
HOUSE BILL 2559

State of Washington

61st Legislature

2010 Regular Session

By Representatives Eddy, Upthegrove, and Roach

Prefiled 01/06/10. Read first time 01/11/10. Referred to Committee on Agriculture & Natural Resources.

1 AN ACT Relating to a water quality trading and banking program;
2 adding a new section to chapter 90.48 RCW; and creating new sections.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 NEW SECTION. **Sec. 1.** (1) It is the intent of the legislature that
5 the state should implement practical water quality trading and banking
6 that values multiple ecosystem services, is based on achieving net
7 improvements to ecosystem health, and is watershed-based.

8 (2) It is the policy of the legislature that water quality trading
9 and banking should strive to:

10 (a) Achieve early pollutant load reductions;

11 (b) Reduce the cost of total maximum daily loads implementation and
12 overall federal clean water act compliance;

13 (c) Act as an incentive for voluntary reductions in and above what
14 would otherwise be required;

15 (d) Offset future discharge of pollutants;

16 (e) Achieve greater environmental benefit, including habitat
17 improvements; and

18 (f) Combine ecological services for multiple benefits, including
19 habitat improvements.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 90.48 RCW
2 to read as follows:

3 (1) By December 31, 2011, the department shall develop and
4 implement a water quality trading and banking program as a means, at
5 the option of a regulated entity, of achieving water quality objectives
6 and standards in this state in lieu of other technology or water
7 quality-based requirements. The department shall develop the program
8 in a manner that complies with state and federal water quality rules
9 and regulations and promotes economic efficiency.

10 (2) In developing the water quality trading and banking program,
11 the department shall place a priority on trades that improve the water
12 quality within watersheds and on the following pollutants or
13 conditions:

14 (a) Nitrogenous and phosphorous compounds commonly referred to as
15 nutrients;

16 (b) Sediment;

17 (c) Temperature;

18 (d) Biological oxygen demand; and

19 (e) Chemical oxygen demand.

20 (3) The department shall:

21 (a) Develop a procedure to assist persons entering into an
22 agreement to offset, trade, or bank quantities of pollutants or
23 portions of assimilative capacity of receiving waters under this
24 section in a manner that results in any or all of the following: A net
25 reduction of pollutants; a net increase in ecological function within
26 watersheds; assistance in meeting water quality standards; or
27 implementation of total maximum daily load allocations;

28 (b) Provide oversight and administration of agreements entered into
29 under this section;

30 (c) Minimize administrative and technical requirements in order to
31 encourage and facilitate trading and banking under this section;

32 (d) Emphasize practical procedures for pollutant trading that may
33 be implemented using reasonable estimations and engineering judgment
34 commensurate with reasonable assurances for load allocations; and

35 (e) Allow for the banking and future credit taking by counties
36 where water quality improvements occur that exceed pollutant reductions
37 otherwise required as a load or waste load allocation of a total
38 maximum daily load. Credit taking includes a waiver of administrative

1 or procedural requirements of national pollutant discharge elimination
2 system municipal storm water permits, including but not limited to
3 tracking, recordkeeping, and training.

4 (4) To aid in meeting its obligations under this section, the
5 department may select two or more pilot projects or case studies from
6 volunteer participating counties to pilot the application of water
7 quality trades and banking.

8 (5) The department shall seek any approvals, waivers, or
9 authorizations from the United States environmental protection agency
10 necessary to implement the water quality trading and banking program.

11 (6) The department may seek federal funding to support the water
12 quality trading and banking program.

13 (7) This section may not be construed to allow any activity
14 expressly prohibited by federal law or regulation.

15 NEW SECTION. **Sec. 3.** This act may be known and cited as the
16 watershed improvement through water quality trading and banking act.

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