

SENATE BILL REPORT

SB 5352

As Reported by Senate Committee On:
Agriculture, Water, Natural Resources & Parks, February 14, 2019
Ways & Means, February 26, 2019

Title: An act relating to the Walla Walla watershed management pilot program.

Brief Description: Concerning the Walla Walla watershed management pilot program.

Sponsors: Senators Walsh, Warnick, McCoy, Kuderer, Van De Wege and Hasegawa.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 2/12/19, 2/14/19 [DPS-WM].
Ways & Means: 2/25/19, 2/26/19 [DP2S].

Brief Summary of Second Substitute Bill

- Extends the expiration date of the Walla Walla pilot local water management program to June 30, 2021.
- Requires the Walla Walla Water Management Board (Board) participate with the Department of Ecology (DOE) to complete performance and financial audits of the Walla Walla pilot water management program's performance over the previous ten years.
- Requires the Board to collaborate with DOE to develop a 30-year integrated water resource management strategic plan.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Majority Report: That Substitute Senate Bill No. 5352 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Van De Wege, Chair; Salomon, Vice Chair; Warnick, Ranking Member; Honeyford, McCoy, Rolfes and Short.

Staff: Karen Epps (786-7424)

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.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5352 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker, Billig, Carlyle, Darneille, Hasegawa, Hunt, Keiser, Liias, Palumbo, Pedersen, Rivers, Schoesler, Van De Wege, Wagoner, Warnick and Wilson, L..

Staff: Jed Herman (786-7346)

Background: Legislation passed in 2009 created the Walla Walla pilot local water management program. The local water management board was created, with representatives drawn from city and county government, federally recognized Indian tribes, conservation districts, and water rights holders. The Board is authorized, among other duties, to assume the role of the local watershed planning unit, to administer the local water plan process, to manage banked water, to acquire water rights, and enter into agreements with water rights holders to not divert water becoming available from local water plans and water banking activities.

The Board must produce a water plan for the Walla Walla watershed. The water plan may be effective for a term of one to ten years. The plan must address, among other things, a determination of the baseline water use for all water rights in the basin, options for reducing total water use from the baseline, a set of practices providing flexibility in water use, and an estimate of the amount of water that would remain instream for fish.

The pilot program legislation authorized the Board to establish a water bank in which surface and groundwater right holders may deposit their water rights on a permanent or temporary basis. The Board may manage those water rights to mitigate for impairment to instream flows and other existing water rights.

The Walla Walla pilot local water management program expires on June 30, 2019.

Summary of Bill (Second Substitute): The expiration date for the Walla Walla pilot local water management program is extended from June 30, 2019, to June 30, 2021. During the transition period between July 1, 2019, and June 30, 2021, the Board must accomplish the following tasks:

- participate with the DOE to complete performance and financial audits of the Walla Walla pilot local water management program's performance over the course of its existence by the deadline of June 30, 2020;
- continue to work with DOE, with the Confederated Tribes of the Umatilla Indian Reservation, and with other participants to advance the Walla Walla basin flow enhancement study;
- collaborate with DOE to prepare a 30-year integrated water resource management strategic plan, which must incorporate the findings and recommendations from the financial and performance audits;

- develop with DOE a report to the Legislature recommending the scope and scale of an integrated water resource management strategic plan to achieve the outcomes of improved and sustainable flows for fish, adequate water supplies for agricultural, municipal, and domestic water users, and improved habitat and floodplain functionality in the Walla Walla watershed; and
- coordinate with the Office of the Columbia River to request funding to complete tasks required during the transition period.

The Board, in collaboration with DOE, must provide its report on the above tasks to the Legislature by November 1, 2020.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute):

- Conditions the work of the performance audit and the financial audit to be performed within existing resources for both the State Auditor's Office and the DOE.

EFFECT OF CHANGES MADE BY AGRICULTURE, WATER, NATURAL RESOURCES & PARKS COMMITTEE (First Substitute):

- Moves the deadline to complete the financial and performance audits from December 31, 2019 to June 30, 2020.
- Corrects a grammatical error.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect on June 30, 2019.

Staff Summary of Public Testimony on Original Bill (Agriculture, Water, Natural Resources & Parks): *The committee recommended a different version of the bill than what was heard.* PRO: This bill extends the partnership out for two more years, with a requirement for a performance and financial audit and a report back to the Legislature. One of the greatest successes of the partnership is the way in which they work together in the Walla River Basin, collaboratively and by making decisions together on policy and projects. The partnership works to provide flexible water management for the water users in order to provide more water in stream for fish, while also making sure there is water for farms and domestic water. The partnership has established a water bank and implemented five local water plans. The partnership has water leases that have provided more water in stream for fish during low flows, as well a mitigation bank for domestic wells. The partnership is working on an integrated flow strategy through the Office of Columbia River and that flow strategy has been focused on possibly a large water project, either a reservoir or exchange with the Columbia River. The partnership would like to develop a 30-year integrated strategic plan for all aspects of water management in the Walla Walla Basin.

OTHER: This legislation extends the duration of the water management partnership. DOE has worked closely with the partnership, the Umatilla Tribe, and others to craft a two year extension of a pilot program. The Walla Walla basin needs a refocused effort to establish in stream flow benefits in the river. An additional two years would be beneficial for DOE and the partnership as more work needs to be done to develop an integrated long term water resources strategy. Once complete, the flow enhancement study will help prioritize the state's investments in that area in the future. This bill extends the sunset date and would give the partnership and DOE additional time to complete the flow enhancement study work and to begin work on an integrated strategy.

Persons Testifying (Agriculture, Water, Natural Resources & Parks): PRO: Senator Maureen Walsh, Prime Sponsor; Judith Johnson, Walla Walla Water Management Partnership.

OTHER: Mary Verner, DOE, Water Resources Program Manager.

Persons Signed In To Testify But Not Testifying (Agriculture, Water, Natural Resources & Parks): No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* OTHER: DOE has worked with the Walla Walla Partnership and the Confederated Tribes to support an extension of the pilot program. Originally the water partnership was a ten year pilot. It will sunset June 30th of this year if not extended. There is \$1.5 million in the Governor's capital budget for a study and to work on a strategic plan for the long term future of the basin.

Persons Testifying (Ways & Means): OTHER: Mary Verner, DOE, Water Resources Program Manager.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.