Washington State Department of Ecology: June 14, 2007 Project Summary

I. Project Title:
Sustainable Washington FY07-2010 State Innovations Grant

II. Project Applicant:
Washington State Department of Ecology ("Ecology")

State Project Manager:
Michelle Underwood, Beyond Waste Sectors Coordinator
P.O. Box 47600
Olympia, WA 98504-7600
360/407-6897 – phone
360/407-6715 – fax
mund461@ecy.wa.gov

III. Total Project Cost:
The state of Washington requests up to $225,166 of federal funds to support implementation of the "Sustainable Washington Program." The federal funds will be leveraged with an anticipated $55,000 of state funding to support contractor assistance for a total project cost of $280,166. These amounts do not include the in-kind value of labor and expertise contributed by the Ecology's private-sector and local government partners or newly approved Local Control Specialists.

IV. Project Period:
The project period covered by this proposal is October 1, 2007 through September 30, 2010.

Summary Statement:
This proposal requests federal funding to support a comprehensive Sustainable Washington Program which combines the Environmental Results Program ("ERP") model with a new state voluntary leadership program. Program activities include:

- Developing an ERP program for Washington State
- Conducting training for participating businesses
- Marketing ERP and recruiting businesses to participate in a Voluntary Leadership Program ("VLP")
- The focus of the program is on small to medium sized businesses and organizations.
- The pilot sector is auto body shops located in the Puget Sound and Spokane River watersheds.

This innovative project pulls together both the ERP and VLP models into a single integrated state program for sectors that incorporates sustainability criteria.

Statutory Authority and Flexibility:
Ecology is the lead environmental agency for the state of Washington. Ecology has statutory authority for the Clean Air Act, Clean Water Act and Resource Conservation

and Recovery Act and federal funding through a Performance Partnership Agreement (PPA). Ecology is working with Region 10 through the PPA to receive "credit" for compliance assurance activities performed through ERP activities.

Ecology has a Performance Track Memorandum of Agreement with EPA. Although no regulatory flexibility is anticipated, Washington State does have an existing state flexibility law.

This project is authorized through Ecology's "Beyond Waste Plan" (the agency's 30-year solid and hazardous waste state plan) which is required under 70.105 and 70.95 of the Revised Code of Washington (RCW). Ecology encourages the use of Environmental Management Systems to meet the statutory requirement for a state pollution prevention program required under 70.95C RCW.

State Agency Support:
Executive management supports the proposal including:

- Jay Manning, Director
- Janice Adair, Special Assistant to the Director: Regulatory Improvement
- Darin Rice, Program Manager of the Hazardous Waste and Toxics Reduction Program (HWTR)

A letter of endorsement is attached.

V. Washington State Department of Ecology: Narrative

Overview

The Washington State Department of Ecology is proposing a comprehensive program that integrates the Environmental Results Program (ERP) model with a tiered state Voluntary Leadership Program (VLP). This approach is designed to improve sector compliance and drive better environmental performance for small-to-medium sized businesses and other organizations. The goal is to integrate both models into a single program that not only improves sector compliance, but encourage entities to voluntarily move beyond compliance towards sustainability while producing measurable environmental results.

This innovative approach has two integrated objectives: 1) to conduct an ERP Pilot Project in eight to nine counties nested around Puget Sound and the Spokane River and 2) develop a statewide voluntary leadership program to encourage Washington businesses to move towards sustainability. This will be accomplished by merging Ecology's draft VLP with an established local leadership program in the Seattle area called EnviroStars. The overall strategy is designed to use ERP to significantly improve sector compliance while providing a tiered system and incentives for the leadership program to get businesses to move Beyond Compliance towards sustainability. Determination of whether the ERP program will be mandatory or voluntary will be based on regulatory research and management direction.

The long-term goal for implementation of a system that includes ERP and a VLP is to help restore health and vitality to humans, plants, and animals in Washington, especially around Puget Sound and the Spokane River where the most concentrated populations in the state exist. The

three largest cities in these areas, Seattle, Tacoma and Spokane, contain a combined population of almost of 3.5 million residents—far more than half of the state's population. The table below shows additional short-term and intermediate goals as well associated with the ERP and VLP portions of the program.

GOALS OF SUSTAINABLE WASHINGTON PROJECT

	SHORT- AND INTERMEDIATE-TERM OUTCOMES	SPECIFIC LONG-TERM ENVIRONMENTAL OUTCOMES
ERP	• Improve awareness of environmental regulations • Improve compliance, particularly for those businesses not being reached by current outreach or enforcement activities • Encourage voluntary adoption of sector-specific pollution prevention (P2) and health/safety best management practices (BMPs)	For waters that drain into Puget Sound and the Spokane River: • Reduce toxic compounds in untreated water flowing into water bodies (e.g., via ground water) • Reduce toxic compounds in sewage, particularly those compounds that are not completely removed by conventional treatment plants • Reduce release of air toxics that settle out of the air and are washed into local waters
VLP	Encourage voluntary adoption of non-sector-specific pollution prevention (P2) and sustainability practices (such as water/energy efficiency improvements and adoption of Environmental Management Systems)	Statewide: • Protect waters (includes all goals for ERP described above) • Reduce water use • Reduce greenhouse gas emissions • Reduce energy use • Reduce generation of dangerous (hazardous) waste

Problems in the Puget Sound and Spokane River Basins

In the past 100 years, human activities around Puget Sound and the Spokane River have introduced a wide array of chemicals into the environment that are poisonous and cause health problems for humans, plants and animals. The more persistent chemicals have accumulated in the sediments of Puget Sound (there are 101 active Superfund sites in and around Puget Sound, both aquatic and terrestrial), and from there have accumulated in the tissues of living organisms throughout the food web. Many types of fish, seals, and orca now show high levels of toxic contamination. Periodic consumption advisories on fish and shellfish from the Sound are becoming more common.

Population growth and development patterns in these populated areas have significantly decreased the amount of forest cover in the basin while increasing the amount of impervious surface. This combination has increased the volume and toxicity of runoff into the Sound. Storm water runoff can include a mixture of oils and heavy metals from vehicles and industrial processes; fertilizers, pesticides, and herbicides from homes and farms; pet and animal wastes, sediment from construction sites; and pollutants that settle out of the air onto the land, such as

polycyclic aromatic hydrocarbons (PAHs). This mixture is carried—untreated in most areas—into Puget Sound and the Spokane River.

Puget Sound is a crown jewel in Washington's landscape. Safeguarding the health of Puget Sound is critical to the region's economy and quality of life. It is also a covenant that those who live, work and play in the region today, have with their children and the children of tomorrow.

The Spokane River Basin, on the opposite side of the state, likewise needs special attention and protection to make up for the impacts of human activities over the past 100 years. Like Puget Sound, the Spokane River is also subject to periodic consumption advisories on fish and is highly contaminated with PCBs, PBDEs, dioxins, dissolved metals, and other contaminants. These toxic chemicals not only adversely affect flora and fauna in the area, but have a direct impact on human health as well.

Ecology believes there are a large number of businesses in the state that are not being reached by current outreach or enforcement activities. These businesses may be Conditionally Exempt Small Quantity Generators or may be regulated generators who are unaware they are not in compliance with the law. The development of and ERP/VLP program is designed to not only reach these businesses and bring them into compliance with applicable current environmental regulations, but to assist them in moving beyond compliance and helping them become more sustainable—and in the long run, affect the health of Puget Sound and the Spokane River.

Technical Approach to Address the Problem

Ecology has been working toward its mission "**to protect, preserve and enhance Washington's environment, and promote the wise management of our air, land and water"** by using regulatory and technical assistance tools. The development of an ERP/VLP that seamlessly moves a sector using the various tools in the ERP approach and pulls businesses further toward sustainable practices will help Ecology meet our first and third goals:

- Prevent Pollution,
- Clean Up Pollution and
- Support Sustainable Communities and Natural Resources.

Ecology will use the federal grant funding to pilot a state ERP model such as the auto body/auto refinishing sector to gain practical agency experience. At the same time, federal funding is needed to help expand a newly revised local leadership program to the state level; recruitment, marketing and administrative activities are necessary to implement the new program.

Ecology will be recruiting existing National Performance Track members and large businesses as partners in our efforts to help small and medium businesses come into compliance and push beyond into more sustainable practices. ERP entities that self-certify to the bonus section of the certification will be eligible to join the first level of the leadership program. In the leadership program they will be asked to begin developing an EMS (sized appropriately for small businesses), pick a goal to work on the next three years and submit an annual report each year on progress made. In showing that they are making efforts to move beyond compliance and commit to working on a goal, the business will be offered financial, regulatory and technical assistance incentives. The project's major tasks and timetable are outlined in the table below.

Objective 1: Environmental Results Program (ERP)

Ecology's first objective is to pilot an Auto Body/Auto Refinishing ERP sector project in eight to nine counties around Puget Sound and the Spokane River. Ecology has estimated there are approximately 250 auto body shops in these areas. We plan to model Washington's program and materials on model auto body ERPs which have been created and successfully implemented by several states in the northeast.

The hiring of ten full-time equivalent (FTEs) employees was approved and funded by the 2007 Washington State Legislature; these FTEs are called Local Control Specialists (LCS). The purpose of these new hires is to provide technical and environmental assistance in the counties bordering Puget Sound and the Spokane River Basins. The FTEs will be hired and located in selected counties through a competitive process. Ecology will retain the ability to direct work activities.

Ecology also expects to evaluate the effectiveness of having these FTEs play a key role in implementation of the ERP/VLP program. Businesses that are in the ERP sector and continue into the VLP will be surveyed. We will ask whether the business received a TA visit from the LCS to determine if technical assistance or a baseline/verification visit was helpful in moving them along to the VLP. Ecology expects to be able to determine whether the one-on-one contact from these FTEs plays a significant role in whether a participating business elects to take steps moving beyond compliance towards sustainability.

For the ERP portion of the project, Ecology expects to engage in the following tasks, produce the following outputs, and document progress with the following performance measures along the following timeline:

Task	ERP Stage Task Description	Outputs & ***Performance Measures***	Start Date	End Date
1.1	Establish ERP Pilot Team to develop work plan, review and update materials, establish data base needs and number/names of potential facilities, conduct pre-ERP facility visits to determine compliance rate, and conduct outreach with Ecology's regional offices and Local Control Specialists (LCS); identify sector incentives; determine mandatory/voluntary nature of ERP program based on regulatory research and management direction	Outputs: Work plan for team, Guidance materials, workbooks, checklists, certification form, TA visits, calls, incentives Performance Measures: ***Final work plan, preliminary database structure, final workbook, baseline compliance rate established, finalized hiring of LCS, incentives implemented***	7/1/2007	4/30/2008

Task	ERP Stage Task Description	Outputs & ***Performance Measures***	Start Date	End Date
1.2	Finalize PPA to include credit for ERP inspections	Outputs: PPA Performance Measures: ***Signed PPA***	2/1/2007	9/30/2007
1.3	Conduct at least two ERP meetings with trade associations	Outputs: Meetings Performance Measures: ***2 association meetings***	8/1/2007	12/31/2007
1.4	Identify the ERP "facility universe" and develop statistically valid inspection protocols	Outputs: "Universe" baseline; inspection protocols Performance Measures: ***# of businesses in universe, # of initial inspections required***	2/1/2008	4/30/2008
1.5	Conduct ERP staff field training and test baseline inspection protocols	Outputs: Trainings Performance Measures: ***10 new staff trained, basic training for existing 30 field staff***	2/1/2008	4/30/2008
1.6	Conduct baseline inspections	Outputs: Inspections Performance Measures: ***# of inspections***	5/1/2008	8/31/2008
1.7	Conduct compliance assistance and sector outreach activities, send out workbooks and certification form/deadline, conduct workshops	Outputs: Outreach contacts Performance Measures: ***# of participating businesses, # of workbooks, workshops, site visits and calls***	9/01/2008	2/30/2009
1.8	Conduct targeted follow-up actions to provide additional help or conduct enforcement activities	Outputs: Inspections Performance Measures: ***# of phone calls, letters and inspections***	3/01/2009	5/31/2009
1.9	Conduct ERP random post-certification inspections	Outputs: Inspections Performance Measures: ***# of post-certification inspections***	6/01/2009	8/31/2009

Task	ERP Stage Task Description	Outputs & ***Performance Measures***	Start Date	End Date
1.10	Evaluate pilot results and make recommendations for future improvements, including using lessons learned in pilot to increase effectiveness of VLP and future ERPs as well as criteria for sector selections	Outputs: Summary report Performance Measures: ***Report containing both quantitative and qualitative recommendations***	9/1/2009	12/31/2009
1.11	Market tiered leadership program to ERP facilities and evaluate marketing techniques	Outputs: Marketing information Performance Measures: ***# of outreach activities***	6/1/2009	9/30/2010
1.12	Participate in the state ERP Consortium and national ERP events to share results on the Washington State ERP/VLP model	Outputs: Presentations made Performance Measures: ***# of presentations***	10/1/2007	9/30/2010

Outcomes: Ecology plans to align the Environmental Business Practice Indicators ("EBPIs") for the auto body sector with those that are being developed by the Common Measures Project and other state auto body ERP EBPIs to quantify sector performance. The performance measures developed will help Washington compare how our auto body sector is performing against those in other states involved in the Common Measures Project. When the actual EBPIs are developed, Ecology will develop a short list of outcome-based performance measures that can be used to assess progress toward achieving the goals. An example table is included below:

FRAMEWORK FOR OUTCOME MEASURES

PROJECT GOAL	SAMPLE MEASURES[1,2]	PROGRAM TYPE
• Reduce toxic compounds in untreated water flowing into water bodies (e.g., via ground water) • Reduce toxic compounds in sewage, particularly those compounds that are not completely removed by conventional treatment plants	Percentage of shops[3] that do not have any active or improperly closed or sealed floor drains	ERP and VLP
	Percentage of shops that do not conduct vehicle repair or maintenance in areas (bays) with unsealed floor drains	
	Percentage of shops that do not store oil or hazardous materials in areas that have unsealed floor drains	

[1] For the purpose of illustration, sample measures specific to auto body shops are adapted from selected EBPIs for the State of Maine's Auto Body ERP. These measures represent just a subset of Maine's auto body EBPIs, and just a subset of EBPIs that may be applicable to our project (such as industrial wastewater measures). These EBPIs may not ultimately be consistent with the EBPIs developed as part of the Common Measures Project. We will be considering EBPIs used by other states.

[2] Sample measures are framed such that a higher percentage indicates a better environmental outcome.

[3] Throughout this table, unless otherwise specified, "percentage of shops" refers to all shops in the universe, for ERP-specific measures. For VLP-specific measures, it refers to the percentage of all participating shops.

PROJECT GOAL	SAMPLE MEASURES[1,2]	PROGRAM TYPE
	Percentage of shops that do not wash floor sweepings or any other autobody shop wastes down shop drains	
Reduce release of air toxics that settle out of the air and are washed into local waters	Percentage of shops where painting and coating does not take place in areas outside of a spray booth	ERP and VLP
	Percentage of shops where airborne emissions from painting and coating do not leave the business premises (e.g., through open windows or doors, or unfiltered exhaust vents)	
	Percentage of shops that use an enclosed spray gun cleaner, solvent recycler, or other spray gun cleaning method to reduce or eliminate VOC emissions	
	Percentage of shops that use a dust control system to control dust generated from the sanding process (i.e., ventilated sander, wet sander, room ventilation and filtration system)	
	Percentage of shops that train all employees in the proper use and handling of paints and coatings according to the manufacturers' recommendations to minimize air pollution	
Reduce water use	• Total reduction in water use, measured in gallons, on an absolute and normalized basis • Average absolute percentage reduction in water use	VLP (and ERP?)
Reduce energy use	• Total reduction in energy use, measured in kilowatt hours, on an absolute and normalized basis • Average absolute percentage reduction in energy use	VLP (and ERP?)

PROJECT GOAL	SAMPLE MEASURES[1,2]	PROGRAM TYPE
Reduce greenhouse gas emissions[4]	• Total reduction in fuel use, measured in gallons, on an absolute and normalized basis • Average absolute percentage reduction in fuel use	VLP (and ERP?)
Reduce generation of dangerous (hazardous) waste	• Total reduction in generation of dangerous waste, measured in tons, on an absolute and normalized basis • Average absolute percentage reduction in dangerous waste generation	VLP (and ERP?)
Improve awareness of environmental regulations	• Percentage of universe of auto body shops in the 8-9 counties around Puget Sound and the Spokane River that participate in the Sustainable Washington program	ERP
Improve compliance, particularly for those businesses not being reached by current outreach or enforcement activities	• Percentage of shops that are in compliance for all mandatory applicable EBPIs (Note: The full set of EBPIs would be determined based on a review of findings from the common measures project. A subset of EBPIs will indicate compliance with high priority local, state, or federal environmental regulations for auto body shops.) • Percentage of shops in compliance with all requirements (consistent with a traditional compliance rate) • Submission rate of return-to-compliance plans, expressed as the percentage of all auto body shops submitting plans and as percentage rate of participating shops (could also report average number of plans per shop, for both participating and all shops.)	ERP

[4] It can be quite complicated to estimate total greenhouse gas emissions. As a proxy measure we may be identifying the likely greatest source of greenhouse gas emissions (e.g., fuel), and then using this measure in lieu of greenhouse gas emissions (typically measured in metrics of CO2 equivalents). Note that in most parts of the country, electricity use is an important source of greenhouse gas emissions; however in Washington State, electricity may be less important given the state's reliance on hydroelectric power.

PROJECT GOAL	SAMPLE MEASURES[1,2]	PROGRAM TYPE
	• Improvement in group compliance score over time (consistent with Massachusetts calculation of group compliance score, described in 2007 ERP Report Executive Summary)	
Encourage voluntary adoption of sector-specific pollution prevention (P2) and help/safety best management practices	• Percentage of facilities that have adopted selected P2 measures • Improvement in group P2 score over time (consistent with Massachusetts approach for group compliance score, but calculated for all P2 EBPIs, including VLP measures if they are being tracked in ERP)	ERP (and VLP?)
Encourage voluntary adoption of pollution prevention (P2) and sustainability practices	• Percentage of facilities that have adopted non-sector-specific P2 measures (For example, a more generic P2 indicator might include the percentage of facilities that have identified and are now using less toxic materials in their business practices.) • Percentage of facilities that have developed and implemented an EMS	VLP (and ERP?)

Ecology also expects to use overarching measures of combined P2/compliance performance from ERP, similar to how other states and EPA have been reporting ERP data. Specifically, we would consider measures that are being used in the 2007 ERP Report, and calculating them in the same way:

- A group performance score (similar to the Massachusetts group compliance score, but incorporating all EBPIs),
- Average percent improvement across all EBPIs (consistent with calculations in 2007 ERP Report Executive Summary), and
- Counts of EBPIs improving, deteriorating and staying the same, with counts of statistically significant improvements/deteriorations

If post-certification inspections show that the sector is able to maintain high performance levels over a sustained period, then future validation inspections will be performed on statistically valid sample of the sector at regular interval that allows Ecology to ensure continued high performance are maintained.

Objective 2: Voluntary Leadership Program (VLP) Development

The objective is to develop a statewide voluntary leadership program to encourage Washington businesses to move towards sustainability. This will be accomplished by merging Ecology's draft VLP with an established local leadership program in the Seattle area called EnviroStars (http://www.envirostars.org) This program was created nearly 12 years ago and has established brand recognition in five counties (which contains almost half the state's population). While EnviroStars specifically target's hazardous waste, the local city and county governments are ready to broaden the program into other media. Climate change as well as the health of Puget Sound and the Spokane River are quickly becoming focused areas in the state's most populated areas. Timing is perfect for an upgrade to EnviroStars that meets Ecology's goals and objectives to employ a program that ensures compliance with existing requirements and encourages businesses to move beyond compliance to more sustainable practices. The merged leadership program will be used to address environmental, economic and social measures.

Ecology will conduct marketing and recruiting to the estimated 250 auto body/auto refinishing businesses in the eight to nine targeted counties. The merger with EnviroStars will also expose their 600 current members to the new, expanded statewide leadership program. Additional marketing and recruiting will be conducted to 35 entities with existing EMS plans, current Performance Track facilities, 100 hospitals, and approximately 600 state pollution prevention planners[5] to encourage their participation in the program as well. Ecology has set a goal to have all of the EnviroStars current members transitioned into the merged enhanced program and at least 50 new entities participating in the leadership program by October 2010.

Ecology is contracting with Cascadia Consulting to develop small business Environmental Management System (EMS) tools that will assist small businesses in developing and implementing EMSs. Ecology does not expect the requirements for a small business EMS to be equal to an EMS that is required of larger businesses in Performance Track. Participation in Ecology's VLP will increase sustainable business practices and may help position businesses to join Performance Track in the future.

Partnerships: We will be recruiting Performance Track facilities to assist and mentor small businesses in their efforts to develop a basic EMS framework. The current EnviroStars program has "Co-Star" businesses such as Starbucks, IKEA, and Fred Hutchinson Cancer Research Center involved in mentoring small businesses on environmental practices. Ecology has already been approached by The Boeing Company to offer their experience and expertise to smaller businesses, and it may be possible to establish a procedure for VLP facilities to be placed on Boeing's preferred vendor list. Boeing has also offered to supply small businesses with surplus computers and teach them how to use them so that they can access information via the internet as well as automate business needs/books.

For the VLP portion of the project, Ecology expects to engage in the following tasks, produce the following outputs, and document progress with the following performance measures along the following timeline:

[5] Facilities that report under Section 313 of the Emergency Planning & Community Right-To-Know Act ("EPCRA") or that generate more than 2,640 pounds of hazardous waste per year are required to develop a pollution prevention plan.

Task	VLP Stage Task Description	Outputs & **Performance Measures**	Start Date	End Date
2.1	Work with key stakeholders to assist with implementation, incentives development, membership requirements, measurement, recognition and long-term needs	Outputs: Stakeholder meetings Performance Measures: ***# of stakeholder meetings***	10/1/2007	9/30/2010
2.2	Coordinate EnviroStars merger; develop MOUs with counties (including roles & responsibilities); test VLP program shell with focus groups	Outputs: Finalized merger Performance Measures: ***Finalized agreement***	7/1/2007	7/1/2008
2.3	Conduct marketing and outreach activities on the new program; conduct new member compliance screening and coordination with local government partners	Outputs: Outreach contacts Performance Measures: ***# of outreach contacts***	1/1/2008	12/31/2008
2.4	Work with five EnviroStars counties to develop "grandfathering" for current EnviroStars businesses	Outputs: Procedures and methodology Performance Measures: ***Final procedures and methodology***	7/1/2007	1/1/2008
2.5	Establish data base structure and information management needs, including providing online applications, technical assistance and annual reporting	Outputs: Database, online tools Performance Measures: ***Technical requirements for database and online tools***	10/1/2007	7/1/2008
2.6	Develop marketing and member recognition materials; issue press releases	Outputs: Press releases, marketing and recognition materials Performance Measures: ***# of publicity events, # of press releases***	7/1/2008	7/1/2010
2.7	Publish an annual environmental performance progress report beginning in 2008	Outputs: Progress report Performance Measures: ***Annual progress report published***	7/1/2008	9/30/2010

Task	VLP Stage Task Description	Outputs & **Performance Measures**	Start Date	End Date
2.8	Collaborative efforts with Performance Track and other states' staff to learn/share information related to Washington's ERP/VLP program.	Outputs: Conference calls, meetings, personal discussions Performance Measures: ***# of conference calls, # of meetings, # personal discussions***	10/1/2007	9/30/2010
2.9	Evaluation and documentation	Outputs: Evaluation report Performance Measures: ***Final evaluation***	7/1/2010	9/30/2010

Stakeholders: Ecology believes the key stakeholders in this process are extremely varied. To date, we have involved the following stakeholders in both the research and program design phases of this portion of the project:

- Small businesses
- Medium businesses
- Large businesses
- Business advocates
- Local government entities
- State government agencies
- Federal government—EPA Region 10
- Environmental advocacy groups
- Banking and finance industry representatives
- Insurance and bonding industry representatives

Environmental Results: Ecology will be utilizing the EPA ERP data elements in addition to other sustainability metrics.

Outcome Measurements: Ecology expects to look at the following indicators to evaluate project outcomes for facilities in Puget Sound and Spokane River areas: calculated pounds of hazardous waste; calculated gallons of water saved; and calculated kilowatt hours of energy saved. All measurements will be normalized by number of employees at each facility.

Logic Model Worksheet: Combined Program

(RED = ERP Only / BLUE = VLP Only / BLACK = Both Phases of Combined Program)

Resources	Activities	Outputs	Customer(s) Reached	Short-term Outcomes	Intermediate Outcomes	Long-term Outcomes
Ecology staff **Local government staff** **Local utilities** **Local Control Specialists (new)** **Private-sector Partners** **Trade Associations** **Contract money** **Training opportunities** **EPA Grant Funding** **EPA Staff and other resources**	Establish performance measures (EBPIs) for ERP sector(s) Develop guidance material and workbooks Develop inspection checklist Prior to implementing ERP, conduct inspections at random target facilities Provide technical assistance and workshops to targeted sector(s) Evaluate compliance using the results of self-certifications and inspections Establish compliance procedure for program entry other than ERP Develop small business EMS guidance materials Continued technical assistance visits, workshops, and trainings Establish consistent reporting performance measures on universal shell Restructure Governor's Award Program Finalize incentives Develop computer tools (Access, Excel, web resources) and application packages Determine specifics of EnviroStars merger	Quantitative performance measures Guidance materials, workbooks, and self-certification checklists Inspection checklists Technical assistance and compliance visits Workshops and trainings conducted Program framework with quantitative performance measures Guidance materials, workbooks, and other EMS tools New Governor's Award Program Technical assistance and compliance visits Workshops and trainings conducted Incentives Computer tools and application packages	**Businesses in targeted sector(s), starting with auto body sector** Washington small/medium businesses outside targeted sector(s) Ecology staff	Businesses in targeted sector(s) have improved knowledge of compliance, pollution prevention, and human health exposure reductions Businesses in targeted sector(s) have improved knowledge of compliance, pollution prevention, and human health exposure reductions Make connections with other businesses and business mentors Increase businesses' confidence in and comfort level working with Ecology EnviroStars merger	Businesses in targeted sector(s) achieve compliance with hazardous waste, air, water, and other environmental and safety regulations Businesses in targeted sector(s) apply improved knowledge to prevent pollution and health exposures and improve compliance Businesses in targeted sector(s) achieve compliance with hazardous waste, air, water, and other environmental and safety regulations Targeted business implement sector-specific BMPs to improve environmental performance All businesses adopt general BMPs to improve environmental performance	**Regulatory compliance in targeted sector(s) improves** Worker and community public health improves Environmental enforcement and compliance costs are reduced due to use of self-certification tools Lower risk of environmental contamination Less hazardous waste generated Air pollution reduced Less energy consumed

EXTERNAL INFLUENCES: Economic trends, Legislature, change in management at Boeing, political influences

Compliance with Requirements

The Sustainable Washington Program is strongly linked to and supports USEPA's Strategic Plan Goal 5: Compliance and Environmental Stewardship. This project specifically addresses Sub-objectives 5.1.1 and 5.1.2. When taken as a whole, the program goal's is to address the activities and goals of EPA Sub-objectives 5.2.2 and 5.2.3 with an emphasis on sustainability, private-sector incentives and business assistance.

Ecology's multi-media approach addresses all five goals included in EPA's Strategic Plan. Specifically, Ecology meets the "Threshold Criteria" as a "demonstration" and "public education program" as envisioned by the Solid Waste Disposal Act, 42 U.S.C. 6981(a)(3) and (a)(5) and is closely tied to EPA's Strategic Plan Goal 5, specifically addressing EPA Sub-objectives 5.1.1, 5.1.2, 5.2.1, 5.2.2, and 5.2.3.

Multi-media aspects are incorporated into the Sustainable Washington Program, including: (i) using ERP to improve compliance, (ii) encouraging EMS implementation or similar techniques as alternatives to permitting or other regulatory requirements, and (iii) developing criteria that encourages participants in Performance Track and other state programs to incorporate sustainability.

Ecology believes we have statutory authority to implement an ERP program under existing state authority. Ecology anticipates the ERP pilot result in at least a substantial increase in the compliance rate.

In the merged VLP/EnviroStars program, Ecology will screen applicants, review data submittals and continue to meet PPA compliance assurance obligations through inspections, education and previously successful methods.

Outcome Measurement:

Ecology will utilize the existing ERP Results measures and try and retain some Performance Track criteria for measurement. The audience for this program is small and medium businesses; market research has indicated these facilities lack the money, time, and technology to meet many of the rigorous Performance Track criteria. Ecology is having a consultant research and develop EMS tools for small businesses.

Quantitative and qualitative short-term, immediate and long-term outcomes:

Short-term outcomes of the Sustainable Washington program include an increase in the proportion of Washington's businesses that use sustainable practices into their everyday business dealings and the proportion of firms that are aware of their impact on the environment. Intermediate outcomes of the program include the proportion of Washington firms that have significantly reduced their use or generation of hazardous and toxic chemicals. Long-term outcomes include a cleaner Puget Sound, cleaner Spokane River and healthier environment for Washingtonians.

Measurement of short-term and intermediate outcomes will be based on a review of data collected and/or reported by program participants. Measurement of long-term outcomes will be conducted as part of the agency's Puget Sound Partnership and will include water quality, air

quality and sediment contamination indicators. Ecology intends to establish baseline data for the program based on available data.

Transferability and Reporting

Quarterly program reports and a full project report at the end of the grant, including environmental outcomes to date, will be prepared and submitted to EPA as required. We also anticipate that this work, past research, and past results will be disseminated to the ERP Consortium, the Performance Track Program, business trade organizations, and the public. Ecology has an Intranet page to facilitate intra-agency communication and is testing a new external Internet site. Ecology staff made presentations at the 2006 Northwest Environmental Summit, sponsored by the Association of Washington Businesses and is on the 2007 draft agenda to discuss the development of our Sustainable Washington program.

We hope that our information will help build the momentum around the country among ERP programs and encourage businesses to not only come into compliance with existing regulations but to be rewarded for moving beyond compliance toward sustainability.

The Sustainable Washington program is innovative with regard to integrating economic and other incentives with ERP. Ecology is currently researching financial incentives and is seeking to expand into both public and private-sector partnership incentives. Some incentives under consideration include private-sector financial incentives such as lower insurance rates, lower interest rates on commercial loans, and other financial incentives. This information will be transferable to other states and tribes.

Public Involvement

Ecology established a 25 member advisory committee in January 2007 with representatives from large, medium, and small businesses; business advocates and consultants; environmental advocacy groups; EPA Region 10; state and local government entities; and representatives from the banking, finance and insurance industries. This group has been instrumental in developing the framework for the voluntary leadership portion of the program and has provided valuable insight on financial and regulatory incentives. In addition to this group, Ecology and its contractors have conducted individual interviews with members of existing leadership programs, industry experts, and small business owners (both one-on-one and in and focus groups) in specific industry sectors during the market research phase of development of the program. Ecology intends to continue working with stakeholder groups as well as industry groups for business sectors participating in the pilot implementation portion of the project.

Partnerships

Ecology has met with Microsoft software developers who are trying to develop software that will help businesses evaluate their environmental performance. We hope that these tools may prove beneficial to small business owners participating in the Sustainable Washington program. Additionally, Ecology has talked with faculty at The Evergreen State College to explore an educational component into the program to educate college students about sustainability. Ecology is exploring the feasibility of an internship-type program that gives businesses free assistance in working on sustainable practices to help them be eligible for the VLP and at the same time would allow students real world experience and credit towards their degree.

Ecology has met with the Directors of the Western Washington Local Public Health Agencies to coordinate on the Local Control Specialist positions. Ecology will also be working with local government partners like King County Local Hazardous Waste Management Program and partnering with the Environmental Coalition of South Seattle (ECOSS) in working the Lower Duwamish Waterway that works with small businesses on pollution prevention programs. Ecology is also active in the Region 10 P2 Roundtable, Western States P2 Roundtable, and the National P2 Roundtable.

VI. Reporting Requirements

Quarterly (and the final) project report will include the following:

- A short summary of the work completed in the reporting period
- Deliverables, outputs, outcomes completed in the reporting period
- Description of progress on completing individual tasks and milestones reached
- A look forward to the work to be done in the next reporting period
- QA reporting as required in the project QA Plan
- Summary information of grant fund expenditures, by budget category
- Any changes to the planned project schedule based on events, revisions needed or made to the project work plan and/or QA Plan

VII. Total Project Cost

Ecology estimates a total project cost of $280,166. Of this amount, $55,000 is expected to be provided by Ecology and $225,166 is requested from EPA funds.

VIII. Detailed Itemized Budget

	Total Project Costs	Proposed State Leverage Funds	EPA Funding
Personnel (including salary and benefits)	$81,504	$0	$81,504
Travel	$4,500	$0	$4,500
Capital Equipment	$0	$0	$0
Supplies	$0	$0	$0
Contractors	$165,000	$55,000	$110,000
Other Expenses (35.78% Indirect Charge)	$29,162	$0	$29,162
TOTAL	$280,166	$55,000	$225,166

Ecology is requesting $225,166 in federal funding over a three year period for personnel, travel, and contractual support. Ecology is proposing to leverage $55,000 of state funds to support contractor assistance for a total of $165,000 to help implement the Sustainable Washington Program. Contractor support would be used for the following:

$50,000	ERP contractor assistance, training, and materials
$50,000	VLP marketing, recruitment, recognition, and incentives development
$45,000	Support web-based database development (20% of total federal funds requested)
$20,000	Support technical training event (EMS, Lean Mfg., Sustainability)
$165,000	Total Cost

Personnel: This proposal requests EPA to fund 1.0 FTE to assist with implementation of the Sustainable Washington program. We anticipate this FTE would be classified as an "Environmental Technician" and would be responsible for assisting with self-certification, incentives, and other related project implementation work. This pre-proposal only requests EPA to cover salary and benefits for this position; Ecology includes travel, equipment, and supply costs as part of its proposed leveraged funds.

The state budget provides funding to hire and trains ten local government specialists to provide assistance in waste management and reduction and source control in Puget Sound counties. These specialists would be county employees and be accountable to Ecology for progress and measurable results toward protecting Puget Sound from toxic threats. Ecology would use the EPA State Innovations Grant funds to pilot ERP in the Puget Sound Region utilizing the Local Control Specialist to help implement the program.

IX. Key Personnel

Ken Zarker is the Pollution Prevention and Regulatory Assistance Section Manager at the Department of Ecology. Ken has been responsible for managing state environmental programs in Texas and Washington State on hazardous waste permitting, policy, toxics reduction, and sustainability. Ken has served in a leadership capacity at the national and international levels as Chairman of the National Pollution Prevention Roundtable, Delegate to the North American Pollution Prevention Partnership, the U.S. EPA Forum on State and Tribal Toxics Action (FOSTTA) and the Environmental Council of the States (ECOS) Cross Media Committee/Innovations Workgroup. Ken holds a B.S. in Environmental Management from the University of Houston at Clear Lake City.

Michelle Underwood is an Environmental Specialist who currently serves as the Beyond Waste Sectors Coordinator. She has over 18 years of experience in hazardous waste management issues and previously served as a Senior Compliance Specialist for Ecology. Prior to coming to Ecology, Michelle worked for the Illinois Environmental Protection Agency as a Solid and Hazardous Waste Inspector. She is a trained mediator and facilitator, has extensive experience in assisting stakeholders achieve favorable outcomes, and has received numerous awards for her facilitation work. Her BS degree is in Forestry from the University of Illinois. Michelle will be the primary Ecology staff member responsible for this project and will oversee all aspects of project implementation.

Kimberly Goetz is the Financial Assurance Officer for Ecology's Hazardous Waste and Toxics Reduction Program. In addition to overseeing Washington State's financial assurance program,

she is also responsible for managing the "economic incentives" portion of the Sustainable Washington program and assisting in the development of the program's framework. Prior to joining Ecology, Kimberly worked for approximately five years at another Washington State government agency conducting complicated business investigations and working with small businesses in a variety of industries. She spent more than eight years as a paralegal working in the areas of complex litigation, estate planning/probate, and business law and is a former member of the Washington State Bar Association's Disciplinary Board. Her BA degree in Political Science and Global Studies is from Pacific Lutheran University and her MPA in Public Policy is from The Evergreen State College. Kimberly will work on incentives and regulatory issues related to the Sustainable Washington program.