

**2SHB 2860** - H AMD 916

By Representative Grant

1       Strike everything after the enacting clause and insert the  
2 following:

3       "NEW SECTION. **Sec. 1.** (1) The legislature finds that a key  
4 priority of water resource management in the Columbia river basin is  
5 the development of new water supplies that includes storage and  
6 conservation in order to meet the economic and community development  
7 needs of people and the instream flow needs of fish.

8       (2) The legislature therefore declares that a Columbia river basin  
9 water supply development program is needed, and directs the department  
10 of ecology to aggressively pursue the development of water supplies to  
11 benefit both instream and out-of-stream uses.

12       NEW SECTION. **Sec. 2.** (1) The Columbia river basin water supply  
13 development account is created in the state treasury. The account may  
14 receive direct appropriations from the legislature, receipts of any  
15 funds pursuant to sections 3 and 4 of this act, or funds from any other  
16 sources.

17       (2)(a) Expenditures from the Columbia river basin water supply  
18 development account may be used to assess, plan, and develop new  
19 storage, improve or alter operations of existing storage facilities,  
20 implement conservation projects, or any other actions designed to  
21 provide access to new water supplies within the Columbia river basin  
22 for both instream and out-of-stream uses. Except for the development  
23 of new storage projects, there shall be no expenditures from this  
24 account for water acquisition or transfers from one water resource  
25 inventory area to another without specific legislative authority.

26       (b) Two-thirds of the funds placed in the account shall be used to  
27 support the development of new storage facilities; the remaining one-  
28 third shall be used for the other purposes listed in this section.

1 (3)(a) Funds may not be expended from this account for the  
2 construction of a new storage facility until the department of ecology  
3 evaluates the following:

4 (i) Water uses to be served by the facility;

5 (ii) The quantity of water necessary to meet those uses;

6 (iii) The benefits and costs to the state of meeting those uses,  
7 including short-term and long-term economic, cultural, and  
8 environmental effects; and

9 (iv) Alternative means of supplying water to meet those uses,  
10 including the costs of those alternatives and an analysis of the extent  
11 to which long-term water supply needs can be met using these  
12 alternatives.

13 (b) The department of ecology may rely on studies and information  
14 developed through compliance with other state and federal permit  
15 requirements and other sources. The department shall compile its  
16 findings and conclusions, and provide a summary of the information it  
17 reviewed.

18 (c) Before finalizing its evaluation under the provisions of this  
19 section, the department of ecology shall make the preliminary  
20 evaluation available to the public. Public comment may be made to the  
21 department within thirty days of the date the preliminary evaluation is  
22 made public.

23 (4) Net water savings achieved through conservation measures funded  
24 by the account shall be placed in trust in proportion to the state  
25 funding provided to implement a project.

26 (5) Net water savings achieved through conservation measures funded  
27 by the account developed within the boundaries of the federal Columbia  
28 river reclamation project and directed to the Odessa subarea to reduce  
29 the use of ground water for existing irrigation is exempt from the  
30 provisions of subsection (4) of this section.

31 (6) Moneys in the Columbia river basin water supply development  
32 account created in this section may be spent only after appropriation.

33 (7) Interest earned by deposits in the account will be retained in  
34 the account.

35 NEW SECTION. **Sec. 3.** (1)(a) Water supplies secured through the  
36 development of new storage facilities made possible with funding from

1 the Columbia river basin water supply development account shall be  
2 allocated as follows:

3 (i) Two-thirds of active storage shall be available for  
4 appropriation for out-of-stream uses; and

5 (ii) One-third of active storage shall be available to augment  
6 instream flows and shall be managed by the department of ecology. The  
7 timing of releases of this water shall be determined by the department  
8 of ecology, in cooperation with the department of fish and wildlife and  
9 fisheries comanagers, to maximize benefits to salmon and steelhead  
10 populations.

11 (b) Water available for appropriation under (a)(i) of this  
12 subsection but not yet appropriated shall be temporarily available to  
13 augment instream flows to the extent that it does not impair existing  
14 water rights.

15 (2) Water developed under the provisions of this section to offset  
16 out-of-stream uses and for instream flows is deemed adequate mitigation  
17 for the issuance of new water rights provided for in subsection (1)(a)  
18 of this section and satisfies all consultation requirements under state  
19 law related to the issuance of new water rights.

20 (3) The department of ecology shall focus its efforts to develop  
21 water supplies for the Columbia river basin on the following needs:

22 (a) Alternatives to ground water for agricultural users in the  
23 Odessa subarea aquifer;

24 (b) Sources of water supply for pending water right applications;

25 (c) A new uninterruptible supply of water for the holders of  
26 interruptible water rights on the Columbia river mainstem that are  
27 subject to instream flows or other mitigation conditions to protect  
28 stream flows; and

29 (d) New municipal, domestic, industrial, and irrigation water needs  
30 within the Columbia river basin.

31 (4) The one-third/two-thirds allocation of water resources between  
32 instream and out-of-stream uses established in this section does not  
33 apply to applications for changes or transfers of existing water rights  
34 in the Columbia river basin.

35 NEW SECTION. **Sec. 4.** (1) The department of ecology may enter into  
36 voluntary regional agreements for the purpose of providing new water

1 for out-of-stream use, streamlining the application process, and  
2 protecting instream flow.

3 (2) Such agreements shall ensure that:

4 (a) For water rights issued from the Columbia river mainstem, there  
5 is no negative impact on Columbia river mainstem instream flows in the  
6 months of July and August as a result of the new appropriations issued  
7 under the agreement;

8 (b) For water rights issued from the lower Snake river mainstem,  
9 there is no negative impact on Snake river mainstem instream flows from  
10 April through August as a result of the new appropriations issued under  
11 the agreement; and

12 (c) Efforts are made to harmonize such agreements with watershed  
13 plans adopted under the authority of chapter 90.82 RCW that are  
14 applicable to the area covered by the agreement.

15 (3) The protection of instream flow as set forth in subsection (2)  
16 of this section is adequate for purposes of mitigating instream flow  
17 impacts resulting from any appropriations for out-of-stream use made  
18 under a voluntary regional agreement, and the only applicable  
19 consultation provisions under state law regarding instream flow impacts  
20 shall be those set forth in subsection (4) of this section.

21 (4) Before executing a voluntary agreement under this section, the  
22 department of ecology shall:

23 (a) Provide a sixty-day period for consultation with county  
24 legislative authorities and watershed planning groups with jurisdiction  
25 over the area where the water rights included in the agreement are  
26 located, the department of fish and wildlife, and affected tribal  
27 governments, and federal agencies. The department of fish and wildlife  
28 shall provide written comments within that time period. The  
29 consultation process for voluntary regional agreements developed under  
30 the provisions of this section is deemed adequate for the issuance of  
31 new water rights provided for in this section and satisfies all  
32 consultation requirements under state law related to the issuance of  
33 new water rights; and

34 (b) Provide a thirty-day public review and comment period for a  
35 draft agreement, and publish a summary of any public comments received.  
36 The thirty-day review period shall not begin until after the department  
37 of ecology has concluded its consultation under (a) of this subsection

1 and the comments that have been received by the department are made  
2 available to the public.

3 (5) The provisions of subsection (4) of this section satisfy all  
4 applicable consultation requirements under state law.

5 (6) The provisions of this section and any voluntary regional  
6 agreements developed under such provisions may not be relied upon by  
7 the department of ecology as a precedent, standard, or model that must  
8 be followed in any other voluntary regional agreements.

9 (7) Nothing in this section may be interpreted or administered in  
10 a manner that precludes the processing of water right applications  
11 under chapter 90.03 or 90.44 RCW that are not included in a voluntary  
12 regional agreement.

13 (8) Nothing in this section may be interpreted or administered in  
14 a manner that impairs or diminishes a valid water right or a habitat  
15 conservation plan approved for purposes of compliance with the federal  
16 endangered species act.

17 (9) The department of ecology shall monitor and evaluate the water  
18 allocated to instream and out-of-stream uses under this section,  
19 evaluate the program, and provide an interim report to the appropriate  
20 committees of the legislature by June 30, 2008. A final report shall  
21 be provided to the appropriate committees of the legislature by June  
22 30, 2011.

23 (10) If the department of ecology executes a voluntary agreement  
24 under this section that includes water rights appropriated from the  
25 lower Snake river mainstem, the department shall develop aggregate data  
26 in accordance with the provisions of section 6 of this act for the  
27 lower Snake river mainstem.

28 (11) Any agreement entered into under this section shall remain in  
29 full force and effect through the term of the agreement regardless of  
30 the expiration of this section.

31 (12) The definitions in this subsection apply to this section and  
32 section 6 of this act, and may only be used for purposes of  
33 implementing these sections.

34 (a) "Columbia river mainstem" means all water in the Columbia river  
35 within the ordinary high water mark of the main channel of the Columbia  
36 river between the border of the United States and Canada and the  
37 Bonneville dam, and all ground water within one mile of the high water  
38 mark.

1 (b) "Lower Snake river mainstem" means all water in the lower Snake  
2 river within the ordinary high water mark of the main channel of the  
3 lower Snake river from the head of Ice Harbor pool to the confluence of  
4 the Snake and Columbia rivers, and all ground water within one mile of  
5 the high water mark.

6 (13) This section expires June 30, 2012.

7 NEW SECTION. **Sec. 5.** (1) To support the development of new water  
8 supplies in the Columbia river and to protect instream flow, the  
9 department of ecology shall work with all interested parties, including  
10 interested county legislative authorities and watershed planning  
11 groups, adjacent to the Columbia river, and affected tribal  
12 governments, to develop a Columbia river water supply inventory and a  
13 long-term water supply and demand forecast. The inventory must  
14 include:

15 (a) A list of conservation projects that have been implemented  
16 under this chapter and the amount of water conservation they have  
17 achieved; and

18 (b) A list of potential water supply and storage projects in the  
19 Columbia river basin, including estimates of:

- 20 (i) Cost per acre-foot;
- 21 (ii) Benefit to fish and other instream needs;
- 22 (iii) Benefit to out-of-stream needs; and
- 23 (iv) Environmental and cultural impacts.

24 (2) The department of ecology shall complete the first Columbia  
25 river water supply inventory by November 15, 2006, and shall update the  
26 inventory annually thereafter.

27 (3) The department of ecology shall complete the first Columbia  
28 river long-term water supply and demand forecast by November 15, 2006,  
29 and shall update the report every five years thereafter.

30 NEW SECTION. **Sec. 6.** (1) In order to better understand current  
31 water use and instream flows in the Columbia river mainstem, the  
32 department of ecology shall establish and maintain a Columbia river  
33 mainstem water resources information system that provides the  
34 information necessary for effective mainstem water resource planning  
35 and management.

1 (2) To accomplish the objective in subsection (1) of this section,  
2 the department of ecology shall use information compiled by existing  
3 local watershed planning groups, federal agencies, the Bonneville power  
4 administration, irrigation districts, conservation districts in the  
5 basin, and other available sources. The information shall include:

6 (a) The total aggregate quantity of water rights issued under state  
7 permits and certificates and filed under state claims on the Columbia  
8 river mainstem and for ground water within one mile of the mainstem;  
9 and

10 (b) The total aggregate volume of current water use under these  
11 rights as metered and reported by water users under current law.

12 (3) The department of ecology shall publish the aggregate data on  
13 the department's web site no later than June 30, 2009, and shall  
14 periodically update the data.

15 (4) For purposes of this section, the definition of Columbia river  
16 mainstem in section 4(12) of this act shall apply and the use of the  
17 definition is solely limited to the purpose of collecting data to meet  
18 the information requirements of this section.

19 **Sec. 7.** 2005 c 488 s 332 (uncodified) is amended to read as  
20 follows:

21 **FOR THE DEPARTMENT OF ECOLOGY**

22 Columbia River Initiative (06-2-010)

23 The appropriation in this section is subject to the following  
24 conditions and limitations:

25 (1) \$6,000,000 is provided solely for feasibility studies related  
26 to off-mainstem storage projects and impacts of changing operations at  
27 the Potholes reservoir, and grant funding for the purchase and  
28 installation of water measuring devices.

29 (2) Of the amount appropriated in this section, \$10,000,000 (~~may~~  
30 ~~not be expended prior to enactment of state legislation that~~  
31 ~~establishes the policy requirements for a new water resources and water~~  
32 ~~rights management program for the Columbia river mainstem. If such~~  
33 ~~legislation is not enacted prior to June 30, 2006, this amount shall~~  
34 ~~lapse~~) is provided to begin implementation of the Columbia river basin  
35 water supply development program in sections 2 through 6 of this act.  
36 Within this amount, the department shall support, to the extent that  
37 projects are ready to proceed and to the extent that resources allow,

1 the following water supply projects, including, but not limited to:  
2 Storage development or storage enhancement projects, projects that  
3 provide surface water supply for the Odessa subarea within the  
4 boundaries of the Columbia basin federal reclamation project, projects  
5 that enhance water supplies for the Walla Walla and Yakima rivers  
6 through exchanges and other methods, and investments resulting in water  
7 use efficiency. The department shall report progress under this  
8 section to the appropriate committees of the legislature by December 1,  
9 2006.

10 Appropriation:

11	State Building Construction Account--State . . . . .	\$16,000,000
12	Prior Biennia (Expenditures) . . . . .	\$0
13	Future Biennia (Projected Costs) . . . . .	\$52,610,000
14	TOTAL . . . . .	\$68,610,000

15 **Sec. 8.** RCW 43.84.092 and 2005 c 514 s 1106, 2005 c 353 s 4, 2005  
16 c 339 s 23, 2005 c 314 s 110, 2005 c 312 s 8, and 2005 c 94 s 2 are  
17 each reenacted and amended to read as follows:

18 (1) All earnings of investments of surplus balances in the state  
19 treasury shall be deposited to the treasury income account, which  
20 account is hereby established in the state treasury.

21 (2) The treasury income account shall be utilized to pay or receive  
22 funds associated with federal programs as required by the federal cash  
23 management improvement act of 1990. The treasury income account is  
24 subject in all respects to chapter 43.88 RCW, but no appropriation is  
25 required for refunds or allocations of interest earnings required by  
26 the cash management improvement act. Refunds of interest to the  
27 federal treasury required under the cash management improvement act  
28 fall under RCW 43.88.180 and shall not require appropriation. The  
29 office of financial management shall determine the amounts due to or  
30 from the federal government pursuant to the cash management improvement  
31 act. The office of financial management may direct transfers of funds  
32 between accounts as deemed necessary to implement the provisions of the  
33 cash management improvement act, and this subsection. Refunds or  
34 allocations shall occur prior to the distributions of earnings set  
35 forth in subsection (4) of this section.

36 (3) Except for the provisions of RCW 43.84.160, the treasury income  
37 account may be utilized for the payment of purchased banking services

1 on behalf of treasury funds including, but not limited to, depository,  
2 safekeeping, and disbursement functions for the state treasury and  
3 affected state agencies. The treasury income account is subject in all  
4 respects to chapter 43.88 RCW, but no appropriation is required for  
5 payments to financial institutions. Payments shall occur prior to  
6 distribution of earnings set forth in subsection (4) of this section.

7 (4) Monthly, the state treasurer shall distribute the earnings  
8 credited to the treasury income account. The state treasurer shall  
9 credit the general fund with all the earnings credited to the treasury  
10 income account except:

11 (a) The following accounts and funds shall receive their  
12 proportionate share of earnings based upon each account's and fund's  
13 average daily balance for the period: The capitol building  
14 construction account, the Cedar River channel construction and  
15 operation account, the Central Washington University capital projects  
16 account, the charitable, educational, penal and reformatory  
17 institutions account, the Columbia river basin water supply development  
18 account, the common school construction fund, the county criminal  
19 justice assistance account, the county sales and use tax equalization  
20 account, the data processing building construction account, the  
21 deferred compensation administrative account, the deferred compensation  
22 principal account, the department of retirement systems expense  
23 account, the developmental disabilities community trust account, the  
24 drinking water assistance account, the drinking water assistance  
25 administrative account, the drinking water assistance repayment  
26 account, the Eastern Washington University capital projects account,  
27 the education construction fund, the education legacy trust account,  
28 the election account, the emergency reserve fund, The Evergreen State  
29 College capital projects account, the federal forest revolving account,  
30 the freight mobility investment account, the health services account,  
31 the public health services account, the health system capacity account,  
32 the personal health services account, the state higher education  
33 construction account, the higher education construction account, the  
34 highway infrastructure account, the high-occupancy toll lanes  
35 operations account, the industrial insurance premium refund account,  
36 the judges' retirement account, the judicial retirement administrative  
37 account, the judicial retirement principal account, the local leasehold  
38 excise tax account, the local real estate excise tax account, the local

1 sales and use tax account, the medical aid account, the mobile home  
2 park relocation fund, the multimodal transportation account, the  
3 municipal criminal justice assistance account, the municipal sales and  
4 use tax equalization account, the natural resources deposit account,  
5 the oyster reserve land account, the perpetual surveillance and  
6 maintenance account, the public employees' retirement system plan 1  
7 account, the public employees' retirement system combined plan 2 and  
8 plan 3 account, the public facilities construction loan revolving  
9 account beginning July 1, 2004, the public health supplemental account,  
10 the public works assistance account, the Puyallup tribal settlement  
11 account, the real estate appraiser commission account, the regional  
12 transportation investment district account, the resource management  
13 cost account, the rural Washington loan fund, the site closure account,  
14 the small city pavement and sidewalk account, the special wildlife  
15 account, the state employees' insurance account, the state employees'  
16 insurance reserve account, the state investment board expense account,  
17 the state investment board commingled trust fund accounts, the  
18 supplemental pension account, the Tacoma Narrows toll bridge account,  
19 the teachers' retirement system plan 1 account, the teachers'  
20 retirement system combined plan 2 and plan 3 account, the tobacco  
21 prevention and control account, the tobacco settlement account, the  
22 transportation infrastructure account, the transportation partnership  
23 account, the tuition recovery trust fund, the University of Washington  
24 bond retirement fund, the University of Washington building account,  
25 the volunteer fire fighters' and reserve officers' relief and pension  
26 principal fund, the volunteer fire fighters' and reserve officers'  
27 administrative fund, the Washington fruit express account, the  
28 Washington judicial retirement system account, the Washington law  
29 enforcement officers' and fire fighters' system plan 1 retirement  
30 account, the Washington law enforcement officers' and fire fighters'  
31 system plan 2 retirement account, the Washington public safety  
32 employees' plan 2 retirement account, the Washington school employees'  
33 retirement system combined plan 2 and 3 account, the Washington state  
34 health insurance pool account, the Washington state patrol retirement  
35 account, the Washington State University building account, the  
36 Washington State University bond retirement fund, the water pollution  
37 control revolving fund, and the Western Washington University capital  
38 projects account. Earnings derived from investing balances of the

1 agricultural permanent fund, the normal school permanent fund, the  
2 permanent common school fund, the scientific permanent fund, and the  
3 state university permanent fund shall be allocated to their respective  
4 beneficiary accounts. All earnings to be distributed under this  
5 subsection (4)(a) shall first be reduced by the allocation to the state  
6 treasurer's service fund pursuant to RCW 43.08.190.

7 (b) The following accounts and funds shall receive eighty percent  
8 of their proportionate share of earnings based upon each account's or  
9 fund's average daily balance for the period: The aeronautics account,  
10 the aircraft search and rescue account, the county arterial  
11 preservation account, the department of licensing services account, the  
12 essential rail assistance account, the ferry bond retirement fund, the  
13 grade crossing protective fund, the high capacity transportation  
14 account, the highway bond retirement fund, the highway safety account,  
15 the motor vehicle fund, the motorcycle safety education account, the  
16 pilotage account, the public transportation systems account, the Puget  
17 Sound capital construction account, the Puget Sound ferry operations  
18 account, the recreational vehicle account, the rural arterial trust  
19 account, the safety and education account, the special category C  
20 account, the state patrol highway account, the transportation 2003  
21 account (nickel account), the transportation equipment fund, the  
22 transportation fund, the transportation improvement account, the  
23 transportation improvement board bond retirement account, and the urban  
24 arterial trust account.

25 (5) In conformance with Article II, section 37 of the state  
26 Constitution, no treasury accounts or funds shall be allocated earnings  
27 without the specific affirmative directive of this section.

28 NEW SECTION. **Sec. 9.** Sections 1 through 6 of this act constitute  
29 a new chapter in Title 90 RCW.

30 NEW SECTION. **Sec. 10.** This act takes effect July 1, 2006.

31 NEW SECTION. **Sec. 11.** If specific authority to issue general  
32 obligation bonds of at least two hundred million dollars for the  
33 purposes of this act, referencing this act by bill or chapter number,  
34 is not provided by June 30, 2006, in a bond authorization act, this act  
35 is null and void."

1 Correct the title.

--- END ---