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SUBSTITUTE SENATE BILL 5239

State of Washington 65th Legislature 2017 Regular Session

By Senate Agriculture, Water, Trade & Economic Development (originally sponsored by Senators Warnick, Takko, Ericksen, Becker, Walsh, Angel, Wilson, Schoesler, Honeyford, Pearson, Brown, and Padden)

READ FIRST TIME 02/10/17.

- 1 AN ACT Relating to ensuring that water is available to support
- 2 development; amending RCW 19.27.097, 36.70A.070, 58.17.110,
- 3 90.03.247, 90.54.040, and 90.54.120; and declaring an emergency.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 19.27.097 and 2015 c 225 s 17 are each amended to 6 read as follows:
 - (1) Each applicant for a building permit of a building necessitating potable water shall provide evidence of an adequate water supply for the intended use of the building. Evidence may be in the form of a water right permit from the department of ecology, a letter from an approved water purveyor stating the ability to provide water, a water well report for a groundwater withdrawal exempt from permitting under RCW 90.44.050 and not prohibited by an applicable water resources management rule adopted under chapter 90.54 RCW by the department of ecology, or another form sufficient to verify the existence of an adequate water supply. ((In addition to other authorities, the county or city may impose conditions on building permits requiring connection to an existing public water system where the existing system is willing and able to provide safe and reliable potable water to the applicant with reasonable economy and

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efficiency.)) An application for a water right shall not be sufficient proof of an adequate water supply.

- (2) <u>In addition to other authorities</u>, the county or city may impose conditions on building permits requiring connection to an existing public water system where the existing system is willing and able to provide safe and reliable potable water to the applicant with reasonable economy and efficiency.
- (3) Within counties not required or not choosing to plan pursuant to RCW 36.70A.040, the county and the state may mutually determine those areas in the county in which the requirements of subsections (1) and (2) of this section shall not apply. The departments of health and ecology shall coordinate on the implementation of this section. Should the county and the state fail to mutually determine those areas to be designated pursuant to this subsection, the county may petition the department of enterprise services to mediate or, if necessary, make the determination.
- $((\frac{3}{3}))$ (4) Buildings that do not need potable water facilities are exempt from the provisions of this section. The department of ecology, after consultation with local governments, may adopt rules to implement this section, which may recognize differences between high-growth and low-growth counties.

Sec. 2. RCW 36.70A.070 and 2015 c 241 s 2 are each amended to 23 read as follows:

The comprehensive plan of a county or city that is required or chooses to plan under RCW 36.70A.040 shall consist of a map or maps, and descriptive text covering objectives, principles, and standards used to develop the comprehensive plan. The plan shall be an internally consistent document and all elements shall be consistent with the future land use map. A comprehensive plan shall be adopted and amended with public participation as provided in RCW 36.70A.140. Each comprehensive plan shall include a plan, scheme, or design for each of the following:

(1) A land use element designating the proposed general distribution and general location and extent of the uses of land, where appropriate, for agriculture, timber production, housing, commerce, industry, recreation, open spaces, general aviation airports, public utilities, public facilities, and other land uses. The land use element shall include population densities, building intensities, and estimates of future population growth. The land use

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element shall provide for protection of the quality and quantity of groundwater used for public water supplies. In providing for the protection of the quantity of groundwater used for public water supplies under this subsection, a county or city may rely on or refer to applicable water resources management rules adopted by the department of ecology. Wherever possible, the land use element should consider utilizing urban planning approaches that promote physical activity. Where applicable, the land use element shall review drainage, flooding, and storm water run-off in the area and nearby jurisdictions and provide guidance for corrective actions to mitigate or cleanse those discharges that pollute waters of the state, including Puget Sound or waters entering Puget Sound.

- (2) A housing element ensuring the vitality and character of established residential neighborhoods that: (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth; (b) includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences; (c) identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and (d) makes adequate provisions for existing and projected needs of all economic segments of the community.
- (3) A capital facilities plan element consisting of: (a) An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities; (b) a forecast of the future needs for such capital facilities; (c) the proposed locations and capacities of expanded or new capital facilities; (d) at least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (e) a requirement to reassess the land use element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities plan element, and financing plan within the capital facilities plan element are coordinated and consistent. Park and recreation facilities shall be included in the capital facilities plan element.
- (4) A utilities element consisting of the general location, proposed location, and capacity of all existing and proposed

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1 utilities, including, but not limited to, electrical lines, 2 telecommunication lines, and natural gas lines.

- (5) Rural element. Counties shall include a rural element including lands that are not designated for urban growth, agriculture, forest, or mineral resources. The following provisions shall apply to the rural element:
- (a) Growth management act goals and local circumstances. Because circumstances vary from county to county, in establishing patterns of rural densities and uses, a county may consider local circumstances, but shall develop a written record explaining how the rural element harmonizes the planning goals in RCW 36.70A.020 and meets the requirements of this chapter.
- (b) Rural development. The rural element shall permit rural development, forestry, and agriculture in rural areas. The rural element shall provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed to serve the permitted densities and uses. To achieve a variety of rural densities and uses, counties may provide for clustering, density transfer, design guidelines, conservation easements, and other innovative techniques that will accommodate appropriate rural densities and uses that are not characterized by urban growth and that are consistent with rural character.
- (c) Measures governing rural development. The rural element shall include measures that apply to rural development and protect the rural character of the area, as established by the county, by:
 - (i) Containing or otherwise controlling rural development;
- 27 (ii) Assuring visual compatibility of rural development with the 28 surrounding rural area;
 - (iii) Reducing the inappropriate conversion of undeveloped land into sprawling, low-density development in the rural area;
 - (iv) Protecting critical areas, as provided in RCW 36.70A.060, and surface water and groundwater resources, which may include measures that rely on or refer to applicable water resources management rules adopted by the department of ecology; and
 - (v) Protecting against conflicts with the use of agricultural, forest, and mineral resource lands designated under RCW 36.70A.170.
 - (d) Limited areas of more intensive rural development. Subject to the requirements of this subsection and except as otherwise specifically provided in this subsection (5)(d), the rural element may allow for limited areas of more intensive rural development,

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including necessary public facilities and public services to serve the limited area as follows:

- (i) Rural development consisting of the infill, development, or redevelopment of existing commercial, industrial, residential, or mixed-use areas, whether characterized as shoreline development, villages, hamlets, rural activity centers, or crossroads developments.
- 8 (A) A commercial, industrial, residential, shoreline, or mixed-9 use area are subject to the requirements of (d)(iv) of this 10 subsection, but are not subject to the requirements of (c)(ii) and 11 (iii) of this subsection.
 - (B) Any development or redevelopment other than an industrial area or an industrial use within a mixed-use area or an industrial area under this subsection (5)(d)(i) must be principally designed to serve the existing and projected rural population.
 - (C) Any development or redevelopment in terms of building size, scale, use, or intensity shall be consistent with the character of the existing areas. Development and redevelopment may include changes in use from vacant land or a previously existing use so long as the new use conforms to the requirements of this subsection (5);
 - (ii) The intensification of development on lots containing, or new development of, small-scale recreational or tourist uses, including commercial facilities to serve those recreational or tourist uses, that rely on a rural location and setting, but that do not include new residential development. A small-scale recreation or tourist use is not required to be principally designed to serve the existing and projected rural population. Public services and public facilities shall be limited to those necessary to serve the recreation or tourist use and shall be provided in a manner that does not permit low-density sprawl;
- (iii) The intensification of development on lots containing isolated nonresidential uses or new development of isolated cottage industries and isolated small-scale businesses that are principally designed to serve the existing and projected rural population and nonresidential uses, but do provide job opportunities for rural residents. Rural counties may allow the expansion of small-scale businesses as long as those small-scale businesses conform with the rural character of the area as defined by the local government according to RCW 36.70A.030(15). Rural counties may also allow new small-scale businesses to utilize a site previously occupied by an

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- existing business as long as the new small-scale business conforms to the rural character of the area as defined by the local government according to RCW 36.70A.030(15). Public services and public facilities shall be limited to those necessary to serve the isolated nonresidential use and shall be provided in a manner that does not permit low-density sprawl;
- 7 (iv) A county shall adopt measures to minimize and contain the existing areas or uses of more intensive rural development, as 8 appropriate, authorized under this subsection. Lands included in such 9 existing areas or uses shall not extend beyond the logical outer 10 boundary of the existing area or use, thereby allowing a new pattern 11 12 of low-density sprawl. Existing areas are those that are clearly identifiable and contained and where there is a logical boundary 13 14 delineated predominately by the built environment, but that may also include undeveloped lands if limited as provided in this subsection. 15 16 The county shall establish the logical outer boundary of an area of 17 more intensive rural development. In establishing the logical outer 18 boundary, the county shall address (A) the need to preserve the character of existing natural neighborhoods and communities, (B) 19 physical boundaries, such as bodies of water, streets and highways, 20 and land forms and contours, (C) the prevention of abnormally 21 irregular boundaries, and (D) the ability to provide public 22 facilities and public services in a manner that does not permit low-23 24 density sprawl;
- (v) For purposes of (d) of this subsection, an existing area or existing use is one that was in existence:
- 27 (A) On July 1, 1990, in a county that was initially required to 28 plan under all of the provisions of this chapter;

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- (B) On the date the county adopted a resolution under RCW 36.70A.040(2), in a county that is planning under all of the provisions of this chapter under RCW 36.70A.040(2); or
- (C) On the date the office of financial management certifies the county's population as provided in RCW 36.70A.040(5), in a county that is planning under all of the provisions of this chapter pursuant to RCW 36.70A.040(5).
- (e) Exception. This subsection shall not be interpreted to permit in the rural area a major industrial development or a master planned resort unless otherwise specifically permitted under RCW 36.70A.360 and 36.70A.365.

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- 1 (6) A transportation element that implements, and is consistent 2 with, the land use element.
- 3 (a) The transportation element shall include the following 4 subelements:
 - (i) Land use assumptions used in estimating travel;

- 6 (ii) Estimated traffic impacts to state-owned transportation
 7 facilities resulting from land use assumptions to assist the
 8 department of transportation in monitoring the performance of state
 9 facilities, to plan improvements for the facilities, and to assess
 10 the impact of land-use decisions on state-owned transportation
 11 facilities;
 - (iii) Facilities and services needs, including:
 - (A) An inventory of air, water, and ground transportation facilities and services, including transit alignments and general aviation airport facilities, to define existing capital facilities and travel levels as a basis for future planning. This inventory must include state-owned transportation facilities within the city or county's jurisdictional boundaries;
 - (B) Level of service standards for all locally owned arterials and transit routes to serve as a gauge to judge performance of the system. These standards should be regionally coordinated;
 - (C) For state-owned transportation facilities, level of service standards for highways, as prescribed in chapters 47.06 and 47.80 RCW, to gauge the performance of the system. The purposes of reflecting level of service standards for state highways in the local comprehensive plan are to monitor the performance of the system, to evaluate improvement strategies, and to facilitate coordination between the county's or city's six-year street, road, or transit program and the office of financial management's ten-year investment program. The concurrency requirements of (b) of this subsection do not apply to transportation facilities and services of statewide significance except for counties consisting of islands whose only connection to the mainland are state highways or ferry routes. In these island counties, state highways and ferry route capacity must be a factor in meeting the concurrency requirements in (b) of this subsection;
- 37 (D) Specific actions and requirements for bringing into 38 compliance locally owned transportation facilities or services that 39 are below an established level of service standard;

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- (E) Forecasts of traffic for at least ten years based on the adopted land use plan to provide information on the location, timing, and capacity needs of future growth;
- (F) Identification of state and local system needs to meet current and future demands. Identified needs on state-owned transportation facilities must be consistent with the statewide multimodal transportation plan required under chapter 47.06 RCW;
 - (iv) Finance, including:

- 9 (A) An analysis of funding capability to judge needs against 10 probable funding resources;
 - (B) A multiyear financing plan based on the needs identified in the comprehensive plan, the appropriate parts of which shall serve as the basis for the six-year street, road, or transit program required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems. The multiyear financing plan should be coordinated with the ten-year investment program developed by the office of financial management as required by RCW 47.05.030;
 - (C) If probable funding falls short of meeting identified needs, a discussion of how additional funding will be raised, or how land use assumptions will be reassessed to ensure that level of service standards will be met;
 - (v) Intergovernmental coordination efforts, including an assessment of the impacts of the transportation plan and land use assumptions on the transportation systems of adjacent jurisdictions;
 - (vi) Demand-management strategies;
 - (vii) Pedestrian and bicycle component to include collaborative efforts to identify and designate planned improvements for pedestrian and bicycle facilities and corridors that address and encourage enhanced community access and promote healthy lifestyles.
 - (b) After adoption of the comprehensive plan by jurisdictions required to plan or who choose to plan under RCW 36.70A.040, local jurisdictions must adopt and enforce ordinances which prohibit development approval if the development causes the level of service on a locally owned transportation facility to decline below the standards adopted in the transportation element of the comprehensive plan, unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development. These strategies may include increased public transportation service,

ride-sharing programs, demand management, and other transportation

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- systems management strategies. For the purposes of this subsection (6), "concurrent with the development" means that improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years. If the collection of impact fees is delayed under RCW 82.02.050(3), the six-year period required by this subsection (6)(b) must begin after full payment of all impact fees is due to the county or city.
 - (c) The transportation element described in this subsection (6), the six-year plans required by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 35.58.2795 for public transportation systems, and the ten-year investment program required by RCW 47.05.030 for the state, must be consistent.

- (7) An economic development element establishing local goals, policies, objectives, and provisions for economic growth and vitality and a high quality of life. The element shall include: (a) A summary of the local economy such as population, employment, payroll, sectors, businesses, sales, and other information as appropriate; (b) a summary of the strengths and weaknesses of the local economy defined as the commercial and industrial sectors and supporting factors such as land use, transportation, utilities, education, workforce, housing, and natural/cultural resources; and (c) an identification of policies, programs, and projects to foster economic growth and development and to address future needs. A city that has chosen to be a residential community is exempt from the economic development element requirement of this subsection.
- (8) A park and recreation element that implements, and is consistent with, the capital facilities plan element as it relates to park and recreation facilities. The element shall include: (a) Estimates of park and recreation demand for at least a ten-year period; (b) an evaluation of facilities and service needs; and (c) an evaluation of intergovernmental coordination opportunities to provide regional approaches for meeting park and recreational demand.
- (9) It is the intent that new or amended elements required after January 1, 2002, be adopted concurrent with the scheduled update provided in RCW 36.70A.130. Requirements to incorporate any such new or amended elements shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130.

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Sec. 3. RCW 58.17.110 and 1995 c 32 s 3 are each amended to read as follows:

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- (1) The city, town, or county legislative body shall inquire into the public use and interest proposed to be served by the establishment of the subdivision and dedication. It shall determine:

 (a) If appropriate provisions are made for, but not limited to, the public health, safety, and general welfare, for open spaces, drainage ways, streets or roads, alleys, other public ways, transit stops, potable water supplies, sanitary wastes, parks and recreation, playgrounds, schools and schoolgrounds, and shall consider all other relevant facts, including sidewalks and other planning features that assure safe walking conditions for students who only walk to and from school; and (b) whether the public interest will be served by the subdivision and dedication.
- (2) A proposed subdivision and dedication shall not be approved unless the city, town, or county legislative body makes written findings that: (a) Appropriate provisions are made for the public health, safety, and general welfare and for such open spaces, drainage ways, streets or roads, alleys, other public ways, transit stops, potable water supplies, sanitary wastes, parks and recreation, playgrounds, schools and schoolgrounds and all other relevant facts, including sidewalks and other planning features that assure safe walking conditions for students who only walk to and from school; and (b) the public use and interest will be served by the platting of such subdivision and dedication. If it finds that the proposed subdivision and dedication make such appropriate provisions and that the public use and interest will be served, then the legislative body shall approve the proposed subdivision and dedication. Dedication of land to any public body, provision of public improvements to serve the subdivision, and/or impact fees imposed under RCW 82.02.050 through 82.02.090 may be required as a condition of subdivision approval. Dedications shall be clearly shown on the final plat. No dedication, provision of public improvements, or impact fees imposed under RCW 82.02.050 through 82.02.090 shall be allowed that constitutes an unconstitutional taking of private property. legislative body shall not as a condition to the approval of any subdivision require a release from damages to be procured from other property owners.
- (3) If the preliminary plat includes a dedication of a public park with an area of less than two acres and the donor has designated

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that the park be named in honor of a deceased individual of good character, the city, town, or county legislative body must adopt the designated name.

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(4) In approving a subdivision, dedication, or short subdivision under this chapter, a city, town, or county may rely on or refer to applicable water resources management rules adopted by the department of ecology to determine if appropriate provisions have been made for potable water supplies.

- Sec. 4. RCW 90.03.247 and 2003 c 39 s 48 are each amended to read as follows:
- (1) Whenever an application for a permit to make beneficial use of public waters is approved relating to a stream or other water body for which minimum flows or levels have been adopted and are in effect at the time of approval, the permit shall be conditioned to: (a) Protect the levels or flows; or (b) mitigate impacts to fish or aquatic resources. Mitigation need not be limited to measures that require water to be replaced and may include other or different measures designed to mitigate the impact of the use of water without requiring the replacement of water. The department may not require the water user to mitigate for impacts that do not result from the water user's use of water.
- (2) No agency may establish minimum flows and levels or similar water flow or level restrictions for any stream or lake of the state other than the department of ecology whose authority to establish is exclusive, as provided in chapter 90.03 RCW and RCW 90.22.010 and 90.54.040. The provisions of other statutes, including but not limited to ((RCW 77.55.100 and)) chapter 43.21C RCW, may not be interpreted in a manner that is inconsistent with this section. In establishing such minimum flows, levels, or similar restrictions, the department shall, during all stages of development by the department of ecology of minimum flow proposals, consult with, and carefully consider the recommendations of, the department of fish and wildlife, the department of ((community, trade, and economic development)) commerce, the department of agriculture, and representatives of the affected Indian tribes. Nothing herein shall preclude the department of fish and wildlife, the department of ((community, trade, and economic development)) commerce, or the department of agriculture from presenting its views on minimum flow needs at any public hearing or to any person or agency, and the department of fish and wildlife,

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- 1 the department of ((community, trade, and economic development))
- 2 <u>commerce</u>, and the department of agriculture are each empowered to
- 3 participate in proceedings of the federal energy regulatory
- 4 commission and other agencies to present its views on minimum flow
- 5 needs.

- **Sec. 5.** RCW 90.54.040 and 1997 c 32 s 2 are each amended to read 7 as follows:
 - (1) The department, through the adoption of appropriate rules, is directed, as a matter of high priority to insure that the waters of the state are utilized for the best interests of the people, to develop and implement in accordance with the policies of this chapter a comprehensive state water resources program which will provide a process for making decisions on future water resource allocation and use. The department may develop the program in segments so that immediate attention may be given to waters of a given physioeconomic region of the state or to specific critical problems of water allocation and use.
 - (2) In relation to the management and regulatory programs relating to water resources vested in it, the department is further directed to modify existing regulations and adopt new regulations, when needed and possible, to insure that existing regulatory programs are in accord with the water resource policy of this chapter and the program established in subsection (1) of this section.
 - (3) The department is directed to review all statutes relating to water resources which it is responsible for implementing. When any of the same appear to the department to be ambiguous, unclear, unworkable, unnecessary, or otherwise deficient, it shall make recommendations to the legislature including appropriate proposals for statutory modifications or additions. Whenever it appears that the policies of any such statutes are in conflict with the policies of this chapter, and the department is unable to fully perform as provided in subsection (2) of this section, the department is directed to submit statutory modifications to the legislature which, if enacted, would allow the department to carry out such statutes in harmony with this chapter.
 - (4)(a) In areas where the department has adopted a rule setting minimum flows or levels, the department is directed to establish a program to mitigate the cumulative impacts of withdrawals for domestic uses that are exempt from permitting under RCW 90.44.050, if

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- the rule is being applied to prohibit such withdrawals. A program 1 established under this subsection must be designed to provide 2 effective watershed-based cumulative impact mitigation for the 3 protection of levels or flows or to mitigate impacts to fish or 4 aquatic resources. Mitigation need not be limited to measures that 5 6 require water to be replaced and may include other or different measures designed to mitigate impacts without requiring the 7 replacement of water. The department may not require individual 8 mitigation in connection with each permit-exempt domestic withdrawal, 9 10 except where an exempt well mitigation program is required by a county through a mitigation program adopted under (b) of this 11 12 subsection.
- (b) Upon written request by a county legislative authority, the 13 department shall allow a county with jurisdiction over a water 14 15 resource inventory area to administer the watershed-based exempt well mitigation program for that area. The watershed-based exempt well 16 17 mitigation program may be administered by another entity through an interlocal cooperation agreement under chapter 39.34 RCW or other 18 19 contracting authority, if the county and the department are parties 20 to the agreement.
- 21 **Sec. 6.** RCW 90.54.120 and 1971 ex.s. c 225 s 13 are each amended 22 to read as follows:
 - ((For the purposes of this chapter, unless the context is clearly to the contrary, the following definitions shall be used:)) The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 27 (1) "Department" means department of ecology.

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- (2) "Utilize" or "utilization" shall not only mean use of water 28 for such long recognized consumptive or nonconsumptive beneficial 29 30 as domestic, stock watering, industrial, commercial, 31 agricultural, irrigation, hydroelectric power production, thermal power production, mining, recreational, maintenance of wildlife and 32 fishlife purposes, but includes the retention of water in lakes and 33 streams for the protection of environmental, scenic, aesthetic and 34 35 related purposes, upon which economic values have not been placed historically and are difficult to quantify. 36
- 37 (3) "Withdrawal of water" means the removal of water from any source for a beneficial use.

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- NEW SECTION. Sec. 7. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.
- NEW SECTION. Sec. 8. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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