



Governor Inslee's 2016 Supplemental Budgets

Actions to Address the MTCA Revenue Shortfall

January 2016

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Managing the MTCA Revenue Decrease

The main source of revenue for the Model Toxic Control Act (MTCA) accounts is the Hazardous Substance Tax, which is dependent on petroleum prices. As the price of oil declines, so do revenues to the MTCA accounts.

The 2015-17 budget appropriated MTCA accounts based on revenue forecasts made when petroleum prices were higher. Since then, petroleum prices have fallen. MTCA revenue collections in the November 2015 forecast are about \$68 million below the amount assumed in the 2015-17 budget. This leaves a negative fund balance of \$71 million for the 2015-17 Biennium.

Actions Taken

Ecology took the following steps to respond to revenue decreases in the MTCA accounts, as authorized in section 7038 of the 2015-17 Capital Budget (HB 1115):

- Transferring funds between the three MTCA accounts.
- Taking a \$13 million loan from the Cleanup Settlement Account, repaid with interest.
- Delaying 2015-17 cleanup projects.

In addition, Ecology will spend bond funding first in two 2015-17 water quality programs that received both bond and MTCA funding. This allows for spending \$14 million in MTCA in 2015-17 for cleanup projects.

Even with these actions, there is **only \$12.6 million** of MTCA revenue available for cleanup projects this biennium.

Solutions in the 2016 Supplemental Budgets

The Governor's 2016 supplemental budgets propose several additional actions to manage revenue decreases in the three MTCA accounts.

Capital Budget Proposal:

- Replaces **\$25.5 million** of cleanup project appropriations from MTCA with bonds.

Operating Budget Proposal:

- Transfers of dedicated fund balances.
- One-time expenditure shifts.
- Net change is **\$1.2 million** savings.

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In total, the 2015-17 budget and the Governor's 2016 supplemental proposal would provide **\$39.4 million** (the 2015-17 budget appropriated \$100.6 million) for cleanup projects. If the Legislature enacts the Governor's 2016 supplemental budgets, the highest priority cleanup projects from the enacted budget would get started this biennium.

The 2015-17 budget assumed \$43.7 million of the \$100.6 million total appropriations would be spent in future biennia with future revenue. The current revenue situation will result in the delay of \$61.3 million in cleanup projects until MTCA revenue is available.

Ecology worked with stakeholders over several months to develop a prioritized list of 2015-17 cleanup projects, initially based on MTCA's requirement to address the urgency and effectiveness of cleanup projects. The lists were further refined based on the criteria (section 7038) in the enacted capital budget – acuity of need, readiness to proceed, cost efficiency, and need to ensure geographic distribution.

What's Next

The Legislature reconvenes January 11, 2016, for a 60-day short session to address major issues that have occurred since they passed the 2015-17 budget last June. The next revenue forecast is scheduled to be released around February 17, 2016, and may result in changes in the size of the MTCA revenue shortfall. Ecology will continue to monitor the MTCA revenue shortfall and provide updates as needed.



Estimated Fund Balances for MTCA Related Accounts With Governor's Proposed 2016 Supplemental Budget

1/7/2016

Purpose: Provide projected ending fund balances in accounts related to the Model Toxics Control Act after the Governor's proposed 2016 Supplemental Budget.

Assumptions: (1) Beginning 2015-17 Fund Balance and Reappropriations based on 2013-15 Phase 3 September 16, 2015. (2) 2015-17 is based on Enacted budget expenditure assumptions provided by legislative staff and the Governor's proposed 2016 Supplemental. (3) 2017-19 Operating is carryforward level estimate and Capital is necessary unspent amounts from 2015-17.

	Dollars in thousands	2015-17				2017-19			
		STCA	LTCA	ELSA	TOTAL	STCA	LTCA	ELSA	TOTAL
1	+Total Resources	\$196,132	\$193,274	\$30,037	\$419,444	\$171,053	\$124,200	\$51,821	\$347,074
2	+Initial Inter-fund Transfers	(\$14,454)	(\$97,015)	\$111,469					
3	+Cleanup Settlement Loan & Payback		\$13,000		\$13,000		(\$8,938)		(\$8,938)
4	+Transfers in Gov's 2016 Supplemental			\$750	\$750				
5	Base Operating Funding, all agencies	\$147,647	\$4,628	\$48,164	\$200,439	\$149,027	\$4,664	\$47,270	\$200,961
6	Operating Changes Gov's 2016 Supp	(\$928)	\$7	\$436	(\$485)	\$3,100			\$3,100
7	Capital Reappropriations	\$24,984	\$103,090	\$127,760	\$255,834	\$21,024	\$79,563	\$37,860	\$138,447
8	Enacted Budget Expenditure Assumptions	(\$3,000)	(\$19,339)	(\$34,048)	(\$56,387)				
9	New Capital Appropriation, all agencies	\$39,550	\$108,050	\$856	\$148,456				
10	Enacted Budget Expenditure Assumptions	(\$11,869)	(\$52,675)		(\$64,544)				
11	Centennial & Stormwater Bonds First		(\$14,020)		(\$14,020)		\$14,020		\$14,020
12	Bond Backfill Gov's 2016 Supp	(\$11,550)	(\$13,933)		(\$25,483)				
13	-Total Appropriations	\$184,834	\$115,808	\$143,168	\$443,810	\$173,151	\$98,247	\$85,130	\$356,528
14	-Working Capital Reserve	(\$3,000)	(\$1,000)	(\$2,900)	(\$6,900)	(\$3,000)	(\$1,000)	(\$2,900)	(\$6,900)
15	-Addtl Projects Delayed due to Revenue Decline	(\$6,155)	(\$7,549)	(\$3,812)	(\$17,516)				
16	ENDING FUND BALANCE	\$	\$	\$	\$	(\$5,098)	\$16,015	(\$36,209)	(\$25,292)

Department of Ecology

Governor Inslee's 2016 Supplemental Budget Actions to Address 2015-17 Biennium MTCA Revenue Shortfall

1/7/2016

Purpose: MTCA revenue decreased by a total of \$68.4 million in the November 2015 forecast compared to May 2015 forecast, and with end-of-biennium adjustments, the overall account balance is projected to be down \$71.3 million. The Governor's 2016 Supplemental budget proposes several actions to address the revenue shortfall. The following analysis calculates the impact of actions Ecology has taken and the Governor's proposed solutions toward addressing the shortfall.

MTCA Funding available for Cleanup Projects in 2015-17:

<i>Dollars in millions</i>	
Projected Fund Balance, Nov. 2015 Forecast	\$ (71.3)
Cleanup Settlement Account Loan	\$ 13.0
Maximizing bonds in non-cleanup projects*	\$ 14.0
Transfer balances of dedicated accounts to MTCA	\$ 0.8
2016 Supplemental Operating Proposal	\$ 0.5
New Cleanup Projects expenditure assumptions for 2015-17**	\$ 54.3
MTCA Funding for Cleanup Projects in 2015-17	\$ 11.3

Need for Cleanup Projects in 2015-17:

Remedial Action Grants**	\$ 62.5
Future expenditures assumed in enacted budget	\$ (31.9)
Governor's 2016 Suppl. Bond Backfill Proposal	\$ (13.9)
2015-17 projected MTCA funding available	\$ (7.2)
2015-17 expenditures delayed to 2017-19	\$ 9.4
Cleanup Toxic Sites Puget Sound	\$ 22.6
Future expenditures assumed in enacted budget	\$ (8.6)
Governor's 2016 Suppl. Bond Backfill Proposal	\$ (5.8)
2015-17 projected MTCA funding available	\$ (2.6)
2015-17 expenditures delayed to 2017-19	\$ 5.6

Apportion \$11M MTCA across Projects based on total allocation:

<i>Dollars in millions</i>	New 2015-17 Approp.	%	2015-17 Funding
Remedial Action Grants**	\$ 62.5	64%	\$ 7.2
Cleanup Toxic Sites Puget Sound	\$ 22.6	23%	\$ 2.6
Eastern WA Clean Sites Initiative	\$ 11.0	11%	\$ 1.2
Leaking Tank Model Remedies	\$ 2.0	2%	\$ 0.2
Total Cleanup Projects	\$ 98.0		\$ 11.3

Note: Funding levels may be marginally adjusted to fund the last project on each list.

Eastern WA Clean Sites Initiative	\$ 11.0
Future expenditures assumed in enacted budget	\$ (3.3)
Governor's 2016 Suppl. Bond Backfill Proposal	\$ (4.6)
2015-17 projected MTCA funding available	\$ (1.2)
2015-17 expenditures delayed to 2017-19	\$ 1.9
Leaking Tank Model Remedies	\$ 2.0
Future expenditures assumed in enacted budget	\$ -
Governor's 2016 Suppl. Bond Backfill Proposal	\$ (1.2)
2015-17 projected MTCA funding available	\$ (0.2)
2015-17 expenditures delayed to 2017-19	\$ 0.6

Gov's 2016 Suppl Proposal for Cleanup Projects in 2015-17 (Bond & MTCA funding): \$ 39.4
2015-17 expenditures delayed to 2017-19* \$ (17.5)**

*Ecology will spend State Building Construction Account dollars before MTCA in two non-cleanup projects – Centennial and Stormwater – that received both MTCA and bond funding in 2015-17. While this frees up \$14 M in MTCA for cleanup projects in 2015-17, it adds \$14 M to the \$121 M already assumed in the enacted budget, for a total of \$135 M of MTCA expenditures delayed to 2017-19.

**Amount excludes \$2.6 M for funding already paid to Grays Harbor PUD

***Amount of cleanup expenditures in 2015-17 delayed in addition to assumed future expenditures of \$43.7 M (total of \$61.2 M delayed to 2017-19 biennium).

The following four cleanup project lists portray:

- Green Shaded- projects funded based on November 2015 HST forecast.
- Orange Shaded- additional projects that would be funded if the Governor's 2016 Supplemental Budgets are enacted.
- No Shading- projects funded in the enacted budget that are delayed until MTCA revenue is available.

Department of Ecology
Toxics Cleanup Program
REVISED: 2016 Supplemental - Governor's Proposed Budget
Bond Backfill Proposal for Remedial Action Grants (30000458)
As of: 12/17/2015

PURPOSE

- 1) Identify Remedial Action Grant (RAG) projects appropriated in the 2015-17 Enacted Capital Budget. Projects shaded in orange/green and listed above the available funding line for the Governor's 2016 Supplemental budget proposal would be funded with the Governor's estimated cash resources in the Model Toxics Control Act (MTCA) accounts and bonds. Projects Ecology plans to fund with current law estimated cash resources in the MTCA accounts are shaded in green and listed above the November 2015 revenue forecast available funding line.
- 2) Detail RAG projects appropriated in the 2015-17 Enacted Capital Budget that cannot be funded because of insufficient cash resources -- unshaded projects and below the available funding lines.

With the November 2015 revenue forecast, there is a projected overall MTCA fund balance for the biennium of negative \$71 million from when the budgets were passed in June 2015. This revenue decline and the direction provided in the enacted budget mean funding is not available to start the majority of these important cleanup projects. The Governor's 2016 Supplemental budget proposes several actions to address the revenue shortfall. This list represents cleanup projects appropriated in the enacted budget and is a plan for implementing the enacted 2015-17 budget based on the best information available to Ecology. The plan may change as more information becomes available.

APPLICATION OF SECTION 7038 ENACTED BUDGET CRITERIA

The 2015-17 enacted capital budget (2EHB 1115, Section 7038(3)) provided Ecology with criteria to use to identify delayed cleanup projects. The Toxics Cleanup Program reviewed each project in this table and ranked individual grants by:

1) Applying Section 7038 criteria as detailed in the 2015-17 Biennium Cash Management Plan for the Model Toxics Control Act Accounts. The criteria are:

- > Acuity of Need - Projects were given a '1' in the table below if legally required; awaiting state reimbursement for past costs; steady flow of funding required for projects currently in construction; interim actions; or recipient organization past spending patterns.
- > Readiness to Proceed - Projects were given a '1' in the table below if a contract is in place; local government approvals are complete; orders are final; stage of cleanup has reports and public comment complete; or permits are in hand.
- > Cost Efficiency - Projects were given a '1' in the table below if existing investments will be lost or if state funding leverages other cleanup investments.

> Need to Ensure Geographic Distribution - This criteria is met across all four Toxic Cleanup Program capital projects (Remedial Action Grants, Cleanup Toxic Sites-Puget Sound, Eastern Washington Clean Sites Initiative, and Leaking Tank Model Remedies). Project lists demonstrate geographic distribution throughout Washington by listing the individual grant or state-directed investment by county.

2) Where groups of projects met all of the same Section 7038 criteria, projects were further ranked considering the original prioritized list Ecology submitted with the 2015-17 budget request.

3) Reviewing current information from grant recipients and Ecology's regional cleanup managers on the status of projects to further refine the prioritization. Considering, for instance, the construction stage of projects, schedule changes, whether permits are in hand, if projects are ready to bid, if projects leverage partnerships, and if projects have already incurred eligible costs.

Rank	Recipient	Project	Description	Section 7038 Criteria			Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes
				Acuity of Need	Readiness to Proceed	Cost Efficiency					
1	Yakima, City of	Tiger Oil 24th & Nob Hill	Post Interim Action/Construction: This project would fund the cleanup efforts at a site in a prime economic redevelopment area.	1	1	1	Yakima	220,500	220,500	15	The original project amount of \$1.5 million is split based on cleanup needs and recipient's spending plan (see Rank #34). This project represents one of four new RAG appropriations in Eastern Washington.
2	Pasco, Port of	Bulk fuel storage	Cleanup: Monitoring the in-situ treatment is underway with an existing grant. This project provides matching grant funds for "hot-spot" source removal.	1	1	1	Franklin	335,000	555,500	16	This project represents one of four new RAG appropriations in Eastern Washington.
3	Walla Walla, City of	Sudbury Road Landfill	Cleanup: This project provides matching grant funds to conduct additional remedial actions to complete cleanup.	1	1	1	Walla Walla	1,264,000	1,819,500	16	The original project amount of \$2.250 million is split based on cleanup needs at the site, recipient's spending plan and a reappropriated grant still available (see Rank #36). This project represents one of four new RAG appropriations in Eastern Washington.
4	Everett, Port of	Mill A	Investigation/Cleanup: This project provides additional matching grant funds for the on-going site investigation and cleanup activities - upland and sediment cleanup. The Interim Action work plan is complete and ready for public comment once funds are available. JARPA permits for sampling are in-hand. JARPA permits for dredging are under review by the Army Corps of Engineers. This is time critical.	1	1	1	Snohomish	3,375,000	5,194,500	38	The original project amount of \$7.001 million is split based on cleanup needs at various sites at the Port (see Ranks #5, #15, #16, #24).

Rank	Recipient	Project	Description	Section 7038 Criteria			Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes
				Acuity of Need	Readiness to Proceed	Cost Efficiency					
5	Everett, Port of	East Waterway	Investigation/Cleanup: This project provides additional matching grant funds for the on-going site investigation and cleanup activities - upland and sediment cleanup. The project will leverage cleanup funds in this important waterway -- involving the Port, Kimberly Clark, United States Navy, and the State.	1	1	1	Snohomish	500,000	5,694,500	38	The original project amount of \$7.001 million is split based on cleanup needs at various sites at the Port (see Ranks #4, #15, #16, #24).
6	Port Angeles, Port of	K Ply	Cleanup: Implement cleanup action plan to complete cleanup of the K Ply site. This project is currently in construction.	1	1	1	Clallam	250,290	5,944,790	24	The project is currently in construction (see Rank #7).
All Projects below are UNFUNDED as of the November 2015 Hazardous Substance Tax Forecast											
7	Port Angeles, Port of	K Ply	Cleanup: Implement cleanup action plan to complete cleanup of the K Ply site. This project is currently in construction.	1	1	1	Clallam	1,249,710	7,194,500	24	The project is currently in construction (see Rank #6).
8	Skagit County Jail	Truck City Truck Stop	Investigation/Cleanup: This project provides funds to complete the investigation and cleanup of the historical Truck City Truck Stop site so a county jail can be constructed and operated at this location. The engineering design report is complete and permits are in hand.	1	1	1	Skagit	884,900	8,079,400	10	The original project amount of \$2.0 million is split based on cleanup needs and recipient's spending plan (see Rank #20). It was moved up the ranking because the project is in construction and to continue a 2013-15 grant obligation made to Skagit County in April 2015.
9	Site Assessment FY 2016		Site Assessment: Grant funding to local health departments or districts to perform site assessments for Ecology. The site assessments identify the locations of areas where hazardous substances are known or suspected; identify the hazardous substances that were released or are threatened to be released; gather evidence confirming a release or threatened release of hazardous substances; and describe the facilities containing the releases and their conditions. (See RCW 70.105D.030(2))	1	1	1	Statewide	1,082,000	9,161,400	Statewide	Ecology has lowered the total Site Hazard Assessment grant amount for 2015-17 to 2013-15 actual expenditures. This is the FY 2016 portion. See Rank #12 for the FY 2017 portion.
10	Independent Remedial Action Grants		Cleanup: Grant funding to local governments who cleanup contaminated properties through Ecology's Voluntary Cleanup Program.	1	1	1	Statewide	1,500,000	10,661,400	Statewide	These grants are cost effective state investments in cleanup. Grants are limited to \$300,000 and "buy" a complete cleanup. Some projects can be complex that leverage multi-million dollar investments by the local government and other private parties.
11	Grant Management FY 2016		FY 2016 Fiscal Oversight: Funding for the administration of the remedial action grant program. Administration includes writing all grant agreements; reviewing and approving all invoices; and grant status reporting. 2.9 FTE are needed for grant administration, central budget office capital support and agency administrative overhead.	1	1	1	Statewide	310,000	10,971,400	Statewide	Ensuring prudent and careful financial management of state funds is critical and a core responsibility of the agency. This is the FY 2016 portion. See Rank #13 for the FY 2017 portion.
12	Site Assessment FY 2017		Site Assessment: Grant funding to local health departments or districts to perform site assessments for Ecology. The site assessments identify the locations of areas where hazardous substances are known or suspected; identify the hazardous substances that were released or are threatened to be released; gather evidence confirming a release or threatened release of hazardous substances; and describe the facilities containing the releases and their conditions. (See RCW 70.105D.030(2))	1	1	1	Statewide	1,082,000	12,053,400	Statewide	Ecology has lowered the total Site Hazard Assessment grant amount for 2015-17 to 2013-15 actual expenditures. This is the FY 2017 portion. See Rank #9 for the FY 2016 portion.
13	Grant Management FY 2017		FY 2017 Fiscal Oversight: Funding for the administration of the remedial action grant program. Administration includes writing all grant agreements; reviewing and approving all invoices; and grant status reporting. 2.9 FTE are needed for grant administration, central budget office capital support and agency administrative overhead.	1	1	1	Statewide	310,000	12,363,400	Statewide	Ensuring prudent and careful financial management of state funds is critical and a core responsibility of the agency. This is the FY 2017 portion. See Rank #11 for the FY 2016 portion.

Rank	Recipient	Project	Description	Section 7038 Criteria			Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes
				Acuity of Need	Readiness to Proceed	Cost Efficiency					
14	Bellingham, Port of	Harris Avenue Shipyard Site	Cleanup: This project would provide funds to continue cleanup activities at the Harris Ave Shipyard site. An agreed order amendment needs to be signed. The bid is ready for interim action.	1	1	1	Whatcom	6,000,000	18,363,400	40	This project was moved up the list because the interim action is ready to bid. It was also evaluated considering the Section 7038 Criteria for Acuity of Need regarding data about past spending patterns by a recipient organization or at a specific site. The Port of Bellingham has significant reappropriated grant funds available for cleanup investments in the 2015-17 biennium.
15	Everett, Port of	Everett Shipyard	Investigation/Cleanup: This project provides additional matching grant funds for completed cleanup activities - upland and sediment cleanup.	1	1	1	Snohomish	1,050,000	19,413,400	38	The original project amount of \$7.001 million is split based on cleanup needs at various sites at the Port (see Ranks #4, #5, #16, #24).
16	Everett, Port of	Baywood	Investigation/Cleanup: This project provides additional matching grant funds for the feasibility study stage.	1	1	1	Snohomish	1,400,000	20,813,400	38	The original project amount of \$7.001 million is split based on cleanup needs at various sites at the Port (see Ranks #4, #5, #15, #24).
17	Bothell, City of	City Bothell Crossroads, Bothell Landing, Bothell Paint & Decorating and Bothell Riverside sites	Interim Action/Cleanup Action Plan: This project provides matching grant funds for the on-going site investigation and cleanup activities at the City Bothell Crossroads, Bothell Landing, Bothell Paint & Decorating, and Bothell Riverside sites.	1	1	1	King	351,600	21,165,000	1	Recipient's spending plan (reappropriations and this new appropriation) does not reflect the schedule and expectations of Ecology for cleanup. The region continues to work with the local government on the cleanup plans at Bothell. The spending plan was reported over four years. The original project amount of \$1 million is split (see Rank #18).
All Projects below are UNFUNDED as of the Governor's Proposed 2016 Supplemental Budget											
18	Bothell, City of	City Bothell Crossroads, Bothell Landing, Bothell Paint & Decorating and Bothell Riverside sites	Interim Action/Cleanup Action Plan: This project provides matching grant funds for the on-going site investigation and cleanup activities at the City Bothell Crossroads, Bothell Landing, Bothell Paint & Decorating, and Bothell Riverside sites.	1	1	1	King	648,400	21,813,400	1	Recipient's spending plan (reappropriations and this new appropriation) does not reflect the schedule and expectations of Ecology for cleanup. The region continues to work with the local government on the cleanup plans at Bothell. The spending plan was reported over four years. The original project amount of \$1 million is split (see Rank #17).
19	Bothell, City of	Bothell Service Center	Interim Action/Cleanup Action Plan: This project provides matching grant funds for the on-going site investigation and cleanup activities at the City of Bothell -- Bothell Service Center site.	1	1	1	King	1,700,000	23,513,400	1	Recipient's spending plan (reappropriations and this new appropriation) does not reflect the schedule and expectations of Ecology for cleanup. The region continues to work with the local government on the cleanup plans at Bothell. The spending plan was reported over four years.
20	Skagit County Jail	Truck City Truck Stop	Investigation/Cleanup: This project provides funds to complete the investigation and cleanup of the historical Truck City Truck Stop site so a county jail can be constructed and operated at this location.	1	1	1	Skagit	1,115,100	24,628,500	10	The original project amount of \$2.0 million is split based on cleanup needs and recipient's spending plan (see Rank #8). It was moved up the ranking because the project is in construction and to continue a 2013-15 grant obligation made to Skagit County in April 2015.
21	Bellingham, Port of	Georgia Pacific West Mill	Cleanup: This project would provide funds to continue cleanup activities at the GP West Mill site. Phase 1 work is scheduled to begin in Fall 2015.	1	1	1	Whatcom	4,000,000	28,628,500	42	The Port of Bellingham has significant reappropriated grant funds available for cleanup investments in the 2015-17 biennium.

Rank	Recipient	Project	Description	Section 7038 Criteria			Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes
				Acuity of Need	Readiness to Proceed	Cost Efficiency					
22	Bellingham, Port of	Blaine Marina Tank Farm	Cleanup Action Plan: This project provides matching grant funds for the on-going site investigation and cleanup activities at the Port of Bellingham Blaine Marina Tank Farm site. This work involved both upland and in water cleanup activities. These additional funds would complete the cleanup project.	1	1	1	Whatcom	900,000	29,528,500	42	The Port of Bellingham has significant reappropriated grant funds available for cleanup investments in the 2015-17 biennium.
23	Tacoma, Port of	Arkema/Dunlap Mound	Cleanup Complete: This project provides matching funds to the port to complete the remedial investigation and feasibility study and complete an interim action to remove the remaining arsenic contaminated soil along the shoreline Hylebos Waterway at the Arkema Mound site.	1	1		Pierce	2,900,000	32,428,500	27	
24	Everett, Port of	Ameron/Hulbert	Investigation/Cleanup: This project provides additional matching grant funds for the on-going site investigation and cleanup activities - upland and sediment cleanup. The cleanup action plan and consent decree are complete. The engineering design report doesn't need public comment because this project is a simpler dig and haul upland cleanup. Permits are not required and the project is ready to proceed. An important storm line replacement is part of the project. This is less critical than other Port of Everett projects.		1	1	Snohomish	676,000	33,104,500	38	The original project amount of \$7.001 million is split based on cleanup needs at various sites at the Port (see Ranks #4, #5, #15, #16).
25	Port Angeles, Port of	Western Port Angeles Harbor	Feasibility Study: This project provides matching grant funds for the Western Port Angeles Harbor site to conduct a remedial investigation/feasibility study for this contaminated sediments site.	1	1		Clallam	750,000	33,854,500	24	
26	Tacoma, Port of	Earley Business Ctr, Alexander Ave, Portac	Investigation: This project provides additional matching grant funds for the on-going site investigation and cleanup activities for multiple sites at the Port of Tacoma. Sites include the Earley Business Center (FS ID 9762715), Alexander Ave. Petroleum tank facilities (FS ID 1377), and Portac (FS ID 1215).	1	1		Pierce	800,000	34,654,500	27	
27	Tacoma, Port of	Kaiser Site	Cleanup: Additional cleanup costs for the Kaiser Site. The state will be reimbursing unanticipated costs the port incurred during the cleanup to address additional contamination at the site.	1	1		Pierce	2,300,000	36,954,500	27	
28	Integrated Planning Grants		Planning: Grant funding to develop plans to redevelop contaminated properties.		1	1	Statewide	1,500,000	38,454,500	Statewide	These grants are strategic investments helping local governments plan cleanups and develop partnerships.
29	Anacortes, Port of	Multisite Scott Paper Mill, Cap Sante Marine, Shell Tank Farm, Log Haul Out, Dakota Creek, Quiet Cove	Investigation/Cleanup: This project provides additional matching grant funds for the on-going site investigation and cleanup activities for multiple sites at the Port of Anacortes - upland and sediment cleanup. Sites include former Scott Paper Mill (FSID 8122259; Cap Sante Marine (FSID 6753227); former Shell Tank Farm (FSID 4781157); Log Haul Out (FSID 21898438); Dakota Creek Shipyard (FSID 2670); Quiet Cove in Fidalgo Bay.		1		Skagit	3,000,000	41,454,500	40	
30	Olympia, Port of	Shipping berths in Budd Inlet	Cleanup: The project provides matching grant funds to begin sediment cleanup of Port of Olympia's shipping berths in Budd Inlet including design and permitting phases of the cleanup.		1		Thurston	6,250,000	47,704,500	22	Recipient is behind the proposed schedule for active construction and cleanup while resolving issues related to the investigation and agreed order with Ecology. This spending plan assumes the bulk of new grant funding will be spent during the 2017-19 biennium.
31	Bellingham, City of	RG Haley completion	Cleanup: This project would provide matching funds to complete the RG Haley upland and in-water sediment cleanup. The cleanup action plan and engineering design report are underway. The permits for in-water work are not in-hand and the city may only move forward with the upland portion of the project.		1		Whatcom	3,000,000	50,704,500	40	

				Section 7038 Criteria								
Rank	Recipient	Project	Description	Acuity of Need	Readiness to Proceed	Cost Efficiency	Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes	
32	Seattle, Port of	Lora Lake site	Cleanup Action Plan/Consent Decree: The project provides matching grant funds for upland and surface water cleanup at the Lora Lake site. This would funding would complete the project. Signatures on the consent decree are in process and the engineering design report is underway. This funding is primarily for the in-water portion of the project.		1		King	5,000,000	55,704,500	33		
33	Areawide Ground Water		Investigation: Grant funding to local governments that investigate groundwater contaminated by hazardous substances from multiple sources. The purpose of these investigations is to identify the sources and facilitate the cleanup of the area-wide contamination.	1			Statewide	1,000,000	56,704,500	Statewide		
34	Yakima, City of	Tiger Oil 24th & Nob Hill	Post Interim Action/Construction: This project would fund the cleanup efforts at a site with significant free product in a prime economic redevelopment area.				Yakima	1,279,500	57,984,000	15	The original project amount of \$1.5 million is split based on cleanup needs and recipient's spending plan (see Rank #1). This project represents one of four new RAG appropriations in Eastern Washington.	
35	Grant County	Ephrata Landfill	Cleanup: This project provides matching grant funds to conduct additional remedial actions to complete cleanup. Existing grants are available for 2015-17 estimated spending.				Grant	2,644,000	60,628,000	13	A reappropriated grant is still available and the recipient's spending plan does not anticipate needing this grant funding until 2017-19.	
36	Walla Walla, City of	Sudbury Road Landfill	Cleanup: This project provides matching grant funds to conduct additional remedial actions to complete cleanup.				Walla Walla	986,000	61,614,000	16	The original project amount of \$2.250 million is split based on cleanup needs at the site, recipient's spending plan and a reappropriated grant still available (see Rank #3). This project represents one of four new RAG appropriations in Eastern Washington	
37	Site Assessment		Site Assessment: Grant funding to local health departments or districts to perform site assessments for Ecology. The site assessments identify the locations of areas where hazardous substances are known or suspected; identify the hazardous substances that were released or are threatened to be released; gather evidence confirming a release or threatened release of hazardous substances; and describe the facilities containing the releases and their conditions.				Statewide	836,000	62,450,000	Statewide	Lowered Site Hazard Assessment grant amounts for 2015-17 to 2013-15 actual expenditures. This would not be granted in 2015-17.	
								Sub-Total*	62,450,000			
								Enacted Budget Future Expenditures Assumed	(31,875,000)			
								Less 2015-17 projected funding available	(7,232,000)			
								Less Governor's 2016 Suppl Bond Backfill Proposal	(13,933,000)			
								2015-17 Delayed MTCA Funding	9,410,000			

*Amount excludes \$2.6 M for funding already paid to Grays Harbor PUD

Toxics Cleanup Program
REVISED: 2016 Supplemental - Governor's Proposed Budget
Bond Backfill Proposal for Cleanup Toxics Sites - Puget Sound (30000542)

As of: 12/17/2015

PURPOSE

- 1) Identify Cleanup Toxic Sites-Puget Sound projects appropriated in the 2015-17 Enacted Capital Budget. Projects shaded in orange/green and listed above the available funding line for the Governor's 2016 Supplemental budget proposal would be funded with the Governor's estimated cash resources in the Model Toxics Control Act (MTCA) accounts and bonds. Projects Ecology plans to fund with current law estimated cash resources in the MTCA accounts are shaded in green and listed above the November 2015 revenue forecast available funding line.
- 2) Detail Cleanup Toxic Sites-Puget Sound projects appropriated in the 2015-17 Enacted Capital Budget that cannot be funded because of insufficient cash resources -- unshaded projects and below the available funding lines.

With the November 2015 revenue forecast, there is a projected overall MTCA fund balance for the biennium of negative \$71 million from when the budgets were passed in June 2015. This revenue decline and the direction provided in the enacted budget mean funding is not available to start the majority of these important cleanup projects. The Governor's 2016 Supplemental budget proposes several actions to address the revenue shortfall. This list represents cleanup projects appropriated in the enacted budget and is a plan for implementing the enacted 2015-17 budget based on the best information available to Ecology. The plan may change as more information becomes available.

APPLICATION OF SECTION 7038 ENACTED BUDGET CRITERIA

The 2015-17 enacted capital budget (2EHB 1115, Section 7038(3)) provided Ecology with criteria to use to identify delayed cleanup projects. The Toxics Cleanup Program reviewed each project in this table and ranked individual grants by:

1) Applying Section 7038 criteria as detailed in the 2015-17 Biennium Cash Management Plan for the Model Toxics Control Act Accounts. The criteria are:

> Acuity of Need - Projects were given a '1' in the table below if legally required; awaiting state reimbursement for past costs; steady flow of funding required for projects currently in construction; interim actions; or recipient organization past spending patterns.

> Readiness to Proceed - Projects were given a '1' in the table below if a contract is in place; local government approvals are complete; orders are final; stage of cleanup has reports and public comment complete; or permits are in hand.

> Cost Efficiency - Projects were given a '1' in the table below if existing investments will be lost or if state funding leverages other cleanup investments.

> Need to Ensure Geographic Distribution - This criteria is met across all four Toxic Cleanup Program capital projects (Remedial Action Grants, Cleanup Toxic Sites-Puget Sound, Eastern Washington Clean Sites Initiative, and Leaking Tank Model Remedies). Project lists demonstrate geographic distribution throughout Washington by listing the individual grant or state-directed investment by county.

2) Where groups of projects met all of the same Section 7038 criteria, projects were further ranked considering the original prioritized list Ecology submitted with the 2015-17 budget request.

3) Reviewing current information from Ecology's regional cleanup managers on the status of projects to further refine the prioritization. Considering, for instance, the construction stage of projects, schedule changes, whether permits are in hand, if projects are ready to bid, if projects leverage partnerships, and if projects have already incurred eligible costs.

Rank	Recipient	Project	Description	Section 7038 Criteria			Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes
				Acuity of Need	Readiness to Proceed	Cost Efficiency					
1	N/A Ecology wide cleanup	Wyckoff Treatment Plant	EPA legal commitment Superfund, O & M: Legal requirement. Ecology is operating the groundwater extraction and treatment plant per an EPA superfund contract obligation. Costs include sales tax on labor and 10% match for prior EPA operations and management costs.	1	1	1	Kitsap	\$ 780,000	\$ 780,000	23	This funds the first year of operations and maintenance. Reappropriations were used to fund the total year contracted amount of \$880,000. The original project amount of \$2.0 million is split (see Rank #2).
2	N/A Ecology wide cleanup	Wyckoff Treatment Plant	EPA legal commitment Superfund, O & M: Legal requirement. Ecology is operating the groundwater extraction and treatment plant per an EPA superfund contract obligation. Costs include sales tax on labor and 10% match for prior EPA operations and management costs.	1	1	1	Kitsap	\$ 1,220,000	\$ 2,000,000	23	This funds the second year of operations and maintenance. Reappropriations were used to fund the total year contracted amount of \$880,000. The original project amount of \$2.0 million is split (see Rank #1).
3	N/A Ecology wide cleanup	Well 12A	EPA legal commitment Superfund, O & M: Legal Requirement. 10% match Superfund state match at EPA-lead Superfund sites for the state share of remediation costs at the site.	1	1	1	Pierce	\$ 3,000	\$ 2,003,000	29	This funds the minimum interest and/or match obligation owed EPA. The original project amount of \$1.6 million is split (see Rank #12).
4	N/A Ecology wide cleanup	Wyckoff Soil and Groundwater	EPA legal commitment Superfund, O & M: Legal requirement. 10% Superfund state match at EPA-lead Superfund sites for the state share of upland remediation costs at the site.	1	1	1	Kitsap	\$ 200,000	\$ 2,203,000	23	This funds the minimum interest and/or match obligation owed EPA. The original project amount of \$1.0 million is split (see Rank #13).
5	N/A Ecology wide cleanup	Wyckoff East Harbor	EPA legal commitment Superfund, O & M: Legal requirement. 10% Superfund state match at EPA-lead Superfund sites for the state share of sediment/in-water remediation costs at the site.	1	1	1	Kitsap	\$ 3,000	\$ 2,206,000	23	This funds the minimum interest and/or match obligation owed EPA. The original project amount of \$65,000 is split (see Rank #14).
6	N/A Ecology wide cleanup	American Crossarm	EPA required O & M: EPA Superfund operations and maintenance.	1	1	1	Lewis	\$ 12,000	\$ 2,218,000	20	

Rank	Recipient	Project	Description	Section 7038 Criteria			Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes
				Acuity of Need	Readiness to Proceed	Cost Efficiency					
7	N/A Ecology wide cleanup	Frontier Hardchrome	EPA required O & M: EPA Superfund operations and maintenance.	1	1	1	Clark	\$ 35,000	\$ 2,253,000	49	
8	N/A Ecology wide cleanup	Lakewood Ponders	EPA required O & M: EPA Superfund operations and maintenance.	1	1	1	Pierce	\$ 25,000	\$ 2,278,000	29	
9	N/A Ecology wide cleanup	Lilyblad	O & M/Construction: Continue cleanup activities at the Lilyblad Petroleum site in Tacoma. The project funding would support partial implementation of the cleanup action plan. Also, it would fund the dual phase extraction treatment on part of the Lilyblad site to control contaminated groundwater flow towards the Blair Waterway.	1	1	1	Pierce	\$ 336,000	\$ 2,614,000	27	Reappropriations are available to fund a portion of the first year contract. The original project amount of \$913,000 is split (see Ranks #15 and #16).
10	N/A Ecology wide cleanup	Lower Duwamish Waterway Source Control and Cleanup	FS/Design/Construction: This project provides source control actions to locate and stop or reduce releases of pollution to waterway sediments and to keep sediments from becoming polluted again after being cleaned up.	1	1	1	King	\$ 498,140	\$ 3,112,140	34	This continues Ecology's commitment to source control/removal in the waterway to prevent recontamination. The original project amount of \$4.0 million is split (see Ranks #11 and #17). The project is split in three because, Ecology had planned to fund \$3.2 million as of the September forecast (sum of Ranks #10 and #11). As of the November forecast, there were insufficient cash resources in the MTCA accounts to support the project at that funding level.
All Projects below are UNFUNDED as of the November 2015 Hazardous Substance Tax Forecast											
11	N/A Ecology wide cleanup	Lower Duwamish Waterway Source Control and Cleanup	FS/Design/Construction: This project provides source control actions to locate and stop or reduce releases of pollution to waterway sediments and to keep sediments from becoming polluted again after being cleaned up.	1	1	1	King	\$ 2,680,860	\$ 5,793,000	34	This continues Ecology's commitment to source control/removal in the waterway to prevent recontamination. The original project amount of \$4.0 million is split (see Ranks #10 and #17). The project is split in three because, Ecology had planned to fund \$3.2 million as of the September forecast (sum of Ranks #10 and #11). As of the November forecast, there were insufficient cash resources in the MTCA accounts to support the project at that funding level.
12	N/A Ecology wide cleanup	Well 12A	EPA legal commitment Superfund, O & M: Legal Requirement. 10% match Superfund state match at EPA-lead Superfund sites for the state share of remediation costs at the site.	1	1	1	Pierce	\$ 1,597,000	\$ 7,390,000	29	The original project amount of \$1.6 million is split (see Rank #3).
13	N/A Ecology wide cleanup	Wyckoff Soil and Groundwater	EPA legal commitment Superfund, O & M: Legal requirement. 10% Superfund state match at EPA-lead Superfund sites for the state share of upland remediation costs at the site.	1	1	1	Kitsap	\$ 800,000	\$ 8,190,000	23	This funds the minimum interest and/or match obligation owed EPA. The original project amount of \$1.0 million is split (see Rank #4).
14	N/A Ecology wide cleanup	Wyckoff East Harbor	EPA legal commitment Superfund, O & M: Legal requirement. 10% Superfund state match at EPA-lead Superfund sites for the state share of sediment/in-water remediation costs at the site.	1	1	1	Kitsap	\$ 62,000	\$ 8,252,000	23	This funds the minimum interest and/or match obligation owed EPA. The original project amount of \$65,000 is split (see Rank #5).
15	N/A Ecology wide cleanup	Lilyblad	O & M/Construction: Continue cleanup activities at the Lilyblad Petroleum site in Tacoma. The project funding would support partial implementation of the cleanup action plan. Also, it would fund the dual phase extraction treatment on part of the Lilyblad site to control contaminated groundwater flow towards the Blair Waterway.	1	1	1	Pierce	\$ 166,000	\$ 8,418,000	28	Reappropriations are available to fund a portion of the first year contract. The original project amount of \$913,000 is split (see Ranks #9 and #16).
All Projects below are UNFUNDED as of the Governor's Proposed 2016 Supplemental Budget											
16	N/A Ecology wide cleanup	Lilyblad	O & M/Construction: Continue cleanup activities at the Lilyblad Petroleum site in Tacoma. The project funding would support partial implementation of the cleanup action plan. Also, it would fund the dual phase extraction treatment on part of the Lilyblad site to control contaminated groundwater flow towards the Blair Waterway.	1	1	1	Pierce	\$ 411,000	\$ 8,829,000	28	Reappropriations are available to fund a portion of the first year contract. The original project amount of \$913,000 is split (see Ranks #9 and #15).

				Section 7038 Criteria							
Rank	Recipient	Project	Description	Acuity of Need	Readiness to Proceed	Cost Efficiency	Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes
17	N/A Ecology wide cleanup	Lower Duwamish Waterway Source Control and Cleanup	FS/Design/Construction: This project provides source control actions to locate and stop or reduce releases of pollution to waterway sediments and to keep sediments from becoming polluted again after being cleaned up.	1	1	1	King	\$ 821,000	\$ 9,650,000	34	This continues Ecology's commitment to source control/removal in the waterway to prevent recontamination. The original project amount of \$4.0 million is split (see Ranks #10 and #11). The project is split in three because, Ecology had planned to fund \$3.2 million as of the September forecast (sum of Ranks #10 and #11). As of the November forecast, there were insufficient cash resources in the MTCA accounts to support the project at that funding level.
18	N/A Ecology wide cleanup	Aladdin Plating	Implement cleanup: This project would implement the cleanup action plan and complete cleanup of the Aladdin Plating site.	1	1	1	Pierce	\$ 300,000	\$ 9,950,000	27	
19	N/A Ecology wide cleanup	RG Haley Remedial Action	Design/construction: The project would provide additional funding to complete the removal of contaminated soils and enhance attenuation treatment of groundwater at the site including in-water sediment and upland park facility remediation.	1	1	1	Whatcom	\$ 1,200,000	\$ 11,150,000	40	
20	N/A Ecology wide cleanup	Port Angeles Municipal Landfill	Legislatively directed (construction/waste removal): The Port Angeles Landfill was the principal waste disposal facility serving residential and industrial customers in the City of Port Angeles and surrounding areas of Clallam County for almost sixty years, starting about 1947. The East 304 Cell area is located adjacent to the Strait of Juan de Fuca at the top of an eroding feeder bluff. The face of the bluff has receded to within about 10 horizontal feet of the waste body in the East 304 Cell. The city operated a more modern disposal cell, located several hundred yards landward of the East 304 Cell, from the early 1990s until 2006. The city's overall project was started in 2014, and is planned to relocate about 310,000 cubic yards of waste from the East 304 Cell area to the more modern 351 Cell, thereby providing about twenty-five years of additional protection from the shoreline's natural movement inland. This request will fund removal of the final volume of the waste from the East 304 Cell area, and the reclosure of the 351 Cell.	1	1	1	Clallam	\$ 7,000,000	\$ 18,150,000	24	
21	N/A Ecology wide cleanup	Custom Plywood Dioxin Removal Interim Action-Final Phase	R/RS, CAP, design: Phase III. Precedent setting action for Ecology will fund the phase III interim action plan and construction -- thin layer capping of sediment.	1			Skagit	\$ 3,500,000	\$ 21,650,000	40	
22	N/A Ecology wide cleanup	Port Angeles Harbor	WH source issues: This project will provide additional funding for source control work in Port Angeles Harbor.				Clallam	\$ 900,000	\$ 22,550,000	24	
Total 2015-17 Appropriation								\$ 22,550,000			
Enacted Budget Future Expenditures Assumed								\$ (8,569,000)			
Less 2015-17 Projected Funding Available								\$ (2,599,000)			
Less Governor's 2016 Suppl Bond Backfill Proposal								\$ (5,819,000)			
2015-17 Delayed MTCA Funding								\$ 5,563,000			

Department of Ecology
Toxics Cleanup Program
REVISED: 2016 Supplemental - Governor's Proposed Budget
Bond Backfill Proposal for Eastern Washington Clean Sites Initiative (30000432)

As of: 12/17/2015

PURPOSE

- 1) Identify Eastern Washington Clean Sites Initiative projects appropriated in the 2015-17 Enacted Capital Budget. Projects shaded in orange/green and listed above the available funding line for the Governor's 2016 Supplemental budget proposal would be funded with the Governor's estimated cash resources in the Model Toxics Control Act (MTCA) accounts and bonds. Projects Ecology plans to fund with current law estimated cash resources in the MTCA accounts are shaded in green and listed above the November 2015 revenue forecast available funding line.
- 2) Detail Eastern Washington Clean Sites Initiative projects appropriated in the 2015-17 Enacted Capital Budget that cannot be funded because of insufficient cash resources -- unshaded projects and below the available funding lines.

With the November 2015 revenue forecast, there is a projected overall MTCA fund balance for the biennium of negative \$71 million from when the budgets were passed in June 2015. This revenue decline and the direction provided in the enacted budget mean funding is not available to start the majority of these important cleanup projects. The Governor's 2016 Supplemental budget proposes several actions to address the revenue shortfall. This list represents cleanup projects appropriated in the enacted budget and is a plan for implementing the enacted 2015-17 budget based on the best information available to Ecology. The plan may change as more information becomes available.

APPLICATION OF SECTION 7038 ENACTED BUDGET CRITERIA

The 2015-17 enacted capital budget (2EHB 1115, Section 7038(3)) provided Ecology with criteria to use to identify delayed cleanup projects. The Toxics Cleanup Program reviewed each project in this table and ranked individual grants by:

- 1) Applying Section 7038 criteria as detailed in the 2015-17 Biennium Cash Management Plan for the Model Toxics Control Act Accounts. The criteria are:
- > Acuity of Need - Projects were given a '1' in the table below if legally required; awaiting state reimbursement for past costs; steady flow of funding required for projects currently in construction; interim actions; or recipient organization past spending patterns.
 - > Readiness to Proceed - Projects were given a '1' in the table below if a contract is in place; local government approvals are complete; orders are final; stage of cleanup has reports and public comment complete; or permits are in hand.
 - > Cost Efficiency - Projects were given a '1' in the table below if existing investments will be lost or if state funding leverages other cleanup investments.
 - > Need to Ensure Geographic Distribution - This criteria is met across all four Toxic Cleanup Program capital projects (Remedial Action Grants, Cleanup Toxic Sites-Puget Sound, Eastern Washington Clean Sites Initiative, and Leaking Tank Model Remedies). Project lists demonstrate geographic distribution throughout Washington by listing the individual grant or state-directed investment by county.
- 2) Where groups of projects met all of the same Section 7038 criteria, projects were further ranked considering the original prioritized list Ecology submitted with the 2015-17 budget request.
- 3) Reviewing current information from Ecology's regional cleanup managers on the status of projects to further refine the prioritization. Considering, for instance, the construction stage of projects, schedule changes, whether permits are in hand, if projects are ready to bid, if projects leverage partnerships, and if projects have already incurred eligible costs.

				Section 7038 Criteria							
Rank	Recipient	Project	Description	Acuity of Need	Readiness to Proceed	Cost Efficiency	Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes
1	N/A Ecology wide cleanup	Airport Kwik Stop	Construction/O & M: Conduct additional remedial actions (treatment chemical injection). Continue groundwater monitoring and operations/maintenance of treatment system.	1	1	1	Pend Oreille	\$ 360,000	\$ 360,000	7	
2	N/A Ecology wide cleanup	L&L Exxon	Construction/O & M: Public works removal actions planned for completion in 2013-15. Groundwater treatment and monitoring is planned in 2015-17.	1	1	1	Benton	\$ 100,000	\$ 460,000	8	
3	N/A Ecology wide cleanup	Colville Post and Pole	Construction/O & M: Conduct interim actions including contaminated soil and wood debris removal.	1	1	1	Stevens	\$ 215,560	\$ 675,560	7	

All Projects below are UNFUNDED as of the November 2015 Hazardous Substance Tax Forecast

4	N/A Ecology wide cleanup	Colville Post and Pole	Construction/O & M: Conduct interim actions including contaminated soil and wood debris removal.	1	1	1	Stevens	\$ 284,440	\$ 960,000	7	
5	N/A Ecology wide cleanup	Gold Nugget	Construction/O & M: Site cleanup is ongoing and planned to close out in the 2015-17 biennium. The soil and groundwater are responding to treatment.	1	1	1	Yakima	\$ 100,000	\$ 1,060,000	15	
6	N/A Ecology wide cleanup	Priceless Gas	Construction/O & M: Conduct additional remedial actions (treatment chemical injection). Continue groundwater monitoring and operations/maintenance of treatment system.	1	1	1	Lincoln	\$ 100,000	\$ 1,160,000	13	
7	N/A Ecology wide cleanup	Roby's	Construction/O & M: Site cleanup is ongoing and planned to close out in the 2015-17 biennium. The soil and groundwater are responding to treatment.	1	1	1	Yakima	\$ 100,000	\$ 1,260,000	15	
8	N/A Ecology wide cleanup	Marshall Landfill	Construction/O & M: Conduct interim action of preparing site for impermeable cover. Activities include waste consolidation, site grading stormwater improvements, etc. Impermeable cover (geomembrane) installation will be conducted when funding is available.	1	1	1	Spokane	\$ 4,560,000	\$ 5,820,000	6	The original project amount of \$5.4 million is split (see Rank #9)

				Section 7038 Criteria							
Rank	Recipient	Project	Description	Acuity of Need	Readiness to Proceed	Cost Efficiency	Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes
All Projects below are UNFUNDED as of the Governor's Proposed 2016 Supplemental Budget											
9	N/A Ecology wide cleanup	Marshall Landfill	Construction/O & M: Conduct interim action of preparing site for impermeable cover. Activities include waste consolidation, site grading stormwater improvements, etc. Impermeable cover (geomembrane) installation will be conducted when funding is available.	1	1	1	Spokane	\$ 840,000	\$ 6,660,000	7	The original project amount of \$5.4 million is split (see Rank #8)
10	N/A Ecology wide cleanup	Moxee City Shop	Construction/O & M: Site cleanup planned for digging and hauling contaminated sediments. Expect a no further action determination.	1	1	1	Yakima	\$ 50,000	\$ 6,710,000	15	
11	N/A Ecology wide cleanup	Tiger - 56th & Summitview	RI field work ongoing: This project is the remediation and redevelopment of an abandoned gas station. The property is valuable and in a prime retail location.	1	1	1	Yakima	\$ 50,000	\$ 6,760,000	14	
12	N/A Ecology wide cleanup	Tiger - East 16th & Nob Hill	RI field work ongoing: This project is the remediation and redevelopment of valuable property in a prime commercial location -- right on an interstate exit. It is a former gasoline bulk plant and distribution center.	1	1	1	Yakima	\$ 100,000	\$ 6,860,000	15	
13	N/A Ecology wide cleanup	Tiger - North 1st Street	RI field work ongoing: This project is the remediation and redevelopment of an old abandoned gas station. The property is located right on entrance to the City of Yakima.	1	1	1	Yakima	\$ 100,000	\$ 6,960,000	15	
14	N/A Ecology wide cleanup	Central Washington University	RI field work ongoing: The university is moving forward to decommission tanks. The environmental cleanup is planned for the same time period and site cleanup is expected in 2015-17.		1	1	Kittitas	\$ 300,000	\$ 7,260,000	13	
15	N/A Ecology wide cleanup	Stubblefield Salvage Yard	RI/FS: Conduct Remedial Investigation and Feasibility Study (RI/FS).	1			Walla Walla	\$ 500,000	\$ 7,760,000	16	
16	N/A Ecology wide cleanup	Northport Remedial Investigation	RI/FS: Conduct Remedial Investigation of near-shore contamination from LeRoi Smelter slag.	1			Stevens	\$ 600,000	\$ 8,360,000	7	
17	N/A Ecology wide cleanup	Columbus Square	RI field work going: The project is early in the investigation. The site seems to have contamination both on and off-site contamination. The investigation has expanded to find the contamination source.		1		Klickitat	\$ 300,000	\$ 8,660,000	14	
18	N/A Ecology wide cleanup	Frenchies	RI field work going: Groundwater treatment and monitoring, bioremediation planned for 2015-17.		1		Yakima	\$ 200,000	\$ 8,860,000	15	
19	N/A Ecology wide cleanup	Pet Health Clinic	FS: This project includes possible excavation of contaminated soil and groundwater monitoring and treatment.		1		Yakima	\$ 350,000	\$ 9,210,000	15	
20	N/A Ecology wide cleanup	Headwaters Inn	RI field work going: This project includes possible excavation of contaminated soil and groundwater monitoring and treatment.		1		Chelan	\$ 300,000	\$ 9,510,000	12	
21	N/A Ecology wide cleanup	Kings Pacific Pride	RI field work going: This project includes possible excavation of contaminated soil and groundwater monitoring and treatment.		1		Okanogan	\$ 250,000	\$ 9,760,000	12	
22	N/A Ecology wide cleanup	Bonjorni	RI field work going: This project includes possible excavation of contaminated soil and groundwater monitoring and treatment.		1		Kittitas	\$ 200,000	\$ 9,960,000	13	
23	N/A Ecology wide cleanup	Bob's Auto Clinic	Construction/O & M: This project includes groundwater monitoring.	1			Yakima	\$ 50,000	\$ 10,010,000	15	
24	N/A Ecology wide cleanup	Dryden Pit (WDFW)	Beginning RI: This project would fund the capping of the site (state land managed by the Department of Fish and Wildlife) to limit exposure to lead and arsenic contamination.				Chelan	\$ 500,000	\$ 10,510,000	12	
25	N/A Ecology wide cleanup	Wirts Service	Beginning RI: The project includes site investigation, groundwater monitoring and possible removal of contaminated soil.				Kittitas	\$ 200,000	\$ 10,710,000	13	
26	N/A Ecology wide cleanup	Mackner Scales	Additional field data gathering: This project will fund the remediation of contaminated soil and groundwater to prepare the site for redevelopment.				Kittitas	\$ 250,000	\$ 10,960,000	13	
27	N/A Ecology wide cleanup	Meza Market	Beginning RI: This project will conduct groundwater investigation and monitoring.				Yakima	\$ 40,000	\$ 11,000,000	15	
Total 2015-17 Appropriation								\$ 11,000,000			
Enacted Budget Future Expenditures Assumed								\$ (3,300,000)			
Less 2015-17 Projected Funding Available								\$ (1,243,000)			
Less Governor's 2016 Suppl Bond Backfill Proposal								\$ (4,577,000)			
2015-17 Delayed MTCA Funding								\$ 1,880,000			

Toxics Cleanup Program
REVISED: 2016 Supplemental - Governor's Proposed Budget
Bond Backfill Proposal for Leaking Tank Model Remedies (30000490)

As of: 12/17/2015

PURPOSE

1) Identify Leaking Tank Model Remedy projects appropriated in the 2015-17 Enacted Capital Budget. Projects shaded in orange/green and listed above the available funding line for the Governor's 2016 Supplemental budget proposal would be funded with the Governor's estimated cash resources in the Model Toxics Control Act (MTCA) accounts and bonds. Projects Ecology plans to fund with current law estimated cash resources in the MTCA accounts are shaded in green and listed above the November 2015 revenue forecast available funding line.

2) Detail Eastern Washington Clean Sites Initiative projects appropriated in the 2015-17 Enacted Capital Budget that cannot be funded because of insufficient cash resources -- unshaded projects and below the available funding lines.

With the November 2015 revenue forecast, there is a projected overall MTCA fund balance for the biennium of negative \$71 million from when the budgets were passed in June 2015. This revenue decline and the direction provided in the enacted budget mean funding is not available to start the majority of these important cleanup projects. The Governor's 2016 Supplemental budget proposes several actions to address the revenue shortfall. This list represents cleanup projects appropriated in the enacted budget and is a plan for implementing the enacted 2015-17 budget based on the best information available to Ecology. The plan may change as more information becomes available.

APPLICATION OF SECTION 7038 ENACTED BUDGET CRITERIA

The 2015-17 enacted capital budget (2EHB 1115, Section 7038(3)) provided Ecology with criteria to use to identify delayed cleanup projects. The Toxics Cleanup Program reviewed each project in this table and ranked individual grants by:

1) Applying Section 7038 criteria as detailed in the 2015-17 Biennium Cash Management Plan for the Model Toxics Control Act Accounts. The criteria are:

> Acuity of Need - Projects were given a '1' in the table below if legally required; awaiting state reimbursement for past costs; steady flow of funding required for projects currently in construction; interim actions; or recipient organization past spending patterns.

> Readiness to Proceed - Projects were given a '1' in the table below if a contract is in place; local government approvals are complete; orders are final; stage of cleanup has reports and public comment complete; or permits are in hand.

> Cost Efficiency - Projects were given a '1' in the table below if existing investments will be lost or if state funding leverages other cleanup investments.

> Need to Ensure Geographic Distribution - This criteria is met across all four Toxic Cleanup Program capital projects (Remedial Action Grants, Cleanup Toxic Sites-Puget Sound, Eastern Washington Clean Sites Initiative, and Leaking Tank Model Remedies). Project lists demonstrate geographic distribution throughout Washington by listing the individual grant or state-directed investment by county.

2) Where groups of projects met all of the same Section 7038 criteria, projects were further ranked considering the original prioritized list Ecology submitted with the 2015-17 budget request.

3) Reviewing current information from Ecology's regional cleanup managers on the status of projects to further refine the prioritization. Considering, for instance, the construction stage of projects, schedule changes, whether permits are in hand, if projects are ready to bid, if projects leverage partnerships, and if projects have already incurred eligible costs.

Rank	Recipient	Project	Description	Section 7038 Criteria			Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes
				Acuity of Need	Readiness to Proceed	Cost Efficiency					
1	N/A Ecology wide cleanup	Yakima City Fire Department	Site sampling, monitoring, and closure.	1	1	1	Yakima	\$ 50,000	\$ 50,000	15	
2	N/A Ecology wide cleanup	Hart Seed Co	Proposed remedial actions will include the characterization and removal of any remaining petroleum contaminated soils.	1	1	1	Spokane	\$ 50,000	\$ 100,000	9	
3	N/A Ecology wide cleanup	Seattle Fire Station 25 (This is UST 7910. FS 7910 borders Idaho.)	Conduct limited investigation to determine if the site has natural attenuation and should be issued a no further action.	1	1	1	King	\$ 100,000	\$ 200,000	43	
4	N/A Ecology wide cleanup	Wahkiakum County Road Shop #3	Three soil samples and three groundwater samples to confirm an independent cleanup.	1	1	1	Wahkiakum	\$ 20,000	\$ 220,000	19	
5	N/A Ecology wide cleanup	Model Remedy Evaluation	Document and evaluate the effectiveness of the model remedies for leaking fuel tanks. Consider reduction in cleanup timeframes, costs and residual risks to human health and the environment.	1	1	1	Statewide	\$ 72,224	\$ 292,224	Statewide	Provides ability to evaluate model remedy projects that can be funded. Partial funding with Ranks #6 and #25.
All Projects below are UNFUNDED as of the November 2015 Hazardous Substance Tax Forecast											
6	N/A Ecology wide cleanup	Model Remedy Evaluation	Document and evaluate the effectiveness of the model remedies for leaking fuel tanks. Consider reduction in cleanup timeframes, costs and residual risks to human health and the environment.	1	1	1	Statewide	\$ 83,776	\$ 376,000	Statewide	Provides ability to evaluate model remedy projects that can be funded. Partial funding with Ranks #5 and #25.
7	N/A Ecology wide cleanup	Dorsey Chevrolet	Proposed remedial actions will include the removal of accessible petroleum contaminated soils and soil sampling.	1	1	1	Whitman	\$ 50,000	\$ 426,000	9	
8	N/A Ecology wide cleanup	Ferrils Auto Wrecking	Conduct limited investigation to determine if the site has natural attenuation and should be issued a no further action.	1	1	1	Snohomish	\$ 100,000	\$ 526,000	32	
9	N/A Ecology wide cleanup	City of Aberdeen Water Shop	Three soil samples and three groundwater samples to confirm an independent cleanup.	1	1	1	Grays Harbor	\$ 20,000	\$ 546,000	19	
10	N/A Ecology wide cleanup	Medic 1 Facility	Site sampling, monitoring, and closure.	1	1	1	Yakima	\$ 50,000	\$ 596,000	14	

				Section 7038 Criteria								
Rank	Recipient	Project	Description	Acuity of Need	Readiness to Proceed	Cost Efficiency	Need to Ensure Geographic Distribution	Cost	Running Total	Leg. District	Notes	
11	N/A Ecology wide cleanup	Acme General Store	Conduct limited investigation to determine if the site has natural attenuation and should be issued a no further action.	1	1	1	Whatcom	\$ 100,000	\$ 696,000	42		
12	N/A Ecology wide cleanup	Elma School District 68	Three soil samples and three groundwater samples to confirm an independent cleanup.	1	1	1	Grays Harbor	\$ 20,000	\$ 716,000	24		
13	N/A Ecology wide cleanup	Ellensburg School District	Site sampling, monitoring, and closure.	1	1	1	Kittitas	\$ 50,000	\$ 766,000	13		
14	N/A Ecology wide cleanup	Dawson Trucking	Proposed remedial actions will include the removal of accessible petroleum contaminated soils, soil sampling and possible shallow groundwater sampling.	1	1	1	Stevens	\$ 62,500	\$ 828,500	7		
15	N/A Ecology wide cleanup	Larison and Sons Inc	Five soil samples and five groundwater samples to confirm an independent cleanup.	1	1	1	Pierce	\$ 20,000	\$ 848,500	29		
16	N/A Ecology wide cleanup	Lake Chelan School District Old High School	Site sampling, monitoring, and closure.	1	1	1	Chelan	\$ 50,000	\$ 898,500	12		
17	N/A Ecology wide cleanup	D & D Distributors	Proposed remedial action to include soil and groundwater sampling in the area of previously removed gasoline underground storage tank.	1	1	1	Columbia	\$ 75,000	\$ 973,500	16		
18	N/A Ecology wide cleanup	Associated Petroleum Products	Conduct limited investigation to determine if the site has natural attenuation and should be issued a no further action.	1	1	1	Skagit	\$ 100,000	\$ 1,073,500	39		
19	N/A Ecology wide cleanup	Chelan County Fire District 1	Site sampling, monitoring, and closure.	1	1	1	Chelan	\$ 50,000	\$ 1,123,500	12		
20	N/A Ecology wide cleanup	Jake's Exxon	Proposed remedial action to include petroleum contaminated soils (gasoline) removal and sampling and possible groundwater sampling.	1	1	1	Adams	\$ 62,500	\$ 1,186,000	9		
21	N/A Ecology wide cleanup	WA DNR North Bend	Conduct limited investigation to determine if the site has natural attenuation and should be issued a no further action.	1	1	1	King	\$ 100,000	\$ 1,286,000	5		
22	N/A Ecology wide cleanup	WA Department of Transportation Toledo Mantic Site	Three to four soil samples and three to four groundwater samples to confirm an independent cleanup.	1	1	1	Lewis	\$ 20,000	\$ 1,306,000	20		
23	N/A Ecology wide cleanup	Model Remedy Research and Development	Research and develop model remedies for leaking fuel tanks with ground water impacts and dry cleaning facilities.	1	1	1	Statewide	\$ 74,000	\$ 1,380,000	Statewide		
All Projects below are UNFUNDED as of the Governor's Proposed 2016 Supplemental Budget												
24	N/A Ecology wide cleanup	Model Remedy Research and Development	Research and develop model remedies for leaking fuel tanks with ground water impacts and dry cleaning facilities.	1	1	1	Statewide	\$ 326,000	\$ 1,706,000	Statewide		
25	N/A Ecology wide cleanup	Model Remedy Evaluation	Document and evaluate the effectiveness of the model remedies for leaking fuel tanks. Consider reduction in cleanup timeframes, costs and residual risks to human health and the environment.	1	1	1	Statewide	\$ 94,000	\$ 1,800,000	Statewide	Partial funding with Ranks #5 and #6.	
26	N/A Ecology wide cleanup	Technology Review/Evaluation	Review and verify remedial technology proposals from qualified individuals as required by RCW 70.105D030(2)(k)(ii).	1	1	1	Statewide	\$ 200,000	\$ 2,000,000	Statewide		
Total 2015-17 Appropriation								\$ 2,000,000				
Less 2015-17 Projected Funding Available								\$ (226,000)				
Less Governor's 2016 Suppl Bond Backfill Proposal								\$ (1,154,000)				
2015-17 Delayed MTCA Funding								\$ 620,000				