
**Agriculture & Natural Resources
Committee**

HB 2559

Brief Description: Establishing the watershed improvement through water quality trading and banking act.

Sponsors: Representatives Eddy, Upthegrove and Roach.

Brief Summary of Bill

- Requires the Department of Ecology to develop and implement a Water Quality Trading and Banking Program as a means of achieving water quality objectives and standards.
- Allows the Department of Ecology to select two or more pilot projects or case studies from volunteer participating counties to pilot the application of water quality trades and banking.

Hearing Date: 1/22/10

Staff: Jaclyn Ford (786-7339).

Background:

Water Quality Improvement Projects.

The Total Maximum Daily Load (TMDL) or Water Quality Improvement Project process was established by the Clean Water Act (CWA). Federal law requires states to identify sources of pollution in waters that fail to meet state water quality standards, and to develop Water Quality Improvement Reports to address those pollutants. The TMDL establishes limits on pollutants that can be discharged to the waterbody and still allow state standards to be met.

Water Quality Trading.

Water quality trading is a voluntary exchange of pollutant reduction credits. A facility with a higher pollutant control cost can buy a pollutant reduction credit from a facility with a lower

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control cost, thus reducing their cost of compliance. A permitted facility or a point source can trade with another point source or with a nonpoint source. A credit is a unit of pollutant reduction usually measured in pounds equivalent. Credits can be generated by a point source overcontrolling its discharge or by a nonpoint source installing best management practices beyond its baseline.

Summary of Bill:

By December 31, 2011, the Department of Ecology (DOE) must develop and implement a Water Quality Trading and Banking Program as a means of achieving water quality objectives and standards in lieu of technology or water quality-based requirements. The DOE must develop the program in a manner that complies with state and federal water quality rules and regulations, and promotes economic efficiency. Therefore, the DOE must seek any approvals, waivers, or authorizations from the EPA in order to implement the Water Quality Trading and Banking Program.

In developing the Water Quality Trading and Banking Program, the DOE must place a priority on trades that improve the water quality within watersheds and on designated pollutants and conditions. In addition, the DOE must establish procedures, technical assistance, and oversight in various aspects of water quality trading and banking.

The DOE may select two or more pilot projects or case studies from volunteer participating counties to pilot the application of water quality trades and banking. The DOE may also seek federal funding to support the Water Quality Trading and Banking Program.

This Act may be known and cited as the Watershed Improvement through Water Quality Trading and Banking Act.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.