

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2137

Chapter 37, Laws of 1996

54th Legislature
1996 Regular Session

DEPARTMENT OF ECOLOGY BIENNIAL PROGRESS REPORTS

EFFECTIVE DATE: 6/6/96

Passed by the House February 6, 1996
Yeas 97 Nays 0

CLYDE BALLARD
**Speaker of the
House of Representatives**

Passed by the Senate February 28, 1996
Yeas 49 Nays 0

JOEL PRITCHARD
President of the Senate

Approved March 13, 1996

MIKE LOWRY
Governor of the State of Washington

CERTIFICATE

I, Timothy A. Martin, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2137** as passed by the House of Representatives and the Senate on the dates hereon set forth.

TIMOTHY A. MARTIN
Chief Clerk

FILED

March 13, 1996 - 1:06 p.m.

**Secretary of State
State of Washington**

HOUSE BILL 2137

Passed Legislature - 1996 Regular Session

State of Washington 54th Legislature 1996 Regular Session

By Representatives Chandler, Chappell, Horn, Rust, Regala, Thompson and Murray; by request of Department of Ecology

Read first time 01/08/96. Referred to Committee on Agriculture & Ecology.

1 AN ACT Relating to department of ecology biennial progress reports;
2 and amending RCW 43.99F.040, 70.146.030, 90.48.465, and 90.50A.030.

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

4 **Sec. 1.** RCW 43.99F.040 and 1987 c 436 s 3 are each amended to read
5 as follows:

6 The proceeds from the sale of the bonds deposited in the state and
7 local improvements revolving account, Waste Disposal Facilities, 1980
8 of the general fund under the terms of this chapter shall be
9 administered by the state department of ecology subject to legislative
10 appropriation. The department may use or permit the use of any funds
11 derived from the sale of bonds authorized under this chapter to
12 accomplish the purpose for which the bonds are issued by direct
13 expenditures and by grants or loans to public bodies, including grants
14 to public bodies as cost-sharing funds in any case where federal,
15 local, or other funds are made available on a cost-sharing basis for
16 improvements within the purposes of this chapter. The department shall
17 ensure that funds derived from the sale of bonds authorized under this
18 chapter do not constitute more than seventy-five percent of the total
19 cost of any waste disposal or management facility. Not more than two

1 percent of the proceeds of the bond issue may be used by the department
2 of ecology in relation to the administration of the expenditures,
3 grants, and loans.

4 At least one hundred fifty million dollars of the proceeds of the
5 bonds authorized by this chapter shall be used exclusively for waste
6 management systems capable of producing renewable energy or energy
7 savings as a result of the management of the wastes. "Renewable
8 energy" means, but is not limited to, the production of steam, hot
9 water for steam heat, electricity, cogeneration, gas, or fuel through
10 the use of wastes by incineration, refuse-derived fuel processes,
11 pyrolysis, hydrolysis, or bioconversion, and energy savings through
12 material recovery from waste source separation and/or recycling.

13 ~~((The department of ecology shall present a progress report of
14 actual projects committed by the department to the senate committee on
15 ways and means and the house of representatives committee on
16 appropriations no later than November 30th of each year.))~~ Beginning
17 with the biennium ending June 30, 1997, the department shall present a
18 biennial progress report on the use of moneys from the account to the
19 chairs of the senate committee on ways and means and the house of
20 representatives committee on appropriations. The first report is due
21 June 30, 1996, and the report for each succeeding biennium is due
22 December 31 of the odd-numbered year. The report shall consist of a
23 list of each recipient, project description, and amount of the grant,
24 loan, or both.

25 Integration of the management and operation of systems for solid
26 waste disposal with systems of liquid waste disposal holds promise of
27 improved waste disposal efficiency and greater environmental protection
28 and restoration. To encourage the planning for and development of such
29 integration, the department may provide for special grant incentives to
30 public bodies which plan for or operate integrated waste disposal
31 management systems.

32 Funds provided for waste disposal and management facilities under
33 this chapter may be used for payments to a service provider under a
34 service agreement pursuant to RCW 70.150.060. If funds are to be used
35 for such payments, the department may make periodic disbursements to a
36 public body or may make a single lump sum disbursement. Disbursements
37 of funds with respect to a facility owned or operated by a service
38 provider shall be equivalent in value to disbursements that would
39 otherwise be made if that facility were owned or operated by a public

1 body. Payments under this chapter for waste disposal and management
2 facilities made to public bodies entering into service agreements
3 pursuant to RCW 70.150.060 shall not exceed amounts paid to public
4 bodies not entering into service agreements.

5 **Sec. 2.** RCW 70.146.030 and 1995 2nd sp.s. c 18 s 921 are each
6 amended to read as follows:

7 (1) The water quality account is hereby created in the state
8 treasury. Moneys in the account may be used only in a manner
9 consistent with this chapter. Moneys deposited in the account shall be
10 administered by the department of ecology and shall be subject to
11 legislative appropriation. Moneys placed in the account shall include
12 tax receipts as provided in RCW 82.24.027, 82.26.025, and 82.32.390,
13 principal and interest from the repayment of any loans granted pursuant
14 to this chapter, and any other moneys appropriated to the account by
15 the legislature.

16 (2) The department may use or permit the use of any moneys in the
17 account to make grants or loans to public bodies, including grants to
18 public bodies as cost-sharing moneys in any case where federal, local,
19 or other funds are made available on a cost-sharing basis, for water
20 pollution control facilities and activities, or for purposes of
21 assisting a public body to obtain an ownership interest in water
22 pollution control facilities and/or to defray a part of the payments
23 made by a public body to a service provider under a service agreement
24 entered into pursuant to RCW 70.150.060, within the purposes of this
25 chapter and for related administrative expenses. No more than three
26 percent of the moneys deposited in the account may be used by the
27 department to pay for the administration of the grant and loan program
28 authorized by this chapter.

29 (3) (~~The department shall present a progress report each biennium~~
30 ~~on the use of moneys from the account to the chairs of the committees~~
31 ~~on ways and means of the senate and house of representatives, including~~
32 ~~one copy to the staff of each of the committees.)) Beginning with the
33 biennium ending June 30, 1997, the department shall present a biennial
34 progress report on the use of moneys from the account to the chairs of
35 the senate committee on ways and means and the house of representatives
36 committee on appropriations. The first report is due June 30, 1996,
37 and the report for each succeeding biennium is due December 31 of the~~

1 odd-numbered year. The report shall consist of a list of each
2 recipient, project description, and amount of the grant, loan, or both.

3 (4) During the fiscal biennium ending June 30, 1997, moneys in the
4 account may be transferred by the legislature to the water right permit
5 processing account.

6 **Sec. 3.** RCW 90.48.465 and 1992 c 174 s 17 are each amended to read
7 as follows:

8 (1) The department shall establish annual fees to collect expenses
9 for issuing and administering each class of permits under RCW
10 90.48.160, 90.48.162, 90.48.260, and 70.95J.020 through 70.95J.090. An
11 initial fee schedule shall be established by rule within one year of
12 March 1, 1989, and thereafter the fee schedule shall be adjusted no
13 more often than once every two years. This fee schedule shall apply to
14 all permits, regardless of date of issuance, and fees shall be assessed
15 prospectively. All fees charged shall be based on factors relating to
16 the complexity of permit issuance and compliance and may be based on
17 pollutant loading and toxicity and be designed to encourage recycling
18 and the reduction of the quantity of pollutants. Fees shall be
19 established in amounts to fully recover and not to exceed expenses
20 incurred by the department in processing permit applications and
21 modifications, monitoring and evaluating compliance with permits,
22 conducting inspections, securing laboratory analysis of samples taken
23 during inspections, reviewing plans and documents directly related to
24 operations of permittees, overseeing performance of delegated
25 pretreatment programs, and supporting the overhead expenses that are
26 directly related to these activities.

27 (2) The annual fee paid by a municipality, as defined in 33 U.S.C.
28 Sec. 1362, for all domestic wastewater facility permits issued under
29 RCW 90.48.162, 90.48.260, and 70.95J.020 through 70.95J.090 shall not
30 exceed the total of a maximum of fifteen cents per month per residence
31 or residential equivalent contributing to the municipality's wastewater
32 system. The department shall adopt by rule a schedule of credits for
33 any municipality engaging in a comprehensive monitoring program beyond
34 the requirements imposed by the department, with the credits available
35 for five years from March 1, 1989, and with the total amount of all
36 credits not to exceed fifty thousand dollars in the five-year period.

37 (3) The department shall ensure that indirect dischargers do not
38 pay twice for the administrative expense of a permit. Accordingly,

1 administrative expenses for permits issued by a municipality under RCW
2 90.48.165 are not recoverable by the department.

3 (4) In establishing fees, the department shall consider the
4 economic impact of fees on small dischargers and the economic impact of
5 fees on public entities required to obtain permits for storm water
6 runoff and shall provide appropriate adjustments.

7 (5) All fees collected under this section shall be deposited in the
8 water quality permit account hereby created in the state treasury.
9 Moneys in the account may be appropriated only for purposes of
10 administering permits under RCW 90.48.160, 90.48.162, 90.48.260, and
11 70.95J.020 through 70.95J.090.

12 (6) (~~The department shall submit an annual report to the~~
13 ~~legislature showing detailed information on fees collected, actual~~
14 ~~expenses incurred, and anticipated expenses for the current and~~
15 ~~following fiscal years.~~

16 (7) ~~The legislative budget committee in 1993 shall review the fees~~
17 ~~established under this section and report its findings to the~~
18 ~~legislature in January 1994)) Beginning with the biennium ending June
19 30, 1997, the department shall present a biennial progress report on
20 the use of moneys from the account to the legislature. The report will
21 be due December 31 of the odd-numbered year. The report shall consist
22 of information on fees collected, actual expenses incurred, and
23 anticipated expenses for the current and following fiscal years.~~

24 **Sec. 4.** RCW 90.50A.030 and 1988 c 284 s 4 are each amended to read
25 as follows:

26 The department of ecology shall use the moneys in the water
27 pollution control revolving fund to provide financial assistance as
28 provided in the water quality act of 1987:

29 (1) To make loans, on the condition that:

30 (a) Such loans are made at or below market interest rates,
31 including interest free loans, at terms not to exceed twenty years;

32 (b) Annual principal and interest payments will commence not later
33 than one year after completion of any project and all loans will be
34 fully amortized not later than twenty years after project completion;

35 (c) The recipient of a loan will establish a dedicated source of
36 revenue for repayment of loans; and

37 (d) The fund will be credited with all payments of principal and
38 interest on all loans.

1 (2) Loans may be made for the following purposes:

2 (a) To public bodies for the construction or replacement of water
3 pollution control facilities as defined in section 212 of the federal
4 water quality act of 1987;

5 (b) For the implementation of a management program established
6 under section 319 of the federal water quality act of 1987 relating to
7 the management of nonpoint sources of pollution, subject to the
8 requirements of that act; and

9 (c) For development and implementation of a conservation and
10 management plan under section 320 of the federal water quality act of
11 1987 relating to the national estuary program, subject to the
12 requirements of that act.

13 (3) The department may also use the moneys in the fund for the
14 following purposes:

15 (a) To buy or refinance the water pollution control facilities'
16 debt obligations of public bodies at or below market rates, if such
17 debt was incurred after March 7, 1985;

18 (b) To guarantee, or purchase insurance for, public body
19 obligations for water pollution control facility construction or
20 replacement or activities if the guarantee or insurance would improve
21 credit market access or reduce interest rates, or to provide loans to
22 a public body for this purpose;

23 (c) As a source of revenue or security for the payment of principal
24 and interest on revenue or general obligation bonds issued by the state
25 if the proceeds of the sale of such bonds will be deposited in the
26 fund;

27 (d) To earn interest on fund accounts; and

28 (e) To pay the expenses of the department in administering the
29 water pollution control revolving fund according to administrative
30 reserves authorized by federal and state law.

31 ~~(4) ((The department shall present a progress report on the use of~~
32 ~~moneys from the fund to the chairs of the ways and means committees of~~
33 ~~the senate and the house of representatives no later than November 30~~
34 ~~of each year. This report shall consist of a list of each loan~~
35 ~~recipient, a project description, total loan amount, financial~~
36 ~~arrangement and interest rate, repayment schedule, and source of~~
37 ~~repayment.))~~ Beginning with the biennium ending June 30, 1997, the
38 department shall present a biennial progress report on the use of
39 moneys from the account to the chairs of the senate committee on ways

1 and means and the house of representatives committee on appropriations.
2 The first report is due June 30, 1996, and the report for each
3 succeeding biennium is due December 31 of the odd-numbered year. The
4 report shall consist of a list of each recipient, project description,
5 and amount of the grant, loan, or both.

6 (5) The department may not use the moneys in the water pollution
7 control revolving fund for grants.

Passed the House February 6, 1996.

Passed the Senate February 28, 1996.

Approved by the Governor March 13, 1996.

Filed in Office of Secretary of State March 13, 1996.