
Capital Budget Committee

SSB 6516

Brief Description: Creating a joint legislative task force to study financing options for water supply, flood control, and storm water projects.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Honeyford, Keiser, Ericksen, Braun and Chase).

Brief Summary of Substitute Bill

- Establishes the Joint Legislative Task Force (Task Force) on Financing Options for Water Supply and Integrated Water Management, Flood Control, and Storm Water Projects.
- Outlines the Task Force and expert work groups' memberships, scope of work, staffing, reporting deadlines, and budget.

Hearing Date: 2/25/14

Staff: Meg VanSchoorl (786-7105).

Background:

Flood Assistance.

According to the Department of Ecology (Ecology), floods are Washington's most costly natural disaster. Between 1980 and 2011 Washington had 22 Presidentially-declared flood disasters, and in 1997 had the highest number of flood disasters in the United States. Since 1980 Washington floods have resulted in damages of \$525 million in federally-reimbursable costs and more than \$2 billion in direct and indirect costs.

In December 2007 a series of storms caused flood damage in southwest Washington. On December 8, 2007, the President declared a major disaster in the counties of Grays Harbor, Kitsap, Lewis, Mason, Pacific, and Thurston. Federal funding assistance was made available following this declaration. In 2008 the Legislature authorized \$50 million in state general obligation bonds for projects throughout the Chehalis River Basin.

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.

In capital budgets from 2009 through 2013 a total of \$28 million, primarily from state general obligation bonds, was appropriated to Ecology for levee improvements in specific communities and for grants to protect communities from flood and drought. The 2013-15 capital budget includes \$50 million in state general obligation bonds appropriated to Ecology for floodplain management and control grants.

Storm Water.

Storm water runoff occurs when rain and snowmelt flows over land or impervious surfaces such as paved streets, parking lots, and building rooftops, and does not percolate into the ground. As it flows, it accumulates debris, chemicals, oil, sediment, and other pollutants that can adversely affect water quality if the runoff is discharged into a water body untreated.

Federal Clean Water Act amendments in 1987 classified storm water discharges from certain industries and municipalities as point sources of pollution that require National Pollutant Discharge Elimination System (NPDES) permits. For the most part, states have been authorized to implement the NPDES storm water program, and in Washington, Ecology is the designated agency. Operators of municipal separate storm sewers, industrial facilities, and construction sites that discharge storm water must obtain a permit from Ecology and must use best management practices to control storm water. Ecology is required to collect permit fees, set in rule, to support the NPDES storm water program.

In capital budgets from 2009 through 2015, a total of \$220 million has been appropriated to Ecology for local storm water projects from Model Toxics Control Act accounts and state general obligation bonds.

Water Supply.

The Columbia River Basin Water Supply Management Program (Columbia River Program) and the Yakima River Basin Integrated Water Resource Management Plan (Yakima Integrated Plan) are current water supply initiatives authorized and funded by the Legislature.

In 2006 the Legislature created the Columbia River Program, authorized the issuance of \$200 million in general obligation bonds over five biennia, and directed Ecology to "aggressively pursue the development of water supplies to benefit both in-stream and out-of-stream uses." In 2013 the Legislature authorized Ecology to implement the Yakima Integrated Plan, the objectives of which include: enhanced water conservation and efficiency; water reallocation markets; in-basin surface and groundwater storage facilities; fish passage at existing in-basin reservoirs; structural and operational modifications to existing facilities; habitat protection and restoration; and general watershed enhancements. The Yakima Integrated Plan includes a list of proposed actions preliminarily estimated to cost approximately \$4 billion over a 30 year period.

The 2013-15 capital budget includes \$74.5 million in new appropriations for projects under the Columbia River Program and \$131 million in new appropriations for projects under the Yakima Integrated Plan.

Summary of Bill:

Legislative Findings.

The Legislature finds that probable climate changes, drought and storm cycles, population growth and required development, as well as aging and inadequate water supply, storm water, and flood control infrastructure present risks to health, safety, economic growth, and natural resources.

Creation of Task Force, Scope of Work, and Reports.

A joint legislative task force on financing options for water supply and integrated water management, flood control, and storm water projects is established. Together with expert work groups that it must establish, the task force must review:

- Risks of inadequate water supply, flood control and storm water systems.
- Advances in water supply development, integrated water management, flood control and storm water technology, engineering, and ecosystem management.
- Financing options for these advances, including options for incurring debt at the lowest cost and possible state and local revenues to service the debt without diverting state general funds.
- Governance options for prioritizing financing of these projects and establishing state and local policies that ensure project benefits are not eroded.

Initial findings and recommendations must be reported to the Governor and appropriate legislative committees by December 1, 2014, with a final report by September 1, 2015.

Task Force Membership and Support.

The task force will consist of:

- four members of the House of Representatives, one from each of the two largest caucuses from the Capital Budget Committee and the appropriate policy committees, appointed by the House Speaker; and
- four members of the Senate, one from each of the two largest caucuses from the appropriate policy committees and the Capital Budget chair and ranking minority members of the Ways and Means Committee, appointed by the Senate President.

The Governor or his representative may serve on the task force. The Governor must select:

- four task force members representing local governments, two from communities at risk from scarce water supplies and two from communities at risk from flooding and storm water control problems, from nominations received from the Association of Washington Cities and Washington Association of Counties; and
- two tribal representatives, one from an area at risk of inadequate water supplies and one from an area at risk of flooding, from nominations received from the Governor's Office of Indian Affairs.

The task force must select a chair from among legislative members. Staff support for the task force must be provided by the House Office of Program Research and by Senate Committee Services. The task force must establish expert work groups, whose members may be selected for their relevant expertise from public and private organizations.

The Office of State Treasurer, Office of Financial Management, and the departments of Ecology, Health, Agriculture, Commerce, and Fish and Wildlife must cooperate with the task force, and provide leadership and staff support to its work groups.

Provisions are included related to travel reimbursement and other task force expenses.

Appropriation: \$1 million from the Public Works Assistance Account, of which \$800,000 is for the Office of Financial Management and \$100,000 each is for the House of Representatives and the Senate.

Fiscal Note: Requested on February 24, 2014.

Effective Date: The bill contains an emergency clause and takes effect immediately.