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**SUBSTITUTE SENATE BILL 6117**

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**State of Washington**

**60th Legislature**

**2007 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Fraser, Poulsen, Rockefeller, Marr, Kohl-Welles and Kline)

READ FIRST TIME 02/28/07.

1       AN ACT Relating to reclaimed water; amending RCW 90.46.005,  
2 90.46.120, 90.46.130, 90.82.043, 90.54.020, and 90.54.180; amending  
3 2006 c 279 s 3 (uncodified); adding a new section to chapter 58.17 RCW;  
4 adding a new section to chapter 35.21 RCW; adding a new section to  
5 chapter 35A.21 RCW; adding a new section to chapter 36.01 RCW; adding  
6 new sections to chapter 90.46 RCW; and creating new sections.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

8       NEW SECTION. **Sec. 1.** (1) Since the 1992 enactment of the  
9 reclaimed water act, the value of reclaimed water as a new source of  
10 supply has received increasing recognition across the state and across  
11 the nation. New information on the matters in this section has  
12 increased awareness of the need to better manage, protect, and conserve  
13 water resources and to use reclaimed water in that process. The  
14 legislature now finds the following:

15       (a) Global warming and climate change. Global warming has reduced  
16 the volume of glaciers in the North Cascade mountains to between  
17 eighteen to thirty-two percent since 1983, and up to seventy-five  
18 percent of the glaciers are at risk of disappearing under projected  
19 temperatures for this century. Mountain snow pack has declined at

1 virtually every measurement location in the Pacific Northwest, reducing  
2 the proportion of annual river flow to Puget Sound during summer months  
3 by eighteen percent since 1948. Global warming has also shifted peak  
4 stream flows earlier in the year in watersheds covering much of  
5 Washington state, including the Columbia river basin, jeopardizing the  
6 state's salmon fisheries. The state's recent report on the economic  
7 impacts of climate change indicate that water resources will be one of  
8 the areas most affected, and that many utilities may need to invest  
9 major resources in new supply and conservation measures. Developing  
10 and implementing adaptation strategies, such as water conservation that  
11 includes the use of reclaimed water, can extend existing water supply  
12 systems to help address the global warming impacts. In particular,  
13 because reclaimed water uses existing sources of supply and fairly  
14 constant base flows of wastewater, it has year-round dependability,  
15 without regard to any given year's climate variability. This is  
16 particularly important during summer months, when outdoor demands peak  
17 and stream flows are critical for fish.

18 (b) Puget Sound. The governor has initiated a Puget Sound  
19 partnership, with a request for an initial strategy to address high  
20 priority problems. In December, the partnership delivered a strategy  
21 that includes expanded use of reclaimed water both in order to improve  
22 the Puget Sound's water quality by reducing wastewater discharges and  
23 by replacing current sources of supply for nonpotable uses that  
24 detrimentally affect stream flows and habitat.

25 (c) Salmon recovery. The federal fisheries services recently  
26 approved a salmon recovery plan for the Puget Sound, which was  
27 developed across multiple watersheds by numerous local governments,  
28 tribal governments, and other parties to achieve sustainable  
29 populations of salmon and other species. That plan includes an  
30 adaptive management component where continued efforts will be made to  
31 address issues, including problems with instream flows, identified as  
32 a limiting factor in virtually all the watersheds, through strategies  
33 that will be developed by regional and watershed implementation groups.  
34 A potentially significant strategy may be the substitution of reclaimed  
35 water for nonpotable uses where it will benefit streams and habitat.

36 (d) Water quality. Increasingly stringent federal standards for  
37 water quality are forcing a number of communities to develop strategies  
38 for wastewater treatment that, in addition to providing higher

1 treatment levels, will reduce the quantity of discharges. For many of  
2 those communities, facilities to produce reclaimed water will be a  
3 necessary approach to achieve both water quality and water supply  
4 objectives.

5 (e) Watershed plans. Under the watershed planning act of 1997,  
6 approximately two-thirds of the watersheds in the state have used a  
7 bottoms-up approach to developing collaborative plans for meeting  
8 future water supply needs. Many of those plans include the use of  
9 reclaimed water for meeting those needs.

10 (f) Columbia river water management. Pursuant to legislation and  
11 funding provided in 2006, federal, state, and local governments and  
12 agencies, along with tribal governments, user groups, environmental  
13 organizations, and others are developing a comprehensive strategy for  
14 the mainstem Columbia that will ensure supplies for future growth while  
15 protecting stream flows and fish habitat. The strategy will include  
16 multiple tools that may include the potential development of new  
17 storage, conservation measures, and water use efficiency. One pathway  
18 toward conservation and efficiency is likely to be identification and  
19 implementation of reclaimed water opportunities.

20 (g) Development schedule. The time frame required to plan, design,  
21 construct, and begin use of reclaimed water can be extensive due to the  
22 public information and acceptance efforts required in addition to  
23 planning, design, and environmental assessment required for  
24 infrastructure projects. This extended time frame necessitates the  
25 initiation of reclaimed water projects as soon as possible.

26 (2) It is therefore the intent of the legislature to:

27 (a) Effectuate and reinvigorate the original intent behind the  
28 reclaimed water act to expand the use of reclaimed water for nonpotable  
29 uses throughout the state;

30 (b) Restate and emphasize the use of reclaimed water as a matter of  
31 water resource management policy;

32 (c) Address current barriers to the use of reclaimed water, where  
33 changes in state law will resolve such issues;

34 (d) Develop information from the state agencies responsible for  
35 promoting the use of reclaimed water and address regulatory, financial,  
36 planning, and other barriers to the expanded use of reclaimed water,  
37 relying on state agency expertise and experience with reclaimed water;

1 (e) Facilitate achieving state, regional, and local objectives  
2 through use of reclaimed water for water supply purposes in high  
3 priority areas of the state, and in regional and local watershed and  
4 water planning;

5 (f) Provide planning tools to local governments to incorporate  
6 reclaimed water and related water conservation into land use plans,  
7 consistent with water planning;

8 (g) Expand the scope of work of the advisory committee established  
9 under chapter 279, Laws of 2006 to identify other reclaimed water  
10 issues that should be addressed; and

11 (h) Provide initial funding, and evaluate options for providing  
12 additional direct state funding, for reclaimed water projects.

13 **Sec. 2.** RCW 90.46.005 and 2001 c 69 s 1 are each amended to read  
14 as follows:

15 The legislature finds that by encouraging the use of reclaimed  
16 water while assuring the health and safety of all Washington citizens  
17 and the protection of its environment, the state of Washington will  
18 continue to use water in the best interests of present and future  
19 generations.

20 To facilitate the immediate use of reclaimed water (~~((as soon as is~~  
21 ~~practicable, the legislature encourages the cooperative efforts of the~~  
22 ~~public and private sectors and the use of pilot projects))~~ for uses  
23 approved by the departments of ecology and health, the state shall  
24 expand both direct financial support and financial incentives for  
25 capital investments in water reuse and reclaimed water to effectuate  
26 the goals of this chapter. The legislature further directs the  
27 department of health and the department of ecology to coordinate  
28 efforts towards developing an efficient and streamlined process for  
29 creating and implementing processes for the use of reclaimed water.

30 It is hereby declared that the people of the state of Washington  
31 have a primary interest in the development of facilities to provide  
32 reclaimed water to replace potable water in nonpotable applications, to  
33 supplement existing surface and ground water supplies and instream  
34 flows, and to assist in meeting the future water requirements of the  
35 state.

36 The legislature further finds and declares that the utilization of  
37 reclaimed water by local communities for domestic, agricultural,

1 industrial, recreational, and fish and wildlife habitat creation and  
2 enhancement purposes, including wetland enhancement, will contribute to  
3 the peace, health, safety, and welfare of the people of the state of  
4 Washington. To the extent reclaimed water is appropriate for  
5 beneficial uses, it should be so used to preserve potable water for  
6 drinking purposes and to mitigate impacts of withdrawals of water for  
7 drinking purposes, contribute to the restoration and protection of  
8 instream flows that are crucial to preservation of the state's salmonid  
9 fishery resources, contribute to the restoration of Puget Sound by  
10 reducing wastewater discharge, provide a drought resistant source of  
11 water supply for nonpotable needs, and be a source of supply integrated  
12 into state, regional, and local strategies to respond to population  
13 growth and global warming. Use of reclaimed water constitutes the  
14 development of new basic water supplies needed for future generations  
15 and local and regional water management planning should consider  
16 coordination of infrastructure, development, storage, water reclamation  
17 and reuse, and source exchange as strategies to meet water demands  
18 associated with population growth and impacts of global warming.

19 The legislature further finds and declares that the use of  
20 reclaimed water is not inconsistent with the policy of antidegradation  
21 of state waters announced in other state statutes, including the water  
22 pollution control act, chapter 90.48 RCW and the water resources act,  
23 chapter 90.54 RCW.

24 The legislature finds that other states, including California,  
25 Florida, and Arizona, have successfully used reclaimed water to  
26 supplement existing water supplies without threatening existing  
27 resources or public health.

28 It is the intent of the legislature that the department of ecology  
29 and the department of health undertake the necessary steps to encourage  
30 the development of water reclamation facilities so that reclaimed water  
31 may be made available to help meet the growing water requirements of  
32 the state.

33 The legislature further finds and declares that reclaimed water  
34 facilities are water pollution control facilities as defined in chapter  
35 70.146 RCW and are eligible for financial assistance as provided in  
36 chapter 70.146 RCW. The legislature finds that funding demonstration  
37 projects will ensure the future use of reclaimed water. The  
38 demonstration projects in RCW 90.46.110 are varied in nature and will

1 provide the experience necessary to test different facets of the  
2 standards and refine a variety of technologies so that water purveyors  
3 can begin to use reclaimed water technology in a more cost-effective  
4 manner. This is especially critical in smaller cities and communities  
5 where the feasibility for such projects is great, but there are scarce  
6 resources to develop the necessary facilities.

7 The legislature further finds that the agricultural processing  
8 industry can play a critical and beneficial role in promoting the  
9 efficient use of water by having the opportunity to develop and reuse  
10 agricultural industrial process water from food processing.

11 To effectuate the goals of this chapter, the legislature finds that  
12 if there is ambiguity within this chapter, or between this chapter and  
13 other provisions of law regarding the use of reclaimed water, such  
14 ambiguities should be resolved in favor of an interpretation that will  
15 lead to expanded use of reclaimed water.

16 **Sec. 3.** RCW 90.46.120 and 2003 1st sp.s. c 5 s 13 are each amended  
17 to read as follows:

18 (1) The owner of a wastewater treatment facility that is reclaiming  
19 water with a permit issued under this chapter has the exclusive right  
20 to any reclaimed water generated by the wastewater treatment facility.  
21 Use ~~((and))~~, distribution ~~((of the))~~, and the recovery from aquifer  
22 storage of reclaimed water by the owner of the wastewater treatment  
23 facility is exempt from the permit requirements of RCW 90.03.250 and  
24 90.44.060. Revenues derived from the reclaimed water facility shall be  
25 used only to offset the cost of operation of the wastewater utility  
26 fund or other applicable source of system-wide funding.

27 (2) If the proposed use or uses of reclaimed water are intended to  
28 augment or replace potable water supplies or create the potential for  
29 the development of additional potable water supplies, such use or uses  
30 shall be considered in the development of ~~((the))~~ any regional water  
31 supply plan or plans addressing potable water supply service by  
32 multiple water purveyors. Such water supply plans include plans  
33 developed by multiple jurisdictions under the relevant provisions of  
34 chapters 43.20, 70.116, 90.44, and 90.82 RCW, and the water supply  
35 provisions under the utility element of chapter 36.70A RCW. The method  
36 by which such plans are approved shall remain unchanged. The owner of

1 a wastewater treatment facility that proposes to reclaim water shall be  
2 included as a participant in the development of such regional water  
3 supply plan or plans.

4 (3) Where opportunities for the use of reclaimed water exist within  
5 the period of time addressed by a water system plan, a water supply  
6 plan, or a coordinated water system plan developed under chapters 43.20  
7 ((~~or~~)), 70.116, 90.44, and 90.82 RCW, and the water supply provisions  
8 under the utility element of chapter 36.70A RCW, these plans must be  
9 developed and coordinated to ensure that opportunities for reclaimed  
10 water are evaluated. The requirements of this subsection (3) do not  
11 apply to water system plans developed under chapter 43.20 RCW for  
12 utilities serving less than one thousand service connections.

13 **Sec. 4.** RCW 90.46.130 and 2002 c 329 s 5 are each amended to read  
14 as follows:

15 (1)(a) Except as provided in subsection (2) of this section,  
16 facilities that reclaim water under this chapter shall not impair any  
17 existing water right downstream from any freshwater discharge points of  
18 such facilities unless there is compensation or mitigation for such  
19 impairment (~~(is agreed to by the holder of the affected water right)~~).  
20 For purposes of this section, there is no impairment in the following  
21 circumstances: (i) There is recovery and use of reclaimed water in  
22 lieu of discharge of wastewater, which leads to return flows to the  
23 water body in substantially the same quantity and location as a  
24 wastewater discharge previously authorized by a national pollutant  
25 discharge elimination system wastewater discharge permit or state  
26 permit; (ii) there is discharge of reclaimed water or recovery and use  
27 of reclaimed water in lieu of the discharge of wastewater into marine  
28 water; and (iii) proposals to replace failing or inadequate septic  
29 facilities with a reclaimed water facility or project that is part of  
30 a new or expanded wastewater treatment and reclaimed water facility.  
31 This presumption only applies if there is no claim of impairment by an  
32 existing downstream water right after compliance with the requirements  
33 in subsection (3) of this section.

34 (b) Nothing in this section may be construed as affecting or  
35 diminishing the right to use reclaimed water or the exemption from  
36 water right permit requirements provided to the owner of the wastewater  
37 treatment facility in RCW 90.46.120. Further, nothing in this section

1 may be construed as affecting or diminishing the ability of the owner  
2 of a wastewater treatment facility to modify its facilities or  
3 discharges in order to comply with state or federal water quality  
4 standards or permit requirements under chapter 90.48 RCW.

5 (2) Agricultural water use of agricultural industrial process water  
6 and use of industrial reuse water under this chapter shall not impair  
7 existing water rights within the water source that is the source of  
8 supply for the agricultural processing plant or the industrial  
9 processing and, if the water source is surface water, the existing  
10 water rights are downstream from the agricultural processing plant's  
11 discharge points existing on July 22, 2001, or from the industrial  
12 processing's discharge points existing on June 13, 2002.

13 (3) For purposes of determining a claim of impairment under  
14 subsection (1)(a) and (b) of this section, of a downstream water right  
15 existing August 18, 1997, the applicant for a reclaimed water permit  
16 shall publish notice of an application for a permit for a reclaimed  
17 water facility in the same manner as provided for in RCW 90.48.170. If  
18 the department receives a claim of impairment within thirty days of the  
19 last publication of notice, the department shall investigate the claim  
20 of impairment and issue a written decision. The decision shall include  
21 any conditions the department finds necessary to mitigate any  
22 impairment. The decision shall be issued within one hundred eighty  
23 days and shall be appealable by any party pursuant to RCW 43.21B.310  
24 upon the issuance of the decision or as part of the overall reclaimed  
25 water permit upon the issuance of a reclaimed water permit. This  
26 section shall not be construed as exempting a reclaimed water project  
27 from the provisions of chapter 43.21C RCW.

28 (4) This section shall not be construed as establishing any right  
29 for a downstream water right holder to the continued discharge from an  
30 upstream wastewater treatment plant or reclaimed water facility.

31 **Sec. 5.** 2006 c 279 s 3 (uncodified) is amended to read as follows:

32 (1) In order to identify and pursue other measures to facilitate  
33 achieving the objectives in RCW 90.46.005 for expanded, appropriate,  
34 and safe use of reclaimed water, the department of ecology and the  
35 department of health shall provide the legislature with relevant  
36 information through periodic progress reports, as provided in this  
37 section.

1       (2) The department of ecology (~~((must present))~~) shall provide  
2 interim reports to the appropriate committees of the legislature by  
3 January 1, 2008, (~~((and))~~) January 1, 2009, and January 1, 2010, that  
4 summarize the steps taken to that date towards the final rule making  
5 required by (~~((section 1 of this act))~~) RCW 90.46.015. The reports  
6 (~~((must))~~) shall include, at a minimum, a summary of participation in the  
7 rule advisory (~~((group and))~~) committee, the topics considered by the  
8 department, and issues identified by the rule advisory committee as  
9 barriers to expanded use of reclaimed water that may not be addressed  
10 within the rules to be adopted by the department.

11       (3) In addition to subsection (2) of this section, the department  
12 shall form a task force consisting of not more than ten members chosen  
13 from the rule advisory committee to further identify and recommend  
14 actions to increase the promotion of reclaimed water as a water supply  
15 and water resource management option. At a minimum, the task force  
16 shall consider (a) issues assigned by the rule advisory committee; (b)  
17 staffing levels, resources, and roles within both state agencies; (c)  
18 optimizing organizational structure; and (d) unresolved legal issues  
19 specific to reclaimed water use. Information regarding these topics  
20 shall be appended to the required interim reports as the topics are  
21 considered by the advisory group.

22       **Sec. 6.** RCW 90.82.043 and 2003 1st sp.s. c 4 s 3 are each amended  
23 to read as follows:

24       (1) Within one year of accepting funding under RCW 90.82.040(2)(e),  
25 the planning unit must complete a detailed implementation plan.  
26 Submittal of a detailed implementation plan to the department is a  
27 condition of receiving grants for the second and all subsequent years  
28 of the phase four grant.

29       (2) Each implementation plan must contain strategies to provide  
30 sufficient water for: (a) Production agriculture; (b) commercial,  
31 industrial, and residential use; and (c) instream flows. Each  
32 implementation plan must contain timelines to achieve these strategies  
33 and interim milestones to measure progress.

34       (3) The implementation plan must clearly define coordination and  
35 oversight responsibilities; any needed interlocal agreements, rules, or  
36 ordinances; any needed state or local administrative approvals and  
37 permits that must be secured; and specific funding mechanisms.

1 (4) In developing the implementation plan, the planning unit must  
2 consult with other entities planning in the watershed management area  
3 and identify and seek to eliminate any activities or policies that are  
4 duplicative or inconsistent.

5 (5)(a) By December 1, 2003, and by December 1st of each subsequent  
6 year, the director of the department shall report to the appropriate  
7 legislative standing committees regarding statutory changes necessary  
8 to enable state agency approval or permit decision making needed to  
9 implement a plan approved under this chapter.

10 (b) Beginning with the December 1, 2007, report, the director shall  
11 include in each report the extent to which reclaimed water has been  
12 identified in the watershed plans as potential sources or strategies to  
13 meet future water needs, and provisions in any watershed implementation  
14 plans that discuss barriers to implementation of the water reuse  
15 elements of those plans. The department's report shall include an  
16 estimate of the potential cost of reclaimed water facilities and  
17 identification of potential sources of funding for them.

18 NEW SECTION. Sec. 7. (1) By January 1, 2008, the department of  
19 health shall file a brief report with the appropriate committees of the  
20 legislature on the general status of:

21 (a) Development of permit fees for industrial and commercial uses  
22 of reclaimed water as required by RCW 90.46.030;

23 (b) Development of standards and guidelines for greywater use as  
24 required by RCW 90.46.140; and

25 (c) Permitting of greywater use by local health officers and  
26 plumbing officials in accordance with standards and guidelines  
27 developed pursuant to RCW 90.46.140.

28 (2) The report shall also identify:

29 (a) A general description of the number, type, and location of  
30 reclaimed water opportunities included in water supply and coordinated  
31 water system plans since 2003, as required by RCW 90.46.140;

32 (b) The best information currently available regarding potential  
33 public health risks associated with reclaimed water, if any, any known  
34 occurrences of any public health incidents associated with reclaimed  
35 water use, the approaches to reclaimed water-related public health  
36 issues taken in other states, and resource needs of the department to  
37 evaluate any known public health risks; and

1 (c) A description of a basic public information and public  
2 acceptance program necessary to generate public support for the  
3 beneficial use of reclaimed water.

4 (3) In order to ensure brevity of the report, the department should  
5 include references to existing documents, reports, internet sites, and  
6 other sources of detailed information on the foregoing issues.

7 **Sec. 8.** RCW 90.54.020 and 1997 c 442 s 201 are each amended to  
8 read as follows:

9 Utilization and management of the waters of the state shall be  
10 guided by the following general declaration of fundamentals:

11 (1) Uses of water for domestic, stock watering, industrial,  
12 commercial, agricultural, irrigation, hydroelectric power production,  
13 mining, fish and wildlife maintenance and enhancement, recreational,  
14 and thermal power production purposes, and preservation of  
15 environmental and aesthetic values, and all other uses compatible with  
16 the enjoyment of the public waters of the state, are declared to be  
17 beneficial.

18 (2) Allocation of waters among potential uses and users shall be  
19 based generally on the securing of the maximum net benefits for the  
20 people of the state. Maximum net benefits shall constitute total  
21 benefits less costs including opportunities lost.

22 (3) The quality of the natural environment shall be protected and,  
23 where possible, enhanced as follows:

24 (a) Perennial rivers and streams of the state shall be retained  
25 with base flows necessary to provide for preservation of wildlife,  
26 fish, scenic, aesthetic and other environmental values, and  
27 navigational values. Lakes and ponds shall be retained substantially  
28 in their natural condition. Withdrawals of water which would conflict  
29 therewith shall be authorized only in those situations where it is  
30 clear that overriding considerations of the public interest will be  
31 served.

32 (b) Waters of the state shall be of high quality. Regardless of  
33 the quality of the waters of the state, all wastes and other materials  
34 and substances proposed for entry into said waters shall be provided  
35 with all known, available, and reasonable methods of treatment prior to  
36 entry. Notwithstanding that standards of quality established for the  
37 waters of the state would not be violated, wastes and other materials

1 and substances shall not be allowed to enter such waters which will  
2 reduce the existing quality thereof, except in those situations where  
3 it is clear that overriding considerations of the public interest will  
4 be served. Technology-based effluent limitations or standards for  
5 discharges for municipal water treatment plants located on the  
6 Chehalis, Columbia, Cowlitz, Lewis, or Skagit river shall be adjusted  
7 to reflect credit for substances removed from the plant intake water  
8 if:

9 (i) The municipality demonstrates that the intake water is drawn  
10 from the same body of water into which the discharge is made; and

11 (ii) The municipality demonstrates that no violation of receiving  
12 water quality standards or appreciable environmental degradation will  
13 result.

14 (4) The development of multipurpose water storage facilities shall  
15 be a high priority for programs of water allocation, planning,  
16 management, and efficiency. The department, other state agencies,  
17 local governments, and planning units formed under section 107 or 108  
18 of this act shall evaluate the potential for the development of new  
19 storage projects and the benefits and effects of storage in reducing  
20 damage to stream banks and property, increasing the use of land,  
21 providing water for municipal, industrial, agricultural, power  
22 generation, and other beneficial uses, and improving stream flow  
23 regimes for fisheries and other instream uses.

24 (5) Adequate and safe supplies of water shall be preserved and  
25 protected in potable condition to satisfy human domestic needs.

26 (6) Multiple-purpose impoundment structures are to be preferred  
27 over single-purpose structures. Due regard shall be given to means and  
28 methods for protection of fishery resources in the planning for and  
29 construction of water impoundment structures and other artificial  
30 obstructions.

31 (7) Federal, state, and local governments, individuals,  
32 corporations, groups and other entities shall be encouraged to carry  
33 out practices of conservation as they relate to the use of the waters  
34 of the state. In addition to traditional development approaches,  
35 improved water use efficiency (~~and~~), conservation, and use of  
36 reclaimed water shall be emphasized in the management of the state's  
37 water resources and in some cases will be a potential new source of  
38 water with which to meet future needs throughout the state.

1 (8) Development of water supply systems, whether publicly or  
2 privately owned, which provide water to the public generally in  
3 regional areas within the state shall be encouraged. Development of  
4 water supply systems for multiple domestic use which will not serve the  
5 public generally shall be discouraged where water supplies are  
6 available from water systems serving the public.

7 (9) Full recognition shall be given in the administration of water  
8 allocation and use programs to the natural interrelationships of  
9 surface and ground waters.

10 (10) Expressions of the public interest will be sought at all  
11 stages of water planning and allocation discussions.

12 (11) Water management programs, including but not limited to, water  
13 quality, flood control, drainage, erosion control and storm runoff are  
14 deemed to be in the public interest.

15 **Sec. 9.** RCW 90.54.180 and 1989 c 348 s 5 are each amended to read  
16 as follows:

17 Consistent with the fundamentals of water resource policy set forth  
18 in this chapter, state and local governments, individuals,  
19 corporations, groups and other entities shall be encouraged to carry  
20 out water use efficiency and conservation programs and practices  
21 consistent with the following:

22 (1) Water efficiency and conservation programs should utilize an  
23 appropriate mix of economic incentives, cost share programs, regulatory  
24 programs, and technical and public information efforts. Programs which  
25 encourage voluntary participation are preferred.

26 (2) Increased water use efficiency and reclaimed water should  
27 receive consideration as a potential source of water in state and local  
28 water resource planning processes. In determining the cost-  
29 effectiveness of alternative water sources, consideration should be  
30 given to the benefits of conservation, waste water recycling, and  
31 impoundment of waters. Where reclaimed water is a feasible replacement  
32 source of water, it shall be used by state agencies and state  
33 facilities for nonpotable water uses in lieu of the use of potable  
34 water. For purposes of this requirement, feasible replacement source  
35 means (a) the reclaimed water is of adequate quality and quantity for  
36 the proposed use; (b) the proposed use is approved by the departments  
37 of ecology and health; (c) the reclaimed water can be reliably supplied

1 by a local public agency or public water system; and (d) the cost of  
2 the reclaimed water is reasonable relative to the costs of conservation  
3 or other potentially available supplies of potable water, after taking  
4 into account all costs and benefits, including environmental costs and  
5 benefits.

6 (3) In determining the cost-effectiveness of alternative water  
7 sources, full consideration should be given to the benefits of storage  
8 which can reduce the damage to stream banks and property, increase the  
9 utilization of land, provide water for municipal, industrial,  
10 agricultural, and other beneficial uses, provide for the generation of  
11 electric power from renewable resources, and improve stream flow  
12 regimes for fishery and other instream uses.

13 (4) Entities receiving state financial assistance for construction  
14 of water source expansion or acquisition of new sources shall develop,  
15 and implement if cost-effective, a water use efficiency and  
16 conservation element of a water supply plan pursuant to RCW  
17 43.20.230(1).

18 (5) State programs to improve water use efficiency should focus on  
19 those areas of the state in which water is overappropriated; areas that  
20 experience diminished streamflows or aquifer levels; regional areas  
21 that the governor has identified as high priority for investments in  
22 improved water quality and quantity, including the Columbia river basin  
23 and the Puget Sound; areas most likely to be affected by global  
24 warming; and areas where projected water needs, including those for  
25 instream flows, exceed available supplies.

26 (6) Existing and future generations of citizens of the state of  
27 Washington should be made aware of the importance of the state's water  
28 resources and the need for wise and efficient use and development of  
29 this vital resource. In order to increase this awareness, state  
30 agencies should integrate public (~~education~~) information programs on  
31 increasing water use efficiency into existing public information  
32 efforts. This effort shall be coordinated with other levels of  
33 government, including local governments and Indian tribes.

34 NEW SECTION. Sec. 10. A new section is added to chapter 58.17 RCW  
35 to read as follows:

36 In determining whether a proposed short plat, short subdivision, or  
37 subdivision meets the requirements for potable water supplies as

1 required under RCW 58.17.060 or 58.17.110, and otherwise serves the  
2 public use and interest, the city, town, or county shall require within  
3 its corporate boundaries:

4 (1) Conformance to any water conservation ordinances or plans  
5 adopted by the city, town, or county;

6 (2) Use of water conservation measures consistent with any regional  
7 watershed plan adopted under chapter 90.82 RCW, or any regional water  
8 supply plan as described in RCW 90.46.120 if the city or county  
9 determines that the measures contained within such a regional supply  
10 plan conform to its respective conservation ordinances and water,  
11 sewer, and comprehensive land use plan; and

12 (3) Use of reclaimed water where potable water is not required, if  
13 it is consistent with any applicable local ordinance adopted for water  
14 reuse or use of reclaimed water.

15 NEW SECTION. **Sec. 11.** A new section is added to chapter 35.21 RCW  
16 to read as follows:

17 (1) Any city or town may adopt a water conservation program by  
18 ordinance. This includes ordinances to implement the provisions of any  
19 regional watershed plan adopted under chapter 90.82 RCW or any regional  
20 water supply plan as described in RCW 90.46.120. Such a program may  
21 include, but is not limited to, the following requirements:

22 (a) Use of water conservation measures consistent with specific  
23 provisions of regional watershed plans adopted under chapter 90.82 RCW;

24 (b) Use of water conservation measures that may be in addition to  
25 those required by either the department of health or the department of  
26 ecology, including landscape irrigation requirements, public fixture  
27 retrofit and rebate programs, and commercial and industrial  
28 conservation programs;

29 (c) Identification of any opportunities for using reclaimed water  
30 where potable water is not required; and

31 (d) Mandatory use of reclaimed water for nonpotable water uses in  
32 lieu of the use of potable water where the jurisdiction has determined  
33 that reclaimed water is a feasible replacement.

34 (2) The provisions of any water conservation program shall be  
35 implemented by the city or town through development of any  
36 comprehensive plan, development regulations, issuance of permits and  
37 other approvals, development of any sewerage or water general plan

1 under RCW 36.94.030, operation of any sewerage or water systems under  
2 chapter 36.94 RCW, or as otherwise allowed by law. The adequacy of the  
3 water conservation provisions implemented through such plans shall  
4 solely be determined by the adopting town or city, subject to existing  
5 law. If the city or town is not the sole water supplier, the  
6 provisions of any water conservation program ordinance shall be  
7 developed in consultation with all municipal water suppliers, as  
8 defined in RCW 90.03.015, that are proposed for inclusion within the  
9 program.

10 NEW SECTION. **Sec. 12.** A new section is added to chapter 35A.21  
11 RCW to read as follows:

12 (1) Any city or town may adopt a water conservation program by  
13 ordinance or other legal authority. This includes ordinances to  
14 implement the provisions of any regional watershed plan adopted under  
15 chapter 90.82 RCW. Such a program may include, but is not limited to,  
16 the following requirements:

17 (a) Use of water conservation measures consistent with specific  
18 provisions of regional watershed plans adopted under chapter 90.82 RCW  
19 or a regional water supply plan as described in RCW 90.46.120;

20 (b) Use of water conservation measures that may be in addition to  
21 those required by either the department of health or the department of  
22 ecology, including landscape irrigation requirements, public fixture  
23 retrofit and rebate programs, and commercial and industrial  
24 conservation programs;

25 (c) Identification of any opportunities for using reclaimed water  
26 where potable water is not required; and

27 (d) Mandatory use of reclaimed water for nonpotable water uses in  
28 lieu of the use of potable water where the jurisdiction has determined  
29 that reclaimed water is a feasible replacement.

30 (2) The provisions of any water conservation program shall be  
31 implemented by the city or town through development of any  
32 comprehensive plan, development regulations, issuance of permits and  
33 other approvals, development of any sewerage or water general plan  
34 under RCW 36.94.030, operation of any sewerage or water systems under  
35 chapter 36.94 RCW, or as otherwise allowed by law. The adequacy of the  
36 water conservation provisions implemented through such plans shall  
37 solely be determined by the adopting town or city, subject to existing

1 law. If the city or town is not the sole water supplier, the  
2 provisions of any water conservation program ordinance shall be  
3 developed in consultation with all municipal water suppliers, as  
4 defined in RCW 90.03.015, that are proposed for inclusion within the  
5 program.

6 NEW SECTION. **Sec. 13.** A new section is added to chapter 36.01 RCW  
7 to read as follows:

8 (1) Any county may adopt a water conservation program by ordinance  
9 or other legal authority. This includes ordinances to implement the  
10 provisions of any regional watershed plan adopted under chapter 90.82  
11 RCW or a regional water supply plan as described in RCW 90.46.120.  
12 Such a program may include, but is not limited to, the following  
13 requirements:

14 (a) Use of water conservation measures consistent with specific  
15 provisions of regional watershed plans adopted under chapter 90.82 RCW;

16 (b) Use of water conservation measures that may be in addition to  
17 those required by either the department of health or the department of  
18 ecology, including landscape irrigation requirements, public fixture  
19 retrofit and rebate programs, and commercial and industrial  
20 conservation programs;

21 (c) Identification of any opportunities for using reclaimed water  
22 where potable water is not required; and

23 (d) Mandatory use of reclaimed water for nonpotable water uses in  
24 lieu of the use of potable water where the jurisdiction has determined  
25 that reclaimed water is a feasible replacement.

26 (2) The provisions of any water conservation program shall be  
27 implemented by the county through development of any comprehensive  
28 plan, development regulations, issuance of permits and other approvals,  
29 development of any sewerage or water general plan under RCW 36.94.030,  
30 operation of any sewerage or water systems under chapter 36.94 RCW, or  
31 as otherwise allowed by law. A water conservation program adopted by  
32 a county shall not conflict with, or supersede, provisions of a  
33 comprehensive plan, development regulation, rate ordinance or  
34 resolution, conservation ordinance, or water system plan adopted by a  
35 city or town within its corporate boundaries. The adequacy of the  
36 water conservation provisions implemented through such plans shall  
37 solely be determined by the adopting county, subject to existing law.

1 If the county is not the sole water supplier, the provisions of any  
2 water conservation program ordinance shall be developed in consultation  
3 with all municipal water suppliers, as defined in RCW 90.03.015, that  
4 are proposed for inclusion within the program.

5 NEW SECTION. **Sec. 14.** A new section is added to chapter 90.46 RCW  
6 to read as follows:

7 (1) The department of ecology shall establish a task force by July  
8 31, 2007, composed of no more than ten members including a  
9 representative from the department of ecology, who shall serve as  
10 chair, a representative from the department of health, and  
11 representatives from city, county, and water-sewer district utilities,  
12 and the environmental and business communities. By January 1, 2008,  
13 the task force shall submit to the appropriate legislative committees  
14 a recommendation for a long-term dedicated funding program to construct  
15 reclaimed water facilities. To minimize the administrative burden, the  
16 task force shall work toward a coordinated effort with the current  
17 clean water state revolving fund and centennial clean water fund  
18 integrated program under which reclaimed water projects with a water  
19 quality benefit are currently eligible and shall review the "2006  
20 Inventory of State Infrastructure Programs" produced by the joint  
21 legislative audit and review committee.

22 (2) The recommendation shall provide a comprehensive funding, loan,  
23 and grant program that includes the following:

24 (a) Eligibility requirements: Eligible components should include  
25 the additional water reclamation components to treat wastewater  
26 effluent to reclaimed water standards, distribution pump stations,  
27 storage, trunk lines, and distribution lines, and multiple-purpose  
28 projects in proportion to the costs allocated to reclaimed water;

29 (b) Competitive process for funding: The funding should be  
30 competitive and establish a maximum percentage or maximum funding  
31 amount available to any applicant;

32 (c) Priorities for funding that target reclaimed water projects  
33 ready to proceed, local support for the project, projects in areas that  
34 have adopted mandatory use ordinances or letters of intent to execute  
35 user contracts, projects providing broader public benefits to  
36 environmental water quality or water resource needs such as Puget Sound  
37 restoration, Columbia river water management strategies, water quality

1 improvements, wetlands habitat, and instream flows, projects with  
2 benefits that clearly extend to citizens other than the utility  
3 ratepayers; and

4 (d) A proposed grant program for projects in identified high  
5 priority areas.

6 NEW SECTION. **Sec. 15.** A new section is added to chapter 90.46 RCW  
7 to read as follows:

8 (1) The legislature finds that the state should take a lead in  
9 increasing the visibility of the use of reclaimed water.

10 (2) The department of general administration shall develop a  
11 proposal to provide a comprehensive campus-wide plan for the use of  
12 nonpotable water in lieu of the use of potable water to serve as a  
13 demonstration project for the use of reclaimed water. The department  
14 of general administration shall work with the city of Olympia to  
15 provide a report to the legislature by December 1, 2007, of the needed  
16 infrastructure, cost, and potential funding sources for the project.

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