

US EPA ARCHIVE DOCUMENT



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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January 18, 2007

Sheri Walker
State Innovation Grant Program
National Center for Environmental Innovation
U.S. EPA
1200 Pennsylvania Ave, N.W.
Washington, D.C. 20460

Dear Ms. Walker:

On behalf of the Washington State Department of Ecology, I am pleased to submit the FY07-2010 Sustainable Washington State Innovation Grant Proposal.

Washington State is proposing a comprehensive program that integrates the Environmental Results Program (ERP) model with a tiered state Environmental Leadership Program model to improve sector compliance and drive better environmental performance for small-to-medium sized (SMEs) entities. The goal is to integrate both models into a single program that improves sector compliance, encourage entities to voluntarily move beyond compliance towards sustainability, and produce measurable environmental results.

The State of Washington requests up to \$[Budgetary Information Withheld by U.S. EPA] of federal funds to support implementation of the Sustainable Washington Program. The federal funds will be leveraged with an anticipated \$[Budgetary Information Withheld by U.S. EPA] of state funding to support contractor assistance for a total project cost of \$[Budgetary Information Withheld by U.S. EPA].

I can be reached at 360-407-6724 or kzar461@ecy.wa.gov if you have any questions.

Sincerely,

Ken Zarker, Manager

Pollution Prevention and Regulatory Assistance Section
Washington State Department of Ecology: 1/18/2007 Project Summary

Project Title: Sustainable Washington FY07-2010 State Innovations Grant
Project Applicant: Washington State Department of Ecology (Ecology)

State Project Manager: Michelle Underwood, Beyond Waste Sectors Coordinator, 360-407-6897 ph.; mund461@ecy.wa.gov, Mailing Address: P.O. Box 47600; Olympia, Washington 98504-7600; Fax: 360-407-6715.

Total Project Cost: The State of Washington requests up to \$[*Budgetary Information Withheld by U.S. EPA*]of federal funds to support implementation of the “Sustainable Washington Program.” The federal funds will be leveraged with an anticipated \$[*Budgetary Information Withheld by U.S. EPA*]of state funding to support contractor assistance for a total project cost of \$[*Budgetary Information Withheld by U.S. EPA*]. These amounts do not include the in-kind value of labor and expertise contributed by the Ecology’s private-sector and local government partners.

Project Period: The project period covered by this pre-proposal is 10/01/2007 – 09/30/2010.

Summary Statement: This pre-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 and sustainability program (VLP). Program activities include conducting ERP development, training, marketing, recruitment, and sector initiatives that focus on small-to-medium sized entities in the Puget Sound Region and Spokane River watersheds. This innovative project pulls together both models into a single integrated state program that incorporates sustainability criteria.

Statutory Authority and Flexibility: Ecology is the lead environmental agency for the state of Washington having 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 will be exploring using the existing PPA and/or Element 13 to receive “credit” for compliance assurance activities performed through the Environmental Results Program.

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 pre-proposal, including Director Jay Manning, Janice Adair, Special Assistance to Director Jay Manning, and Darin Rice, Program Manager of the Hazardous Waste and Toxics Reduction Program. If this proposal is selected for application, a letter of endorsement will be provided with the final application.

Washington State Department of Ecology: Pre-proposal Narrative

Project Description: The Washington State Department of Ecology (“Ecology”) is proposing a comprehensive program that integrates the Environmental Results Program (ERP) model with a tiered state Environmental Leadership Program model to improve sector compliance and drive better environmental performance for small-to-medium sized (SMEs) entities. The goal is to integrate both models into a single program that improves sector compliance, encourage entities to voluntarily move beyond compliance towards sustainability, and produce measurable environmental results.

Ecology has invested state resources and public review of local, state, and federal performance-based programs to identify the strengths and weaknesses of existing programs to help design an innovative approach for Washington State.¹

The “Sustainable Washington Program” pre-proposal has two integrated objectives: 1) to conduct an ERP Pilot Project in three targeted urban watersheds; and 2) implement a new statewide voluntary leadership and sustainability program (VLP). The strategy is designed to use ERP to significantly improve sector compliance while providing a tiered system and incentives for the leadership and sustainability program.

Governor Christine Gregoire has set a statewide goal to restore and enhance the health and vitality of the Puget Sound region by 2020 and to address emerging needs in the Spokane River watershed located in Eastern Washington. Both regions face significant environmental challenges resulting from toxic land contamination, stormwater, climate change and toxics loading of PCBs, mercury, phthalates and other pollutants.

Ecology will use the federal grant funding to pilot a state ERP model such as the Auto Body / Auto Refinishing to gain practical agency experience. At the same time, federal funding is needed to help launch a new state leadership program, including recruitment, marketing and administrative activities necessary to implement the new program.

Ecology will be recruiting existing National Environmental Performance Track members, King County EnviroStars, and other eligible entities to become “charter” members of the new leadership program. ERP entities with good compliance records and committed to “beyond compliance” will be encourage to join the leadership program in exchange for financial, regulatory, and technical assistance incentives.

Ecology will use a “tiered” approach—the more sustainable practices and behaviors implemented by a participating business, the more recognition and incentives they are eligible to receive. Based on stakeholder input received so far, we anticipate establishing three levels in the leadership phase of the program. Ecology will be finalizing program criteria by July 1, 2007.

Need for Project, Tasks and Activities: This pre-proposal requests [*Budgetary Information*

¹ While much of this research was conducted in-house, the majority of research activities were conducted by Ecology’s paid consultants: Cascadia Consulting Group, Industrial Economics, Ross and Associates, and the Pacific Northwest Pollution Prevention Resource Center.

Withheld by U.S. EPA in federal funds to implement provide funding for the Sustainable Washington Program, including: (1) an administrative Environmental Technician position to support program development tasks, including ERP self-certification, materials coordination, data entry, other related project implementation activities; (2) contracting assistance for ERP materials, training and database development; and (3) contracting assistance for the leadership program marketing, branding, training and other recognition activities. Ecology will be allocating at least 1.2 existing FTEs and \$55,000 in state contractual funds to leverage federal funds to support the following objectives:

Objective 1: Environmental Results Program - The objective is to pilot an Auto Body/Auto Refinishing ERP sector project in the Lower Duwamish Waterway (near Seattle), Commencement Bay (near Tacoma), and the Spokane River watershed (near Spokane). Ecology has estimated there are approximately 250 shops in the three watersheds and is planning to use the existing Auto Body ERP model programs created by several Northeast states. The following tasks are anticipated:

- Task 1.1 Establish Ecology ERP Pilot Team to develop work plan, review and update materials, establish data base needs, and conduct outreach with Ecology's regional offices and Local Control Specialists. *Start: 10/01/07; End: 09/30/09*
- Task 1.2 Coordinate with EPA to receive ERP "credit" in the PPA or Element 13. *Start: 02/01/07; End 09/30/07* (sync with FY2007 Ecology PPA negotiations)
- Task 1.3 Conduct at least two ERP steering committee meetings annually with trade associations, local governments, and other stakeholders to monitor the pilot, identify incentives, and track results. *Start: 02/01/08; End 09/30/2010*
- Task 1.4 Develop the ERP "facility universe" baseline to determine statistically valid inspection protocols. *Start: 10/01/07; End 03/30/08*
- Task 1.5 Conduct ERP staff field training and test baseline inspection protocols. *Start: 02/01/08; End: 05/30/08*
- Task 1.6 Initiate baseline inspections, compliance assistance and sector outreach activities in the selected urban watersheds. *Start: 06/01/08; End 09/30/09*
- Task 1.7 Conduct ERP validation inspections to attain a 90% confidence level. *Start: 10/01/09; End 06/30/2010*
- Task 1.8 Identify sector incentives and encourage entities to participate in the tiered leadership program. *Start: 10/01/07; End 09/30/2010*
- Task 1.9 Evaluate pilot results and make recommendations for future improvements, including criteria for sector selections. *Start: 06/01/2010 End: 09/30/2010*
- Task 1.10 Participate in the state ERP Consortium and national ERP events to share results on the Washington State ERP/VLP model. *Start: 10/01/07 End: 09/30/2010*

Environmental Results: Ecology is developing a model to evaluating the toxic loading going into Puget Sound. The project will identify toxic loading and specific chemicals of concern. The project is anticipated to be completed by August 2007. Based on an estimated 250 entities in the three watersheds, Ecology has identified the following potential outputs and outcomes that will be further refined if this pre-proposal is selected.

Outputs: (Examples of metrics documented by other model states/required by Element 13) At least 250 entities participating in the ERP Pilot.; At least 4 ERP Steering Committee meetings (stakeholders); Number of Checklists, guidebooks, self-certification forms distributed; Number of Technical Assistance workshops, site visits and 1-800 number calls; At least 15 staff trained (3 urban watershed Ecology inspectors; 10 Local Control Specialists; 2 HQ staff); Number of ERP post-certification inspections performed; Evaluate compliance performance; Estimated amount of financial savings achieved using ERP vs. traditional costs; Number of entities joining state leadership program.

Outcomes: Calculated pounds of toxic pollutant reductions in the Puget Sound region and Spokane River watershed; Calculated gallons of water saved; Calculated kilowatt hours of energy saved; Cost effectiveness (lbs. reductions vs. staff cost)

Objective 2: Voluntary Leadership Program Development - The objective is to recruit and conduct marketing activities to help launch a tiered voluntary environmental leadership program. A sustainability criteria rating system will be used to address environmental, economic, and social measures. Ecology expects this rating system will be transferable to EPA, other states and tribes interested in social and economic measures.

Ecology will conduct marketing and recruiting to at least 750 entities, including approximately 12 existing Performance Track members, 35 entities with existing EMS, 40 state agencies with Sustainability Plans, 100 hospitals, 600 EnviroStar members (King County), 500 state pollution prevention planners, federal facilities, universities and local governments.

For the state leadership program, Ecology has set a goal to have at least 50 entities participating in the leadership program by September 2008, 100 by September 2009 and 150 participating firms by September 2010. The following tasks are anticipated:

- Task 2.1 Conduct at least two (2) stakeholder advisory committee meetings annually to assist with implementation, incentives development, sector coordination, measurement, recognition and long term needs. *Start: 10/01/07 End: 09/30/2010*
- Task 2.2 Conduct at least four (4) regional marketing and outreach workshops on the new program, including the Performance Track Program. Conduct new member compliance screening and coordination with local government partners and EPA. *Start: 01/01/08 End: 12/31/08*

- Task 2.3 Conduct at least one (1) technical training workshop (such as Environmental Management Systems, Sustainability or Lean Manufacturing) to program members. *Start: 01/01/09; End: 09/30/09*
- Task 2.4 Establish data base structure and information management needs, including providing online applications, technical assistance and annual reporting. *Start: 10/01/07 End: 06/30/08* (No more than 20% of funding will be used)
- Task 2.5 Conduct member recognition event and issue new member press releases. *Start: 10/01/08 End: 09/30/2010*
- Task 2.6 Publish an annual environmental performance progress report beginning in 2008. *Start: 07/01/08 End: 12/31/2010*
- Task 2.7 Participate in the States Performance Track monthly conference calls. Consider Washington State hosting the Annual States Performance Track meeting in Seattle in 2009 or 2010. *Start: 10/01/07 End: 09/30/2010*

Environmental Results: Ecology will be utilizing the EPA Environmental Performance Results data elements plus sustainability metrics.

Outputs: Number of entities participating in the leadership program; Number of people attending workshops and presentations; 2 annual workshops; Data Base Analysis and Structure Needs; Marketing materials, articles, press releases

Outcomes: Pounds, tons of Materials Use Reduction; Gallons of Water Use; Kilowatt hours / BTU Energy Use; Pounds, tons of Air Emissions, Discharges to Water, Hazardous and Solid Waste; Acres of habitat restored

Sustainability Outcomes: Ecology is developing criteria and will be available in June 2007. Examples: Living Wage, Healthcare for employees, and other social indicators.

Links to EPA's strategic goals: The Sustainable Washington Program supports EPA's *Strategic Plan*, including Goal 5: Compliance and Environmental Stewardship, including Sub-objective 5.1.1 and 5.1.2. Ecology plans to include government entities as a pilot sector, addressing EPA Sub-objective 5.2.1. 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.

The Sustainable Washington Program is innovative with regard to integrating economic and other incentives. Ecology is currently researching financial incentives and is seeking to expand into both public *and* private-sector partnership incentives, including private-sector financial incentives such as lower insurance rates, loans, and other financial incentives. This information will be transferable to other states and tribes.

Ecology's multi-media approach address all five goals included in EPA's Strategic Plan.

Specifically, Ecology meet 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 and specifically addresses 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 50 percent increase in the compliance rate, a five percent increase in the number of businesses adopting best management practices. Ecology has also committed to reducing approximately 400 pounds per year in the Puget Sound and 300 pounds per year of mercury reductions as documented in the state’s FY07-09 Puget Sound Action Plan.

Ecology will share the activities, research, and results of its efforts on the Sustainable Washington program with other states, 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.

Washington State’s PPA supports the Performance Track Program and Ecology’s “Beyond Waste” efforts as an Environmental Priority for “Adopting flexible and innovative strategies to achieve environmental results” is a Performance Management Priority.

Specific project outputs to be achieved: While program measures have not yet been finalized, the following outputs are illustrative of the criteria Ecology intends to adopt:

- * At least 150 firms participating in the Sustainable Washington program by 2010.
- * 25 percent of program participants meeting “sustainable leadership” phase criteria.
- * 10 percent reduction in toxics used in products and business processes.
- * 5 percent increase in participating firms understanding their environmental obligations.
- * 5 percent increase in participating firms adopting improved environmental practices.
- * 5 percent increase in participating firms reducing, treating, or eliminating pollution.

Compliance assurance activities conducted: Ecology will screen leadership applicants, review data submittals and continue to meet PPA compliance assurance obligations through inspections, education, and previously successful methods.

Environmental Outcomes: Ecology will utilize the existing ERP Results measures and the Performance Track Environmental Performance Report criteria to measure and report environmental results. Ecology is working to establish “sustainability” criteria to measure economic and social indicators and the Department of Health on human health indicators.

Quantitative and qualitative short-term, intermediate, 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.

What measurements will be conducted: 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.

How will measurements be evaluated and compared against baseline conditions: Ecology intends to establish baseline data for the program (1) based on baseline data available from program participants who already collect the necessary information for another program, such as Performance Track; and (2) based on data collected by new program participants.

Methods to be used to evaluate project results: We anticipate that evaluation of project results will be conducted using statistical comparison, data quality assurance, and annual reports.

Public Involvement: Ecology established a 25 member advisory committee with representatives from large businesses, medium businesses, small businesses, business advocates and consultants, environmental advocacy groups, EPA Region 10, state agencies, local government entities, and representatives from the banking, finance, and insurance industries.

Individual interviews, focus groups and internet surveys will be conducted by Ecology's contractor during 2007. Ecology intends to continue working with the stakeholder groups and potentially add the state's community colleges and four-year universities as well as industry groups for business sectors participating in the pilot implementation portion of the project.

Collaborations or Partnerships: In addition to the extensive collaboration, Ecology is working to establish two additional partnerships. First, we are attempting to negotiate a partnership with ***Microsoft Corporation***. The goal of this partnership is to develop a software application that businesses can use to evaluate their environmental performance in key areas such as use of toxic materials, hazardous and solid waste generation, energy consumption, and production of wastewater. Second, Ecology is working to integrate an educational component into the program by collaborating with ***The Evergreen State College and various Community and Technical Colleges*** to educate college students about sustainability, Ecology is exploring an internship-type program that would allow students to work with local businesses.

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 governments partners like the ***King County Local Hazardous Waste Program*** and partnering with ***ECOSS***, a nongovernmental organization working in the Lower Duwamish Waterway that works with SMEs on pollution prevention programs. Ecology is also active in the ***Region 10 P2 Roundtable, Western States P2 Roundtable, and the National P2 Roundtable***.

Washington State Department of Ecology: Pre-proposal Budget Summary

State: Washington State
Agency: Department of Ecology
Project Title: Sustainable Washington Program Implementation

[Budgetary Information Withheld by U.S. EPA]

Personnel: This pre-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 Governor’s budget proposal funds and trains 10 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.

While the Governor’s budget proposal does not include funding specifically dedicated to implementing ERP, 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.

Washington State Department of Ecology
Environmental Results Past Performance

The following list of federally funded grants and agreements have been performed in the last three years by the Hazardous Waste and Toxics Reduction Program.

[Budgetary Information Withheld by U.S. EPA]

Environmental Results Past Performance:

FY2004 - 2006 EPA Pollution Prevention Grants – Ecology provides semi-annual progress reports to the EPA Regional Grants Manager the following information: 1) summary of overall results; 2) individual project tasks summary; 3) Planned and schedules for task completion; 4) expenditures to date; and 5) projected accomplishments for the next reporting period.

Ecology is participating in the National Pollution Prevention Results Data System being implemented by the National Pollution Prevention Roundtable and EPA. Ecology has been tracking pollution prevention results achieved through our state pollution prevention planning and technical assistance program.

Washington State Pollution Prevention Results: 1994 – 2005

<i>Category</i>	<i>Amount</i>	<i>Financial Savings Reported</i>
Hazardous Materials	346,051 pounds	
Hazardous Wastes	202,283,364 pounds	\$404,564,728
Energy	4,580,500 kilowatt hours reduced	\$ 314,562
Water Use	27,715,648 gallons reduced	\$ 49,888
		\$404,929,178

RCRA Performance Partnership Agreement – Ecology provides quarterly progress reports related to core RCRA program measures, including the number of inspections performed, permit actions, corrective action, and the number of technical assistance actions. Ecology managers meet with EPA Region 10 staff quarterly to gage program progress, policy issues, and program coordination.

Washington State Department of Ecology
Programmatic Capacity

The following grants and agreements were approved over the past three years. Ecology met the reporting requirements of the grants and agreements as required under the PPA.

[Budgetary Information Withheld by U.S. EPA]

The Hazardous Waste and Toxics Reduction Program has approximately 118.0 FTEs, including engineers, toxicologists, environmental planners, environmental specialists, inspectors, permit writers, and pollution prevention specialists. The program typically conducts the following:

- Reduce statewide generation of hazardous waste by 2% annually.
- Track the incidence of environmental threats per inspection using the Regulatory Compliance Indicator and resolve 115 environmental threats.
- Conduct 275 pollution prevention technical assistance visits annually.
- Conduct 240 compliance technical assistance visits annually.
- Conduct 213 compliance inspections annually (including 15 TSDs, 17 recyclers, and 80 large quantity generators).
- Track the number of permits, modifications, closures and MTCA orders
- Complete intermediate corrective action steps that increase, by 5% annually, the total percent of cleanup completion for the 22 high priority facilities.
- 100 percent completion of 22 high priority TSD cleanups.
- Process 9,500 phone calls for assistance through the 1-800 hazardous substances information line.
- Three Issues of “Shoptalk” newsletter to 25,000 plus businesses.
- Develop electronic publications.
- Improve access to website.

Attachment A

Washington State Department of Ecology: Resume Information for Key Personnel

[Resumes Withheld by U.S. EPA]