

SENATE BILL REPORT

SHB 2727

AS REPORTED BY COMMITTEE ON ECOLOGY & PARKS, FEBRUARY 25, 1994

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

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

HOUSE COMMITTEE ON NATURAL RESOURCES & PARKS

HOUSE COMMITTEE ON CAPITAL BUDGET

SENATE COMMITTEE ON ECOLOGY & PARKS

**Majority Report:** Do pass as amended.

Signed by Senators Fraser, Chairman; Moore, Sutherland and Talmadge.

**Minority Report:** Do not pass.

Signed by Senators Deccio, McCaslin and Morton.

**Staff:** Gary Wilburn (786-7453)

**Hearing Dates:** February 22, 1994; February 25, 1994

**BACKGROUND:**

In 1980 the voters passed Referendum 38, which created a source of funds for construction and improvement of water supply facilities. It authorized \$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:**

The eligible uses for the funds administered by the Department of Ecology are modified to include agricultural uses and 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.

**SUMMARY OF PROPOSED COMMITTEE AMENDMENT:**

It is clarified that funding is to be provided for agricultural water supply facility projects with a component for fishery, recreational or other beneficial uses. Funding for on-farm improvements may be provided where less than all of net water savings are returned as trust water rights.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** requested February 17, 1994

**TESTIMONY FOR:**

Will provide authority to assist on-farm improvements where significant opportunities exist for water savings. Provides greater flexibility to divide water savings between agricultural uses and other beneficial uses served by the trust water rights program.

**TESTIMONY AGAINST:**

Remaining funding in Referendum 38 measure should not be opened to other types of projects, where significant state funding may be required for pursuing agricultural water supply projects with significant federal funding. Funding for on-farm improvements may contravene lending of credit restrictions in state Constitution.

**TESTIFIED:** Rep. King, prime sponsor; Bruce Wishart, Sierra Club (pro); Chris Lyle, Washington Assn. of Wheat Growers (con); Mike Schwisow, Dick Erickson, Washington State Water Resources Assn. (con); John Krogh, Rick Nelson, Washington Cattlemen's Assn. (con); Wes Sieg, Victory Acres (con); Ken Slattery, Dept. of Ecology