

SENATE BILL REPORT

SB 5367

As Reported by Senate Committee On:
Agriculture, Water & Rural Economic Development, February 12, 2013

Title: An act relating to Yakima river basin water resource management.

Brief Description: Concerning Yakima river basin water resource management.

Sponsors: Senators Honeyford, Hatfield, Fraser, King, Nelson, Delvin and Shin; by request of Governor Inslee.

Brief History:

Committee Activity: Agriculture, Water & Rural Economic Development: 2/07/13, 2/12/13 [DPS-WM].

SENATE COMMITTEE ON AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 5367 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Hatfield, Chair; Brown, Eide, Hobbs, Honeyford, Ranking Member; Schoesler and Shin.

Staff: Bob Lee (786-7404)

Background: The Yakima River Basin Integrated Water Resource Management Plan (Integrated Plan) was developed by the United States Bureau of Reclamation (BOR) in collaboration with the Washington Department of Ecology (DOE) and other interested entities in the Yakima River basin. The Integrated Plan offers a proposed approach to improving water management in the Yakima River basin. The stated goals of the Integrated Plan are to protect, mitigate, and enhance fish and wildlife habitat; provide increased operational flexibility to manage instream flows to meet ecological objectives; and improve the reliability of the water supply for irrigation, municipal supply, and domestic uses.

According to the contents of the Integrated Plan, this approach includes seven elements: fish passage, structural and operational changes, surface water storage, groundwater storage, habitat protection and enhancement, enhanced water conservation, and market-based water reallocation. The Integrated Plan includes a list of proposed actions estimated to cost

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approximately \$4 billion to complete. If funded, these actions would be carried out over a period of up to 30 years.

The area affected by the Integrated Plan is limited to the Yakima River basin and includes much of Kittitas, Yakima, and Benton counties. This area includes a major portion of the Yakama Indian Reservation, several irrigation districts, and the main stem and multiple tributaries to the Yakima River.

Summary of Bill (Recommended Substitute): Direction is given to DOE to develop water supply solutions consistent with the Integrated Plan that provide concurrent benefits to both in and out-of-stream uses. The goal of this effort is to enhance fish and wildlife resources, improve water availability and reliability, establish more efficient water markets, manage the variability of water supplies, and prepare for the uncertainties of climate change through operational and structural changes.

To accomplish these goals, DOE is specifically authorized to take certain steps. These include actions such as accepting related funds, developing projects consistent with the Integrated Plan designed to provide access to new water supplies within the Yakima River basin, entering into contracts that ensure the efficient delivery of water, and providing for the design of facilities necessary to implement the Integrated Plan. Water supplies secured through the development of new or expanded storage facilities developed under the Integrated Plan must be allocated for out-of-stream uses and to augment instream flows. Any yet-to-be appropriated water may only be used to augment instream flows to the extent that existing water rights are not impaired.

Nothing in the act is to alter or limit, impair, waive, or abrogate rights of the Yakama Nation, irrigation districts, or other entities when it comes to the waters in the Yakima River basin.

Three new accounts are created: the Yakima Integrated Plan Implementation Account (Implementation Account), the Yakima Integrated Plan Implementation Taxable Bond Account (Bond Account), and the Yakima Integrated Plan Implementation Revenue Recovery Account (Recovery Account). All three accounts are appropriated accounts that retain their own interest.

All three accounts may be used to assess, plan, and develop projects included in, or consistent with, the Integrated Plan. The accounts may only be used to fund new water storage facilities if DOE first evaluates the proposed water uses, the necessary quantity to meet those uses, the costs and benefits, and any available alternative means. The Implementation Account and the Bond Account are intended to fund projects using tax-exempt bonds. The Recovery Account is intended to fund projects using revenues from water service contracts.

For water supplies developed under the Integrated Plan to support future municipal and domestic water needs, DOE must give preference to other entities in managing water service contracts. DOE may enter into water service contracts directly if contracting with other entities is not feasible or suitable. These contracts must recover all or a portion of the water development costs, with any revenues being dedicated to the Recovery Account.

DOE must provide a status report to the Legislature and the Governor once every biennium through the year 2045. These reports must be developed in consultation with the Yakama Nation, BOR, and stakeholders in the Yakima River basin.

EFFECT OF CHANGES MADE BY AGRICULTURE, WATER & RURAL ECONOMIC DEVELOPMENT COMMITTEE (Recommended Substitute): A technical clarification was provided to section 8.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: None.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: The Yakima Basin have experience repeated droughts which have had major impacts on water supplies needed for salmon, production of crops, and municipal and domestic purposes. The goal of the plan is to enhance stream flows for salmon, open passage above existing reservoirs to fish, provide junior agricultural water right holders with at least 70 percent of normal water supply in drought years, purchase lands in upper reaches for restoration of fish and wildlife habitat, and for multiple uses.

CON: There is opposition to raising Bumping Lake due to the impact on cabin owners and because it is hard for the watershed to reliably produce enough to refill a larger reservoir. Some opponents fear that all proposed storage sites will not be approved and suggested importing water into the Yakima River from the Columbia River.

Persons Testifying: PRO: Derek Sandison, DOE; Urban Eberhart, Kittitas Reclamation District; Philip Rigdon, Yakima Nation; Mike Leita, Yakima County Commissioner; Steve Malloch, National Wildlife Federation; Jim Halstrom, WA State Horticultural Assn.; Peter Dykstra, Wilderness Society; Tom Davis, WA Farm Bureau; Leda Chahim, Cascade Land Conservancy; Darcy Nonemacher, WA Environmental Council; Kate Miller, Trout Unlimited; Paul Jewell, Kittitas County Commissioners; Juelie Dalzell, Back Country Horsemen of WA.

CON: David Ortman, Sierra Club, North Cascades Conservation Council; Chris Mayket, Friends of Bumping Lake; Charlie de la Chapelle, Warren Dickman, Daniel Martinez, Yakima Basin Storage Alliance; Scott Miller, citizen.