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## SENATE BILL 6267

State of Washington 61st Legislature 2010 Regular Session

By Senators Rockefeller and Honeyford; by request of Department of Ecology Read first time 01/11/10. Referred to Committee on Environment, Water & Energy.

- AN ACT Relating to water right processing improvements; amending RCW 90.03.265, 90.03.255, 90.14.065, and 90.44.055; adding a new section to chapter 90.44 RCW; and adding a new section to chapter 90.03 RCW.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

- **Sec. 1.** RCW 90.03.265 and 2003 c 70 s 6 are each amended to read 7 as follows:
  - (1)(a) Any applicant for a new withdrawal or a change, transfer, or amendment of a water right pending before the department((7)) may initiate a cost-reimbursement agreement with the department to provide expedited review of the application. Except as provided in (b) of this subsection, a cost-reimbursement agreement may ((enly)) be initiated under this subsection if the applicant agrees to pay for((, or as part of a cooperative effort agrees to pay for,)) the cost of processing his or her application and all other applications from the same source of supply which must be acted upon before the applicant's request because they were filed prior to the date of when the applicant filed. Each applicant is responsible for any appeal costs related to the processing of his or her application.

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1 (b) The requirement to pay for the cost of all other applications
2 from the same source of supply under (a) of this subsection does not
3 apply if:

- (i) The application for a new appropriation or a change, transfer, or amendment of a water right would not diminish the water available to earlier pending applicants from the same source of supply, including an application that provides a water impoundment or other water resource management mitigation technique under RCW 90.03.255 or 90.44.055 acceptable to the department; or
- (ii) The applicant agrees to pay for the cost of processing his or her application as part of a coordinated cost-reimbursement agreement entered under subsection (3) of this section.
- (c) The department <u>may enter into cost-reimbursement agreements in</u> <u>its discretion and</u> shall use the process established under RCW 43.21A.690 for entering into cost-reimbursement agreements.
- (2) In pursuing a cost-reimbursement project, the department must determine the source of water proposed to be diverted or withdrawn from, including the boundaries of the area the department believes delimits the source. The department must determine if any other water right permit applications are pending from the same source. A water source may include surface water only, ground water only, or surface and ground water together if the department believes they are hydraulically connected. The department shall consider technical information submitted by the applicant in making its determinations under this subsection.
- (3)(a) If the department determines that the public interest is best served by initiation of a coordinated cost-reimbursement project, the department must notify in writing all persons who have pending applications on file for a new appropriation or withdrawal of water from the same source. Such a notice must be made by way of mail and by publication in a newspaper of general circulation in the area where affected properties are located. The notification must inform those applicants that a coordinated cost-reimbursement process is being initiated. The notice must offer the opportunity to voluntarily participate in funding a cost-reimbursement contractor to investigate and make recommendations to the department regarding the disposition of the applications. The notice must also provide the estimated cost for having an application processed using a cost-reimbursement contractor.

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The notice must provide not less than sixty days for the applicants to respond in writing as to their interest in participating in the coordinated cost-reimbursement processing of their applications. The department shall adjust the estimated costs for each participant based on those applicants electing to participate. The department may initiate a coordinated cost-reimbursement project: (i) On its own volition; (ii) upon receipt of a written request from an applicant; (iii) upon receipt of a written request or recommendation from a watershed planning unit; or (iv) upon receipt of a resolution of a county legislative authority with jurisdiction over the area in which the water source is located.

- (b) Each applicant who consents to participate in a coordinated cost-reimbursement process must sign a contract with the department agreeing to pay a pro rata share to the department of the cost of the contractors and the department's costs, with an applicant's share of cost being determined by the percentage of each applicant's instantaneous quantity applied for relative to the sum of the instantaneous quantities applied for by all the participating applicants.
- (c) For any applicant who elects to not participate in the coordinated cost-reimbursement process or who fails to respond in writing within the time allowed, the department shall retain the application on file until such time as the department is able to process it. Coordinated cost reimbursement under this section applies only to the sequence of application processing and does not affect the relative priority date of any resulting water rights.
- (4) The department shall provide notice to potential contractors of the opportunity to be considered for inclusion on the list of cost-reimbursement contractors to whom work assignments will be made. The department shall competitively select an appropriate number of contractors who are qualified by training and experience to investigate and make recommendations on the disposition of water rights applications. The contractor list must be renewed at least every six years, though the department may add qualified cost-reimbursement contractors to the list at any time. The department shall enter a master contract with each contractor selected and shall thereafter make work assignments based on availability and qualifications.

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- (5) The department may remove any contractor from the contractor 1 list for poor performance, malfeasance, or excessive complaints from 2 cost-reimbursement participants. The department may interview any 3 cost-reimbursement contractor to determine whether the person is 4 qualified for this work, and shall spot check the work of contractors 5 6 to ensure that the public is being competently served.
- 7 (6) When assigned an application or set of applications to investigate, the contractor must document its findings and recommended 8 disposition in the form of written draft reports of examination. The department may modify the reports of examination submitted by the 10 11 contractor. The department's decision on a permit application is final unless it is appealed to the pollution control hearings board under 12 13 chapter 43.21B RCW.

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- 14 NEW SECTION. Sec. 2. A new section is added to chapter 90.44 RCW to read as follows: 15
- 16 Applications to appropriate ground water under a cost-reimbursement 17 agreement must be processed in accordance with RCW 90.03.265 when an 18 applicant requests the assignment of a cost-reimbursement contractor as provided in RCW 43.21A.690. 19
- 20 NEW SECTION. Sec. 3. A new section is added to chapter 90.03 RCW 21 to read as follows:
- 22 (1) The department shall establish and maintain a list of certified water right examiners. Certified water right examiners on the list are 23 24 eligible to perform final proof examinations of permitted water uses 25 leading to the issuance of a water right certificate. The list must be updated annually and must be made available to the public through 26 27 written and electronic media. In order to qualify for inclusion on the 28 list, an individual must be registered in Washington as a professional 29 engineer, professional land surveyor, or registered hydrogeologist. Qualified individuals must also pass a written examination prior to 30 being certified by the department. 31 Such an examination must be administered by either the department or an entity formally approved by 32 33 the department. Each certified water right examiner must demonstrate 34 knowledge and competency regarding:

(a) Water law in the state of Washington;

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- 1 (b) Measurement of the flow of water through open channels and 2 enclosed pipes;
  - (c) Water use and water level reporting;
  - (d) Estimation of the capacity of reservoirs and ponds;
  - (e) Irrigation crop water requirements;
    - (f) Aerial photo interpretation;

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- (g) Legal descriptions of land parcels;
- 8 (h) Location of land and water infrastructure through the use of 9 maps and global positioning;
  - (i) Proper construction and sealing of well bores; and
  - (j) Other topics related to the preparation and certification of water rights in Washington state.
  - (2) Except as provided in subsection (7) of this section, upon completion of a water appropriation and putting water to beneficial use, in order to receive a final water right certificate, the permit holder must secure the services of a certified water right examiner who has been tested and certified by the department. The examiner shall carry out a final examination of the project to verify its completion and to determine and document for the permit holder and the department the amount of water that has been appropriated for beneficial use, the location of diversion or withdrawal and conveyance facilities, and the actual place of use. The examiner shall take measurements or make estimates of the maximum diversion or withdrawal, the capacity of water storage facilities, the acreage irrigated, the type and number of residences served, the type and number of stock watered, and other information relevant to making a final determination of the amount of water beneficially used. The examiner shall make photographs of the facilities to document the use or uses of water and the photographs must be submitted with the examiner's report to the department. department shall specify the format and required content of the reports and may provide a form for that purpose.
  - (3) The department may suspend or revoke a certification based on poor performance, malfeasance, failure to acquire continuing education credits, or excessive complaints from the examiner's customers. The department may require the retesting of an examiner. The department may interview any examiner to determine whether the person is qualified for this work. The department shall spot check the work of examiners to ensure that the public is being competently served. Any person

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aggrieved by an order of the department including the granting, denial, revocation, or suspension of a certificate issued by the department under this chapter may appeal pursuant to chapter 43.21B RCW.

- (4) The decision regarding whether to issue a final water right certificate and in what amounts and other particulars is solely the responsibility and function of the department.
- (5) Each certified water right examiner must complete eight hours annually of qualifying continuing education in the water resources field. The department shall determine and specify the qualifying continuing education and shall inform examiners of the opportunities. The department shall track whether examiners are current in their continuing education and may suspend the certification of an examiner who has not complied with the continuing education requirement.
- 14 (6) Each certified water right examiner must be bonded for at least 15 fifty thousand dollars.
  - (7) The department may waive the requirement to secure the services of a certified water right examiner in situations in which the department deems it unnecessary for purposes of issuing a certificate of water right.
  - (8) The department shall establish and collect fees for the examination, certification, and renewal of certification of water right examiners. Pursuant to RCW 43.135.055, the department is authorized to set fees for examination, certification, and renewal of certification for water right examiners.
- 25 (9) The department may adopt rules appropriate to carry out the 26 purposes of this section.
- **Sec. 4.** RCW 90.03.255 and 1997 c 360 s 2 are each amended to read as follows:
  - (1) The department shall, when evaluating an application for a water right, transfer, or change filed pursuant to RCW 90.03.250 or 90.03.380 that includes provision for any water impoundment or other resource management technique, take into consideration the benefits and costs, including environmental effects, of any water impoundment or other resource management technique that is included as a component of the application. The department's consideration shall extend to any increased water supply that results from the impoundment or other resource management technique, including but not limited to any

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recharge of groundwater that may occur, as a means of making water available or otherwise offsetting the impact of the diversion of surface water proposed in the application for the water right, transfer, or change. Except as provided in subsection (2) of this section, provision for an impoundment or other resource management technique in an application shall be made solely at the discretion of the applicant and shall not otherwise be made by the department as a condition for approving an application that does not include such provision.

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- (2) If the department has determined by adoption of rules, order, or other appealable agency action that no water remains available for any unmitigated new appropriation from a water source, the department shall notify all persons holding pending applications to divert water from that source of the determination. Such a notice must be made by way of mail and by publication in a newspaper of general circulation in the area where affected properties are located, and must include requirements as prescribed in subsection (3) of this section.
- (3) Within three years after the date notification is mailed, the department may issue an order requiring each applicant to amend their application to include provisions for a water impoundment or other resource management technique as provided in subsection (1) of this section that would ensure that, if the application were granted, the effects of the diversion would not impair any senior water right, adopted instream flows, or closed water sources. The department shall issue decisions on the water right applications for which proposals for impoundment or other resource management techniques are included under this subsection. The department shall issue an order denying any application for which no acceptable proposal is submitted within the three years provided. For good cause shown, including demonstrated diligence in working to identify a water impoundment or resource management technique, the department may, in response to a written request from an individual applicant, extend the time to submit the amended application required in this subsection by no more than two additional years. The department may also place pending applications for appropriation from a particular water source into project-dependent status where a proposed water supply development project or projects could feasibly make water available for such dormant applications. The department may make such a determination: (a) On its own volition; (b)

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- upon receipt of a written request or recommendation from a watershed 1 planning unit; or (c) upon receipt of a resolution of a county 2 legislative authority with jurisdiction over the area in which the 3 water source is located. Pending applications in project-dependent 4 status terminate automatically ten years after placement into such 5 6 status unless extended by the department for good cause shown. In no 7 case may the department extend project-dependent status for any dormant application by more than twenty years from the date such an application 8 was initially placed into project-dependent status. 9
  - (4) Upon the written request of any applicant who requests it, the department shall provide a contact list of all other applicants who received notification under this subsection for purposes of enabling applicants to coordinate among each other to develop plans for water impoundment or other resource management technique required by this subsection.
- 16 <u>(5)</u> This section does not lessen, enlarge, or modify the rights of 17 any riparian owner, or any existing water right acquired by 18 appropriation or otherwise.
- 19 **Sec. 5.** RCW 90.14.065 and 1987 c 93 s 1 are each amended to read 20 as follows:
  - (1)(a) Any person or entity, or successor to such person or entity, having a statement of claim on file with the water rights claims registry ((on April 20, 1987,)) may submit to the department of ecology for filing(( $\tau$ )) an amendment to such a statement of claim if the submitted amendment is based on:
  - $((\frac{1}{1}))$  (i) An error in estimation of the quantity of the applicant's water claim prescribed in RCW 90.14.051 if the applicant provides reasons for the failure to claim such right in the original claim;
  - $((\frac{(2)}{(2)}))$  (ii) A change in circumstances not foreseeable at the time the original claim was filed, if such change in circumstances relates only to the manner of transportation or diversion of the water and not to the use or quantity of such water; or
- $((\frac{3}{3}))$  (iii) The amendment is ministerial in nature.
- 35 <u>(b)</u> The department shall accept any such submission and file the 36 same in the registry unless the department by written determination

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concludes that the requirements of (a)(i), (ii), or (iii) of this subsection (((1), (2), or (3)) of this section)) have not been satisfied.

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- (2) A water right claim may be changed or amended in the same manner as a permit or certificate under RCW 90.03.380 and 90.44.100. However, RCW 90.44.100(4) applies as follows: For a water right claim, the "location of the original well or wells" is the area up to one-quarter mile radius from the current well or wells.
- (3) Any person aggrieved by a determination of the department may obtain a review thereof by filing a petition for review with the pollution control hearings board within thirty days of the date of the determination by the department. The provisions of RCW 90.14.081 shall apply to any amendment ((filed)) approved under this section.
- 14 **Sec. 6.** RCW 90.44.055 and 1997 c 360 s 3 are each amended to read 15 as follows:
  - (1) The department shall, when evaluating an application for a water right or an amendment filed pursuant to RCW 90.44.050 or 90.44.100 that includes provision for any water impoundment or other resource management technique, take into consideration the benefits and costs, including environmental effects, of any water impoundment or other resource management technique that is included as a component of The department's consideration shall extend to any the application. increased water supply that results from the impoundment or other resource management technique, including but not limited to any recharge of groundwater that may occur, as a means of making water available or otherwise offsetting the impact of the withdrawal of groundwater proposed in the application for the water right amendment in the same water resource inventory area. provided in subsection (2) of this section, provision for impoundment or other resource management technique in an application shall be made solely at the discretion of the applicant and shall not be made by the department as a condition for approving an application that does not include such provision.
  - (2) If the department has determined by adoption of rules, order, or other appealable agency action that no water remains available for any unmitigated new appropriation from a water source, the department shall notify all persons holding pending applications to withdraw water

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from that source of the determination. Such a notice must be made by way of mail and by publication in a newspaper of general circulation in the area where affected properties are located, and must include requirements as prescribed in subsection (3) of this section.

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(3) Within three years after the date notification is mailed, the department may issue an order requiring each applicant to amend their application to include provisions for a water impoundment or other resource management technique as provided in subsection (1) of this section that would ensure that, if their application were granted, the effects of the withdrawal would not impair any senior water right, adopted instream flow, or closed water sources. The department shall issue decisions on the water right applications for which proposals for impoundment or other resource management techniques are included under this subsection. The department shall issue an order denying any application for which no proposal is submitted within the three years provided. For good cause shown, including demonstrated diligence in working to identify a water impoundment or resource management technique, the department may, in response to a written request from an individual applicant, extend the time to submit the amended application required in this subsection by no more than two additional years. The department may also place pending applications for appropriation from a particular water source into project-dependent status where a proposed water supply development project or projects could feasibly make water available for such dormant applications. The department may make such a determination: (a) On its own volition; (b) upon receipt of a written request or recommendation from a watershed planning unit; or (c) upon receipt of a resolution of a county legislative authority with jurisdiction over the area in which the water source is located. Pending applications in project-dependent status terminate automatically ten years after placement into such status unless extended by the department for good cause shown. In no case may the department extend project-dependent status for any dormant application by more than twenty years from the date such an application was initially placed into project-dependent status.

(4) Upon the written request of any applicant who requests it, the department shall provide a contact list of all other applicants who received notification under this subsection for purposes of enabling

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applicants to coordinate among each other to develop plans for water impoundment or other resource management technique required by this subsection.

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(5) This section does not lessen, enlarge, or modify the rights of any riparian owner, or any existing water right acquired by appropriation or otherwise.

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