

HOUSE BILL REPORT

HB 3136

As Reported by House Committee On: Capital Budget

Title: An act relating to funding criteria for publically owned nonindustrial water pollution control facilities.

Brief Description: Concerning water pollution control.

Sponsors: Representatives Dunshee, Simpson and Ormsby.

Brief History:

Committee Activity:

Capital Budget: 2/1/10, 2/3/10 [DPS].

Brief Summary of Substitute Bill

- Allows Water Pollution Control Revolving Fund loans to be used in accordance with federal Clean Water State Revolving Fund appropriation allowances and restrictions.
- Requires that the Department of Ecology give preference to projects that meet stated criteria, and requires the development of rules pertaining to wastewater and stormwater system plans.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Dunshee, Chair; Ormsby, Vice Chair; Blake, Chase, Jacks, Maxwell, Morrell, Orwall and White.

Minority Report: Do not pass. Signed by 6 members: Representatives Warnick, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Anderson, Hope, McCune and Smith.

Staff: Nona Snell (786-7153).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The Water Pollution Control Revolving Account, also known as State Revolving Fund (SRF), was established by Congress in 1987 under the federal Clean Water Act to provide low interest loans to local governments for high priority water quality projects. The U.S. Environmental Protection Agency provides money for the state loan funds.

The Department of Ecology (Department) administers the SRF program. Loans are awarded through a statewide competitive rating and ranking process. The funds are used by cities, counties, tribes, conservation districts, and some qualified non-profit organizations for planning, designing, acquiring, constructing, and improving water pollution control facilities and related activities that help meet state and federal water pollution control requirements.

Congress is currently considering expanding the allowable use of SRF funds.

Summary of Substitute Bill:

The conditions for Water Pollution Control Facility loans are expanded to include uses in accordance with federal Clean Water State Revolving Fund appropriation allowances and restrictions.

The Department is directed to give preference to applicants for Water Pollution Control Facility loans that meet specific criteria.

The Department is directed to develop rules and require that sewer plans include elements related to sewer charges and fees, wastewater facilities reserve funds, and sewer use ordinances.

Substitute Bill Compared to Original Bill:

The preference criteria related to the Puget Sound Partnership is removed. These criteria are included in section of law under the same chapter. The substitute bill specifies that the preference criteria related to mitigation of nonpoint pollution applies to jurisdictions with authority to regulate stormwater, and resolutions are added along with the references in the bill to ordinances.

Appropriation: None.

Fiscal Note: Requested on January 27, 2010.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The Department of Natural Resources has been engaged with the Puget Sound Partnership and its action agenda, and this bill aligns funding with the state's policies.

Storm and sewer outfalls discharge into the Puget Sound. It costs the state millions every year to clean up toxics through lost revenues to shell fish harvests and implementing endangered species plans. This is not a sustainable way to manage water.

The bill gives preference to jurisdictions that implement storm water fees, carry out nonpoint pollution mitigation, and protect trees. These are ways to prevent pollution on aquatic, state-owned lands. It is less expensive to prevent pollution than to clean it up.

(In support with amendment) The Water Pollution Control Program is a valuable program, and the bill promotes good management of systems designed so that water systems do not get into trouble.

Consider, as an amendment, to not favor regionalization because the trend is to focus on localized treatment, for example, reclaimed water. It does not make sense to regionalize if it costs more.

(Neutral) The federal government uses the Water Pollution Control Program for distribution of some American Recovery and Reinvestment Act funds.

The bill has two parts: one part amends the Clean Water State Revolving Fund, and the second part amends the Water Pollution Control Program. The bill includes a crosswalk between the two.

The Department of Ecology is neutral because of the potential cost of rule making, and the Department has concerns with giving priority to projects with a history of noncompliance because it may inadvertently create a disadvantage to other communities that are complying.

(Opposed) None.

Persons Testifying: (In support) Bridget Moran, Department of Natural Resources.

(In support with amendments) Scott Hazelgrove, Washington Association of Sewer and Water Districts.

(Neutral) Steve Carley, Department of Ecology.

Persons Signed In To Testify But Not Testifying: None.