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SUBSTITUTE HOUSE BILL 1622

State of Washington 66th Legislature 2019 Regular Session

By House Rural Development, Agriculture, & Natural Resources (originally sponsored by Representatives Blake, Kretz, Springer, Chandler, Chapman, Dent, and Shewmake; by request of Department of Ecology)

READ FIRST TIME 02/22/19.

- AN ACT Relating to drought preparedness and response; amending RCW 43.83B.400, 43.83B.405, 43.83B.410, 43.83B.415, and 43.83B.430; adding new sections to chapter 43.83B RCW; decodifying RCW 43.83B.005, 43.83B.200, 43.83B.210, 43.83B.300, 43.83B.345, 43.83B.360, 43.83B.380, and 43.83B.385; repealing RCW 43.83B.220 and 43.83B.336; and providing an expiration date.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 43.83B 9 RCW to read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Department" means the department of ecology.
- 13 (2) "Drought condition" means that the water supply for a 14 geographic area, or for a significant portion of a geographic area, 15 is below seventy-five percent of normal and the water shortage is 16 likely to create undue hardships for water users or the environment.
- 17 (3) "Normal" water supply, for the purpose of determining drought 18 conditions, means the median amount of water available to a 19 geographical area, relative to the most recent thirty-year base 20 period used to define climate normals.

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1 **Sec. 2.** RCW 43.83B.400 and 1989 c 171 s 1 are each amended to read as follows:

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((It is the intent of)) The legislature ((to provide emergency powers to the department of ecology to enable it to take actions, in a timely and expeditious manner, that are designed to alleviate hardships and reduce burdens on various water users and uses arising from drought conditions. As used in this chapter, "drought condition" means that the water supply for a geographical area or for a significant portion of a geographical area is below seventy-five percent of normal and the water shortage is likely to create undue hardships for various water uses and users.)) recognizes that drought and water shortages can place a significant hardship on Washington communities, farms, and the natural environment. Rising temperatures due to climate change may cause water supply shortages to be more frequent and severe in the future. Therefore, the ability to respond to drought and water shortage emergencies is critical to the longterm prosperity of our state. It is the intent of the legislature to provide the department with the authority to effectively and efficiently take actions when a drought emergency occurs to alleviate hardship on water users and our natural environment.

The legislature also recognizes that effective emergency drought response is predicated on building resiliency and preparedness before water shortages occur. Therefore, it is also the intent of the legislature that the department assist water users by supporting measures to strengthen the resiliency and preparedness of water users to drought conditions in the long term.

- 27 **Sec. 3.** RCW 43.83B.405 and 1989 c 171 s 2 are each amended to 28 read as follows:
 - (1) Whenever it appears to the department that drought conditions may develop, the department may issue a drought advisory. The drought advisory should seek to increase the awareness and readiness of affected water users and may recommend voluntary actions to alleviate drought impacts.
 - (2) (a) Whenever it appears to the department ((of ecology)) that a drought condition either exists or is forecast to occur within the state or portions thereof, the department ((of ecology)) is authorized to issue orders of drought emergency, pursuant to adopted rules ((previously adopted)), to implement the powers as set forth in RCW 43.83B.410 through 43.83B.420. ((The department shall,

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- immediately upon the issuance of an order under this section, cause said order to be published in newspapers of general circulation in the areas of the state to which the order relates.))
- 4 (b) Prior to the issuance of an order of drought emergency, the department shall $((\frac{a}{b}))$:
 - (i) Consult with ((and obtain the views of)) the federal and state government entities identified in the drought contingency plan periodically revised by the department pursuant to ((RCW 43.83B.410(4), and
- 10 (b)) section 7 of this act and consult with affected federally
 11 recognized tribes;
- (ii) Consider input from local water users in the determination of undue hardship under section 1(2) of this act; and
- 14 (iii) Obtain the written approval of the governor.

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- 15 <u>(c) Upon issuance of an order of drought emergency, the</u> 16 <u>department shall notify the public of the order consistent with rules</u> 17 <u>adopted by the department.</u>
- 18 <u>(d) Orders of drought emergency</u> issued under ((this section)) <u>(a)</u>
 19 <u>of this subsection</u> shall be deemed orders for the purposes of chapter
 20 34.05 RCW.
- 21 <u>(e) A person may petition the department to declare a drought</u> 22 <u>emergency for the state or portions of the state</u>.
 - $((\frac{(2)}{(2)}))$ (3) (a) Any order issued under subsection $((\frac{(1)}{(1)}))$ (2) of this section shall contain a termination date for the order. The termination date shall be not later than one calendar year from the date the order is issued. Although the department may, with the written approval of the governor, change the termination date by amending the order, no such amendment or series of amendments may have the effect of extending its termination to a date which is later than two calendar years after the issuance of the order.
- 31 (((3))) (b) The provisions of ((subsection (2) of)) this section 32 do not preclude the issuance of more than one order under subsection 33 (((1))) (2) of this section for different areas of the state, or 34 sequentially for the same area, as the need arises ((for such an order or orders)).
- 36 **Sec. 4.** RCW 43.83B.410 and 1989 c 171 s 3 are each amended to read as follows:
- 38 Upon the issuance of an order <u>of drought emergency</u> under RCW 39 43.83B.405(2), the department ((of ecology is empowered to)) may:

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(1) (a) Authorize emergency withdrawal of public surface and ground waters, including dead storage within reservoirs, on a temporary basis and authorize <u>temporary or permanent</u> associated physical works ((which may be either temporary or permanent)).

- (b) The termination date for ((the authority to make such an)) emergency withdrawals may not be later than the termination date of the order issued under RCW 43.83B.405(2) ((under which the power to authorize the withdrawal is established)).
- (c) The department ((of ecology)) may issue ((such)) emergency withdrawal authorizations only when, after investigation and after providing appropriate federal, state, and local governmental bodies and affected federally recognized tribes an opportunity to comment, the following are found:
- (i) The waters proposed for withdrawal are to be used for a beneficial use involving a previously established activity or purpose;
- (ii) The previously established activity or purpose was furnished water through rights applicable to the use of a public body of water that cannot be exercised due to the lack of water arising from natural drought conditions; and
- (iii) The proposed withdrawal will not reduce flows or levels below essential minimums necessary $((\frac{A}{A}))$ to $(\frac{A}{A})$ to $(\frac{A}{A})$ to protect maintenance of fisheries requirements $(\frac{A}{A})$ and $(\frac{A}{A})$ to protect federal and state interests including, among others, power generation, navigation, and existing water rights $(\frac{A}{A})$.
- $((\frac{b}{b}))$ (d) All emergency withdrawal authorizations issued under this section shall contain provisions that allow for termination of withdrawals, in whole or in part, whenever withdrawals will conflict with flows and levels as provided in $((\frac{b}{b}))$ (c) (iii) of this subsection. ((Domestic and irrigation uses of public surface and ground waters shall be given priority in determining "beneficial uses."))
- (e) As to water withdrawal and associated works authorized under this subsection, the requirements of chapter 43.21C RCW and public bidding requirements as otherwise provided by law are waived and inapplicable. All state and local agencies with authority to issue permits or other authorizations for such works shall, to the extent possible, expedite the processing of the permits or authorizations in keeping with the emergency nature of the requests and shall provide a decision to the applicant within fifteen calendar days of the date of

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application. All state departments or other agencies having jurisdiction over state or other public lands, if such lands are necessary to effectuate the withdrawal authorizations issued under this subsection, shall provide short-term easements or other appropriate property interest upon the payment of the fair market value. This mandate shall not apply to any lands of the state that are reserved for a special purpose or use that cannot properly be carried out if the property interest were conveyed;

- (2) Approve a temporary change in purpose, place of use, ((or))point of diversion, or point of withdrawal, consistent with existing state policy allowing transfer or lease of waters between willing parties, as provided for in RCW 90.03.380, 90.03.390, and 90.44.100. However, compliance with any requirements of $((\frac{a}{b}))$ notice of newspaper publication of these sections or $((\frac{b}{b}))$ the state environmental policy act $((\tau))$ under chapter 43.21C RCW, is not required when such changes are necessary to respond to drought conditions as determined by the department ((of ecology)). approval of a temporary change of a water right as authorized under this subsection is not admissible as evidence in either supporting or contesting the validity of water claims in ((State of Washington, Department of Ecology v. Acquavella, Yakima county superior court number 77-2-01484-5)) a general adjudication under RCW 90.03.210 or any similar proceeding where the existence of a water right is at issue((-));
 - (3) Employ additional persons for specified terms of time, consistent with the term of a drought condition, as are necessary to ensure the successful performance of the activities associated with implementing the emergency drought program of this chapter (\cdot, \cdot) ;
 - (4) ((Revise the drought contingency plan previously developed by the department; and
 - (5))) Acquire needed emergency drought-related equipment;
 - (5) Enter into agreements with applicants receiving emergency withdrawal authorizations established under this section to recover the costs, or a portion thereof, of mitigation for emergency withdrawal authorizations, provided that mitigation is done to protect instream flows, federally regulated flows, or senior water rights. The department may establish the specifics of cost recovery by rule, based on the amount of water used in the emergency withdrawal, which shall not exceed the cost of mitigation; and

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1 (6) Enter into interagency agreements as authorized under chapter 2 39.34 RCW to partner in emergency drought response.

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Sec. 5. RCW 43.83B.415 and 1989 c 171 s 4 are each amended to read as follows:

- (1) (a) The department ((of ecology is authorized to make loans, grants, or combinations of loans and grants from emergency agricultural water supply funds when necessary to provide water to alleviate emergency drought conditions in order to ensure the survival of irrigated crops and the state's fisheries. For the purposes of this section, "emergency agricultural water supply funds" means funds appropriated from the state emergency water projects revolving account created under RCW 43.83B.360. The department of ecology may make the loans, grants, or combinations of loans and grants as matching funds in any case where federal, local, or other funds have been made available on a matching basis. The department may make a loan of up to ninety percent of the total eligible project cost or combination loan and grant up to one hundred percent of the total single project cost. The grant portion for any single project shall not exceed twenty percent of the total project cost except that, for activities forecast to have fifty percent or less of normal seasonal water supply, the grant portion for any single project or entity shall not exceed forty percent of the total project cost. No single entity shall receive more than ten percent of the total emergency agricultural water supply funds available for drought relief. These funds shall not be used for nonagricultural drought relief purposes unless there are no other capital budget funds available for these purposes. In any biennium the total expenditures of emergency agricultural water supply funds for nonagricultural drought relief purposes may not exceed ten percent of the total of such funds available during that biennium.
- (2) (a) Except as provided in (b) of this subsection, after June 30, 1989, emergency agricultural water supply funds, including the repayment of loans and any accrued interest, shall not be used for any purpose except during drought conditions as determined under RCW 43.83B.400 and 43.83B.405.
- (b) Emergency agricultural water supply funds may be used on a one-time basis for the development of procedures to be used by state governmental entities to implement the state's drought contingency plan.)) is authorized to issue grants to eligible public entities to

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- 1 reduce current or future hardship caused by water unavailability
- 2 stemming from drought conditions. No single entity may receive more
- 3 than twenty-five percent of the total funds available. The department
- 4 is not obligated to fund projects that do not provide sufficient
- 5 benefit to alleviating hardship caused by drought or water
- 6 <u>unavailability. Projects must show substantial benefit from securing</u>
- 7 water supply, availability, or reliability relative to project costs.
- 8 (b) Except for projects for public water systems serving
- 9 <u>economically disadvantaged communities</u>, the department may only fund
- 10 up to fifty percent of the total eligible cost of the project. Money
- 11 <u>used by applicants as a cash match may not originate from other state</u>
- 12 <u>funds.</u>
- 13 <u>(c) For the purposes of this chapter, eligible public entities</u> 14 <u>include only:</u>
- 15 <u>(i) Counties, cities, and towns;</u>
- 16 (ii) Water and sewer districts formed under chapter 57.02 RCW;
- 17 (iii) Public utility districts formed under chapter 54.04 RCW;
- 18 (iv) Port districts formed under chapter 53.04 RCW;
- 19 (v) Conservation districts formed under chapter 89.08 RCW;
- 20 (vi) Irrigation districts formed under chapter 87.03 RCW;
- 21 <u>(vii) Watershed management partnerships formed under RCW</u>
- 22 39.34.200; and
- 23 <u>(viii) Federally recognized tribes.</u>
- 24 (2) Grants may be used to develop projects that enhance the
- 25 <u>ability of water users to effectively mitigate for the impacts of</u>
- 26 <u>water unavailability arising from drought. Project applicants must</u>
- 27 demonstrate that the projects will increase their resiliency,
- 28 preparedness, or ability to withstand drought conditions when they
- 29 occur. Projects may include, but are not limited to:
 - (a) Creation of additional water storage;
 - (b) Implementation of source substitution projects;
- 32 (c) Development of alternative, backup, or emergency water
- 33 <u>supplies or interties;</u>
- 34 <u>(d) Installation of infrastructure or creation of educational</u>
- 35 programs that improve water conservation and efficiency or promote
- 36 <u>use of reclaimed water;</u>
- 37 (e) Development or update of local drought contingency plans if
- 38 not already required by state rules adopted under chapter 246-290

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- 1 (f) Mitigation of emergency withdrawals authorized under RCW 43.83B.410(1);
- 3 (g) Projects designed to mitigate for the impacts of water supply
 4 shortages on fish and wildlife; and
- 5 (h) Emergency construction or modification of water recreational facilities.
- 7 (3) During a drought emergency order pursuant to RCW 8 43.83B.405(2), the department shall prioritize funding for projects 9 designed to relieve the immediate hardship caused by water 10 unavailability.
- 11 **Sec. 6.** RCW 43.83B.430 and 2016 sp.s. c 36 s 933 are each 12 amended to read as follows:

13 The state drought preparedness and response account is created in the state treasury. All receipts from appropriated funds designated 14 15 for the account and ((funds transferred from the state emergency 16 water projects revolving account)) all cost recovery revenues collected under RCW 43.83B.410(5) must be deposited into the account. 17 18 Expenditures from the account may be used for drought preparedness and response activities under this chapter, including grants issued 19 20 under RCW 43.83B.415. Moneys in the account may be spent only after 21 appropriation. ((Expenditures from the account may be used only for 22 drought preparedness. During the 2009-2011 fiscal biennium, the 23 legislature may transfer from the state drought preparedness account 24 to the state general fund such amounts as reflect the excess fund balance of the account. For the 2015-2017 fiscal biennium, the 25 account may also accept revenue collected from emergency drought 26 27 well-related water service contracts and may be used for drought 28 response.))

- NEW SECTION. Sec. 7. A new section is added to chapter 43.83B RCW to read as follows:
- In collaboration with affected governments, the department may revise the existing drought contingency plan. The department shall notify interested parties of any updates to the drought contingency
- 34 plan.
- NEW SECTION. Sec. 8. A new section is added to chapter 43.83B RCW to read as follows:

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- 1 (1) The department shall initiate a pilot program in a selected basin or basins to explore the cost, feasibility, and benefits of entering into long-term water right lease agreements. The purpose of 3 the agreements is to alleviate water supply conditions that may 4 affect public health and safety, drinking water 5 6 agricultural activities, or fish and wildlife survival. Under this 7 program, the department is authorized to negotiate and enter into contractual agreements before a drought emergency is declared under 8 RCW 43.83B.405(2) that identify projects, measures, sources of water, and other resources that may be accessed during times of water 10 11 shortage. Water right changes executed under agreement under this 12 section are subject to the requirements of RCW 90.03.380.
 - (2) The department shall submit a report to the legislature by December 31, 2024, on the results of the pilot program. The department shall include a summary of the contracts entered into pursuant to this section and recommendations to the legislature.
 - (3) This section expires June 30, 2025.

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NEW SECTION. Sec. 9. The following sections are decodified: 18

- 19 (1) RCW 43.83B.005 (Transfer of duties to the department of 20 health);
- 21 (2) RCW 43.83B.200 (Deposit of proceeds from repayment of loans, 22 interest, gifts, grants, etc., in state and local improvements 23 revolving account-water supply facilities—Use);
- (3) RCW 43.83B.210 (Loans or grants from department of ecology— 24 Authorized—Limitations); 25
- 26 (4) RCW 43.83B.300 (Legislative findings—General obligation bonds authorized—Issuance, terms—Appropriation required); 27
- 28 (5) RCW 43.83B.345 (Rates of charges for water—Payment into bond redemption fund—Grants and loans—Contracts); 29
- 30 (6) RCW 43.83B.360 (State emergency water projects revolving 31 account—Proceeds from sale of bonds);
- (7) RCW 43.83B.380 (Appropriations to department of health— 32 33 Authorized projects—Conditions); and
- 34 (8) RCW 43.83B.385 (Appropriations to department of ecology— 35 Authorized projects—Findings).
- 36 <u>NEW SECTION.</u> **Sec. 10.** The following acts or parts of acts are 37 each repealed:

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- 1 (1) RCW 43.83B.220 (Contractual agreements) and 2009 c 549 s
- 2 5159, 1989 c 11 s 17, & 1975 1st ex.s. c 295 s 5; and
- 3 (2) RCW 43.83B.336 (Civil penalties).

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