## ENGROSSED SECOND SUBSTITUTE HOUSE BILL 2925

State of Washington 55th Legislature 1998 Regular Session

**By** House Committee on Appropriations (originally sponsored by Representatives Chandler, Cairnes, Radcliff, Robertson, Linville, Backlund, Regala, Mitchell and Scott)

Read first time 02/07/98. Referred to Committee on .

1 AN ACT Relating to water; amending RCW 90.03.383, 90.03.330, and 2 90.14.140; and creating a new section.

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

4 **Sec. 1.** RCW 90.03.383 and 1991 c 350 s 1 are each amended to read 5 as follows:

(1) The legislature recognizes the value of interties for improving б 7 the reliability of public water systems, enhancing their management, and more efficiently utilizing the increasingly limited resource. 8 9 Given the continued growth in the most populous areas of the state, the 10 increased complexity of public water supply management, and the trend toward regional planning and regional solutions to resource issues, 11 12 interconnections of public water systems through interties provide a 13 valuable tool to ensure reliable public water supplies for the citizens 14 of the state. Public water systems have been encouraged in the past to 15 utilize interties to achieve public health and resource management 16 objectives. The legislature finds that it is in the public interest to recognize interties existing and in use as of January 1, 1991, and to 17 have associated water rights modified by the department of ecology to 18 reflect current use of water through those interties, pursuant to 19

subsection (3) of this section. The legislature further finds it in
 the public interest to develop a coordinated process to review
 proposals for interties commencing use after January 1, 1991.

4 (2) For the purposes of this section, the following definitions 5 shall apply:

б (a) "Interties" are interconnections between public water systems 7 permitting exchange, acquisition, or delivery of wholesale and/or 8 retail water between those systems for other than emergency supply 9 purposes, where such exchange, acquisition, or delivery is within 10 established instantaneous and annual withdrawal rates specified in the 11 systems' existing water right permits or certificates, or contained in claims filed pursuant to chapter 90.14 RCW, and which results in better 12 13 management of public water supply consistent with existing rights and obligations. Interties include interconnections between public water 14 15 systems permitting exchange, acquisition, or delivery of water to serve as primary or secondary sources of supply((, but do not include 16 17 development of new sources of supply to meet future demand)) and the development of new sources of supply to meet future demands if the 18 19 water system or systems receiving water through such an intertie make 20 efficient use of existing sources of water supply and the provision of water through such an intertie is consistent with local land use plans. 21 For this purpose, a system's full compliance with the state department 22 of health's conservation quidelines for such systems is deemed 23 24 efficient use.

25 (b) "Service area" is the area designated as the wholesale and/or 26 retail area in a water system plan or a coordinated water system plan 27 pursuant to chapter 43.20 or 70.116 RCW respectively. When a public water system does not have a designated service area subject to the 28 approval process of those chapters, the service area shall be the 29 30 designated place of use contained in the water right permit or 31 certificate, or contained in the claim filed pursuant to chapter 90.14 RCW. 32

(3)(a) Public water systems with interties existing and in use as of January 1, 1991, or that have received written approval from the department of health prior to that date, shall file written notice of those interties with the department of health and the department of ecology. The notice may be incorporated into the public water system's five-year update of its water system plan, but shall be filed no later than June 30, 1996. The notice shall identify the location of the

intertie; the dates of its first use; the purpose, capacity, and 1 current use; the intertie agreement of the parties and the service 2 areas assigned; and other information reasonably necessary to modify 3 4 the <u>public water system's</u> water right ((permit)). Notwithstanding the provisions of RCW 90.03.380 and 90.44.100, for public water systems 5 with interties existing and in use or with written approval as of 6 7 January 1, 1991, the department of ecology, upon receipt of notice 8 meeting the requirements of this subsection, shall, as soon as 9 practicable, modify the place of use descriptions in the water right 10 permits, certificates, or claims to reflect the actual use through such interties, provided that the place of use is within service area 11 designations established in a water system plan approved pursuant to 12 13 chapter 43.20 RCW, or a coordinated water system plan approved pursuant to chapter 70.116 RCW, and further provided that the water used is 14 15 within the instantaneous and annual withdrawal rates specified in the 16 water rights ((<del>permit</del>)) and that no outstanding complaints of impairment to existing water rights have been filed with the department 17 of ecology prior to September 1, 1991. Where such complaints of 18 19 impairment have been received, the department of ecology shall make all 20 reasonable efforts to resolve them in a timely manner through agreement of the parties or through available administrative remedies. 21

22 (b) An intertie meeting the requirements of this subsection (3) for modifying the place of use description in a water right permit, 23 24 certificate, or claim may be used to its full design or built capacity 25 within the most recently approved retail or wholesale or retail and 26 wholesale service area, without further approval under this section and without regard to the capacity actually used before January 1, 1991. 27 Any intertie meeting the requirements of this section, however, must be 28 29 reviewed, analyzed, and approved by the department of health in 30 collaboration with the department of ecology, and in accordance with coordinated water system plan requirements under chapter 70.116 RCW. 31 In addition, any intertie meeting the requirements of this subsection 32 must undergo environmental review in accordance with chapter 43.21C 33 34 RCW.

(4) Notwithstanding the provisions of RCW 90.03.380 and 90.44.100,
exchange, acquisition, or delivery of water through interties approved
by the department of health commencing use after January 1, 1991, shall
be permitted when the intertie improves overall system reliability,
enhances the manageability of the systems, provides opportunities for

conjunctive use, or delays or avoids the need to develop new water 1 sources, and otherwise meets the requirements of this section, provided 2 that each public water system's water use shall not exceed the 3 4 instantaneous or annual withdrawal rate specified in its water right authorization, shall not adversely affect existing water rights, and 5 shall not be inconsistent with state-approved plans such as water 6 7 system plans or other plans which include specific proposals for 8 construction of interties. Interties commencing use after January 1, 9 1991, ((shall not be inconsistent)) must be deemed consistent with 10 regional water resource plans developed pursuant to chapter 90.54 RCW or chapter 90.82 RCW. 11

(5) For public water systems subject to the approval process of 12 chapter 43.20 RCW or chapter 70.116 RCW, proposals for interties 13 14 commencing use after January 1, 1991, shall be incorporated into water 15 system plans pursuant to chapter 43.20 RCW or coordinated water system 16 plans pursuant to chapter 70.116 RCW and submitted to the department of 17 health and the department of ecology for review and approval as provided for in subsections (5) through (9) of this section. The plan 18 19 shall state how the proposed intertie will improve overall system 20 reliability, enhance the manageability of the systems, provide opportunities for conjunctive use, or delay or avoid the need to 21 22 develop new water sources.

(6) The department of health shall be responsible for review and 23 24 approval of proposals for new interties. In its review the department 25 of health shall determine whether the intertie satisfies the criteria 26 of subsection (4) of this section, with the exception of water rights considerations, which are the responsibility of the department of 27 ecology, and shall determine whether the intertie is necessary to 28 29 address emergent public health or safety concerns associated with 30 public water supply.

31 (7) If the intertie is determined by the department of health to be necessary to address emergent public health or safety concerns 32 associated with public water supply, the public water system shall 33 34 amend its water system plan as required and shall file an application 35 with the department of ecology to change its existing water right to reflect the proposed use of the water as described in the approved 36 37 water system plan. The department of ecology shall process the application for change pursuant to RCW 90.03.380 or 90.44.100 as 38 39 appropriate, except that, notwithstanding the requirements of those

sections regarding notice and protest periods, applicants shall be 1 required to publish notice one time, and the comment period shall be 2 3 fifteen days from the date of publication of the notice. Within sixty 4 days of receiving the application, the department of ecology shall issue findings and advise the department of health if existing water 5 rights are determined to be adversely affected. If no determination is 6 7 provided by the department of ecology within the sixty-day period, the 8 department of health shall proceed as if existing rights are not 9 adversely affected by the proposed intertie. The department of ecology 10 may obtain an extension of the sixty-day period by submitting written notice to the department of health and to the applicant indicating a 11 definite date by which its determination will be made. No additional 12 extensions shall be granted, and in no event shall the total review 13 period for the department of ecology exceed one hundred eighty days. 14

15 (8) If the department of health determines the proposed intertie 16 appears to meet the requirements of subsection (4) of this section but 17 is not necessary to address emergent public health or safety concerns associated with public water supply, the department of health shall 18 19 instruct the applicant to submit to the department of ecology an 20 application for change to the underlying water right or claim as necessary to reflect the new place of use. The department of ecology 21 shall consider the applications pursuant to the provisions of RCW 22 90.03.380 and 90.44.100 as appropriate. The department of ecology 23 24 shall not deny or limit a change of place of use for an intertie on the grounds that the holder of a permit has not yet put all of the water 25 26 authorized in the permit to beneficial use. If in its review of proposed interties and associated water rights the department of 27 ecology determines that additional information is required to act on 28 29 the application, the department may request applicants to provide 30 information necessary for its decision, consistent with agency rules 31 and written guidelines. Parties disagreeing with the decision of the department of ecology ((on)) to approve or deny the application for 32 33 change in place of use may appeal the decision to the pollution control 34 hearings board.

(9) The department of health may approve plans containing intertie proposals prior to the department of ecology's decision on the water right application for change in place of use. However, notwithstanding such approval, construction work on the intertie shall not begin until

p. 5

the department of ecology issues the appropriate water right document
 to the applicant consistent with the approved plan.

3 (10) An intertie shall not be used to deliver a primary or 4 secondary supply of water to a receiving system on a temporary basis unless the terms of the intertie agreement specify the source of the 5 water that will be used by the receiving system to replace the water 6 7 delivered on the temporary basis and provide that replacement water 8 will be available for delivery to or use by the receiving system before 9 delivery by the supplying system under the agreement is terminated. However, if a primary or secondary supply of water is delivered to a 10 receiving system on a temporary basis by means of an intertie on the 11 effective date of this subsection and the agreement between the 12 13 supplying system and receiving system does not contain such provision for such a replacement supply of water for the receiving system, the 14 15 delivery of the water by the supplying system to the receiving system shall not be terminated until the agreement is modified to establish 16 such provisions and such replacement water is available for delivery to 17 or use by the receiving system. 18

19 Sec. 2. RCW 90.03.330 and 1987 c 109 s 89 are each amended to read 20 as follows:

(1) Upon a showing satisfactory to the department that any 21 22 appropriation has been perfected in accordance with the provisions of 23 this chapter, it shall be the duty of the department to issue to the 24 applicant a certificate stating such facts in a form to be prescribed 25 by him, and such certificate shall thereupon be recorded with the department. Any original water right certificate issued, as provided 26 by this chapter, shall be recorded with the department and thereafter, 27 at the expense of the party receiving the same, be by the department 28 29 transmitted to the county auditor of the county or counties where the 30 distributing system or any part thereof is located, and be recorded in the office of such county auditor, and thereafter be transmitted to the 31 owner thereof. 32

33 (2) If a public water system is providing water for municipal 34 supply purposes under a certificated water right, the instantaneous and 35 annual withdrawal rates specified in the certificate are deemed valid 36 and perfected.

37 (3) If a federal reclamation project is providing water for
 38 reclamation purposes under a certificated water right, the

р. б

1 instantaneous and annual withdrawal rates specified in the certificate 2 are deemed valid and perfected.

3 (4) If an irrigation district is providing water for the purposes 4 authorized by chapter 87.03 RCW under a certificated water right, the 5 instantaneous and annual withdrawal rates specified in the certificate 6 are deemed valid and perfected.

7 (5) Notwithstanding any other provisions of this section, the 8 public water system, federal reclamation project, or irrigation 9 district must demonstrate to the department of ecology in accordance 10 with water system plans and reviews pursuant to chapter 70.119A or 11 87.03 RCW, that the instantaneous and annual withdrawal rates will be 12 necessary in order to accommodate the needs of its users during the 13 most recent projection for a fifty-year period.

14 **Sec. 3.** RCW 90.14.140 and 1987 c 125 s 1 are each amended to read 15 as follows:

16 (1) For the purposes of RCW 90.14.130 through 90.14.180, 17 "sufficient cause" shall be defined as the nonuse of all or a portion 18 of the water by the owner of a water right for a period of five or more 19 consecutive years where such nonuse occurs as a result of:

20 (a) Drought, or other unavailability of water;

(b) Active service in the armed forces of the United States duringmilitary crisis;

23 (c) Nonvoluntary service in the armed forces of the United States;

24

(d) The operation of legal proceedings;

(e) Federal laws imposing land or water use restrictions either directly or through the voluntary enrollment of a landowner in a federal program implementing those laws, or acreage limitations, or production quotas<u>;</u>

29 (f) An elapse of time occurring while a request or application is 30 processed for transferring or changing a water right;

31 (g) The implementation of practices or technologies or the 32 installation or repair of facilities, including but not limited to 33 water conveyance practices, technologies, or facilities, that are more 34 efficient or more water use efficient than practices, technologies, or 35 facilities previously used under the water right.

36 (2) Notwithstanding any other provisions of RCW 90.14.130 through
 37 90.14.180, there shall be no relinquishment of any water right:

(a) If such right is claimed for power development purposes under
 chapter 90.16 RCW and annual license fees are paid in accordance with
 chapter 90.16 RCW, or

4 (b) If such right is used for a standby or reserve water supply to 5 be used in time of drought or other low flow period so long as 6 withdrawal or diversion facilities are maintained in good operating 7 condition for the use of such reserve or standby water supply, or

8 (c) If such right is claimed for a determined future development to 9 take place ((either)) at any time within fifteen years of either July 10 1, 1967, or the most recent beneficial use of the water right, 11 whichever date is later, or

12 (d) If such right is claimed for municipal water supply purposes 13 under chapter 90.03 RCW, or

14 (e) If such waters are not subject to appropriation under the 15 applicable provisions of RCW 90.40.030 as now or hereafter amended.

16 <u>NEW SECTION.</u> Sec. 4. If specific funding for the purposes of this 17 act, referencing this act by bill or chapter number, is not provided by 18 June 30, 1998, in the omnibus appropriations act, this act is null and 19 void.

--- END ---