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## Environment Committee

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### HB 1235

**Brief Description:** Prioritizing state investments in storm water control.

**Sponsors:** Representatives Pike, Takko, Harris, Hargrove and Fagan.

#### Brief Summary of Bill

- Requires that financial assistance provided by the Department of Ecology to local governments for stormwater projects give priority to funding for projects mandated by applicable municipal stormwater permits.
- Specifies that the Department may fund stormwater projects unrelated to the satisfaction of permit requirements only after the municipal stormwater permit requirements have been funded.

**Hearing Date:** 1/30/13

**Staff:** Jacob Lipson (786-7196).

#### **Background:**

##### Municipal Stormwater Permits.

Stormwater is commonly transported through separate conveyance systems than wastewater, and subsequently discharged untreated into water bodies. The federal Clean Water Act establishes the National Pollutant Discharge Elimination System (NPDES), which regulates stormwater discharges. The NPDES permitting authority is delegated to the state, allowing the Department of Ecology (Department) to issue stormwater permits to cities and counties.

Municipal stormwater permits authorize stormwater discharges to surface and ground waters of the state, and vary in form depending on the size and density of the regulated municipality, and impairment levels of receiving water bodies. Municipal stormwater permit holders must fulfill certain stormwater prevention and management responsibilities enumerated in the permit. These responsibilities may include requirements to detect illicit stormwater discharges, control

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stormwater runoff from development and construction activities, institute structural improvements to reduce discharges, and minimize the accumulation of pollution in areas where it will be conveyed for untreated discharge during a storm.

#### Financial Assistance to Local Governments for Stormwater Projects.

The Department, using state funds appropriated by the Legislature or federal funds allocated under the Clean Water Act, provides grants and loans to local governments to help them prevent the discharge of pollutant-containing wastewater and stormwater. Grants and financial assistance contracts (loans) to local governments for the performance of stormwater management activities contain several financial and policy restrictions on their terms.

On stormwater loans, the Department must give priority to contracts to local governments which provide relief from public health hazards or water pollution conditions, and which add capacity to help the local government meet predicted future demand for stormwater management. On stormwater grants, there is not a statutory prioritization schema for the Department's awards to local governments. Three of the specific financial assistance programs supporting multiple types of water quality projects are the Centennial Clean Water Program, the federal Clean Water Act Section 319 Nonpoint Source Program, and the State Water Pollution Control Revolving Fund. In administering these grant and loan programs, the Department develops an annual statewide priority list of proposed water quality projects, including storm water projects. This priority list is based on several criteria, including a project's anticipated environmental benefits, and whether a project helps address state or federal mandates, including permitting requirements.

#### Model Toxics Control Act Stormwater Funding.

Certain stormwater mitigation activities are also funded through the Model Toxics Control Act (MTCA) hazardous substance tax, which authorizes a tax of 0.7 percent on petroleum and other hazardous substances. The receipts of the hazardous substance tax are split between an account for state MTCA operations (the State Toxics Control Account), and an account to provide grants to local governments for MTCA-related projects (the Local Toxics Control Account). Broadly, the shared objective of funds in both accounts is to remove and prevent contamination of the environment.

#### **Summary of Bill:**

The Department, when providing financial assistance to local governments for projects directed to stormwater management, treatment, or control, must give priority to activities mandatory to meet the requirements of the locally-applicable municipal stormwater permit. Other, non-mandatory projects may be funded by the Department only after municipal stormwater permit requirements have been funded.

These prioritization requirements apply to financial assistance provided to local governments through the Department from funds appropriated by the Legislature, and funds in the State Toxics Control Account and the Local Toxics Control Account.

**Appropriation:** None.

**Fiscal Note:** Available.

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