2SHB 2915 - H AMD

By Representative Chandler

On page 1, strike everything after the enacting clause and insert the following

"Sec. 1. RCW 90.64.005 and 1993 c 221 s 1 are each amended to read as follows:

The legislature finds that there is a need to establish a clear and understandable process that provides for the proper and effective management of dairy ((waste)) nutrients that affect((s)) the quality of surface or ground waters in the state of Washington. The legislature finds that there is a need for a program that will provide a stable and predictable business climate upon which dairy farms may base future investment decisions.

The legislature finds that federal regulations require a permit program for dairies (([with])) with over seven hundred head of mature cows and, other specified dairy farms that directly discharge into waters or are otherwise significant contributors of pollution. The legislature finds that significant work has been ongoing over a period of time and that the intent of this chapter is to take the consensus that has been developed and place it into statutory form.

It is also the intent of this chapter to establish an inspection and technical assistance program for dairy farms to address the discharge of pollution to surface and ground waters of the state that will lead to water quality compliance by the industry. A further purpose is to create a balanced program involving technical assistance, regulation, and enforcement with coordination and oversight of the program by a committee composed of industry, agency, and other representatives. Furthermore, it is the objective of this chapter to maintain the administration of the water quality program as it relates to dairy operations at the state level.

It is also the intent of this chapter to recognize the existing working relationships between conservation districts, the conservation commission, and the department of ecology in protecting water quality of the state. A further purpose of this chapter is to provide statutory recognition of the coordination of the functions of conservation districts, the conservation commission, and the department

OPR -1-

- 1 of ecology pertaining to development of dairy waste management plans
- 2 for the protection of water quality.
- 3 **Sec. 2.** RCW 90.64.010 and 1993 c 221 s 2 are each amended to read 4 as follows:
- 5 Unless the context clearly requires otherwise, the definitions in 6 this section apply throughout this chapter.
- 7 (1) "Advisory and oversight committee" means a balanced committee
 8 of agency, dairy farm, and interest group representatives convened to
 9 provide oversight and direction to the dairy nutrient management
 10 program.
- 11 (2) "Catastrophic" means a tornado, hurricane, earthquake, flood, 12 or other extreme condition that would cause an overflow from a required 13 waste retention structure.
 - <u>(3) "Certification" means:</u>

1516

17

18

1920

21

22

2324

- (i) the acknowledgment by a local conservation district that a dairy producer has constructed or otherwise put in place the elements necessary to implement his or her diary nutrient management plan; and
- (ii) the acknowledgment by a dairy producer that he or she is managing dairy nutrients as specified in his or her approved dairy nutrient management plan."
- (4) "Chronic" means a series of wet weather events that precludes the proper operation of a dairy nutrient management system that is designed with adequate volume for the current herd size and is also properly maintained.
- 25 (5) "Conservation commission" or "commission" means the conservation commission under chapter 89.08 RCW.
- 27 $((\frac{(2)}{2}))$ (6) "Conservation districts" or "district" means a subdivision of state government organized under chapter 89.08 RCW.
- $((\frac{3}{2}))$ (7) "Concentrated dairy animal feeding operation" means a dairy animal feeding operation subject to regulation under this chapter which the director designates under RCW 90.64. $((\frac{3}{2}))$ 020 or meets the following criteria:
- 33 (a) Has more than seven hundred mature dairy cows, whether milked 34 or dry cows, that are confined; or
- 35 (b) Has more than two hundred head of mature dairy cattle, whether 36 milked or dry cows, that are confined and either:

OPR -2-

5

6

7

8

1314

15

1617

18

21

22

25

26

27

28

- 1 (i) From which pollutants are discharged into navigable waters 2 through a manmade ditch, flushing system, or other similar manmade 3 device; or
 - (ii) From which pollutants are discharged directly into surface or ground waters of the state that originate outside of and pass over, across, or through the facility or otherwise come into direct contact with the animals confined in the operation.
 - $((\frac{4}{1}))$ (8) "Dairy animal feeding operation" means a lot or facility where the following conditions are met:
- 10 (a) Dairy animals that have been, are, or will be stabled or confined and fed for a total of forty-five days or more in any twelve12 month period; and
 - (b) Crops, vegetation forage growth, or postharvest residues are not sustained in the normal growing season over any portion of the lot or facility. Two or more dairy animal feeding operations under common ownership are considered, for the purposes of this chapter, to be a single dairy animal feeding operation if they adjoin each other or if they use a common area for land application of wastes.
- 19 (((+5))) (9) "Dairy farm" means any farm that is licensed to 20 produce milk under chapter 15.36 RCW.
 - (10) "Dairy nutrient" means any organic waste produced by dairy cows or a dairy farm operation.
- 23 (11) "Dairy nutrient management plan" means a plan meeting the 24 requirements established under section 5 of this act.
 - (12) "Dairy nutrient management technical assistance team" means one or more professional engineers and local conservation district employees convened to serve one of up to four distinct geographic areas in the state.
- 29 (13) "Dairy producer" means a person who owns or operates a dairy 30 farm.
- 31 $\underline{\text{(14)}}$ "Department" means the department of ecology under chapter 32 43.21A RCW.
- $((\frac{(6)}{(6)}))$ "Director" means the director of the department of ecology, or his or her designee.
- 35 (16) "Upset" means an exceptional incident in which there is an unintentional and temporary noncompliance because of factors beyond the reasonable control of the dairy.

OPR -3-

2425

26

27

28

33

3435

36

37

- (17) "Violation" means a discharge of pollutants into the waters
 of the state, except those discharges that are regulated under the
 terms of a national pollutant discharge elimination system permit and
 that are:
- (i) caused by a 24-hour, twenty-five year or greater storm event,
 or by catastrophic or chronic weather events; or
- (ii) the result of practices that are approved in a certified
 dairy nutrient management plan, or that are likely to be approved in
 such a plan no later than December 1, 2000.
- NEW SECTION. Sec. 3. (1) Every dairy producer licensed under chapter 15.36 RCW shall register with the department by September 1, 1998, and shall reregister with the department by September 1st of every even-numbered year. Every dairy producer licensed after September 1, 1998, shall register with the department within sixty days of licensing.
- 16 (2) To facilitate registration, the department shall obtain from 17 the food safety and animal health division of the department of 18 agriculture a current list of all licensed dairy producers in the state 19 and mail a registration form to each licensed dairy producer no later 20 than July 15, 1998.
- 21 (3) At a minimum, the form shall require the following 22 information:
 - (a) The name and address of the operator of the dairy farm;
 - (b) The name and address of the dairy farm;
 - (c) The telephone number of the dairy farm;
 - (d) The number of cows in the dairy farm;
 - (e) The number of young stock in the dairy farm;
 - (f) The number of acres owned and rented in the dairy farm;
- 29 (g) Whether the dairy producer, to the best of his or her 30 knowledge, has a plan for managing dairy nutrient discharges that is 31 tailored to the size of his or her herd, and whether the plan is being 32 fully implemented; and
 - (h) If the fields where dairy nutrients are being applied belong to someone other than the dairy producer whose farm operation generated the nutrients, the name, address, and telephone number of the owners of the property accepting the dairy nutrients shall be included in the registration form. Of this information, the department shall only

OPR -4-

5

6

7

8

10

24

25

26

34

35

36

- require the registrant to provide information that is not already available from other sources accessible to the department, such as dairy licensing information.
 - (4) In the mailing to dairy producers containing the registration form, the department shall also provide information regarding the requirements of this chapter in a manner that is clear and comprehensive.
 - (5) The department's failure to reach a dairy producer by mail shall not alter the obligation of the producer to register with the department within the time required.
- 11 (6) Failure of a dairy producer to register with the department is 12 a violation of this chapter.
- 13 NEW SECTION. Sec. 4. Prior to October 1, 1998, the department 14 and conservation commission shall jointly sponsor and hold an educational workshop for conservation districts from around the state. 15 16 The purpose of the workshop is to inform local conservation districts about the requirements of this chapter, and for local conservation 17 districts, the conservation commission, and the department to clearly 18 19 understand their respective roles and responsibilities in carrying out 20 these requirements.
- NEW SECTION. Sec. 5. (1) By October 1, 1998, the department shall initiate an inspection program of all dairy farms in the state. The purpose of the inspections is to:
 - (a) Survey for evidence of significant dairy nutrient discharges;
 - (b) Identify corrective actions for actual or imminent discharges that threaten to violate the state's water quality requirements;
- 27 (c) Monitor the development of dairy nutrient management plans; 28 and
- 29 (d) Identify dairy producers who would benefit from technical 30 assistance programs.
- 31 (2) Local conservation district employees may, at their 32 discretion, accompany department inspectors on any scheduled inspection 33 of dairy farms except random, unannounced inspections.
 - (3) Follow-up inspections shall be conducted by the department to ensure that corrective and other actions as identified in the course of initial inspections are being carried out. The department shall also

OPR -5-

- conduct such additional inspections as are necessary to ensure compliance with state and federal water quality requirements, provided that all licensed dairy farms shall be inspected once within two years of the start of this program. The department, in consultation with the advisory and oversight committee, shall develop performance-based criteria to determine the frequency of inspections.
 - NEW SECTION. Sec. 6. (1) All dairy producers licensed under chapter 15.36 RCW shall prepare a dairy nutrient management plan. Such plans shall be submitted for approval to the local conservation district where the dairy farm is located for approval by July 1, 1999, and shall be certified and fully implemented by October 1, 2001. If a plan meets the requirements identified in subsection (2) of this section, a conservation district shall approve the plan.
 - (2) By November 1, 1998, the *department* in conjunction with the advisory and oversight committee established in section 8 of this act shall develop a document clearly describing the elements that a dairy nutrient management plan must contain to gain local conservation district approval.
 - (3) In developing the elements that an approved dairy nutrient management plan must contain, the commission may authorize the use of methods and technologies other than those developed by the natural resources conservation service, provided that, once implemented, such methods and technologies achieve compliance with water quality requirements.
 - (4) An approved plan shall be certified by a conservation district and a dairy producer when the elements necessary to implement the plan have been constructed or otherwise put in place, and are being used as designed and intended. A certification form shall be developed by the conservation commission for use state-wide and shall provide for a signature by both a conservation district representative and a dairy producer. Signed certification forms shall be dated by October 1, 2001, and a copy provided to the department.
- 33 <u>NEW SECTION.</u> **Sec. 7.** Dairy nutrient management plans shall be 34 considered orders of the department and shall be subject to appeal to 35 the pollution control hearing board according to the procedure in 36 chapter 43.21B RCW.

OPR -6-

NEW SECTION. Sec. 8. (1) A dairy nutrient management program advisory and oversight committee is established. The committee shall be co-chaired by the executive director of the conservation commission and a dairy industry representative. The purpose of the committee is to provide direction to and oversight of the dairy nutrient management inspection program, as well as to encourage the use of appropriate alternative technologies and methods for managing dairy nutrient. Members shall be appointed by the commission.

- (2) The committee shall include no less than eleven, and no more than thirteen members, including one representative from the department, one representative of the dairy industry from each of up to four geographic areas as referenced in section 9, one representative from the conservation commission, two representatives from local conservation districts, one representative from a local health department, one representative of an environmental organization, and one representative from the shellfish industry. In addition, the natural resources conservation service and the federal environmental protection agency shall each be invited to appoint a representative to the committee.
 - (3) The committee shall perform the following functions:
 - (a) Meet at least four times per calendar year;
- (b) Maintain meeting minutes and account for the resolution of issues jointly identified by the committee chairs as needing to be addressed;
- (c) Review the quarterly data base summary and annual report provided by the department under sections 8 and 11 of this act;
- (d) Act as a forum to hear suggestions from any interested parties, including dairy farmers, regarding implementation of the dairy nutrient management program;
- (e) Review and recommend standardized dairy farm nutrient management facility inspection procedures and a reporting format to be used by the department; and
- (f) Review and recommend dairy nutrient management technologies and methods other than those approved or provided by the natural resources conservation service, as components of nutrient management plans under this chapter. In evaluating new technologies and methods, the principal objective of the evaluation shall be determining whether there is a substantial likelihood that, once implemented, the

OPR -7-

- technologies and methods will achieve compliance with water quality requirements.
- 3 (4) The advisory and oversight committee does not replace or 4 infringe upon the authority, duties, or responsibilities of the 5 pollution control hearings board.
 - NEW SECTION. Sec. 9. (1) By September 1, 1998, the department in consultation with the advisory and oversight committee shall develop and maintain a data base to account for the implementation of the inspection program identified in section 5 of this act.
 - (2) The data base shall track registration; inspection dates and results, including findings of compliance and non-compliance with water quality requirements; regulatory and enforcement actions; and the status of dairy nutrient management plans. A summary of data base information shall be provided quarterly to the advisory and oversight committee.
 - (3) Complaints that have been filed with the department or pollution control hearings board shall not be recorded into the data base if, upon the conclusion of an investigation, they are found to be without merit or basis. Any information entered into the data base by the department about any aspect of a particular dairy operation may be reviewed by the affected dairy producer upon request. The department shall correct any information in the data base upon a showing that the information is faulty or inaccurate.
 - NEW SECTION. Sec. 10. (1) The conservation commission shall establish up to four dairy nutrient management technical assistance teams by May 1, 1998. The teams shall be geographically located throughout the state. Each team shall consist of one or more professional engineers, local conservation district employees, and representatives of county agricultural extension service offices.
 - (2) By September 1, 1998, each team shall develop one or more sets of standards and specifications to assist dairy producers in developing and implementing dairy nutrient management plans. Standards and specifications developed by a technical assistance team shall be appropriate to the soils and other conditions within that geographic area and shall be reviewed by the advisory and oversight committee.

OPR -8-

Sec. 11. RCW 90.64.030 and 1993 c 221 s 4 are each amended to 2 read as follows:

((Upon receiving a complaint or upon its own determination that a dairy animal feeding operation is a likely source of water quality degradation,)) (1) Under the inspection program established in section 5 of this act, the department may investigate a dairy ((animal feeding operation)) farm to determine whether the operation is discharging ((directly)) pollutants or ((recently)) has ((discharged directly)) a record of discharging pollutants into surface or ground waters of the state. Upon concluding an investigation, the department shall make a written report of its findings, including the results of any water quality measurements, photographs, or other pertinent information, and provide a copy of the report to the dairy producer within twenty days of the investigation.

(2) The department shall investigate a written complaint filed with the department within ((ten)) three working days and shall make a written report of its findings including the results of any water quality measurements, photographs, or other pertinent information. A copy of the findings shall be provided ((upon request)) to the dairy ((animal feeding operation)) producer subject to the complaint within twenty days. Only findings of non-compliance with water quality laws shall be entered into the data base identified in section 9 of this act.

((Those dairy animal feeding operations that are)) (3) A dairy farm that is determined to be a significant contributor of pollution based on actual water quality tests, photographs, or other pertinent information ((if immediate corrective actions are not possible, shall be designated as a concentrated dairy animal feeding operation and shall be)) is subject to the provisions of this chapter and to the enforcement provisions of chapters 43.05 and 90.48 RCW, including civil penalties levied under RCW 90.48.144.

(4) For a violation of water quality laws that is a first offense for a dairy producer, the penalty may be waived to allow the producer to come into compliance with water quality laws. The department shall record all legitimate violations and subsequent enforcement actions.

(5) A discharge to surface waters of the state shall not be considered a violation of chapter 90.48 RCW, chapter 173-201A WAC, or a violation of the federal clean water act, and shall therefore not be

OPR -9-

4

5

6 7

8

15

1617

18

19

2021

22

23

2425

26

27

28

31

enforceable by the department of ecology or a third party, if at the time of the discharge, the following conditions are met:

- (a) The dairy producer has a current national pollution discharge elimination system permit with a wastewater system designed, operated and maintained for the current herd size to contain all process-generated wastewater plus average annual precipitation minus evaporation plus contaminated storm water runoff from a twenty-five year, twenty-four-hour rainfall event for that specific location; and
- 9 <u>(i) The discharge is due to a chronic or catastrophic event or is</u>
 10 <u>due to an upset; or</u>
- 11 (ii) The dairy producer has complied with the national pollution 12 discharge elimination system permit conditions or the dairy waste 13 management plan conditions regarding appropriate land application 14 practices.
 - (b) A dairy producer shall not be held liable for violations of Chapter 90.48 RCW, chapter 173-201A or the federal clean water act due to the discharge of dairy nutrients to waters of the state resulting from spreading these materials on lands other than where the nutrients were generated, when the nutrients are spread by persons other than the dairy producer, employee or contractor.
 - (C) This section specifically acknowledges that if a national pollution discharge elimination system permit holder complies with the permit and the dairy waste management plan conditions for appropriate land application practices, the permit provides compliance with the federal clean water act and acts as a shield against citizen or agency enforcement for any additions of pollutants to waters of the state or of the United States that may occur. The department shall issue a permit to any dairy farm of any size that applies for one.
- 29 **Sec. 12.** RCW 90.64.050 and 1993 c 221 s 6 are each amended to 30 read as follows:
 - (1) The department has the following duties:
- 32 (a) Identify existing or potential water quality problems 33 resulting from dairy farms <u>through implementation of the inspection</u> 34 program in section 5 of this act;
- 35 (b) Receive, process, and verify complaints concerning discharge 36 of pollutants from all dairy farms ((regardless of size));

OPR -10-

- (c) Determine if a dairy-related water quality problem requires immediate corrective action under the Washington state water pollution control laws, chapter 90.48 RCW, or the Washington state water quality standards adopted under chapter 90.48 RCW((, or other authorities)). The department shall maintain the lead enforcement responsibility;
- (d) Administer and enforce national pollutant((s)) discharge elimination system permits for operators of concentrated dairy animal feeding operations <u>and other dairy producers</u>, where required by federal regulations((τ)) and ((administer)) state laws <u>or upon request of a dairy producer;</u>
- (e) ((Appoint representatives, including dairy industry representatives, to participate in the compliance review committee that will annually review and update policy and disseminate information as needed)) Participate on the advisory and oversight committee;
- (f) Encourage communication <u>and cooperation</u> between local department personnel and the appropriate conservation district personnel;
- (g) ((Encourage)) Require the use of ((federal soil conservation service standards and specifications in designing best management practices for)) dairy ((waste)) nutrient management plans ((to protect water quality)) for entities required to plan under this chapter. Such plans shall meet the standards and specifications of:
 - (i) The natural resource conservation service;
- (ii) The natural resource conservation service as modified by the geographically based standards developed under section 10 of this act; or
 - (iii) A professional engineer with expertise in the area of dairy nutrient management, soil science, or land application of biosolids or liquids, provided these standards meet a goal of zero discharge of pollutants;
 - (h) Provide to the commission <u>and the advisory and oversight</u> <u>committee</u> an annual report of dairy ((waste pollution)) <u>nutrient</u> management planning, inspection, and enforcement activities; and
- (i) Oversee the conservation districts' review, approval, and certification of dairy nutrient management plans.
- 36 (2) The department may not delegate its responsibilities in enforcement.

OPR -11-

5

6 7

8 9

10

11

12

13

14

15

16 17

18 19

20

21

22

23 24

25

26

27

28

29

30

31

36

- 1 Sec. 13. RCW 90.64.060 and 1993 c 221 s 7 are each amended to 2 read as follows:
 - (1) If the department determines that the operator of a dairy ((animal feeding operation)) has the means to correct a water quality problem in a manner that will prevent future contamination and does so promptly and such correction is maintained, the department shall cease pursuit of the complaint. If a discharge cannot be corrected promptly, the department shall require the dairy producer to obtain a national pollution discharge elimination system permit.
 - (2) If the department determines that an unresolved water quality problem from a dairy ((animal feeding operation)) farm requires immediate corrective action, the department shall notify the ((operator)) producer and the district in which the problem is located. When corrective actions are required, the department shall provide copies of all final dairy farm inspection reports and documentation of all formal regulatory and enforcement actions taken by the department to the local conservation district and to the appropriate dairy farm within twenty days.
 - (((3) If immediate action is not necessary by the department, the handling of complaints will differ depending on the amount of information available and the compliance option selected by the conservation district involved.
 - (a) When the name and address of the party against whom the complaint was registered are known:
 - (i) Districts operating at levels 1 and 2 will receive a copy of complaint information, and compliance letter if one was sent out.
 - (ii) Districts operating at levels 3 and 4 will receive a copy of complaint information and the letter sent by the department to the operator informing the operator of the complaint and providing the operator with the opportunity to work with the conservation district on a voluntary basis.
- 32 (b) The department and the conservation district will work together at the local level to resolve complaints when the name and 33 34 address of the party against whom the complaint was registered are 35 unknown.))
- Sec. 14. RCW 90.64.070 and 1993 c 221 s 8 are each amended to 37 read as follows:

OPR -12-

2

3

4

5

6 7

8

10

11

12

13

14

15

16 17

26

27

28

29

30

31

- (1) The conservation district has the following duties:
- (a) ((Adopt and annually update the water quality section in the conservation district dairy waste management plan)) Provide technical assistance to the department in identifying existing water quality problems resulting from dairy farms through implementation of the inspection program in section 5 of this act;
- (b) ((As part of the district annual report, include a water quality progress report on dairy waste management activities conducted that are related to this chapter)) Immediately refer complaints received from the public regarding discharge of pollutants to the department;
- (c) Encourage communication <u>and cooperation</u> between the conservation district personnel and local department personnel;
 - (d) ((Adopt and carry out a compliance option from level 1, level 2, level 3, or level 4)) Provide technical assistance to dairy producers in developing and implementing a dairy nutrient management plan; and
- (e) Review, approve, and certify dairy nutrient management plans
 that meet the minimum standards developed under RCW 90.64.050(1)(q).
- (2) The district's capability to carry out its responsibilities ((in the four levels of compliance)) under this chapter is contingent upon the availability of funding and resources to implement a dairy ((waste)) nutrient management program.
- 24 **Sec.** 15. RCW 90.64.080 and 1993 c 221 s 9 are each amended to 25 read as follows:
 - (1) The conservation commission has the following duties:
 - (a) ((Forward to the department the dairy waste management plan progress reports;
 - (b))) Provide assistance as may be appropriate to the conservation districts in the discharge of their responsibilities as management agencies in dairy ((waste)) nutrient management program implementation;
- 32 (((c))) <u>(b)</u> Provide coordination for conservation district 33 programs at the state level through special arrangements with 34 appropriate federal and state agencies;
- $((\frac{d}{d}))$ (c) Inform conservation districts of activities and experiences of other conservation districts relative to agricultural

OPR -13-

- water quality protection, and facilitate an interchange of advice,
 experience, and cooperation between the districts;
- 3 (((e))) <u>(d)</u> Encourage communication between the conservation 4 district personnel and local department personnel;
 - $((\frac{f}))$ (e) Appoint conservation district representatives to serve on the $((\frac{compliance\ review}))$ advisory and oversight committee with advice of the Washington association of conservation districts;
 - ((g) Appoint a commission representative to participate on the compliance review committee that will annually review and update policy and disseminate information as needed;
- 11 (h))) (f) Provide a co-chair to the advisory and oversight
 12 committee; and
 - (g) Work with the department to provide communication outreach to representatives of agricultural and environmental organizations to receive feedback on implementation of this chapter.
 - (2) The commission's capability to carry out its responsibilities under this chapter is contingent upon the availability of funding and resources to implement a dairy ((waste)) nutrient management program.
- **Sec.** 16. RCW 90.48.144 and 1995 c 403 s 636 are each amended to 20 read as follows:
- 21 Except as provided in RCW 43.05.060 through 43.05.080 and 22 43.05.150, every person who:
 - (1) Violates the terms or conditions of a waste discharge permit issued pursuant to RCW 90.48.180 or 90.48.260 through 90.48.262, or
 - (2) Conducts a commercial or industrial operation or other point source discharge operation without a waste discharge permit as required by RCW 90.48.160 or 90.48.260 through 90.48.262, or
 - (3) Violates the provisions of RCW 90.48.080, or other sections of this chapter, chapter 90.64 RCW, or chapter 90.56 RCW or rules or orders adopted or issued pursuant to ((either of)) those chapters, shall incur, in addition to any other penalty as provided by law, a penalty in an amount of up to ten thousand dollars a day for every such violation. Each and every such violation shall be a separate and distinct offense, and in case of a continuing violation, every day's continuance shall be and be deemed to be a separate and distinct violation. Every act of commission or omission which procures, aids or abets in the violation shall be considered a violation under the

OPR -14-

7

8

9

1112

13

1415

16

17

18 19

20

21

22

2324

25

26

27

2829

30

31

32

3334

3536

- 1 provisions of this section and subject to the penalty herein provided
- 2 for. The penalty amount shall be set in consideration of the previous
- 3 history of the violator and the severity of the violation's impact on
- 4 public health and/or the environment in addition to other relevant
- 5 factors. The penalty herein provided for shall be imposed pursuant to
- 6 the procedures set forth in RCW 43.21B.300.

NEW SECTION. Sec. 17. The dairy waste management account is created in the custody of the state treasurer. All receipts from monetary penalties levied pursuant to violations of this chapter must be deposited into the account. Expenditures from the account may be used only for the commission to provide grants to local conservation districts for the sole purpose of assisting dairy producers to develop and fully implement dairy nutrient management plans. Only the chairman of the commission or the chairman's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

Sec. 18. RCW 90.48.465 and 1997 c 398 s 2 are each amended to read as follows:

(1) The department shall establish annual fees to collect expenses for issuing and administering each class of permits under RCW 90.48.160, 90.48.162, and 90.48.260. An initial fee schedule shall be established by rule within one year of March 1, 1989, and thereafter the fee schedule shall be adjusted no more often than once every two years. This fee schedule shall apply to all permits, regardless of date of issuance, and fees shall be assessed prospectively. All fees charged shall be based on factors relating to the complexity of permit issuance and compliance and may be based on pollutant loading and toxicity and be designed to encourage recycling and the reduction of the quantity of pollutants. Fees shall be established in amounts to fully recover and not to exceed expenses incurred by the department in processing permit applications and modifications, monitoring and evaluating compliance with permits, conducting inspections, securing laboratory analysis of samples taken during inspections, reviewing plans and documents directly related to operations of permittees, overseeing performance of delegated pretreatment programs,

OPR -15-

supporting the overhead expenses that are directly related to these activities.

- (2) The annual fee paid by a municipality, as defined in 33 U.S.C. Sec. 1362, for all domestic wastewater facility permits issued under RCW 90.48.162 and 90.48.260 shall not exceed the total of a maximum of fifteen cents per month per residence or residential equivalent contributing to the municipality's wastewater system. The department shall adopt by rule a schedule of credits for any municipality engaging in a comprehensive monitoring program beyond the requirements imposed by the department, with the credits available for five years from March 1, 1989, and with the total amount of all credits not to exceed fifty thousand dollars in the five-year period.
- (3) The department shall ensure that indirect dischargers do not pay twice for the administrative expense of a permit. Accordingly, administrative expenses for permits issued by a municipality under RCW 90.48.165 are not recoverable by the department.
- (4) In establishing fees, the department shall consider the economic impact of fees on small dischargers and the economic impact of fees on public entities required to obtain permits for storm water runoff and shall provide appropriate adjustments. The fee for a national pollutant discharge elimination system permit issued for discharges related to manure or other dairy nutrient from a dairy farm as defined under chapter 90.64 RCW shall be fifty cents per animal unit covered by the permit.
- (5) All fees collected under this section shall be deposited in the water quality permit account hereby created in the state treasury. Moneys in the account may be appropriated only for purposes of administering permits under RCW 90.48.160, 90.48.162, and 90.48.260.
- (6) Beginning with the biennium ending June 30, 1997, the department shall present a biennial progress report on the use of moneys from the account to the legislature. The report will be due December 31st of odd-numbered years. The report shall consist of information on fees collected, actual expenses incurred, and anticipated expenses for the current and following fiscal years.

OPR -16-

- NEW SECTION. Sec. 19. The department is required to report to the Legislature by December 1 of each year until 2001, on progress made in implementing this act. At a minimum, the reports shall include data on inspections, the status of dairy nutrient planning, compliance with water quality standards, and enforcement actions. The report shall also provide recommendations on how implementation of this act could be facilitated for dairy producers and generally improved.
- 8 <u>NEW SECTION.</u> **Sec.** 20. RCW 90.64.090 and 1993 c 221 s 10 are each 9 repealed.
- NEW SECTION. Sec. 21. Sections 3, 5 through 9, and 16 of this act are each added to chapter 90.64 RCW.
- NEW SECTION. Sec. 22. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.
- NEW SECTION. Sec. 23. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 1998, in the omnibus appropriations act, this act is null and void."
- 20 Correct internal references.

OPR -17-