sound. The Governor has stated a goal of restoring Puget Sound to health by 2020, and a status and trends monitoring program is needed to determine whether progress toward the Governor's goal is on course. This request will provide this information first for Puget Sound watersheds, and then for watersheds throughout the state, with particular focus on recovering endangered salmon species. (Puget Sound Partnership)

Puget Sound Investment Strategy

Funding	\$200 PS bond PRIMARY				Cash w/o ASARCO * ALTERNATIVE		
	STCA	LTCA	PS Bond	Total	STCA	LTCA	Total
Available for PS per 9.1.08 submittal	26,000	40,000	200,000	266,000	10,000	14,000	24,000
New 09-11 fund balance 9.26.08	1,000	4,422	-	5,422	1,000	5,779	6,779
Transfer from LTCA to STCA	-	-	-	-	5,000	(5,000)	-
Total Funding PS	27,000	44,422	200,000	271,422	16,000	14,779	30,779

Puget Sound Action Agenda Strategic Priorities

A. Protect Intact Ecosystem Processes, Structures, and Functions

1 ECY - Protect PS Shorelines	2,054	3,000	-	5,054	2,054	3,000	5,054
2 ECY - Puget Sound Coastal Wetlands Conservation Fund	-	-	5,000	5,000	-	-	-

B. Restore Ecosystem Processes, structures, and functions

3 ECY - Elwha River Ecosystem & Fisheries Rest.	4,800	-	-	4,800	-	-	-
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C. Reduce the Sources of Water Pollution

4 ECY - Cleanup Toxic Sites & Habitat Restoration	-	-	6,000	6,000	-	-	-
5 ** ECY - Clean Up Pollution in PS (Marine TMDL)	3,630	-	-	3,630	-	-	-
6 ECY - No Discharge Zone	300	-	-	300	300	-	300
7 ECY - Neah Bay Tug	-	3,600	-	3,600	1,000	2,600	3,600
8 ECY - Oil Spill Prevention Account Bridge funding	-	8,000	-	8,000	-	4,000	4,000
9 ECY - Accelerate Stormwater Management	2,000	-	-	2,000	-	-	-
10 DOT Support for Stormwater Control	-	19,714	-	19,714	-	-	-
11 ECY - Stormwater Retrofit / LID Grant Program	-	-	20,000	20,000	-	5,000	5,000
12 ECY - State Assistance Modernizing Wastewater	-	-	6,000	6,000	-	-	-
13 DOH - Managing PS Septic Systems	880	7,906	-	8,786	-	-	-
14 ECY - Increase Compliance & Enforcement	4,148	400	-	4,548	3,148	400	3,548

D. Work Together As A System On Priority Actions

15 PSP - Perform Watershed-scale Assessments - NEW	-	-	-	-	1,300	-	1,300
16 PSP - Improve the Success of Mitigation	750	-	-	750	200	-	200
17 ECY - Water Quality Program Bridge funding	4,595	-	-	4,595	4,595	-	4,595

E. Continue & expand the foundations that will support protection, restoration, pollution reduction & work as a system on priorities.

18 PSP - Staffing /Regional Support	2,128	-	-	2,128	2,128	-	2,128
19 PSP - Status and Trends ML	1,300	-	-	1,300	1,300	-	1,300
PS Bond Debt Service	900	1,840	-	2,740	-	-	-
Total by fund for PS	27,485	44,460	37,000	108,945	16,025	15,000	31,025

*Note: \$16 m repayment from ASARCO settlement to STCA has been delayed by court proceedings.

**Note: Assumes technical portions of work could be done with Federal funding through EPA.