

SENATE BILL REPORT

E2SSB 6874

As Amended by House, March 5, 2008

Title: An act relating to Columbia river water delivery.

Brief Description: Regarding Columbia river water delivery.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Brown, Rockefeller, Kauffman and Rasmussen; by request of Governor Gregoire).

Brief History:

Committee Activity: Water, Energy & Telecommunications: 2/05/08, 2/06/08 [DPS-WM, DNP, w/oRec]

Ways & Means: 2/11/08, 2/12/08 [DP2S, w/oRec].

Passed Senate: 2/14/08, 48-0.

SENATE COMMITTEE ON WATER, ENERGY & TELECOMMUNICATIONS

Majority Report: That Substitute Senate Bill No. 6874 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Rockefeller, Chair; Murray, Vice Chair; Honeyford, Ranking Minority Member; Delvin, Fraser, Hatfield, Pridemore and Regala.

Minority Report: Do not pass.

Signed by Senator Holmquist.

Minority Report: That it be referred without recommendation.

Signed by Senators Morton and Oemig.

Staff: Karen Epps (786-7424)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6874 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Rasmussen, Regala, Rockefeller, Schoesler and Tom.

Minority Report: That it be referred without recommendation.

Signed by Senators Zarelli, Ranking Minority Member; Brandland, Carrell, Parlette and Roach.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Elise Greef (786-7708)

Background: Lake Roosevelt is the reservoir covering 130 square miles, created by the impoundment of the Columbia River by Grand Coulee Dam. The state has, in partnership with the Confederated Tribes of the Colville Reservation, the Spokane Tribe of Indians, and U.S. Bureau of Reclamation, crafted agreements addressing how to manage Lake Roosevelt water withdrawals. The Tribes are key partners because their reservations include large portions of Lake Roosevelt, and Grand Coulee Dam is within the Colville Reservation.

To boost water supplies in the Columbia River Basin, the state plans to release up to 132,500 acre-feet of water from Lake Roosevelt in drought years. This amount of water will lower lake levels no more than an additional 1.5 feet below current operations. This water will provide water to irrigators of 10,000 acres of land in the Odessa sub-area, some holders of "interruptible" water rights, and some municipal and industrial water right applicants. Additionally, this water will be held instream for endangered salmon and the health of the Columbia River.

Summary of Engrossed Second Substitute Bill: The Columbia river water delivery account is created in the State Treasury. On July 1, 2008, and each July 1 thereafter for the duration of the agreements, the State Treasurer must transfer funds into the account from the General Fund. Monies in the account may be spent only after appropriation. The account consists of all monies transferred or appropriated to the account by law. Funds appropriated from the account are provided pursuant to separate agreements between the state of Washington and the Confederated Tribes of the Colville Nation, and the state of Washington and the Spokane Tribe of Indians to support releases of water from Lake Roosevelt. The amount of \$6.025 million is appropriated to the State Treasurer for fiscal year 2009 for distribution for this purpose.

One-time funds are also appropriated in the amount of \$2.150 million from the General Fund to the Columbia River Water Delivery Account. Two million dollars of this amount is appropriated from the new account to the Department of Ecology (Ecology) for distribution to affected counties adjacent to Lake Roosevelt to mitigate impacts caused by the releases of water from Lake Roosevelt. The remaining \$150,000 is appropriated to Ecology from the new account to retain a contractor to conduct an independent analysis of legislative options. Ecology must conduct an assessment of potential impacts of water releases on affected counties, including recommendations for mitigation, and report to the appropriate committees of the Legislature by November 15, 2009. Ecology must establish a process for identifying and reporting on future impacts on the affected counties, and for making recommendations for mitigation.

Additionally, Ecology is directed to aggressively pursue the development of new water supplies in affected counties to benefit both instream and out-of-stream users. Ecology must contract for an independent analysis of legislative options to protect rural communities in northeast Washington for disproportionate economic, agricultural, and environmental impacts when upstream water rights are purchased and transferred for use in a downstream watershed or county.

Appropriation: \$8,175,000.

Fiscal Note: Available on original bill; not requested on recommended second substitute bill.

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on July 1, 2008.

Staff Summary of Public Testimony on Original Bill (Water, Energy & Telecommunications): PRO: These agreements and this bill are important to interests in eastern Washington. These agreements establish a long-term relationship between the state and the tribes. This bill creates an ongoing mechanism for funding, but does not bind future legislatures. These agreements will provide water for Odessa, cities and towns both upriver and downriver, and irrigators. The monies to the tribes are designed to mitigate the direct effects of water withdrawals from Lake Roosevelt, and to share the economic benefits with the tribes. This water will allow for the issuance of permanent water rights. The building of the Grand Coulee Dam destroyed a major part of the Colville and the Spokane Tribes' culture and economy. The drawdown will affect cultural resources of the tribes, and will affect the use of Lake Roosevelt for recreation. Growing cities will get new water rights allowing them to prosper. These agreements recognize a well-balanced approach for people, farms, and fish. With the water from Lake Roosevelt, this will reduce the pressure to move water north to south through water rights transfers.

CON: This is another impairment of the Columbia River. This provides subsidized water to irrigators with no conservation standards in place. There is no consideration of potential cumulative injuries. There is no water use or cost benefit analysis.

OTHER: This water transfer represents a major subsidy to Odessa area irrigators. This drawdown allocates water to consumptive uses, without requirements for aggressive, mandatory, and retroactive water conservation. This would allow junior water right holders, who have interruptible water rights, to be able to obtain water during drought years. The benefits to instream flows and salmon only kicks in during extreme low flows.

Persons Testifying (Water, Energy & Telecommunications): PRO: Senator Lisa Brown, prime sponsor; Keith Phillips, Governor's Office; Doug Seymour, Confederated Tribes of the Colville Reservation; Richard Sherwood, Spokane Tribe; Dave Williams, Association of Washington Cities; Gary Chandler, Association of Washington Business; John Stuhlmiller, Washington Farm Bureau; Craig Smith, Northwest Food Processors Association; Mike Schwisow, Columbia Basin Development League; Wes McCart, Stevens County Farm Bureau, Stevens County Water Conservancy Board.

CON: Patricia Sumption, Sierra Club and Friends of Green River.

OTHER: Sue Gunn, Center for Environmental Law and Policy.

Staff Summary of Public Testimony on Recommended First Substitute (Ways & Means): PRO: Under this historic agreement, Tribes will support a new release of water from Lake Roosevelt for critical purposes in Eastern Washington. Under the agreement, the tribes support the release of water for as long as needed and, in turn, the state will provide the most secure long-term funding mechanism allowable under the State Constitution. It is understood this bill represents the most secure financing structure allowable and the Tribes ask that the Legislature reciprocate by accepting this structure by enacting the bill in its present form. The

Tribes hope this agreement represents a new day on how the governments work together to meet the needs of all citizens of Washington. This represents the first water delivered under the landmark 2006 Columbia River bill, and will help reduce pressure by supplying new water. This bill is the first step to addressing the declining Odessa aquifer and the agricultural lands that are at risk. The mechanism in the bill is probably the most sensitive element of the agreement between the Tribes and the state and is the first water that will be delivered in the Columbia basin for a couple of decades.

Persons Testifying (Ways & Means): PRO: Miguel Perez-Gibson, Confederated Tribes of Colville Reservation; Doug Seymour, Council member, Confederated Tribes of Colville Reservation; John Stuhlmiller, Washington Farm Bureau; Mike Schwison, Columbia Basin Development League; Gerry O'Keefe, Department of Ecology.

House Amendment(s): Amends the inflation adjustment language.

Requires Ecology to provide technical assistance to help affected counties identify and develop competitive project applications to benefit both instream and out-of-stream users, assist affected counties in exploring options to ensure water resources are available for current and future needs, and consider regional equity when making funding decisions on water supply applications.

Removes the requirement that Ecology retain a contractor to perform an independent analysis of legislative options to protection rural communities in northeast Washington from disproportionate economic, agricultural, and environmental impacts when upstream water rights are purchased and transferred for use, or idled and used as mitigation, in a downstream watershed or county.

Adds a null and void clause.