H-2068.1			

SUBSTITUTE HOUSE BILL 1957

State of Washington 56th Legislature 1999 Regular Session

By House Committee on Agriculture & Ecology (originally sponsored by Representatives G. Chandler, Linville, Mastin, Reardon, Sump, Schoesler and Ericksen)

Read first time 03/02/1999.

- AN ACT Relating to water right transfers, changes, and amendments;
- 2 amending RCW 90.03.380, 90.03.390, 90.44.100, 90.80.010, 90.80.020,
- 3 90.80.030, 90.80.040, 90.80.050, 90.80.070, 90.80.090, 90.80.120, and
- 4 90.80.140; adding a new section to chapter 90.03 RCW; and adding a new
- 5 section to chapter 90.44 RCW.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 90.03 RCW
- 8 to read as follows:
- 9 (1) The department is authorized to process and render decisions on
- 10 applications for changes or transfers of water rights under this
- 11 chapter and amendments of ground water rights under chapter 90.44 RCW
- 12 as a matter of higher priority than processing and rendering decisions
- 13 on applications for new water rights.
- 14 (2) Any application for a new water right for which a permit
- 15 decision has not been made by the department at the time a transfer or
- 16 change is approved may not be considered an existing water right
- 17 subject to analysis as to whether the application may be injured,
- 18 impaired, or detrimentally affected by the transfer or change.

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1 **Sec. 2.** RCW 90.03.380 and 1997 c 442 s 801 are each amended to 2 read as follows:

3 (1) The right to the use of water which has been applied to a 4 beneficial use in the state shall be and remain appurtenant to the land or place upon which the same is used: PROVIDED, HOWEVER, That the 5 right may be transferred to another or to others and become appurtenant 6 7 to any other land or place of use without loss of priority of right 8 theretofore established if such change can be made without detriment or 9 injury to existing rights. The point of diversion of water for 10 beneficial use or the purpose of use may be changed, if such change can be made without detriment or injury to existing rights. 11 entire amount of water diverted under the authority of a water right 12 annually is available for diversion under such a transfer or change or 13 a portion of that amount of water may be retained and used as 14 authorized under the original right and the remainder may be diverted 15 under the transferred or changed portion of the right. However, the 16 total of the amount diverted under such a transferred or changed 17 18 portion of the right and the amount diverted for use as authorized 19 under the remaining portion of the original right may not exceed on an annual basis the amount diverted under the authority of the original 20 water right before the transfer or change. For the purpose of example 21 and not limitation, a transfer or change in the place of use, point of 22 diversion, and/or purpose of use of a water right to enable irrigation 23 24 of additional acreage or the addition of new uses may be permitted if 25 such a transfer or change results in no increase in the annual 26 ((consumptive)) quantity of water ((used under)) diverted when compared to the amount diverted under the authority of the original water right 27 before the transfer or change. ((For purposes of this section, "annual 28 29 consumptive quantity" means the estimated or actual annual amount of 30 water diverted pursuant to the water right, reduced by the estimated 31 annual amount of return flows, averaged over the most recent five year period of continuous beneficial use of the water right.)) Before any 32 33 transfer of such right to use water or change of the point of diversion of water or change of purpose of use can be made, any person having an 34 35 interest in the transfer or change, shall file a written application therefor with the department ((-,)) and, if the place of use of the right 36 37 to be transferred or changed is located within the jurisdictional boundaries of a water conservancy board created under chapter 90.80 38 39 RCW, with the water conservancy board. The application shall not be

granted until notice of the application is published as provided in RCW 2 90.03.280. If it shall appear that such transfer or such change may be made without injury or detriment to existing rights, the department 3 4 shall issue to the applicant a certificate in duplicate granting the 5 right for such transfer or for such change of point of diversion or of The certificate so issued shall be filed and be made a record 6 use. 7 with the department and the duplicate certificate issued to the applicant may be filed with the county auditor in like manner and with 8 9 the same effect as provided in the original certificate or permit to 10 divert water.

(2) If an application for change proposes to transfer water rights from one irrigation district to another, the department shall, before publication of notice, receive concurrence from each of the irrigation districts that such transfer or change will not adversely affect the ability to deliver water to other landowners or impair the financial integrity of either of the districts.

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- 17 (3) A change in place of use by an individual water user or users of water provided by an irrigation district need only receive approval 19 for the change from the board of directors of the district if the use of water continues within the irrigation district, and when water is provided by an irrigation entity that is a member of a board of joint control created under chapter 87.80 RCW, approval need only be received from the board of joint control if the use of water continues within 24 the area of jurisdiction of the joint board and the change can be made without detriment or injury to existing rights.
 - (4) If the place of use of a right to be transferred or changed is located within the jurisdictional boundaries of a water conservancy board created under chapter 90.80 RCW, the application for the transfer or change filed under this section shall be reviewed by the board. The department shall conduct its review of such a transfer or change under this section only if the board submits a report and a proposed certificate conditionally approving the transfer or change under RCW 90.80.080. Except as provided by this subsection, decisions on applications shall be made by the board in the order in which the applications are filed with it, and decisions regarding the proposed certificates filed with the department by a board under RCW 90.80.080 shall be made by the department in the order in which the certificates are filed with the department by that board. If review of an application or proposed certificate has begun and gathering information

- 1 beyond that available at the time of the review is required, neither
- 2 the board nor the department must await the availability of that
- 3 <u>information to review the next application or applications or next</u>
- 4 proposed certificate or certificates in the order otherwise required by
- 5 this subsection.

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- 6 (5) This section shall not apply to trust water rights acquired by
- 7 the state through the funding of water conservation projects under
- 8 chapter 90.38 RCW or RCW 90.42.010 through 90.42.070.
- 9 **Sec. 3.** RCW 90.03.390 and 1991 c 350 s 3 are each amended to read 10 as follows:
- (1) RCW 90.03.380 shall not be construed to prevent water users 11 12 from making a seasonal or temporary change of point of diversion or place of use of water when such change can be made without detriment to 13 14 existing rights, but in no case shall such change be made without the 15 permission of the water master of the district in which such proposed 16 change is located, or of the department. Nor shall RCW 90.03.380 be construed to prevent construction of emergency interties between public 17 18 water systems to permit exchange of water during short-term emergency 19 situations, or rotation in the use of water for bringing about a more economical use of the available supply, provided however, that the 20 department of health in consultation with the department of ecology 21 22 shall adopt rules or develop written guidelines setting forth standards 23 determining when a short-term emergency exists 24 circumstances in which emergency interties are permitted. The rules or 25 guidelines shall be consistent with the procedures established in RCW 43.83B.400 through 43.83B.420. Water users owning lands to which water 26 rights are attached may rotate in the use of water to which they are 27 collectively entitled, or an individual water user having lands to 28 29 which are attached water rights of a different priority, may in like 30 manner rotate in use when such rotation can be made without detriment to other existing water rights, and has the approval of the water 31
 - (2) If the place of use of a right to be transferred or changed under this section is located within the jurisdictional boundaries of a water conservancy board created under chapter 90.80 RCW, the application for the transfer or change shall be filed with both the department and with the board. The application shall be reviewed by the board. The department or its water master shall review the

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master or department.

transfer or change under this section only if the board submits a 1 report and a proposed certificate conditionally approving the transfer 2 or change under RCW 90.80.080. Except as provided by this subsection, 3 4 decisions on applications shall be made by the board in the order in which the applications are filed with it, and decisions regarding the 5 proposed certificates filed with the department by a board under RCW 6 7 90.80.080 shall be made by the department or its water master in the 8 order in which the certificates are filed with the department by that 9 board. If review of an application or proposed certificate has begun, and gathering information beyond that available at the time of the 10 review is required, neither the board nor the department or its water 11 master must await the availability of that information to review the 12 next application or applications or next proposed certificate or 13 14 certificates in the order otherwise required by this subsection.

NEW SECTION. Sec. 4. A new section is added to chapter 90.44 RCW to read as follows:

Any application for a new water right for which a permit decision has not been made by the department at the time an amendment to a water right is approved may not be considered an existing water right subject to analysis as to whether the application may be injured, impaired, or detrimentally affected by the amendment.

22 **Sec. 5.** RCW 90.44.100 and 1997 c 316 s 2 are each amended to read 23 as follows:

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(1) After an application to, and upon the issuance by the department of an amendment to the appropriate permit or certificate of ground water right, the holder of a valid right to withdraw public ground waters may, without losing the holder's priority of right, construct wells or other means of withdrawal at a new location in substitution for or in addition to those at the original location, or the holder may change the ((manner)) purpose or the place of use of the water. The entire amount of water withdrawn under the authority of a water right annually is available for withdrawal under such an amended right, or a portion of that amount of water may be retained and used as authorized under the original right and the remainder may be withdrawn under the amended portion of the right. However, the total of the amount withdrawn under such an amended portion of the right and the amount withdrawn under such an amended portion of the right and the amount withdrawn for use as authorized under the remaining portion of

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- the original right may not exceed on an annual basis the amount 1 withdrawn under the authority of the original water right before the 2 amendment. For the purpose of example and not limitation, an amendment 3 4 for the place of use, location of withdrawal, and/or purpose of use of a water right to enable irrigation of additional acreage or the 5 addition of new uses may be permitted if such an amendment results in 6 7 no increase in the annual quantity of water withdrawn when compared to 8 the amount withdrawn under the authority of the original water right 9 before the amendment.
- 10 (2) An amendment to construct replacement or a new additional well or wells at a location outside of the location of the original well or 11 12 wells or to change the ((manner)) purpose or place of use of the water 13 shall be issued only after publication of notice of the application and findings as prescribed in the case of an original application. 14 15 amendment shall be issued by the department only on the conditions 16 (a) The additional or replacement well or wells shall tap the 17 same body of public ground water as the original well or wells; (b) where a replacement well or wells is approved, the use of the original 18 19 well or wells shall be discontinued and the original well or wells 20 shall be properly decommissioned as required under chapter 18.104 RCW; (c) where an additional well or wells is constructed, the original well 21 or wells may continue to be used, but the combined total withdrawal 22 from the original and additional well or wells shall not ((enlarge the 23 24 right conveyed by)) exceed the amount of water withdrawn under the original permit or certificate; and (d) other existing rights shall not 25 26 be impaired. The department may specify an approved manner of construction and shall require a showing of compliance with the terms 27 of the amendment, as provided in RCW 90.44.080 in the case of an 28 29 original permit.
- (3) The construction of a replacement or new additional well or wells at the location of the original well or wells shall be allowed without application to the department for an amendment. However, the 32 following apply to such a replacement or new additional well: 33 34 well shall tap the same body of public ground water as the original well or wells; (b) if a replacement well is constructed, the use of the original well or wells shall be discontinued and the original well or 36 37 wells shall be properly decommissioned as required under chapter 18.104 RCW; (c) if a new additional well is constructed, the original well or 38 39 wells may continue to be used, but the combined total withdrawal from

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the original and additional well or wells shall not ((enlarge the right 1 conveyed by)) exceed the amount withdrawn under the original water use 2 permit or certificate; (d) the construction and use of the well shall 3 4 not interfere with or impair water rights with an earlier date of priority than the water right or rights for the original well or wells; 5 (e) the replacement or additional well shall be located no closer than 6 7 the original well to a well it might interfere with; (f) the department 8 may specify an approved manner of construction of the well; and (g) the 9 department shall require a showing of compliance with the conditions of 10 this subsection (3).

(4) If the place of use of a right to be amended under this section 11 is located within the jurisdictional boundaries of a water conservancy 12 board created under chapter 90.80 RCW, the application for the 13 amendment shall be filed with both the department and with the board. 14 The application shall be reviewed by the board. The department shall 15 review the amendment under this section only if the board submits a 16 report and a proposed certificate conditionally approving the amendment 17 under RCW 90.80.080. Except as provided by this subsection, decisions 18 19 on applications shall be made by the board in the order in which the applications are filed with it, and decisions regarding the proposed 20 certificates filed with the department by a board under RCW 90.80.080 21 shall be made by the department in the order in which the certificates 22 are filed with the department by that board. If review of an 23 24 application or proposed certificate has begun and gathering information beyond that available at the time of the review is required, neither 25 26 the board nor the department must await the availability of that information to review the next application or applications or next 27 proposed certificate or certificates in the order otherwise required by 28 29 this subsection.

30 <u>(5)</u> As used in this section, the "location of the original well or wells" is the area described as the point of withdrawal in the original public notice published for the application for the water right for the well.

34 **Sec. 6.** RCW 90.80.010 and 1997 c 441 s 2 are each amended to read 35 as follows:

The following definitions apply throughout this chapter, unless the context clearly requires otherwise.

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- 1 (1) "Board" means a water conservancy board created under this 2 chapter.
- 3 (2) "Commissioner" means a member of a water conservancy board.
- 4 (3) "Department" means the department of ecology.
- 5 (4) "Director" means the director of the department of ecology.
- 6 (5) "Transfer" means a transfer, change, or amendment to a water 7 right referred to in RCW 90.03.380, 90.03.390, or 90.44.100.
- 8 **Sec. 7.** RCW 90.80.020 and 1997 c 441 s 3 are each amended to read 9 as follows:
- 10 (1) The county legislative authority of a county may create a water 11 conservancy board((, subject to approval by the director,)) for the 12 purpose of expediting voluntary water transfers within the county.
- (2) A water conservancy board may be initiated by: 13 14 resolution of the county legislative authority; (b) a resolution 15 presented to the county legislative authority calling for the creation 16 of a board by the legislative authority of an irrigation district, public utility district that operates a public water system, a 17 18 reclamation district, a city operating a public water system, or a water-sewer district that operates a public water system; (c) a 19 resolution by the governing body of a cooperative or mutual corporation 20 that operates a public water system serving one hundred or more 21 accounts; (d) a petition signed by five or more water rights holders, 22 23 including their addresses, who divert water for use within the county; 24 or (e) any combination of (a) through (d) of this subsection. 25 resolution or petition must state the need for the board, include proposed bylaws or rules and procedures that will govern the operation 26 of the board, identify the geographic boundaries where there is an 27 initial interest in transacting water sales or transfers, and describe 28 29 the proposed method for funding the operation of the board.
- 30 (3) After receiving a resolution or petition to create a board, a county legislative authority shall determine its sufficiency. 31 county legislative authority finds that the resolution or petition is 32 sufficient, or if the county is initiating the creation of a board upon 33 34 its own motion, it shall hold at least one public hearing on the proposed creation of the board. Notice of the hearing shall be 35 36 published at least once in a newspaper of general circulation in the county not less than ten days nor more than thirty days before the date 37 of the hearing. The notice shall describe the time, date, place, and 38

purpose of the hearing, as well as the purpose of the board. Following the hearing, the county legislative authority may adopt a resolution ((approving the creation of)) creating the board if it finds that the board's creation furthers the purposes of this chapter and is in the public interest.

(4) The county legislative authorities of two or more counties may 6 7 choose to join in the creation of one water conservancy board to serve 8 the counties. They may also choose to expand the jurisdiction of an 9 existing board to encompass one or more additional counties. Following a public hearing held in each county to be included within the 10 jurisdiction of the board and held on the issue of creating such a 11 multicounty board or expanding the jurisdiction of an existing board, 12 each such county may adopt a resolution creating one multicounty board 13 14 for the counties or expanding the jurisdiction of an existing board to include one or more additional counties. The resolution shall specify 15 each of the counties to be included within the jurisdiction of the 16 board. If the resolution is adopted in each of the counties so 17 specified, the board is created for those counties, or is expanded to 18 19 include within its jurisdiction those counties. If the jurisdiction of an existing board is expanded in this manner, the terms of office of 20 the commissioners of the board so expanded shall terminate and 21 commissioners for the board with new terms of office shall be appointed 22 as provided in RCW 90.80.050. 23

24 **Sec. 8.** RCW 90.80.030 and 1997 c 441 s 4 are each amended to read 25 as follows:

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- (1) Following the adoption of a resolution creating a water conservancy board, the county legislative authority shall forward a copy of the resolution ((or petition calling for the creation of the board, a copy of the resolution approving the creation of the board, and a summary of the public testimony presented at the public hearing)) to the director ((following the adoption of the resolution calling for the board's creation)).
- (2) ((The director shall approve or deny the creation of a board within forty-five days after the county legislative authority has submitted all information required under subsection (1) of this section. The director must determine whether the creation of the board would further the purposes of this chapter and is in the public interest. The director shall include a description of the necessary

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- 1 training requirements for commissioners in the notice of approval sent
- 2 to the county legislative authority.)) Following the adoption of
- 3 resolutions creating a board for a multicounty area or expanding the
- 4 jurisdiction of a board under RCW 90.80.020(4), the county legislative
- 5 <u>authority of each county within the jurisdiction of the board shall</u>
- 6 forward a copy of its resolution to the director.
- 7 **Sec. 9.** RCW 90.80.040 and 1997 c 441 s 5 are each amended to read 8 as follows:
- 9 The director of the department may, as deemed necessary by the
- 10 director, adopt rules in accordance with chapter 34.05 RCW necessary to
- 11 carry out this chapter, including minimum requirements for the training
- 12 and continuing education of commissioners. Training courses for
- 13 commissioners shall include an overview of state water law and
- 14 hydrology. The training courses shall be provided by or through the
- 15 department. The department shall provide the initial training required
- 16 for a commissioner to take action under this chapter at training
- 17 sessions held once each year. These annual training sessions shall be
- 18 designed to accommodate all commissioners who have not yet received
- 19 <u>such training</u>. Prior to commissioners taking action on proposed water
- 20 right transfers, the commissioners shall comply with training
- 21 requirements that include state water law and hydrology.
- 22 **Sec. 10.** RCW 90.80.050 and 1997 c 441 s 6 are each amended to read 23 as follows:
- 24 A water conservancy board constitutes a public body corporate and
- 25 politic and a separate unit of local government in the state. The
- 26 public body corporate and politic of an existing board, the
- 27 jurisdiction of which is expanded under RCW 90.80.020(4), is continuous
- 28 with the body corporate and politic of the board created by the
- 20 with the body corporate and politic of the bodia created by the
- 29 <u>expansion of jurisdiction.</u> Each board shall consist of three
- 30 commissioners appointed by the county legislative authority $\underline{\text{or}}$
- 31 <u>authorities of the counties within the jurisdiction of the board</u> for
- 32 six-year terms. The county legislative authority or authorities shall
- 33 stagger the initial appointment of commissioners so that the first
- 34 commissioners who are appointed shall serve terms of two, four, and six
- 35 years, respectively, from the date of their appointment. All vacancies
- 36 shall be filled for the unexpired term. The county legislative
- 37 authority or authorities shall consider, but ((is)) are not limited in

appointing, nominations to the board by people or entities petitioning or requesting the creation of the board. However, the county legislative authority or authorities shall ensure that individual water right holders who divert water for use within the county are represented on the board. In making appointments to the board, the county legislative authority or authorities shall choose from among persons who are residents of the county or a county that is contiquous to the county that the water conservancy board is to serve. No commissioner may participate in board decisions until he or she has successfully completed the necessary training required under RCW 90.80.040. Commissioners shall serve without compensation, but are entitled to reimbursement for necessary travel expenses in accordance with RCW 43.03.050 and 43.03.060 and costs incident to training.

Sec. 11. RCW 90.80.070 and 1997 c 441 s 9 are each amended to read 15 as follows:

- (1) Applications to the board for transfers shall be made on a form provided by the department, and shall contain such additional information as may be required by the board in order to review and act upon the application. At a minimum, the application shall include information sufficient to establish to the board's satisfaction of the transferor's right to the quantity of water being transferred, and a description of any applicable limitations on the right to use water, including the point of diversion or withdrawal, place of use, source of supply, purpose of use, quantity of use permitted, time of use, period of use, and the place of storage.
- (2) The transferor and the transferee of any proposed water transfer may apply to a board for approval of the transfer if the water proposed to be transferred is currently diverted, withdrawn, or used within the geographic boundaries of the county, or would be diverted, withdrawn, or used within the geographic boundaries of the county if the transfer is approved. In the case of a proposed water transfer in which the water is currently diverted or would be diverted outside the geographic boundaries of the county, the board shall hold a public hearing in the county of the diversion or proposed diversion. The board shall provide for prominent publication of notice of such hearing in a newspaper of general circulation published in the county in which the hearing is to be held for the purpose of affording an opportunity for interested persons to comment upon the application.

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- (3) After an application for a transfer is filed with the board, 1 2 the board shall publish notice of the application in accordance with the publication requirements and send notice to state agencies as 3 4 provided in RCW 90.03.280. Any person may submit comments to the board regarding the application. Any water right holder claiming detriment 5 or injury to an existing water right may intervene in the application 6 7 before the board pursuant to subsection (4) of this section. 8 majority of the board determines that the application is complete, in 9 accordance with the law and the transfer can be made without injury or 10 detriment to existing water rights in accordance with RCW 90.03.380, 90.03.390, or 90.44.100, the board shall issue the applicant a 11 12 certificate conditionally approving the transfer, subject to review by 13 the director.
- 14 (4) If a water right holder claims a proposed transfer will cause 15 an impairment to that right, the water right holder is entitled to a hearing before the board. The board shall receive such evidence as it 16 deems material and necessary to determine the validity of the claim of 17 impairment. If the party claiming the impairment establishes by a 18 19 preponderance of the evidence that his or her water right will be impaired by the proposed transfer, the board may not approve the 20 transfer unless the applicant and the impaired party agree upon 21 22 compensation for the impairment.
- 23 **Sec. 12.** RCW 90.80.090 and 1997 c 441 s 12 are each amended to 24 read as follows:
- 25 The decision of the director ((to approve an action to create a board, or)) to approve, deny, or modify a water transfer either by action or nonaction shall be appealable in the same manner as other water right decisions made pursuant to chapter 90.03 RCW.
- 29 **Sec. 13.** RCW 90.80.120 and 1997 c 441 s 16 are each amended to 30 read as follows:
- (1) A commissioner of a water conservancy board who has an ownership interest in a water right subject to an application for approval of a transfer ((or change)) by the board, shall not participate in the board's review or decision upon the application.
- 35 (2) A commissioner of a water conservancy board who also serves as 36 an employee or upon the governing body of a municipally owned water 37 system, shall not participate in the board's review or decision upon an

- 1 application for the transfer ((or change)) of a water right in which
- 2 that water system has or is proposed to have an ownership interest.
- 3 **Sec. 14.** RCW 90.80.140 and 1997 c 441 s 18 are each amended to 4 read as follows:
- Nothing in this chapter affects transfers that may be otherwise approved under chapter 90.03 or 90.44 RCW.

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