

Department of Ecology Operating Budget Request for the 2007-2009 Biennium

		Governor Gregoire 12/19/2006		
\$ in thousands - Annual Average FTE's	FTE	GF-S	Other	Total
Carry Forward Level	1,519.7	82,861	323,141	406,002
Maintenance Level Changes				
1. Miscellaneous ML Changes	(1.0)	2,983	(4,483)	(1,500)
2. Wetland Mitigation - Clark County		110		110
Total Maintenance Level	1,518.7	85,954	318,658	404,612
Policy Changes				
Reducing Health Risk from Toxic Chemicals				
3. Safer Chemical Alternatives *	1.0		400	400
4. Public Participation Grants *	1.0		1,780	1,780
5. Hanford Tank Waste Strategy			492	492
6. Hanford Damage Assessment Lawsuit			328	328
7. Litter Prevention			2,750	2,750
8. Organic Waste to Resources	1.6		1,349	1,349
9. Biosolids Permit Processing			422	422
10. Pesticide Container Recycling			260	260
11. Underground Storage Tank Reauthorization	3.4		679	679
12. Consolidate Oil Spill Program *	2.0		410	410
Water for Local Communities and Healthy Watersheds				
13. Implementing Local Watershed Plans	3.0	2,000		2,000
14. Reclaimed Water Rule-Making *	1.0		246	246
15. Setting & Achieving Instream Flows	2.0		630	630
16. Construction Stormwater Permits	4.0		751	751
17. Implementing Water Cleanup Plans	5.0		1,622	1,622
18. Protect Spokane Area Water Rights	2.0		595	595
19. Wastewater Permit Enhancements	3.0		795	795
20. Wastewater Treatment Loan Processing				
21. Well Construction & License System	1.0		650	650
22. Hydropower Licensing & Gauging	2.2		1,257	1,257
23. Water Right Database Enhancements	2.0		300	300
24. Chamokane Basin Study	0.2	417		417
Puget Sound Restoration and Protection				
25. Urban Waters Cleanup and Protection *	8.0		2,570	2,570
26. Water Quality Monitoring Consortium	1.0		800	800
27. Puget Sound Pollutants Modeling	3.0		446	446
28. Puget Sound Federal Funds			4,000	4,000
29. Achieving Environmental Compliance		2,000		2,000
30. Puget Sound Local Source Control	1.0		2,026	2,026
31. Local Government Stormwater Grants *	1.0		9,000	9,000
Effective Environmental Mitigation				
32. Environmental Mitigation that Works *	10.0	1,927		1,927
Climate Change and Air Quality				
33. Meeting Federal Air Requirements		650	(650)	0
34. Regional Haze Reduction Program	3.5	512	200	712
Technical & Miscellaneous				
35. Cleanup Priority Act Defense		492	(492)	0
36. Ocean Policy Workgroup	1.0	200		200
37. Grants, Contracts & Loans Mgmt System		516	2,230	2,746
38. Compensation, Insurance & Benefit Changes		5,301	12,821	18,122
Total Policy Changes	62.9	14,015	48,667	62,682
Total Proposed Operating Budget	1,581.6	99,969	367,325	467,294

* These items include both a Puget Sound specific and state-wide funding component. Several other proposals while not specific to Puget Sound will also provide benefits to this region.

Reducing Health Risk from Toxic Chemicals

Safer Chemical Alternatives ~ \$200,000 from the Hazardous Waste Assistance Account, \$200,000 from the State Toxics Control Account, and 1 FTE ~ Helps businesses, state government, and individual citizens reduce their use of toxic or hazardous chemicals and replace them with safer alternatives. Ecology will identify safer chemical alternatives for these groups. Doing this, along with better informing the public on toxic chemical dangers and choices, can reduce business and cleanup costs, minimize public health risks, and result in non-regulatory reductions in the use of dangerous chemicals.

Public Participation Grants ~ \$490,000 from the State Toxics Control Account, \$1.29 million from the Local Toxics Control Account, and 1 FTE ~ Increases citizen education and involvement in toxics reduction and cleanup work in their communities. Cleanup work alone has tripled in the last four years, while the amount of funding for Public Participation Grants has remained constant. The additional funding will bring the Public Participation Grants up to the mandated level of one percent of the Hazardous Substance Tax. \$750,000 of this funding will expand public education in Puget Sound to further the goals set by the Puget Sound Partnership.

Hanford Tank Waste Strategy ~ \$492,000 from the State Toxics Control Account ~ Uses fees to pay for additional legal support from the Attorney General's Office related to the cleanup at the Hanford Nuclear Reservation. At Hanford, the U.S. Department of Energy has stopped or delayed work, or missed significant Tri-Party Agreement milestones on the projects related to safe management, treatment, and disposal of 53 million gallons of high-level nuclear waste stored in tanks.

Hanford Damage Assessment Lawsuit ~ \$328,000 from the State Toxics Control Account ~ Allows Ecology to support the Yakama Nation's lawsuit to compel the U.S. Department of Energy to conduct a natural-resources damage assessment for releases of toxic substances at the Hanford Nuclear Facility. The Yakama Nation filed suit to compel Energy to meet its obligations and the state has joined this lawsuit. Washington State is a trustee on the Hanford Natural Resources Council and has a strong interest in ensuring the federal agency meets its obligations.

Litter Prevention ~ \$2.75 million from the Waste Reduction/Recycling/Litter Control Account ~ Improves litter-prevention public-information messages, litter enforcement, and roadside cleanup efforts. Litter along state roadways is ugly and can be hazardous to public safety and health. The effectiveness of Washington's "Litter and It Will Hurt" campaign tapered off in 2004. Despite four years of steady improvement in road cleanliness, in 2005, Washington's roads reached the most littered condition the state Department of Transportation has recorded since 2000. Litter prevention efforts need to be revitalized and strategically targeted.

Organic Waste to Resources ~ \$1.349 million from the Waste Reduction/Recycling/Litter Control Account and 1.6 FTEs ~ Develops new conversion processes and markets for organic materials, and helps the agricultural community become more sustainable and profitable. Despite many successful compost projects, Washington wastes a huge amount of organic material. The 2005 Biomass Inventory identifies 17 million tons of underused organic materials in the state, which is enough to power 20 percent of Washington households. There is a tremendous potential for turning waste into energy, products, and compost, which would keep this waste out of landfills and contribute to energy independence.

Biosolids Permit Processing ~ \$422,000 from the Biosolids Permit Account ~ Provides authority to use additional fee revenue to fully fund the state biosolids program. The program provides oversight, permitting, and assistance for sewage treatment plants and other facilities that generate, treat, and use biosolids to benefit soils. Since the start of the program in 1998, fees collected have supported only two-thirds of a base program. Rule amendments that will be complete by June 2007 will result in additional fee-supported revenue to fully cover program costs.

Pesticide Container Recycling ~ \$260,000 from the State Toxics Control Account ~ Allows Ecology to continue helping farmers recycle agricultural pesticide containers. Current funding for this work from the non-profit Agricultural Container Recycling Council ended September 2006. Continued funding is required to properly manage this waste stream, which amounts to about 500,000 pounds per year of recycled containers. In the past, pesticide containers were either sent to the

landfill or burned, which is unhealthy for humans and the environment. One-time funding is needed while a long-term nationwide disposal solution is searched out.

Underground Storage Tank Reauthorization ~ \$679,000 from the Underground Storage Tank Account and 3.4 FTEs ~ Reauthorizes this program and uses increased fees to reduce the number of leaking underground storage tanks (USTs). Leaking USTs can harm drinking water sources and cause other environmental contamination. There are currently 10,300 USTs in Washington and in 1990, almost 1,000 tanks had leaked to some degree. There has been improvement, but there were still 75 tank leaks in 2006. The UST program authorization sunsets in 2009, and new mandatory federal requirements double the number of tank inspections from once every six years to once every three years.

Consolidate Oil Spill Program ~ \$410,000 from the Oil Spill Prevention Account and 2 FTEs ~ Consolidates the various groups that review the state's oil spill programs. The Oil Spill Advisory Council has completed its review of existing state oil spill programs and made recommendations for improving and funding those programs. The Council will be recast to advise Ecology and allow consolidation of intergovernmental, citizen, industry, and technical expert groups that review the state's oil spill programs. The Puget Sound Partnership will serve as lead agency and take on the broader, independent accountability role of the Council. Consolidation will reduce duplication and help ensure an efficient structure for preventing and responding to oil spills.

Water for Local Communities and Healthy Watersheds

Implementing Local Watershed Plans ~ \$2 million from the state General Fund and 3 FTEs ~ Moves watershed plans across Washington from planning to implementation. The 1998 Watershed Planning Act continues to provide funding and a framework for state, local, and tribal governments to create watershed plans that address local water needs, reduce pollution, and protect fish habitat. By the end of the 07-09 biennium, as many as 28 plans may be ready to begin making improvements. State financial support will move these plans to implementation to ensure plans and priority action items are carried out and to realize a return on the significant planning investment.

Reclaimed Water Rule-Making ~ \$246,000 from the Water Quality Account and 1 FTE ~ Funds rule changes to speed up the use of reclaimed water - a valuable tool to protect Puget Sound, improve water quality, and stretch water supplies. Current standards do not adequately address the needs of proposed reclaimed water projects, so implementation is hindered. The rule changes will be consistent with HB 2884, approved by the 2006 Legislature.

Setting & Achieving Instream Flows ~ \$630,000 from the Water Quality Account and 2 FTEs ~ Replaces soon-to-end federal dollars used to set and achieve instream flows. A Salmon Recovery Funding Board grant has funded Ecology and the Department of Fish and Wildlife to do this work since 2002. This federally supported grant ends June 30, 2007. Setting and achieving instream flows are crucial to ensuring the state's streams and rivers have enough water for aquatic life, recreation, water quality, and for issuing new water rights for out-of-stream uses.

Construction Stormwater Permits ~ \$751,000 from the Water Quality Permit Account and 4 FTEs ~ Uses permit-fees for Ecology to keep up with demand for water quality discharge permits. In November 2005, Ecology re-issued construction stormwater general permits to include new permit requirements for construction of sites between one and five acres. Ecology is required by federal law to issue these permits, provide technical assistance, and conduct compliance inspections. Properly managing stormwater protects water quality, minimizes flooding, and protects habitat.

Implementing Water Cleanup Plans ~ \$811,000 from the Water Quality Permit Account, \$811,000 from the Water Quality Account and 5 FTEs ~ Speeds up implementing water cleanup plans, also known as Total Maximum Daily Loads (TMDLs). Ecology's work with local government and citizen groups on TMDLs helps ensure water bodies in the state meet water quality standards. A lawsuit settlement required Ecology to speed up developing these plans. Ecology has since focused resources in plan development and is struggling to keep up with the production schedule. This has resulted in the agency dropping further behind in providing implementation on the ground, which is vital to achieving actual water quality improvement. Ongoing staff will work with local communities to help them comply with water quality standards.

Protect Spokane Area Water Rights ~ \$595,000 from the Water Quality Account and 2 FTEs ~ Clarifies water rights in Spokane Area Watersheds. The state of Idaho is beginning a large-scale general adjudication of the Spokane River and

tributaries in Idaho. Ecology will map and document water rights, meter water use, and coordinate with local interests and tribes to protect Washington's interests in use of interstate water sources. Information will support more active water management as the area faces complex and growing water issues.

Wastewater Permit Enhancements ~ \$795,000 from the *Water Quality Permit Account* and 3 FTEs ~ Provides more resources to handle a marked increase in water-quality permitting activity. Additional staff will focus on statewide permit-program improvements including: rigorous permit quality review to ensure permits are consistent with one another and with water quality regulations and policy; methods to estimate toxics and conventional pollutant loading to water bodies, including urban areas; enhanced permit development and permit-compliance assistance to the Washington State Department of Transportation to prevent stormwater contamination of streams and rivers from road runoff; and clearer water-quality permit data for the public which will improve understanding of water quality across the state.

Wastewater Treatment Loan Processing ~ Allows Ecology to properly administer the State Revolving Fund (SRF) loan program. The federal Clean Water Act (CWA) allows states to use a maximum of four percent of the new federal grants received each year to administer the SRF. The loan program is increasing its overall size due to loan interest and principle repayments, and the dollars managed have increased by 29 percent. But, the amount of new federal grants is decreasing. Ecology will maintain the same level of administrative effort needed to comply with the CWA as it did in the 05-07 biennium by increasing Water Quality Account Appropriations by \$700,000 and decreasing Water Pollution Control Revolving Accounts appropriations by this same amount.

Well Construction & License System ~ \$650,000 from the *Reclamation Account* and 1 FTE ~ Allows Ecology to integrate two water-management data systems to increase customer satisfaction and improve the usability, accuracy, and level of detail available to stakeholders. Currently, one of the systems tracks well-construction data and the other tracks well-contractor licensing data. Changes to state regulations require Ecology to make significant changes to the licensing portion of the database. Stakeholders who use the two systems are also requesting enhancements that would streamline and improve overall well construction and licensing systems.

Hydropower Licensing & Gauging ~ \$1.257 million from the *Reclamation Account* and 2.2 FTEs ~ Proposes legislation to increase power license fees, which have not changed since they were established in 1929. The cost of licensing and re-licensing hydropower dams and the costs of the cooperative stream-gauging agreement with the United States Geological Survey exceed available revenue. Legislation is proposed to increase the power license fees and adjust those fees in the future to keep pace with inflation. The increased fee revenue will fund Ecology and Department of Fish & Wildlife work to license, re-license, and monitor the effects of hydroelectric projects on water, fish, and wildlife; and the State's share of the Cooperative Stream Gauging Program, which finances 36 mission-critical stream gauges.

Water Rights Database Enhancement ~ \$150,000 from the *Reclamation Account*, \$150,000 from the *Water Rights Tracking System Account* and 2 FTEs ~ Enhances the Water Rights Database. Ecology uses this tool to issue water rights and process water right changes. The data includes information on who may use water, how much, where, and for what purpose. The system will be upgraded to provide information to the public through the Internet, freeing up staff time to work on processing permits.

Chamokane Basin Study ~ \$417,000 from the *state General Fund* and .2 FTEs ~ Helps finance a ground water/surface water technical study in the Chamokane Creek Basin in Stevens County. A federal district court judge ordered this study to resolve water resource management issues. Ecology is a party to the order and is required to help finance the project, along with the United States and the Spokane Tribe of Indians.

Puget Sound Restoration and Protection

Urban Waters Cleanup and Protection ~ \$2.03 million from the State Toxics Control Account, \$540,000 from the Local Toxics Control Account and 8 FTEs ~ Provides technical assistance to help prevent the release of toxic chemicals into the waterways, and allows completion of source control action plans to prevent contamination and recontamination of past successful toxic site cleanups. Many of Washington's urban waters are in crisis. The Spokane River, Lower Duwamish Waterway, and Commencement Bay all have elevated levels of toxic chemicals or recontamination.

Water Quality Monitoring Consortium ~ \$400,000 from the Water Quality Account, \$400,000 from the Water Quality Permit Account and 1 FTE ~ Develops an ongoing modeling consortium to coordinate local, state, and regional water quality monitoring. Stormwater and water quality monitoring in Puget Sound are done by multiple groups using different standards and protocols. Ecology will work on developing an ongoing consortium similar to Chesapeake Bay or San Francisco Bay. The goal is to integrate ongoing monitoring efforts for stormwater, water quality, watershed health, and other state indicators, and enhance monitoring efforts in Puget Sound.

Puget Sound Pollutants Modeling ~ \$446,000 from the Water Quality Permit Account and 3 FTEs ~ Develops a scientific approach to determine how Puget Sound is being polluted and how the pollutants affect the Sound. Low levels of dissolved oxygen and high levels of toxics have been identified as serious pollution concerns in Puget Sound, but their effects are not fully understood. A more scientific "environmental modeling" approach will help us better understand pollutant loadings, mixing, transport, and impacts around the Sound. Models are the foundation for developing Water Quality Improvement Plans (also called Total Maximum Daily Loads), and are critical to establishing permit discharge limits and other regulatory and water management actions. Modeling also helps identify information gaps, allowing monitoring programs to be more efficiently targeted.

Puget Sound Federal Funds ~ \$4 million from the General Fund – Federal ~ Uses a U.S. Environmental Protection Agency grant to fund priority actions identified by the Puget Sound Partnership. Ensuring a sustainable Puget Sound by 2020 is a priority for the Governor and the Partnership. Trends of significant concern include water quality and the health of habitat and species. The Puget Sound Partnership will develop an action plan to protect and restore Puget Sound.

Achieving Environmental Compliance ~ \$2 million from the state General Fund ~ Provides ongoing grants to Puget Sound governments in ten pilot watersheds to improve compliance with environmental laws. This will be done by informing parties of existing requirements, providing technical assistance to those looking to comply voluntarily, and taking enforcement actions to ensure compliance. On-the-ground compliance help will improve the effectiveness of programs to protect Puget Sound, integrate compliance programs at a watershed scale, and help provide a level playing field for all parties within a watershed; all without creating new government programs.

Puget Sound Local Source Control ~ \$2.026 million from the Local Toxics Control Account and 1 FTE ~ Ten ongoing local government specialists will be trained to assist Puget Sound counties with waste management and reduction and source control. Local governments help their small businesses and citizens safely manage hazardous and solid wastes – and nearly 70 percent of the hazardous waste generators in Washington are in Puget Sound. The local government specialists will help fill a critical gap in avoiding contamination and recontamination of previously cleaned up toxic sites. Puget Sound Partnership performance agreements will require progress reports and measurable results toward the goal of protecting Puget Sound from toxic threats.

Local Government Stormwater Grants ~ \$9 million from the Local Toxics Control Account and 1 FTE ~ Provides grants to local governments for municipal stormwater programs. These programs include implementing phase II municipal stormwater permits; stormwater source control for toxics connected to contaminated sediment site cleanup; and stormwater source control programs for shellfish protection districts where stormwater is a significant contributor. \$2 million of these funds are provided for non-Puget Sound local governments.

Effective Environmental Mitigation

Environmental Mitigation that Works ~ \$1.927 million from the state General Fund and 10 FTEs ~ Increases Ecology's ability to preserve wetlands and other aquatic resources. Ecology needs the resources to ensure that mitigation work required to replace wetlands harmed or lost to development is carried out. Ecology has found that with the current program, wetland mitigation fails roughly 50 percent of the time. Additional resources are needed for follow up mitigation compliance, capacity for processing wetland mitigation bank proposals, and setting up such banks. Technical assistance will improve environmental compliance and increase permit efficiency to help developers achieve their goals.

Climate Change and Air Quality

Meeting Federal Air Requirements ~ \$650,000 from the state General Fund ~ Restores Ecology's ability to protect public health and meet federal requirements by regulating fine-particle and regional-haze pollution. This activity has had federal and state funding eliminated or severely cut back in recent years, but the federal air quality standards for fine particles have been tightened. The Fine Particle Pollution Program and the Regional Haze Program both are based in federal law and require the state to meet specific air pollution targets. Staff will develop a comprehensive, statewide smoke reduction strategy for outdoor burning and coordinate with local, state, and federal land managers to reduce outdoor burning. This add is off-set by a \$650,000 reduction in General Fund-Federal appropriations.

Regional Haze Reduction Program ~ \$512,000 from the state General Fund, \$200,000 from the private-local General Fund and 3.5 FTEs ~ Provides funds to bring back the Regional Haze Program that was cut in 2003 from lack of funding. This program is a mandatory part of the federal Clean Air Act that requires states to reduce haze in and around national parks and monuments, and return those areas to pristine air quality by 2064. This program will identify and quantify the sources of regional haze pollution and begin a formal rule process to limit emissions and take action to reduce haze by 2064.

Technical and Miscellaneous

Cleanup Priority Act Legal Defense ~ \$492,000 from the state General Fund ~ Provides ongoing legal defense to support an appeal of the federal court decision to strike down the Clean-up Priority Act (CPA). The CPA was approved by voters in 2004 and subsequently challenged in court by the federal government. The CPA requires Ecology to take specific actions related to the cleanup of the Hanford Nuclear Reservation.

Ocean Policy Workgroup ~ \$200,000 from the state General fund ~ Produces integrated and more efficient management of ongoing ocean policy issues. Based on public input and research, the Ocean Policy Work Group (OPWG) found ways to improve management of Washington's ocean and coastal resources. The OPWG final report made over 60 recommendations in areas such as ocean energy coastal hazards, sustainable fisheries, derelict fishing gear, oil spills, and effective management of ocean and coastal resources. Ecology will coordinate these issues among several state agencies, the tribes, and federal and local governments.

Grants, Contracts, Loan Management System ~ \$2.746 million from multiple fund sources ~ Creates one centralized, easily accessible system to manage grants, contracts, and loans (GCL). GCLs are currently managed with agency or program-specific spreadsheets and databases. The Office of Financial Management's Statewide Financial Systems is working with Ecology and the Department of Community, Trade, and Economic Development on an enterprise project to replace those systems with one centralized system.