

# HOUSE BILL REPORT

## SHB 2727

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As Passed House  
February 15, 1994

**Title:** An act relating to fisheries and water conservation.

**Brief Description:** Authorizing uses of bond proceeds in the local improvements revolving account--water supply facilities.

**Sponsors:** By House Committee on Natural Resources & Parks (originally sponsored by Representatives King, Pruitt and Rust).

**Brief History:**

Reported by House Committee on:  
Natural Resources & Parks, February 4, 1994, DPS;  
Capital Budget, February 7, 1994, DPS;  
Passed House, February 15, 1994, 51-46.

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### HOUSE COMMITTEE ON NATURAL RESOURCES & PARKS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Pruitt, Chair; R. Johnson, Vice Chair; Dunshee; Linville; Sheldon; Valle and Wolfe.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Stevens, Ranking Minority Member; McMorris, Assistant Ranking Minority Member; Schoesler and B. Thomas.

**Staff:** Linda Byers (786-7129).

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### HOUSE COMMITTEE ON CAPITAL BUDGET

**Majority Report:** The substitute bill by Committee on Natural Resources & Parks be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Wang, Chair; Ogden, Vice Chair; Sehlin, Ranking Minority Member; Brough; Eide; R. Fisher; Heavey; Jacobsen; Jones; Moak and Romero.

**Minority Report:** Do not pass. Signed by 2 members: Representatives McMorris, Assistant Ranking Minority Member; and B. Thomas.

**Staff:** Nancy Stevenson (786-7137).

**Background:** In 1980, voters in the state passed Referendum 38, which created a source of funds for construction and improvement of water supply facilities. The initial allocation was \$75 million for domestic, municipal, and industrial water supply facilities, and \$50 million for water supply facilities for agricultural use alone or in combination with fishery, recreational, or other beneficial uses of water. Funds in the first category are administered by the Department of Health, while the Department of Ecology administers funds in the second category. Grants or loans from Referendum 38 funds may only be made to public bodies.

The funds administered by the Department of Health have been depleted. Approximately \$27 million remains of the funds administered by the Department of Ecology.

**Summary of Bill:** The eligible uses for the funds administered by the Department of Ecology are expanded to include fishery, recreational, or other beneficial uses of water in agricultural areas.

In addition to public bodies, proceeds may be used for funding improvements by individual landowners, provided that the improvements result in net water savings and the water savings are returned to the state through the trust water rights program. Proceeds may also be used for direct purchase or lease of water rights by the state for use as trust water.

In administering its share of the Referendum 38 funds, the Department of Ecology is directed to give a higher priority to projects which result in water conservation or improved water use efficiency or which benefit fish. Proposals from public bodies for water conservation projects will only be funded if a significant portion of the conserved water is returned to the state as trust water. Where possible, this trust water is to be used for instream flows.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** (Natural Resources & Parks) Instream flow rules have only been adopted in 18 out of 62 water resource inventory areas. More than 100 fish stocks are in decline; for 25 stocks, water withdrawals or lack of instream flows have been specifically identified as a causative factor in stock decline. The state's trust water rights program offers an opportunity for increased instream flows, but

there has been no incentive for people to use the program. This proposal recognizes the availability of funding, the possibilities of the trust water rights program, and the importance of water conservation, and it encourages the protection of instream flows.

(Capital Budget) This would help provide water for decreasing stocks of fish. The bill makes funding available to help conserve water. The bill creates an incentive to use the state's trust water rights program. There is not a constitutional problem with lending the state's credit because the state is buying something of value and there is a substantial public benefit as well. Both water supply and fishery related projects can be done.

**Testimony Against:** (Natural Resources & Parks) None.

(Capital Budget) There is no agricultural connection to some of the funding under this proposal. It would allow projects to individual landowners which may not be coordinated for the best use or benefit. There is concern that the purchase of water rights will become the primary focus of the program. There is a potential negative effect on junior water right holders.

**Witnesses:** (Natural Resources & Parks) Representative Dick King (prime sponsor); Judy Turpin, Washington Environmental Council; and Joe LaTourrette, Washington Wildlife Federation (all in favor).

(Capital Budget) Representative Dick King (prime sponsor); Judy Turpin, Washington Environmental Council (pro); and Mike Schwisow, Washington Water Resources Association (opposed).