

# Department of Environmental Quality

Analyst: Sepich

## Historical Summary

<b>OPERATING BUDGET</b>	<b>FY 2020 Total App</b>	<b>FY 2020 Actual</b>	<b>FY 2021 Approp</b>	<b>FY 2022 Request</b>	<b>FY 2022 Gov Rec</b>
<b>BY PROGRAM</b>					
Administration and Support	8,863,500	8,267,000	9,258,700	10,241,100	10,201,900
Air Quality	14,782,300	8,210,200	11,061,600	11,218,800	11,172,400
Water Quality	23,514,700	21,249,900	26,946,200	25,959,000	25,841,200
CDA Basin Commission	531,400	196,400	281,500	300,000	299,000
Waste Mgmt and Remediation	18,559,500	12,378,000	16,918,900	20,064,200	20,025,400
INL Oversight	2,175,000	1,285,500	2,193,800	2,222,000	2,215,900
<b>Total:</b>	<b>68,426,400</b>	<b>51,587,000</b>	<b>66,660,700</b>	<b>70,005,100</b>	<b>69,755,800</b>
<b>BY FUND CATEGORY</b>					
General	22,323,300	22,003,300	22,215,700	22,513,000	22,388,500
Dedicated	17,359,000	8,112,000	15,699,800	18,815,400	18,773,200
Federal	28,744,100	21,471,700	28,745,200	28,676,700	28,594,100
<b>Total:</b>	<b>68,426,400</b>	<b>51,587,000</b>	<b>66,660,700</b>	<b>70,005,100</b>	<b>69,755,800</b>
Percent Change:		(24.6%)	29.2%	5.0%	4.6%
<b>BY OBJECT OF EXPENDITURE</b>					
Personnel Costs	35,071,900	31,381,400	35,358,200	36,466,900	36,217,600
Operating Expenditures	25,153,000	12,266,700	20,482,600	20,062,200	20,062,200
Capital Outlay	352,500	415,300	103,200	2,300,000	2,300,000
Trustee/Benefit	7,849,000	7,523,600	10,716,700	11,176,000	11,176,000
<b>Total:</b>	<b>68,426,400</b>	<b>51,587,000</b>	<b>66,660,700</b>	<b>70,005,100</b>	<b>69,755,800</b>
Full-Time Positions (FTP)	389.00	389.00	379.00	379.00	379.00

## Department Description

The Legislature created the Department of Environmental Quality (DEQ) in the public's interest, "to protect human health and the environment as its sole mission" (Section 39-102A, Idaho Code). The department is organized into six budgetary programs.

Administration and Support Services develops policies, legislation, and rules for permitting and regulatory programs; promotes public understanding of environmental issues and solicits public input; assesses program effectiveness in improving water and air quality; and services DEQ internal support needs.

The Air Quality Program addresses compliance with federal and state health-based air quality standards by monitoring air quality and collecting data; developing and issuing permits; and coordinating air quality improvement efforts made by communities, citizen groups, businesses, industries, and governmental agencies.

The Water Quality Program develops strategies to prevent, protect, and remediate areas from pollution so as to maintain or improve water quality. The program protects human health and biological integrity through watershed, drinking water, ground water, wastewater permitting, and grant and loan activities.

The Coeur d'Alene Basin Project Commission (Section 39-8104, Idaho Code) coordinates natural resource restoration to address heavy metal contamination caused from upstream mining operations.

Waste Management and Remediation is responsible for ensuring that solid wastes are managed and disposed of in a manner protective of human health and the environment. The program responds to existing releases of hazardous substances and works with active mines to ensure that best management practices are followed.

The primary responsibility of the Idaho National Laboratory (INL) Oversight Program is to independently monitor INL operations and document transportation of radiological materials along transportation corridors. The objective is to protect Idaho's land, air, water, wildlife, and public health from nuclear releases.

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## Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
<b>FY 2021 Original Appropriation</b>	<b>379.00</b>	<b>22,215,700</b>	<b>66,660,700</b>	<b>379.00</b>	<b>22,215,700</b>	<b>66,660,700</b>
Reappropriation	0.00	0	363,000	0.00	0	363,000
1. IPDES Funding	0.00	0	311,300	0.00	0	311,300
2. Budget Realignment	0.00	0	0	0.00	0	0
5. Building Idaho's Future	0.00	0	0	0.00	9,181,700	9,181,700
Cash Transfers & Adjustments	0.00	0	0	0.00	(9,181,700)	(9,181,700)
<b>FY 2021 Total Appropriation</b>	<b>379.00</b>	<b>22,215,700</b>	<b>67,335,000</b>	<b>379.00</b>	<b>22,215,700</b>	<b>67,335,000</b>
Executive Holdback	0.00	(1,110,800)	(1,110,800)	0.00	(1,110,800)	(1,110,800)
Noncognizable Funds and Transfers	0.00	0	0	0.00	0	0
<b>FY 2021 Estimated Expenditures</b>	<b>379.00</b>	<b>21,104,900</b>	<b>66,224,200</b>	<b>379.00</b>	<b>21,104,900</b>	<b>66,224,200</b>
Removal of Onetime Expenditures	(3.00)	(212,800)	(2,626,500)	(3.00)	(212,800)	(2,626,500)
Base Adjustments	0.00	0	0	0.00	0	0
Restore Rescissions	3.00	1,110,800	1,110,800	3.00	1,110,800	1,110,800
<b>FY 2022 Base</b>	<b>379.00</b>	<b>22,002,900</b>	<b>64,708,500</b>	<b>379.00</b>	<b>22,002,900</b>	<b>64,708,500</b>
Benefit Costs	0.00	340,300	689,000	0.00	62,500	126,800
Statewide Cost Allocation	0.00	19,700	66,500	0.00	19,700	66,500
Change in Employee Compensation	0.00	150,100	307,700	0.00	303,400	620,600
<b>FY 2022 Program Maintenance</b>	<b>379.00</b>	<b>22,513,000</b>	<b>65,771,700</b>	<b>379.00</b>	<b>22,388,500</b>	<b>65,522,400</b>
1. Bunker Hill CTP	0.00	0	2,119,600	0.00	0	2,119,600
2. WPCF Transfer to Triumph Fund	0.00	0	1,500,000	0.00	0	1,500,000
3. Triumph Mine Clean Up	0.00	0	560,200	0.00	0	560,200
4. Triumph Mine Tunnel Closure	0.00	0	980,400	0.00	0	980,400
5. CdA Lake Study	0.00	0	573,200	0.00	0	573,200
Cash Transfers	0.00	0	(1,500,000)	0.00	0	(1,500,000)
Budget Law Exemptions and Adjustments	0.00	0	0	0.00	0	0
<b>FY 2022 Total</b>	<b>379.00</b>	<b>22,513,000</b>	<b>70,005,100</b>	<b>379.00</b>	<b>22,388,500</b>	<b>69,755,800</b>
Change from Original Appropriation	0.00	297,300	3,344,400	0.00	172,800	3,095,100
% Change from Original Appropriation		1.3%	5.0%		0.8%	4.6%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2021 Original Appropriation</b>					
<p>The Legislature funded 12 line items for FY 2021: These included a shift of 1.00 FTP and \$102,600 from the Water Pollution Control Fund to the General Fund; 3.00 FTP and \$281,500 shifted from federal funds to the General Fund to support the Title V program; \$500,000 for the initial stages of managing the Central Treatment Plant; \$407,500 for remediation costs at the Triumph Mine; \$2,000,000 for the Coeur d'Alene Restoration Partnership; a shift of 7.00 FTP and \$567,100 from the General Fund to the Idaho Pollution Discharge Elimination System Fund; a \$1,500,000 cash transfer from the Water Pollution Control Fund to the Environmental Remediation (Basin) Fund; a shift of 1.25 FTP and \$120,000 from federal funds to the Environmental Remediation (Box) Fund for work at the Kellogg Superfund Site; a shift of \$384,000 from operating expenditures to personnel costs to realign federal and dedicated expenditures; \$763,700 for Small and Disadvantaged Community Grants; \$50,000 from the General Fund for the Bear Lake Regional Commission; and consolidation of IT services into the Office of Information Technology Services.</p>					
	379.00	22,215,700	15,699,800	28,745,200	66,660,700

## Reappropriation

## Water Quality

The department was authorized through S1403 of 2020 to reappropriate up to \$500,000 of any unencumbered and unexpended General Fund appropriation balance for Agricultural Best Management Practices from FY 2020 into FY 2021. Carryover required legislative approval, and is removed as a onetime expenditure before calculating the next year's base. While the funding was originally appropriated from the General Fund, it was transferred to the department's dedicated fund to be expended in FY 2020. This reappropriation shows the funding as part of the dedicated fund for tracking purposes and for reconciling total statewide General Fund expenditures, although the General Fund is still the source of funding.

Agency Request	0.00	0	363,000	0	363,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>363,000</i>	<i>0</i>	<i>363,000</i>

## 1. IPDES Funding

## Administration and Support Services, Water Quality

The department requests a onetime supplemental appropriation of \$311,300 from the Idaho Pollution Discharge Elimination System (IPDES) Fund to replace a portion of the 5% General Fund holdback removed via the memorandum issued by Governor Little on May 13, 2020. This request is split between the Water Quality Program, with \$10,400 in operating expenditures and \$229,600 in personnel costs for a total of \$240,000, and the Administration and Support Services Program with \$71,300 in personnel costs. The department identified these onetime funds to pay salaries for three scientist positions to prevent layoffs or decreased services and maintain primacy over the National Pollution Discharge Elimination System. An indirect rate is negotiated annually with the Environmental Protection Agency for administrative overhead for the IPEDS Program; for FY 2021 it is 31.04%, which multiplied by the personnel costs requested in the Water Quality Program provides the total amount requested in the Administration and Support Services Program. The operating expenditures are requested in the Water Quality Program for travel, training, membership in the Association of Idaho Cities, and publishing the IPDES administrative bulletin.

Agency Request	0.00	0	311,300	0	311,300
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>311,300</i>	<i>0</i>	<i>311,300</i>

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>2. Budget Realignment</b>					
<b>Administration and Support Services, Water Quality</b>					
<p>The department requests a supplemental General Fund program shift of 2.00 FTP and \$248,900 from the Water Quality Division to the Administration and Support Services Budgeted Program. Of this request, \$145,400 is in personnel costs that would pay the salary and benefits of a communications and outreach manager and an administrative assistant, and \$103,500 is in operating expenditures for IT support. Some administrative costs are currently budgeted in a specific program, but as part of a department-wide internal budget review, programmatic expenses that provide services to the entire agency are being moved to the Administration and Support Services Program. Internal budgeting allocated these costs from the Water Quality Program to the Administration and Support Services Program, however, the appropriation was still in the Water Quality Program and required annual transfers. This request would align the spending with the appropriation for administrative costs and leave program specific expenses in the appropriate budgeted program.</p>					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>5. Building Idaho's Future</b>					
<b>Water Quality</b>					
Agency Request	0.00	0	0	0	0
<p>The Governor recommends two onetime General Fund cash transfers of \$8,181,700 to the Water Pollution Control Fund (WPCF) and \$1,000,000 to the Agricultural Best Management Practices Fund (Ag BMP Fund). The funding transferred to the WPCF would support 18 proposed public drinking water and wastewater systems in communities that serve fewer than 5,500 people. The department plans to bring forth legislation to create the Agricultural Best Management Practices Fund in the 2021 legislative session. The funding in that fund would focus on nonpoint source projects to improve water quality in waterbodies across the state.</p>					
Governor's Recommendation	0.00	9,181,700	0	0	9,181,700
<b>Cash Transfers &amp; Adjustments</b>					
Agency Request	0.00	0	0	0	0
<i>This decision unit is a revenue adjustment for the cash transfer from the General Fund to the Water Pollution Control Fund and the Agricultural Best Management Practices Fund.</i>					
Governor's Recommendation	0.00	(9,181,700)	0	0	(9,181,700)
<b>FY 2021 Total Appropriation</b>					
Agency Request	379.00	22,215,700	16,374,100	28,745,200	67,335,000
Governor's Recommendation	379.00	22,215,700	16,374,100	28,745,200	67,335,000
<b>Executive Holdback</b>					
<p>This adjustment reflects a 5% temporary reduction in General Fund spending authority (holdback) for FY 2021 issued through Executive Order No. 2020-14. This reduction is restored as a base adjustment in FY 2022, below.</p>					
Agency Request	0.00	(1,110,800)	0	0	(1,110,800)
Governor's Recommendation	0.00	(1,110,800)	0	0	(1,110,800)
<b>Noncognizable Funds and Transfers</b>					
<p>The department requests a net-zero shift of 7.00 FTP among funds to account for the actual distribution of FTP by fund across the agency.</p>					
Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0
<b>FY 2021 Estimated Expenditures</b>					
Agency Request	379.00	21,104,900	16,374,100	28,745,200	66,224,200
Governor's Recommendation	379.00	21,104,900	16,374,100	28,745,200	66,224,200

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>Removal of Onetime Expenditures</b>					
This decision unit removes onetime costs appropriated in FY 2021 including: the temporary shift to the Idaho Pollution Discharge Elimination System Fund requested in the first supplemental request; \$103,200 for replacement items; \$500,000 for the initial operating costs for the Bunker Hill Central Treatment Plant; \$407,500 for the FY 2021 Triumph Mine remediation work; \$763,700 for the Small and Disadvantaged Community Grant; and funding for the Governor's technology initiatives.					
Agency Request	(3.00)	(212,800)	(1,984,500)	(429,200)	(2,626,500)
<i>Governor's Recommendation</i>	(3.00)	(212,800)	(1,984,500)	(429,200)	(2,626,500)

## Base Adjustments

The department requests a shift of \$2.3 million from the General Fund in the Administration and Support Services Program from operating expenditures to capital outlay per the Governmental Accounting Standards Board (GASB) Statement 87 guidance to move capitalized leases to capital outlay. These are ongoing dollars, and will not be removed from the base annually.

In the Air Quality Program, a shift from operating expenditures to trustee and benefit payments of \$1.2 million in federal funds is requested to pass through and award grants for air quality improvement programs. Also in this budgeted program, the department requested a \$23,000 shift from operating expenditures to trustee and benefit payments in the Air Quality Permitting Fund for a contract with Boise State University to provide outreach for the Title V Program.

The department requests multiple net-zero transfers between budgeted programs to adjust the appropriation as part of a continued department-wide attempt to realign the budget with historical actual expenditures. Annually, the department requests numerous transfers of appropriation between programs and object classes at year-end from the Division of Financial Management and the Board of Examiners. In the second year of efforts to reduce the use of year-end transfers the department requests moving expenditures that serve the whole department to the Administration and Support Services Program. The department anticipates that further adjustments in future budget requests may be necessary to more closely align the base budget and expenditures.

Transfers to more closely align base spending include: \$55,000 in personnel costs and \$215,000 in operating expenditures from the General Fund shifted from the Water Quality Program to the Administration and Support Services Program; \$90,000 in personnel costs from the Public Water System Supervision Fund shifted from the Administration and Support Services Program to the Water Quality Program; \$120,600 from the General Fund and \$83,000 in federal fund operating expenditures shifted from the Water Quality Program to the Administration and Support Services Program to account for costs paid to the Office of IT Services; a transfer of \$13,000 in General Fund personnel costs from the Waste Management and Remediation Program to the Coeur d'Alene Basin Commission Program; \$70,000 in personnel costs from dedicated receipts transferred from the Waste Management and Remediation Program to the Water Quality Program; and 2.00 FTP and personnel costs including \$200,000 from the General Fund, \$10,000 from the Environmental Remediation (Box) Fund, \$14,100 from the Environmental Remediation (Basin) Fund, and \$7,000 from the Bunker Hill Trust Fund to be moved from the Waste Management and Remediation Program to the Administration and Support Services Program.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	0.00	0	0	0	0

## Restore Rescissions

This adjustment restores the 5% General Fund holdback removed as a current year expenditure adjustment, above. This decision unit also restores the 3.00 FTP to the General Fund that were shifted to the Idaho Pollution Discharge Elimination System Fund to accommodate the holdback.

Agency Request	3.00	1,110,800	0	0	1,110,800
<i>Governor's Recommendation</i>	3.00	1,110,800	0	0	1,110,800

# Department of Environmental Quality

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2022 Base</b>					
Agency Request	379.00	22,002,900	14,389,600	28,316,000	64,708,500
<i>Governor's Recommendation</i>	<i>379.00</i>	<i>22,002,900</i>	<i>14,389,600</i>	<i>28,316,000</i>	<i>64,708,500</i>

## Benefit Costs

Employer-paid benefit changes include an 11% increase (or \$1,280 per eligible FTP) for health insurance, bringing the total appropriation to \$12,930 per FTP. Also included is a restoration of the unemployment insurance rate, a partial restoration of the unused sick leave rate, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	340,300	121,800	226,900	689,000
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*The Governor recommends no increase for health insurance due to fewer claims than expected and a one-year holiday for employers who contribute to the PERSI-managed sick leave plan.*

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>62,500</i>	<i>22,600</i>	<i>41,700</i>	<i>126,800</i>
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## Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will decrease by \$37,400, risk management costs will increase by \$6,700, State Controller fees will increase by \$4,100, State Treasurer fees will decrease by \$500, and Office of Information Technology Services billings will increase by \$93,600, for a net increase of \$66,500.

Agency Request	0.00	19,700	14,200	32,600	66,500
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<i>Governor's Recommendation</i>	<i>0.00</i>	<i>19,700</i>	<i>14,200</i>	<i>32,600</i>	<i>66,500</i>
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## Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	150,100	56,400	101,200	307,700
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*The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor recommends the pay structure for state employees be moved by 2% and includes \$14,500 for that purpose.*

<i>Governor's Recommendation</i>	<i>0.00</i>	<i>303,400</i>	<i>113,400</i>	<i>203,800</i>	<i>620,600</i>
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<b>FY 2022 Program Maintenance</b>					
Agency Request	379.00	22,513,000	14,582,000	28,676,700	65,771,700
<i>Governor's Recommendation</i>	<i>379.00</i>	<i>22,388,500</i>	<i>14,539,800</i>	<i>28,594,100</i>	<i>65,522,400</i>

# Department of Environmental Quality

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>1. Bunker Hill CTP</b>	<b>Admin. &amp; Support Services, Waste Mgmt. and Remediation</b>				
<p>The department requests \$82,600 in personnel costs and \$2,037,000 in operating expenditures, for a total of \$2,119,600 from the Bunker Hill Trust Fund to assume management and operations of the Central Treatment Plant (CTP). Of the request, \$19,600 is for indirect costs in the Administration and Support Services Program, with the remainder in the Waste Management and Remediation Program. The personnel costs would fund a portion of staff already working in the Kellogg Office to oversee the CTP and associated administrative overhead, while the operating expenditures would be split between two cost centers: contracted daily operations including personnel, site management, and coordination (\$1,012,000); and CTP utilities, treatment chemicals, and laboratory analysis (\$1,025,000). Water from the mine has been collected and treated by the Environmental Protection Agency (EPA) since mining operations at the Bunker Hill Mine stopped in 1983. The collection and treatment of water at the Central Impoundment Area (CIA) is a newly implemented action that the EPA expended \$50 million updating in early 2020. These newly finished updates to the CTP allow it to treat mine water and ground water contaminated with lead, zinc, arsenic, and cadmium that would otherwise pollute the South Fork of the Coeur d'Alene River. Additional treatment of the groundwater and the upgraded plant technology is expected to improve water quality. Funding for future CTP operations was established as part of a 2011 settlement with the Hecla Mining Company when funds were placed in a court registry account. In 2014, the department, EPA, and Coeur d'Alene Tribe signed a memorandum of agreement (MOA) that established the Bunker Hill Water Treatment Endowment Fund, managed by the Idaho Endowment Fund Investment Board. Per the MOA, the department will assume control of operations of the CTP from the EPA on June 1, 2021, and will be responsible for operations and maintenance in perpetuity. DEQ is responsible if moneys are available in the Bunker Hill Endowment Fund, which was valued at \$74,562,500 as of June 30, 2020.</p>					
Agency Request	0.00	0	2,119,600	0	2,119,600
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>2,119,600</i>	<i>0</i>	<i>2,119,600</i>

<b>2. WPCF Transfer to Triumph Fund</b>	<b>Waste Management and Remediation</b>				
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The department requests a onetime transfer of \$1.5 million from the Water Pollution Control Fund to the Environmental Remediation (Triumph Mine) Fund to provide for remediation at the Triumph Mine. The department annually requests a transfer of \$1.5 million to build a balance in the Environmental Remediation (Basin) Fund to act as the state's 10% match to Superfund cleanup projects in the Coeur d'Alene Basin, and to pay the majority of the operating costs to maintain those projects. For FY 2020, however, the department temporarily delayed the Basin Fund transfer and instead used this funding for a decade of work at the Triumph Mine. The department anticipates utilizing the entirety of the FY 2020 transfer in a shorter duration, and is therefore requesting a similar temporary transfer in FY 2022. Additional inspections have shown that, without additional actions, the tunnel risks collapse as the ground support installed in 2001 has degraded, and the metal supports have rusted through completely in places. Collapses in the tunnel risk impounding mine water which may collect and release contaminated water through springs in the surrounding area.

The original remediation actions began in 1998 and finished in 2004, including removing contaminated soil and tailings, installation of a plug 1,175 feet inside the mine to prevent discharge of mine-contaminated water, piping contaminated water to settling ponds, and installing a second plug 235 feet inside the mine. After the mine owner (Asarco Mining Company) filed for bankruptcy in 2005, the remediation and continued inspections of the mine fell directly to the department and the Idaho Department of Lands.

Agency Request	0.00	0	1,500,000	0	1,500,000
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>1,500,000</i>	<i>0</i>	<i>1,500,000</i>

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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**3. Triumph Mine Clean Up** **Admin & Support Services, Waste Mgmt. and Remediation**

The department requests \$74,400 in personnel costs and \$485,800 in operating expenditures for a total ongoing appropriation from the Environmental Remediation (Triumph Mine) Fund of \$560,200 for remedial actions at the Triumph Mine. The requested actions required under the 2018 settlement agreement with the Idaho Conservation League (ICL) include construction of a mine water discharge basin, monitoring, and ongoing inspections. Of the request, \$17,600 is for indirect costs in the Administration and Support Services Program, with the remainder in the Waste Management and Remediation Program. In FY 2020, \$1.5 million was transferred from the Water Pollution Control Fund to the Environmental Remediation (Triumph Mine) Fund to build a fund balance to remove contaminants, maintain operations, and inspect the Triumph Mine property. A similar transfer is also requested for FY 2022 as seen in line item 2. An inspection on June 12, 2018, found a collapsed tunnel wall 135 feet from the entrance, causing mine-contaminated water to pool, and creating the potential for contaminants to flow approximately 500 feet to the East Fork of the Big Wood River. The FY 2020 appropriation for the Triumph Mine included \$340,000 for expenses related to ongoing operations, maintenance, monitoring, and inspection activities. For FY 2021, \$407,500 was appropriated for construction of a mine water management system, inspections, and monitoring. However, based on evaluations performed during FY 2020, construction costs for a mine water collection basin alone are estimated to exceed \$400,000. As such, the department is requesting ongoing funds totaling \$560,200 including: \$406,000 to construct a mine water discharge basin; \$43,000 for monitoring of the discharge basin; \$23,000 for monthly water discharge monitoring required under the 2018 Settlement Agreement with the ICL that required the department have a permit under the Idaho Pollution Discharge Elimination System (IPDES); \$20,000 for bi-annual mine water monitoring; \$42,500 for operations, maintenance, and miscellaneous review measures; and \$25,700 for a contingency reserve.

Agency Request	0.00	0	560,200	0	560,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>560,200</i>	<i>0</i>	<i>560,200</i>

**4. Triumph Mine Tunnel Closure** **Admin & Support Services, Waste Mgmt. and Remediation**

The department requests \$54,000 in personnel costs and \$926,400 in operating expenditures for a total ongoing appropriation from the Environmental Remediation (Triumph Mine) Fund of \$980,400 to repair the mine tunnel. Of the request, \$12,800 is for indirect costs in the Administration and Support Services Program, with the remainder in the Waste Management and Remediation Program. The original remediation actions included the installation of a plug 1,175 feet inside the mine to prevent discharge of mine-contaminated water and installation of a second plug 235 feet inside the mine. An inspection on June 12, 2018, found a collapsed tunnel wall 135 feet from the entrance, causing mine-contaminated water to pool, and creating the potential for contaminants to flow approximately 500 feet to the East Fork of the Big Wood River. Further, an inspection of the tunnel after the earthquake located near Stanley on March 31, 2020, found that an additional, larger collapse had occurred. The department contracted with a firm to evaluate the alternatives available for the tunnel and to address water discharging from a spring in an adjacent hillside. The contractor recommended constructing a third plug, 100 feet into the tunnel, with an alternative including the potential need to backfill the portion of the tunnel between the 235-foot and 100-foot plugs to prevent additional collapse. The contractor also recommended constructing an infiltration system to collect contaminated water discharging from the spring in North Star Gulch. The recommended actions are estimated to cost a total of \$2,688,000 including: \$568,000 if backfill is required between the two newest plugs; \$302,000 for rehabilitating the tunnel to allow safe construction and inspections; \$1,553,000 for the 100-foot plug; and \$265,000 for the construction of the spring infiltration system. The department anticipates using the appropriation of \$980,400 for the following actions: \$314,000 for rehabilitation of the tunnel to allow safe access; \$94,000 for technical investigations of the North Star Gulch Spring; \$262,000 for a technical investigation for tunnel remedies; \$150,000 for design of the tunnel remedy; and \$160,400 for a contingency reserve.

Agency Request	0.00	0	980,400	0	980,400
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>980,400</i>	<i>0</i>	<i>980,400</i>



# Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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## 5. CdA Lake Study

## Waste Management and Remediation

The department requests \$573,200 from the Environmental Remediation (Basin) Fund to commission the National Academies of Sciences, Engineering, and Medicine (NAS) to study the health of Coeur d'Alene Lake and provide recommendations to address issues of concern. The study is expected to take 23 months and cost \$775,600, split between FY 2021 and FY 2022. The department anticipates covering the FY 2021 costs out of the base appropriation as the Kootenai County Board of Commissioners voted on August 25, 2020, to contribute \$200,000 toward the NAS Study. Historical mining activities in the Silver Valley led to millions of tons of lake sediments being contaminated by zinc, cadmium, and lead. Since the implementation of the Clean Water Act, concentrations of these heavy metals have declined. However, development in the basin and additional nutrient loading of phosphorous and nitrogen in the lake could cause a reaction releasing the metals bound to lake sediments. The Record of Decision for Operable Unit 3 of the Bunker Hill Superfund Site prescribed remedial actions upstream of Coeur d'Alene Lake but it did not select a remedy to address contaminated sediments already present at the bottom of the lake. The state of Idaho and the Coeur d'Alene Tribe have since developed and implemented a Lake Management Plan to address nutrient loads in an effort to maintain adequate oxygen levels in the lake's water column and prevent the heavy metals from releasing. Phase 1 of the study will assess if the lake is at risk of going anoxic and releasing toxic metals. Included in this analysis would be an evaluation of the water quality in the basin, contemplation of the impacts of summertime anoxia, investigation of the impact of zinc in preventing algal growth, estimation of whether metals would be released if current trends continue, and determination of the human and ecological impact of metal release in the lake. Phase 2 of the study would determine the implications of various recommendations for management actions after Phase 1 has been completed.

Agency Request	0.00	0	573,200	0	573,200
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>573,200</i>	<i>0</i>	<i>573,200</i>

# Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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**Cash Transfers**

**Water Quality, Waste Management and Remediation**

The department requests a cash transfer from the General Fund to a dedicated fund being proposed in germane legislation for funding Agricultural Best Management Practices (BMPs). The Legislature started the voluntary Agricultural BMP program in FY 2018 with a \$500,000 ongoing General Fund appropriation. Starting in FY 2019, the department requested legislative carryover (or reappropriation) for the portions of the annual appropriation that it was unable to expend within the fiscal year. These projects follow a federal program that is on a three-year funding cycle, which involves agricultural producers submitting applications in the early spring prior to the start of the fiscal year. Applications are then reviewed by the department for accuracy and omission before being provided to the appropriate Basin Advisory Group (BAGs) for prioritization and recommendations. After the BAGs prioritize projects, the department develops and issues contracts with the goal of issuance in July of the fiscal year that the department receives funding. After the contracts are issued, the producer must complete the work outlined in the contract with the department only reimbursing after the projects have been completed. The producers who apply must complete their work around their own planting, growing, and harvesting seasons and many projects are weather-dependent. As a result, the department has struggled to reimburse costs in the same fiscal year that funding is allocated, creating a situation of rolling carryover. This request and the associated legislation to create the dedicated fund would eliminate the need for reappropriation and instead begin an annual transfer process, similar to the transfer of funding into the Environmental Remediation (Basin) Fund. A portion of the ongoing General Fund appropriation would be transferred to the continuously appropriated dedicated fund for which the department is bringing forth legislation. The department currently has an ongoing \$279,000 General Fund appropriation for Agricultural BMPs, and a portion of the FY 2021 appropriation may be transferred in addition to the FY 2022 appropriation.

The department also requests that the \$1.5 million requested from the Water Pollution Control Fund in line item 2 be transferred to the Environmental Remediation (Basin) Fund. The following language reflects the cash transfers as requested. If approved, the language below will be included in the appropriation bill.

**CASH TRANSFER.** Of the amount appropriated to the Department of Environmental Quality in Section 1 of this act for the Water Quality Program from the General Fund for trustee and benefit payments, the State Controller shall transfer \$279,000 to the Agricultural Best Management Practices Fund on July 1, 2021, or as soon thereafter as practicable for the period July 1, 2021, through June 30, 2022, to be used for voluntary statewide agricultural best management practices.

**CASH TRANSFER.** There is hereby appropriated to the Department of Environmental Quality and the State Controller shall transfer \$1,500,000 from the Water Pollution Control Fund to the Environmental Remediation (Triumph Mine) Fund, through installments or as practicable for the period July 1, 2021, through June 30, 2022, for Triumph Mine remediation.

Agency Request	0.00	0	(1,500,000)	0	(1,500,000)
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>(1,500,000)</i>	<i>0</i>	<i>(1,500,000)</i>

**Budget Law Exemptions and Adjustments**

**Waste Management and Remediation**

The department requests the following language be included in its FY 2022 appropriation bill:

**REMEDIATION PROJECT REPORTING REQUIREMENTS.** Moneys deposited into the Environmental Remediation (Basin) Fund are to be used for remediation of the Coeur d'Alene Basin in accordance with the Superfund contract with the Environmental Protection Agency. The Department of Environmental Quality shall file an annual report with the Governor, the Legislature, and the Coeur d'Alene Basin Environmental Improvement Project Commission on the remediation progress and the expenditures involved.

**USES OF THE WATER POLLUTION CONTROL FUND.** The appropriation of moneys from the Water Pollution Control Fund in this act specifically supersedes the provisions of Section 39-3630, Idaho Code.

Agency Request	0.00	0	0	0	0
<i>Recommended by the Governor.</i>					
<i>Governor's Recommendation</i>	<i>0.00</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

# Department of Environmental Quality

Analyst: Sepich

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
<b>FY 2022 Total</b>					
Agency Request	379.00	22,513,000	18,815,400	28,676,700	70,005,100
<i>Governor's Recommendation</i>	<i>379.00</i>	<i>22,388,500</i>	<i>18,773,200</i>	<i>28,594,100</i>	<i>69,755,800</i>
Agency Request					
Change from Original App	0.00	297,300	3,115,600	(68,500)	3,344,400
% Change from Original App	0.0%	1.3%	19.8%	(0.2%)	5.0%
<i>Governor's Recommendation</i>					
<i>Change from Original App</i>	<i>0.00</i>	<i>172,800</i>	<i>3,073,400</i>	<i>(151,100)</i>	<i>3,095,100</i>
<i>% Change from Original App</i>	<i>0.0%</i>	<i>0.8%</i>	<i>19.6%</i>	<i>(0.5%)</i>	<i>4.6%</i>