



Department of Health
 2021-23 First Supplemental Budget Session
 Policy Level - QC - Address Drinking Water Backlog

Agency Recommendation Summary

The Department of Health, Office of Drinking Water (ODW) receives federal funds from the Environmental Protection Agency (EPA) to support drinking water program operations. Due to COVID-19 impacts, the grant was not fully spent in the 2019-21 biennium, and work was not completed due to staff performing other work, restrictions on travel, and closures. In order to address the backlog, utilize the unspent federal grant, and comply with EPA requirements, the department requests a short-term spending authority increase from the Drinking Water Assistance Account.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Staffing						
FTEs	6.8	6.8	6.8	0.0	0.0	0.0
Operating Expenditures						
Fund 04R - 2	\$1,750	\$1,750	\$3,500	\$0	\$0	\$0
Total Expenditures	\$1,750	\$1,750	\$3,500	\$0	\$0	\$0
Revenue						
04R - 0366	\$1,750	\$1,750	\$3,500	\$0	\$0	\$0
Total Revenue	\$1,750	\$1,750	\$3,500	\$0	\$0	\$0

Decision Package Description

Each year, the Department of Health, Office of Drinking Water (ODW) receives approximately \$7.6M in Drinking Water State Revolving Funds (DWSRF) grant operating funds, called set-asides. These funds are in addition to the DWSRF capitalization grants the department leverages to make loans to water systems. These set-aside grant funds are expected to be spent within 2 years of each award. However, because of COVID-19 those funds weren't spent by the end of the 2019-21 biennium leaving a carry-over balance of approximately \$3.4M. In order to comply with EPA requirements, ODW will need to spend down the \$3.2M in the next biennium in addition to a new \$7.7M set-aside award in both 2021 and 2022.

ODW currently lacks sufficient Drinking Water Assistance Account (04R-2) authority to spend the prior biennium unspent set-asides in addition to the two new grant set-asides awarded in the 2021-23 biennium. ODW is requesting this additional spending authority to hire staff to help with a backlog of work that was not completed in 2020 due to the COVID-19 response. In addition to filling existing vacancies, ODW is requesting \$300,000 in FY2022 to ensure drinking water labs are inspected.

The Department of Health contracts with the Department of Ecology (ECY) for lab inspections. Due to increased workload, ECY lab accreditation staff was not able to complete required lab inspections. Consequently, drinking water labs inspections are past due. ODW is working with ECY to develop a one-time contract to have an outside contractor perform these inspections to address the backlog. ODW has agreed to support ECY with a request for an inspection fee increase to ensure accredited labs are inspected as required.

Ensuring proper inspections of drinking water labs and catching up on critical drinking water work like sanitary surveys will ensure safe and reliable drinking water in all communities. These in-person inspections are critical to ensuring safe and reliable drinking water in water systems throughout the state, including the 1,400 community water systems serving less than 100 connections and approximately 2,000 water systems serving non-communities. These inspections identify sanitary deficiencies that may cause or have the potential to cause introduction of contaminants into the water system. These deficiencies can create significant public health risk if left unaddressed.

Without increased spending authority, the department risks losing the federal grant. The department has submitted a justification to receive an extension unspent amount from the 2019 grant award. Additionally, the department may lose federal funding and its primacy agreement if it does not meet the timelines for both lab inspections and water system sanitary surveys.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

This proposal is a temporary expansion of the program used to address delays and backlogs caused by the COVID-19 pandemic, including completing sanitary surveys and lab inspections. Spending authority went unused in the 2019-21 biennium because of travel restrictions, state social distancing guidelines, mandatory closures, and personnel shifts to support COVID-19 response. The program estimates it may take over a year to get caught up.

Biennium	Allocation	Expenditure	Variance
2017-2019	10.3 M	9.7 M	0.6 M
2019-2021	13.7 M	10.2 M	3.5M

Detailed Assumptions and Calculations:

In the 2022-23 biennium, this spending authority will support five (5) FTEs that will get the program caught up with work that was delayed due to the COVID-19 pandemic.

Workforce Assumptions:

This request includes 2.0 FTE Environmental Engineer 2, 1.0 FTE Public Health Advisor 2, and 2.0 FTE Forms & Record Analysts. Cost include salary, benefits, FTE related costs and one-time costs for equipment in FY2022.

In addition to increased staffing, this request will fund a new \$300,000 contract to conduct past due inspections normally done by the Department of Ecology. The Office of Drinking Water has agreed to contract and pay for that work to be done to eliminate the backlog that has grown over the past few years. In addition to the Ecology contract, this appropriation will be used to fund consolidated contracts with the Local Health Jurisdictions to perform sanitary surveys that could not be performed during the COVID-19 pandemic.

How is your proposal impacting equity in the state?

Ensuring proper inspections of drinking water labs and catching up on critical drinking water work like sanitary surveys will ensure safe and reliable drinking water in all communities.

Strategic and Performance Outcomes

Strategic Framework:

This proposal aligns and contributes to both Goal 4: Healthy & Safe Communities and Goal 5: Efficient, Effective & Accountable Government of the Governor's Results Washington by ensuring safe and reliable drinking water and using our federal funding efficiently and effectively.

This proposal is for Drinking Water Assistance Account (04R-2) spending authority and will be used to spend the annual DWSRF grant award from the EPA.

Performance Outcomes:

By increasing the appropriation, the department will ensure that all 32 accredited labs have been inspected in accordance with the Safe Drinking Water Act and Department of Ecology requirements within the next two years. Increase staffing for unfunded positions will allow ODW to catch up on required work that was delayed or put on hold due to COVID-19.

Other Collateral Connections

Puget Sound Recovery:

N/A

State Workforce Impacts:

N/A

Intergovernmental:

City, county, and quasi-governmental entities that own and operate water utilities support the department's work and need to be sure that the lab's that conduct water quality testing are meeting all regulatory requirements. Providing more staff to conduct required sanitary surveys and reviews is supported by the industry.

The Department of Ecology needs additional funding to conduct required lab inspections on the department's behalf and are supportive of this spending authority request to ensure labs are inspected as required by rule.

Legal or Administrative Mandates:

EPA staff identified in the department's last audit that water laboratories were not meeting inspection requirements as identified by the Safe Drinking Water Act. As the primacy agency, ODW is ultimately responsible to ensure drinking water labs are accredited. ODW has a Memorandum of Understanding with the Department of Ecology for the management and implementation of the State laboratory certification program for regulatory drinking water analysis.

Stakeholder Response:

All non-governmental stakeholders including the public, need to be assured that labs conducting water quality testing are meeting all regulatory requirements.

Providing more staff to conduct sanitary surveys and reviews is supported by the water utilities and their customers.

Changes from Current Law:

N/A

State Facilities Impacts:

N/A

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$419	\$415	\$834	\$0	\$0	\$0
Obj. B	\$169	\$169	\$338	\$0	\$0	\$0
Obj. C	\$1,058	\$1,083	\$2,141	\$0	\$0	\$0
Obj. E	\$33	\$32	\$65	\$0	\$0	\$0
Obj. J	\$20	\$0	\$20	\$0	\$0	\$0
Obj. T	\$51	\$51	\$102	\$0	\$0	\$0

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