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**Agriculture & Natural Resources  
Committee**

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**SSB 6179**

**Brief Description:** Concerning water banking.

**Sponsors:** Senate Committee on Agriculture, Water & Rural Economic Development (originally sponsored by Senator Honeyford).

**Brief Summary of Substitute Bill**

- Expands the information that the Department of Ecology must maintain on their agency website to include a schedule or table for each water bank in the state that provides information relating to the mitigation water being offered by each water bank.
- Prohibits the Department of Ecology from using a water bank to provide for the mitigation of water resource impacts with an inadequate water supply.

**Hearing Date:** 2/18/16

**Staff:** Jason Callahan (786-7117).

**Background:**

According to the Department of Ecology (Department), water banking is an institutional mechanism used to facilitate the legal transfer and market exchange of various types of surface water, groundwater, and water storage. The phrase "water banking" is widely used to refer to a variety of water management practices. Water banking is typically facilitated by an institution that operates in the role of broker or clearinghouse. Many banks pool water supplies from willing sellers and make them available as credits to willing buyers.

In 2003 legislation was passed to allow water banking in the Yakima Basin using the State Trust Water Rights Program (Program). During the 2009 legislative session, the law was amended to clarify that this tool is available to use for banking statewide. The Program allows either a

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permanent donation of a water right or a temporary donation that allows the water right holder to maintain his or her water rights for future uses without the water right relinquishing. Water enrolled in the Program is held by the Department and put to beneficial uses. Water enrolled in the Program is held in trust and retains its original priority date.

Water banking, when managed by the Department through the Program, is authorized to be used for specific purposes. These purposes include mitigating for water impacts, future water supply needs, documenting transfers of water rights in and out of the Program, and to make water available on a permanent or temporary basis for third parties to put to beneficial use. There are also potential purposes that the Department is expressly forbidden from accomplishing through water banking. These include anything causing detriment to an existing water right, providing temporary water for any user requiring an adequate and reliable source of potable water, and administering a federal project water right.

The Department is required to maintain information of its agency website regarding water banking. This information must include information on water banks and related programs in various areas of the state.

**Summary of Bill:**

A new express prohibition on how the Department may use water banking is provided. The additional prohibition is on the use of a water bank to provide for the mitigation of water resource impacts with an inadequate water supply.

The information that the Department must maintain on their agency website is expanded to include a schedule or table for each water bank in the state. The table must show the amount charged by each bank for mitigation, the priority date of the water offered for mitigation, and the amount of water being made available for mitigation. Any person operating a water bank in the state is required to provide information, upon request, to the Department as necessary to fulfill the Department's reporting requirements. The Department must update the information on their agency website on a quarterly basis based on the information provided by water bank operators.

**Appropriation:** None.

**Fiscal Note:** Available.

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