

**ESB 5647** - H COMM AMD

By Committee on Agriculture & Natural Resources

NOT CONSIDERED 04/22/2011

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

3 "Sec. 1. RCW 90.90.010 and 2006 c 6 s 2 are each amended to read  
4 as follows:

5 (1) The Columbia river basin water supply development account is  
6 created in the state treasury. The account may receive direct  
7 appropriations from the legislature, receipts of any funds pursuant to  
8 RCW 90.90.020 and 90.90.030, or funds from any other sources. The  
9 account is intended to fund projects using tax exempt bonds.

10 (2)(a) Expenditures from the Columbia river basin water supply  
11 development account may be used to assess, plan, and develop new  
12 storage, improve or alter operations of existing storage facilities,  
13 implement conservation projects, develop pump exchanges, or any other  
14 actions designed to provide access to new water supplies within the  
15 Columbia river basin for both instream and out-of-stream uses. Except  
16 for the development of new storage projects and pump exchanges, there  
17 shall be no expenditures from this account for water acquisition or  
18 transfers from one water resource inventory area to another without  
19 specific legislative authority. For purposes of this chapter, "pump  
20 exchanges" means water supply development projects that exchange water  
21 from one source to another or relocate an existing diversion  
22 downstream, with resulting instream benefit.

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

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

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

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

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

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

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

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

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

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

27 (6) The department of ecology may enter into water service  
28 contracts with applicants receiving water from the program to recover  
29 all or a portion of the cost of developing the water supply. Costs  
30 recovered under water service contracts does not include staff time  
31 expended by the department on developing the water supply. With the  
32 applicant's concurrence, the department may receive power revenue  
33 generated by the water supply developed by the department through water  
34 service contracts. The department may deny an application if the  
35 applicant does not enter into a water service contract. Revenue  
36 collected from water service contracts must be deposited into the  
37 Columbia river basin water supply revenue recovery account created in  
38 section 3 of this act. The department may adopt rules describing the

1 methodology as to how charges will be established and direct costs  
2 recovered for water supply developed under the Columbia river basin  
3 water supply program. Water service contracts with federal agencies  
4 under RCW 90.42.150 are not required to be established by rule.

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

7 ((+7)) (8) Interest earned by deposits in the account will be  
8 retained in the account.

9 NEW SECTION. Sec. 2. A new section is added to chapter 90.90 RCW  
10 to read as follows:

11 (1) The Columbia river basin taxable bond water supply development  
12 account is created in the state treasury. All receipts from direct  
13 appropriations from the legislature, moneys directed to the account  
14 pursuant to RCW 90.90.020 and 90.90.030, or moneys directed to the  
15 account from any other sources must be deposited in the account.  
16 Moneys in the account may be spent only after appropriation. The  
17 account is intended to fund projects using taxable bonds. Expenditures  
18 from the account may be used only as provided in this section.

19 (2)(a) Expenditures from the Columbia river basin taxable bond  
20 water supply development account may be used to assess, plan, and  
21 develop new storage, improve or alter operations of existing storage  
22 facilities, implement conservation projects, develop pump exchanges, or  
23 any other actions designed to provide access to new water supplies  
24 within the Columbia river basin for both instream and out-of-stream  
25 uses. Except for the development of new storage projects and pump  
26 exchanges, there may be no expenditures from the account for water  
27 acquisition or transfers from one water resource inventory area to  
28 another without specific legislative authority. For the purposes of  
29 this section, the term "pump exchanges" means water supply development  
30 projects that exchange water from one source to another or relocate an  
31 existing diversion downstream, with resulting instream benefit.

32 (b) Two-thirds of the moneys placed in the account must be used to  
33 support the development of new storage facilities and pump exchanges;  
34 the remaining one-third of the moneys must be used for the other  
35 purposes listed in this section.

36 (3)(a) Funds may not be expended from the account for the

1 construction of a new storage facility until the department of ecology  
2 evaluates the following:

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

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

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

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

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

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

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

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

30 (6) The department of ecology may enter into water service  
31 contracts with applicants receiving water from the program to recover  
32 all or a portion of the cost of developing the water supply. Costs  
33 recovered under water service contracts does not include staff time  
34 expended by the department on developing the water supply. With the  
35 applicant's concurrence, the department may receive power revenue  
36 generated by the water supply developed by the department through water  
37 service contracts. The department may deny an application if the  
38 applicant does not enter into a water service contract. Revenue

1 collected from water service contracts must be deposited into the  
2 Columbia river basin water supply revenue recovery account created in  
3 section 3 of this act. The department may adopt rules describing the  
4 methodology as to how charges will be established and direct costs  
5 recovered for water supply developed under the Columbia river basin  
6 water supply program. Water service contracts with federal agencies  
7 under RCW 90.42.150 are not required to be established by rule.

8 (7) Interest earned by deposits in the account will be retained in  
9 the account.

10 NEW SECTION. **Sec. 3.** A new section is added to chapter 90.90 RCW  
11 to read as follows:

12 (1) The Columbia river basin water supply revenue recovery account  
13 is created in the state treasury. All receipts from direct  
14 appropriations from the legislature, moneys directed to the account  
15 pursuant to RCW 90.90.020 and 90.90.030, revenue from water service  
16 contracts described in this chapter, or moneys directed into the  
17 account from any other sources must be deposited in the account.  
18 Moneys in the account may be spent only after appropriation.  
19 Expenditures from the account may be used only as provided in this  
20 section.

21 (2)(a) Expenditures from the Columbia river basin water supply  
22 revenue recovery account may be used to assess, plan, and develop new  
23 storage, improve or alter operations of existing storage facilities,  
24 implement conservation projects, develop pump exchanges, or any other  
25 actions designed to provide access to new water supplies within the  
26 Columbia river basin for both instream and out-of-stream uses. Except  
27 for the development of new storage projects and pump exchanges, there  
28 may be no expenditures from the account for water acquisition or  
29 transfers from one water resource inventory area to another without  
30 specific legislative authority. For the purposes of this section, the  
31 term "pump exchanges" means water supply development projects that  
32 exchange water from one source to another or relocate an existing  
33 diversion downstream, with resulting instream benefit.

34 (b) Two-thirds of the moneys placed in the account must be used to  
35 support the development of new storage facilities and pump exchanges;  
36 the remaining one-third of the moneys must be used for the other  
37 purposes listed in this section.

1 (3)(a) Funds may not be expended from the 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 groundwater for existing irrigation is exempt from the  
30 provisions of subsection (4) of this section.

31 (6) The department of ecology may enter into water service  
32 contracts with applicants receiving water from the program to recover  
33 all or a portion of the cost of developing the water supply. Costs  
34 recovered under water service contracts does not include staff time  
35 expended by the department on developing the water supply. With the  
36 applicant's concurrence, the department may receive power revenue  
37 generated by the water supply developed by the department through water  
38 service contracts. The department may deny an application if the

1 applicant does not enter into a water service contract. Revenue  
2 collected from water service contracts must be deposited into the  
3 Columbia river basin water supply revenue recovery account created in  
4 this section. The department may adopt rules describing the  
5 methodology as to how charges will be established and direct costs  
6 recovered for water supply developed under the Columbia river basin  
7 water supply program. Water service contracts with federal agencies  
8 under RCW 90.42.150 are not required to be established by rule.

9 (7) Interest earned by deposits in the account will be retained in  
10 the account.

11 **Sec. 4.** RCW 90.90.020 and 2006 c 6 s 3 are each amended to read as  
12 follows:

13 (1)(a) Water supplies secured through the development of new  
14 storage facilities made possible with funding from the Columbia river  
15 basin water supply development account, the Columbia river basin  
16 taxable bond water supply development account, and the Columbia river  
17 basin water supply revenue recovery account shall be allocated as  
18 follows:

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

21 (ii) One-third of active storage shall be available to augment  
22 instream flows and shall be managed by the department of ecology. The  
23 timing of releases of this water shall be determined by the department  
24 of ecology, in cooperation with the department of fish and wildlife and  
25 fisheries comanagers, to maximize benefits to salmon and steelhead  
26 populations.

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

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

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

1 (a) Alternatives to groundwater for agricultural users in the  
2 Odessa subarea aquifer;

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

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

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

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

14 NEW SECTION. **Sec. 5.** A new section is added to chapter 90.90 RCW  
15 to read as follows:

16 Two-thirds of the water made available through reoperation of  
17 Sullivan lake funded from the Columbia river basin water supply  
18 development account created in RCW 90.90.010 must be used to supply or  
19 offset out-of-stream uses described in RCW 90.90.020(3) in Douglas,  
20 Ferry, Lincoln, Okanogan, Pend Oreille, and Stevens counties. At least  
21 one-half of this quantity must be made available for municipal,  
22 domestic, and industrial uses.

23 **Sec. 6.** RCW 43.84.092 and 2010 1st sp.s. c 30 s 20, 2010 1st sp.s.  
24 c 9 s 7, 2010 c 248 s 6, 2010 c 222 s 5, 2010 c 162 s 6, and 2010 c 145  
25 s 11 are each reenacted and amended to read as follows:

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

29 (2) The treasury income account shall be utilized to pay or receive  
30 funds associated with federal programs as required by the federal cash  
31 management improvement act of 1990. The treasury income account is  
32 subject in all respects to chapter 43.88 RCW, but no appropriation is  
33 required for refunds or allocations of interest earnings required by  
34 the cash management improvement act. Refunds of interest to the  
35 federal treasury required under the cash management improvement act  
36 fall under RCW 43.88.180 and shall not require appropriation. The



1 office of financial management shall determine the amounts due to or  
2 from the federal government pursuant to the cash management improvement  
3 act. The office of financial management may direct transfers of funds  
4 between accounts as deemed necessary to implement the provisions of the  
5 cash management improvement act, and this subsection. Refunds or  
6 allocations shall occur prior to the distributions of earnings set  
7 forth in subsection (4) of this section.

8 (3) Except for the provisions of RCW 43.84.160, the treasury income  
9 account may be utilized for the payment of purchased banking services  
10 on behalf of treasury funds including, but not limited to, depository,  
11 safekeeping, and disbursement functions for the state treasury and  
12 affected state agencies. The treasury income account is subject in all  
13 respects to chapter 43.88 RCW, but no appropriation is required for  
14 payments to financial institutions. Payments shall occur prior to  
15 distribution of earnings set forth in subsection (4) of this section.

16 (4) Monthly, the state treasurer shall distribute the earnings  
17 credited to the treasury income account. The state treasurer shall  
18 credit the general fund with all the earnings credited to the treasury  
19 income account except:

20 (a) The following accounts and funds shall receive their  
21 proportionate share of earnings based upon each account's and fund's  
22 average daily balance for the period: The aeronautics account, the  
23 aircraft search and rescue account, the budget stabilization account,  
24 the capitol building construction account, the Cedar River channel  
25 construction and operation account, the Central Washington University  
26 capital projects account, the charitable, educational, penal and  
27 reformatory institutions account, the cleanup settlement account, the  
28 Columbia river basin water supply development account, the Columbia  
29 river basin taxable bond water supply development account, the Columbia  
30 river basin water supply revenue recovery account, the common school  
31 construction fund, the county arterial preservation account, the county  
32 criminal justice assistance account, the county sales and use tax  
33 equalization account, the deferred compensation administrative account,  
34 the deferred compensation principal account, the department of  
35 licensing services account, the department of retirement systems  
36 expense account, the developmental disabilities community trust  
37 account, the drinking water assistance account, the drinking water  
38 assistance administrative account, the drinking water assistance

1 repayment account, the Eastern Washington University capital projects  
2 account, the education construction fund, the education legacy trust  
3 account, the election account, the energy freedom account, the energy  
4 recovery act account, the essential rail assistance account, The  
5 Evergreen State College capital projects account, the federal forest  
6 revolving account, the ferry bond retirement fund, the freight  
7 congestion relief account, the freight mobility investment account, the  
8 freight mobility multimodal account, the grade crossing protective  
9 fund, the public health services account, the health system capacity  
10 account, the high capacity transportation account, the state higher  
11 education construction account, the higher education construction  
12 account, the highway bond retirement fund, the highway infrastructure  
13 account, the highway safety account, the high occupancy toll lanes  
14 operations account, the hospital safety net assessment fund, the  
15 industrial insurance premium refund account, the judges' retirement  
16 account, the judicial retirement administrative account, the judicial  
17 retirement principal account, the local leasehold excise tax account,  
18 the local real estate excise tax account, the local sales and use tax  
19 account, the marine resources stewardship trust account, the medical  
20 aid account, the mobile home park relocation fund, the motor vehicle  
21 fund, the motorcycle safety education account, the multiagency  
22 permitting team account, the multimodal transportation account, the  
23 municipal criminal justice assistance account, the municipal sales and  
24 use tax equalization account, the natural resources deposit account,  
25 the oyster reserve land account, the pension funding stabilization  
26 account, the perpetual surveillance and maintenance account, the public  
27 employees' retirement system plan 1 account, the public employees'  
28 retirement system combined plan 2 and plan 3 account, the public  
29 facilities construction loan revolving account beginning July 1, 2004,  
30 the public health supplemental account, the public transportation  
31 systems account, the public works assistance account, the Puget Sound  
32 capital construction account, the Puget Sound ferry operations account,  
33 the Puyallup tribal settlement account, the real estate appraiser  
34 commission account, the recreational vehicle account, the regional  
35 mobility grant program account, the resource management cost account,  
36 the rural arterial trust account, the rural Washington loan fund, the  
37 site closure account, the small city pavement and sidewalk account, the  
38 special category C account, the special wildlife account, the state

1 employees' insurance account, the state employees' insurance reserve  
2 account, the state investment board expense account, the state  
3 investment board commingled trust fund accounts, the state patrol  
4 highway account, the state route number 520 civil penalties account,  
5 the state route number 520 corridor account, the supplemental pension  
6 account, the Tacoma Narrows toll bridge account, the teachers'  
7 retirement system plan 1 account, the teachers' retirement system  
8 combined plan 2 and plan 3 account, the tobacco prevention and control  
9 account, the tobacco settlement account, the transportation 2003  
10 account (nickel account), the transportation equipment fund, the  
11 transportation fund, the transportation improvement account, the  
12 transportation improvement board bond retirement account, the  
13 transportation infrastructure account, the transportation partnership  
14 account, the traumatic brain injury account, the tuition recovery trust  
15 fund, the University of Washington bond retirement fund, the University  
16 of Washington building account, the urban arterial trust account, the  
17 volunteer firefighters' and reserve officers' relief and pension  
18 principal fund, the volunteer firefighters' and reserve officers'  
19 administrative fund, the Washington judicial retirement system account,  
20 the Washington law enforcement officers' and firefighters' system plan  
21 1 retirement account, the Washington law enforcement officers' and  
22 firefighters' system plan 2 retirement account, the Washington public  
23 safety employees' plan 2 retirement account, the Washington school  
24 employees' retirement system combined plan 2 and 3 account, the  
25 Washington state health insurance pool account, the Washington state  
26 patrol retirement account, the Washington State University building  
27 account, the Washington State University bond retirement fund, the  
28 water pollution control revolving fund, and the Western Washington  
29 University capital projects account. Earnings derived from investing  
30 balances of the agricultural permanent fund, the normal school  
31 permanent fund, the permanent common school fund, the scientific  
32 permanent fund, and the state university permanent fund shall be  
33 allocated to their respective beneficiary accounts.

34 (b) Any state agency that has independent authority over accounts  
35 or funds not statutorily required to be held in the state treasury that  
36 deposits funds into a fund or account in the state treasury pursuant to  
37 an agreement with the office of the state treasurer shall receive its

1 proportionate share of earnings based upon each account's or fund's  
2 average daily balance for the period.

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

6 NEW SECTION. **Sec. 7.** The department of ecology shall, within  
7 existing resources and in consultation with stakeholders, evaluate  
8 options for aggregating projects to achieve the instream and  
9 out-of-stream allocation under RCW 90.90.020. The department shall  
10 report its findings to the legislature, consistent with RCW 43.01.036,  
11 by September 15, 2011."

12 Correct the title.

EFFECT: Corrects an erroneous cross-reference concerning  
submitting electronic reports to the legislature. Alphabetizes the  
list of counties eligible for out-of-stream permits from Sullivan lake.

--- END ---