<u>SSB 6091</u> - S AMD 347 By Senator Van De Wege

ADOPTED 01/18/2018

1 Strike everything after the enacting clause and insert the 2 following:

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"PART 1

4 **Sec. 101.** RCW 19.27.097 and 2015 c 225 s 17 are each amended to 5 read as follows:

6 (1)(a) Each applicant for a building permit of a building necessitating potable water shall provide evidence of an adequate 7 water supply for the intended use of the building. Evidence may be in 8 the form of a water right permit from the department of ecology, a 9 letter from an approved water purveyor stating the ability to provide 10 11 water, or another form sufficient to verify the existence of an 12 adequate water supply. ((In addition to other authorities, the county or city may impose conditions on building permits requiring 13 connection to an existing public water system where the existing 14 system is willing and able to provide safe and reliable potable water 15 to the applicant with reasonable economy and efficiency.)) 16 An 17 application for a water right shall not be sufficient proof of an 18 adequate water supply.

(b) In a water resource inventory area with rules adopted by the 19 20 department of ecology pursuant to section 202 or 203 of this act and 21 the following water resource inventory areas with instream flow rules 22 adopted by the department of ecology under chapters 90.22 and 90.54 RCW that explicitly regulate permit-exempt groundwater withdrawals, 23 24 evidence of an adequate water supply must be consistent with the specific applicable rule requirements: 5 (Stillaquamish); 17 25 (Quilcene-Snow); 18 (Elwha-Dungeness); 27 (Lewis); 28 (Salmon-26 27 Washougal); 32 (Walla Walla); 45 (Wenatchee); 46 (Entiat); 48 28 (Methow); and 57 (Middle Spokane).

29 (c) In the following water resource inventory areas with instream 30 flow rules adopted by the department of ecology under chapters 90.22 31 and 90.54 RCW that do not explicitly regulate permit-exempt

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1 groundwater withdrawals, evidence of an adequate water supply must be 2 consistent with section 202 of this act, unless the applicant 3 provides other evidence of an adequate water supply that complies 4 with chapters 90.03 and 90.44 RCW: 1 (Nooksack); 11 (Nisqually); 22 5 (Lower Chehalis); 23 (Upper Chehalis); 49 (Okanogan); 55 (Little 6 Spokane); and 59 (Colville).

(d) In the following water resource inventory areas with instream 7 flow rules adopted by the department of ecology under chapters 90.22 8 and 90.54 RCW that do not explicitly regulate permit-exempt 9 groundwater withdrawals, evidence of an adequate water supply must be 10 consistent with section 203 of this act, unless the applicant 11 provides other evidence of an adequate water supply that complies 12 with chapters 90.03 and 90.44 RCW: 7 (Snohomish); 8 (Cedar-13 Sammamish); 9 (Duwamish-Green); 10 (Puyallup-White); 12 (Chambers-14 Clover); 13 (Deschutes); 14 (Kennedy-Goldsborough); and 15 (Kitsap). 15

16 (e) In water resource inventory areas 37 (Lower Yakima), 38 17 (Naches), and 39 (Upper Yakima), the department of ecology may impose 18 requirements to satisfy adjudicated water rights.

19 (f) Additional requirements apply in areas within water resource 20 inventory area 3 (Lower Skagit-Samish) and 4 (Upper Skagit) regulated 21 by chapter 173-503 WAC, as a result of Swinomish Indian Tribal 22 Community v. Department of Ecology, 178 Wn.2d 571, 311 P.3d 6 (2013).

23 (g) In other areas of the state, physical and legal evidence of 24 an adequate water supply may be demonstrated by the submission of a 25 water well report consistent with the requirements of chapter 18.104 26 RCW.

27 (h) For the purposes of this subsection (1), "water resource 28 inventory areas" means those areas described in chapter 173-500 WAC 29 as of the effective date of this section.

30 (2) <u>In addition to other authorities, the county or city may</u> 31 <u>impose additional requirements, including conditions on building</u> 32 <u>permits requiring connection to an existing public water system where</u> 33 <u>the existing system is willing and able to provide safe and reliable</u> 34 <u>potable water to the applicant with reasonable economy and</u> 35 <u>efficiency.</u>

36 (3) Within counties not required or not choosing to plan pursuant 37 to RCW 36.70A.040, the county and the state may mutually determine 38 those areas in the county in which the requirements of subsection (1) 39 of this section shall not apply. The departments of health and 40 ecology shall coordinate on the implementation of this section. 40 Code Rev/ML:akl 2 S-4056.3/18 3rd draft 1 Should the county and the state fail to mutually determine those 2 areas to be designated pursuant to this subsection, the county may 3 petition the department of enterprise services to mediate or, if 4 necessary, make the determination.

5 (((3))) (4) Buildings that do not need potable water facilities 6 are exempt from the provisions of this section. The department of 7 ecology, after consultation with local governments, may adopt rules 8 to implement this section, which may recognize differences between 9 high-growth and low-growth counties.

10 (5) Any permit-exempt groundwater withdrawal authorized under RCW 11 90.44.050 associated with a water well constructed in accordance with 12 the provisions of chapter 18.104 RCW before the effective date of 13 this section is deemed to be evidence of adequate water supply under 14 this section.

15 <u>NEW SECTION.</u> Sec. 102. A new section is added to chapter 36.70A 16 RCW to read as follows:

17 For the purposes of complying with the requirements of this chapter relating to surface and groundwater resources, a county or 18 city may rely on or refer to applicable minimum instream flow rules 19 20 adopted by the department of ecology under chapters 90.22 and 90.54 RCW. Development regulations must ensure that proposed water uses are 21 consistent with RCW 90.44.050 and with applicable rules adopted 22 pursuant to chapters 90.22 and 90.54 RCW when making decisions under 23 24 RCW 19.27.097 and 58.17.110.

25 <u>NEW SECTION.</u> Sec. 103. A new section is added to chapter 36.70 26 RCW to read as follows:

For the purposes of complying with the requirements of this chapter, county development regulations must ensure that proposed water uses are consistent with RCW 90.44.050 and with applicable rules adopted pursuant to chapters 90.22 and 90.54 RCW when making decisions under RCW 19.27.097 and 58.17.110.

32 **Sec. 104.** RCW 58.17.110 and 1995 c 32 s 3 are each amended to 33 read as follows:

(1) The city, town, or county legislative body shall inquire into 34 public and interest proposed to be served 35 the use by the establishment of the subdivision and dedication. It shall determine: 36 (a) If appropriate provisions are made for, but not limited to, the 37 Code Rev/ML:akl 3 S-4056.3/18 3rd draft

1 public health, safety, and general welfare, for open spaces, drainage ways, streets or roads, alleys, other public ways, transit stops, 2 potable water supplies, sanitary wastes, parks and recreation, 3 playgrounds, schools and schoolgrounds, and shall consider all other 4 relevant facts, including sidewalks and other planning features that 5 б assure safe walking conditions for students who only walk to and from 7 school; and (b) whether the public interest will be served by the subdivision and dedication. 8

(2) A proposed subdivision and dedication shall not be approved 9 unless the city, town, or county legislative body makes written 10 11 findings that: (a) Appropriate provisions are made for the public 12 health, safety, and general welfare and for such open spaces, drainage ways, streets or roads, alleys, other public ways, transit 13 14 stops, potable water supplies, sanitary wastes, parks and recreation, playgrounds, schools and schoolgrounds and all other relevant facts, 15 16 including sidewalks and other planning features that assure safe 17 walking conditions for students who only walk to and from school; and (b) the public use and interest will be served by the platting of 18 19 such subdivision and dedication. If it finds that the proposed subdivision and dedication make such appropriate provisions and that 20 21 the public use and interest will be served, then the legislative body shall approve the proposed subdivision and dedication. Dedication of 22 land to any public body, provision of public improvements to serve 23 24 the subdivision, and/or impact fees imposed under RCW 82.02.050 25 through 82.02.090 may be required as a condition of subdivision 26 approval. Dedications shall be clearly shown on the final plat. No dedication, provision of public improvements, or impact fees imposed 27 under RCW 82.02.050 through 82.02.090 shall be 28 allowed that constitutes an unconstitutional taking of private property. 29 The legislative body shall not as a condition to the approval of any 30 31 subdivision require a release from damages to be procured from other 32 property owners.

(3) If the preliminary plat includes a dedication of a public park with an area of less than two acres and the donor has designated that the park be named in honor of a deceased individual of good character, the city, town, or county legislative body must adopt the designated name.

38 (4) If water supply is to be provided by a groundwater withdrawal 39 exempt from permitting under RCW 90.44.050, the applicant's 40 compliance with RCW 90.44.050 and with applicable rules adopted

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1 pursuant to chapters 90.22 and 90.54 RCW is sufficient in determining

2 <u>appropriate provisions for water supply for a subdivision</u>,

3 dedication, or short subdivision under this chapter.

4

8

PART 2

5 <u>NEW SECTION.</u> Sec. 201. The definitions in this section apply 6 throughout this chapter unless the context clearly requires 7 otherwise.

(1) "Department" means the department of ecology.

9 (2) "Lead agency" has the same meaning as defined in RCW 10 90.82.060.

11 (3) "Water resource inventory area" or "WRIA" means a water 12 resource inventory area established in chapter 173-500 WAC as it 13 existed on the effective date of this section.

NEW SECTION. Sec. 202. (1) Unless requirements are otherwise specified in the applicable rules adopted under this chapter or under chapter 90.22 or 90.54 RCW, potential impacts on a closed water body and potential impairment to an instream flow are authorized for new domestic groundwater withdrawals exempt from permitting under RCW 90.44.050 through compliance with the requirements established in this section.

(2) In the following water resource inventory areas with instream 21 flow rules adopted by the department under chapters 90.22 and 90.54 22 23 RCW that do not explicitly regulate permit-exempt groundwater withdrawals and that have completed a watershed plan adopted under 24 25 chapter 90.82 RCW, the department shall work with the initiating governments and the planning units described in chapter 90.82 RCW to 26 review existing watershed plans to identify the potential impacts of 27 28 exempt well use, identify evidence-based conservation measures, and 29 identify projects to improve watershed health: 1 (Nooksack); 11 (Nisqually); 22 (Lower Chehalis); 23 (Upper Chehalis); 49 (Okanogan); 30 55 (Little Spokane); and 59 (Colville). 31

32 (3) In the water resource inventory areas listed in subsection 33 (2) of this section, the lead agency shall invite a representative 34 from each federally recognized Indian tribe that has a usual and 35 accustomed harvest area within the water resource inventory area to 36 participate as part of the planning unit.

1 (4)(a) In collaboration with the planning unit, the initiating governments must update the watershed plan to include recommendations 2 for projects and actions that will measure, protect, and enhance 3 instream resources and improve watershed functions that support the 4 recovery of threatened and endangered salmonids. Watershed plan 5 6 recommendations may include, but are not limited to, acquiring senior 7 rights, water conservation, water reuse, water stream gaging, groundwater monitoring, and developing natural and constructed 8 infrastructure, which includes, but is not limited to, such projects 9 as floodplain restoration, off-channel storage, and aquifer recharge. 10 Qualifying projects must be specifically designed to 11 enhance 12 streamflows and not result in negative impacts to ecological functions or critical habitat. 13

(b) At a minimum, the watershed plan must include those actions 14 that the planning units determine to be necessary to offset potential 15 16 impacts to instream flows associated with permit-exempt domestic 17 water use. The highest priority recommendations must include replacing the quantity of consumptive water use during the same time 18 as the impact and in the same basin or tributary. Lower priority 19 projects include projects not in the same basin or tributary and 20 21 projects that replace consumptive water supply impacts only during 22 critical flow periods. The watershed plan may include projects that improve instream resources without 23 protect or replacing the consumptive quantity of water where such projects are in addition to 24 25 those actions that the planning unit determines to be necessary to 26 offset potential consumptive impacts to instream flows associated with permit-exempt domestic water use. 27

(c) Prior to adoption of the updated watershed plan, the department must determine that actions identified in the watershed plan, after accounting for new projected uses of water over the subsequent twenty years, will result in a net ecological benefit to instream resources within the water resource inventory area.

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(d) The watershed plan may include:

34 (i) Recommendations for modification to fees established under 35 this subsection;

36 (ii) Standards for water use quantities that are less than 37 authorized under RCW 90.44.050 or more or less than authorized under 38 subsection (5) of this section for withdrawals exempt from 39 permitting;

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(iii) Specific conservation requirements for new water users to
 be adopted by local or state permitting authorities; or

3 (iv) Other approaches to manage water resources for a water 4 resource inventory area or a portion thereof.

5 (e) Any modification to fees collected under subsection (5) of 6 this section or standards for water use quantities that are less than 7 authorized under RCW 90.44.050 or more or less than authorized under 8 subsection (5) of this section for withdrawals exempt from permitting 9 may not be applied unless authorized by rules adopted under this 10 chapter or under chapter 90.54 RCW.

(5) Until an updated watershed plan is approved and rules are adopted under this chapter or chapter 90.54 RCW, a city or county issuing a building permit under RCW 19.27.097(1)(c), or approving a subdivision under chapter 58.17 RCW in a watershed listed in subsection (2) of this section must:

16 (a) Record relevant restrictions or limitations associated with 17 water supply with the property title;

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(b) Collect applicable fees, as described under this section;

(c) Record the number of building permits issued under chapter 20 19.27 RCW or subdivision approvals issued under chapter 58.17 RCW 21 subject to the provisions of this section;

(d) Annually transmit to the department three hundred fiftydollars of each fee collected under this subsection;

(e) Annually transmit an accounting of building permits and subdivision approvals subject to the provisions of this section to the department;

(f) Until rules have been adopted that specify otherwise, require the following measures for each new domestic use that relies on a withdrawal exempt from permitting under RCW 90.44.050:

30 (i) An applicant shall pay a fee of five hundred dollars to the 31 permitting authority;

32 (ii) An applicant may obtain approval for a withdrawal exempt 33 from permitting under RCW 90.44.050 for domestic use only, with a 34 maximum annual average withdrawal of three thousand gallons per day 35 per connection.

36 (6) Rules adopted under this chapter or under chapter 90.54 RCW 37 may:

38 (a) Rely on watershed plan recommendations and procedures39 established in this section to authorize new withdrawals exempt from

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permitting under RCW 90.44.050 that would potentially impact a closed waterbody or a minimum flow or level;

3 (b) Rely on projects identified in the watershed plan to offset4 consumptive water use; and

5 (c) Include updates to fees based on the planning unit's6 determination of the costs for offsetting consumptive water use.

7 (7)(a) If a watershed plan that meets the requirements of this 8 section is not adopted in water resource inventory area 1 (Nooksack) 9 by February 1, 2019, the department must adopt rules for that water 10 resource inventory area that meet the requirements of this section by 11 August 1, 2020.

12 (b) If a watershed plan that meets the requirements of this 13 section is not adopted in water resource inventory area 11 14 (Nisqually) by February 1, 2019, the department must adopt rules for 15 that water resource inventory area that meet the requirements of this 16 section by August 1, 2020.

(c) The department must adopt rules that meet the requirements of this section for any of the following water resource inventory areas that do not adopt a watershed plan that meets the requirements of this section by February 1, 2021: 22 (Lower Chehalis); 23 (Upper Chehalis); 49 (Okanogan); 55 (Little Spokane); and 59 (Colville).

(8) This section only applies to new domestic groundwater 22 withdrawals exempt from permitting under RCW 90.44.050 in the 23 following water resource inventory areas with instream flow rules 24 25 adopted under chapters 90.22 and 90.54 RCW that do not explicitly 26 regulate permit-exempt groundwater withdrawals: 1 (Nooksack); 11 (Nisqually); 22 (Lower Chehalis); 23 (Upper Chehalis); 49 (Okanogan); 27 55 (Little Spokane); and 59 (Colville) and does not restrict the 28 29 withdrawal of groundwater for other uses that are exempt from permitting under RCW 90.44.050. 30

<u>NEW SECTION.</u> Sec. 203. (1) Unless requirements are otherwise specified in the applicable rules adopted under this chapter or chapter 90.22 or 90.54 RCW, potential impacts on a closed water body and potential impairment to an instream flow are authorized for new domestic groundwater withdrawals exempt from permitting under RCW 90.44.050 through compliance with the requirements established in this section.

38 (2)(a) In the following water resource inventory areas with 39 instream flow rules adopted by the department under chapters 90.22 Code Rev/ML:akl 8 S-4056.3/18 3rd draft

1 and 90.54 RCW that do not explicitly regulate permit-exempt groundwater withdrawals and that have either not adopted a watershed 2 plan, or adopted a partial watershed plan, under chapter 90.82 RCW, 3 the department shall establish watershed restoration and enhancement 4 5 committees in the following water resource inventory areas: 7 (Snohomish); 8 (Cedar-Sammamish); 9 (Duwamish-Green); 10 (Puyallup-6 7 12 (Chambers-Clover); 13 (Deschutes); 14 White); (Kennedy-Goldsborough); and 15 (Kitsap). 8

9 (b) The department shall chair the watershed restoration and 10 enhancement committee and invite the following entities to 11 participate:

(i) A representative from each federally recognized Indian tribethat has reservation land within the water resource inventory area;

14 (ii) A representative from each federally recognized Indian tribe 15 that has a usual and accustomed harvest area within the water 16 resource inventory area;

(iii) A representative from the department of fish and wildlife,appointed by the director of the department of fish and wildlife;

19 (iv) A representative designated by each county within the water 20 resource inventory area;

21 (v) A representative designated by each city within the water 22 resource inventory area;

(vi) A representative designated by the largest irrigationdistrict within the water resource inventory area;

(vii) A representative designated by the largest publicly owned water purveyor providing water within the water resource inventory area that is not a municipality;

28 (viii) A representative designated by a local organization 29 representing the residential construction industry within the water 30 resource inventory area;

31 (ix) A representative designated by a local organization 32 representing environmental interests within the water resource 33 inventory area; and

34 (x) A representative designated by a local organization 35 representing agricultural interests within the water resource 36 inventory area.

37 (3) By June 30, 2021, the department shall prepare and adopt a
 38 watershed restoration and enhancement plan for each watershed listed
 39 under subsection (2)(a) of this section, in collaboration with the
 40 watershed restoration and enhancement committee. Except as described
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in (h) of this subsection, all members of a watershed restoration andenhancement committee must approve the plan prior to adoption.

(a) The watershed restoration and enhancement plan should include 3 recommendations for projects and actions that will measure, protect, 4 and enhance instream resources and improve watershed functions that 5 6 support the recovery of threatened and endangered salmonids. Plan 7 recommendations may include, but are not limited to, acquiring senior rights, water conservation, water 8 water reuse, stream qaqinq, and developing natural and 9 groundwater monitoring, constructed infrastructure, which includes but is not limited to such projects as 10 floodplain restoration, off-channel storage, and aquifer recharge. 11 Qualifying projects must be specifically designed to enhance stream 12 flows and not result in negative impacts to ecological functions or 13 14 critical habitat.

(b) At a minimum, the plan must include those actions that the 15 16 committee determines to be necessary to offset potential impacts to 17 instream flows associated with permit-exempt domestic water use. The highest priority recommendations must include replacing the quantity 18 of consumptive water use during the same time as the impact and in 19 the same basin or tributary. Lower priority projects include projects 20 21 not in the same basin or tributary and projects that replace consumptive water supply impacts only during critical flow periods. 22 The plan may include projects that protect or improve instream 23 resources without replacing the consumptive quantity of water where 24 25 such projects are in addition to those actions that the committee 26 determines to be necessary to offset potential consumptive impacts to instream flows associated with permit-exempt domestic water use. 27

Prior to adoption of the watershed restoration 28 (C) and 29 enhancement plan, the department must determine that actions identified in the plan, after accounting for new projected uses of 30 31 water over the subsequent twenty years, will result in a net ecological benefit to instream resources within the water resource 32 inventory area. 33

(d) The watershed restoration and enhancement plan must include
an evaluation or estimation of the cost of offsetting new domestic
water uses over the subsequent twenty years, including withdrawals
exempt from permitting under RCW 90.44.050.

(e) The watershed restoration and enhancement plan must includeestimates of the cumulative consumptive water use impacts over the

subsequent twenty years, including withdrawals exempt from permitting under RCW 90.44.050.

3 (f) The watershed restoration and enhancement plan may include:

4 (i) Recommendations for modification to fees established under5 this subsection;

6 (ii) Standards for water use quantities that are less than 7 authorized under RCW 90.44.050 or more or less than authorized under 8 subsection (4) of this section for withdrawals exempt from 9 permitting;

(iii) Specific conservation requirements for new water users tobe adopted by local or state permitting authorities; or

12 (iv) Other approaches to manage water resources for a water 13 resource inventory area or a portion thereof.

(g) After adoption of a watershed restoration and enhancement 14 plan, the department shall evaluate the plan recommendations and 15 16 initiate rule making, if necessary, to incorporate recommendations 17 into rules adopted under this chapter or under chapter 90.22 or 90.54 RCW. Any modification to fees collected under subsection (4) of this 18 section or standards for water use quantities that are less than 19 authorized under RCW 90.44.050 or more or less than authorized under 20 subsection (4) of this section for withdrawals exempt from permitting 21 may not be applied unless authorized by rules adopted under this 22 chapter or under chapter 90.54 RCW. 23

(h) If the watershed restoration and enhancement committee fails 24 to approve a plan by June 30, 2021, the director of the department 25 26 shall submit the final draft plan to the salmon recovery funding board established under RCW 77.85.110 and request that the salmon 27 recovery funding board provide a technical review and provide 28 29 recommendations to the director to amend the final draft plan, if necessary, so that actions identified in the plan, after accounting 30 31 for new projected uses of water over the subsequent twenty years, will result in a net ecological benefit to instream resources within 32 the water resource inventory area. The director of the department 33 shall consider the recommendations and may amend the plan without 34 committee approval prior to adoption. After plan adoption, the 35 director of the department shall initiate rule making within six 36 months to incorporate recommendations into rules adopted under this 37 chapter or under chapter 90.22 or 90.54 RCW, and shall adopt amended 38 39 rules within two years of initiation of rule making.

1 (4)(a) Until a watershed restoration and enhancement plan is 2 approved and rules are adopted under subsection (3) of this section, 3 a city or county issuing a building permit under RCW 19.27.097(1)(d), 4 or approving a subdivision under chapter 58.17 RCW in a watershed 5 listed in subsection (2)(a) of this section must:

6 (i) Record relevant restrictions or limitations associated with 7 water supply with the property title;

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(ii) Collect applicable fees, as described under this section;

9 (iii) Record the number of building permits issued under chapter 10 19.27 RCW or subdivision approvals issued under chapter 58.17 RCW 11 subject to the provisions of this section;

12 (iv) Annually transmit to the department three hundred fifty 13 dollars of each fee collected under this subsection;

14 (v) Annually transmit an accounting of building permits and 15 subdivision approvals subject to the provisions of this section to 16 the department;

(vi) Until rules have been adopted that specify otherwise, require the following measures for each new domestic use that relies on a withdrawal exempt from permitting under RCW 90.44.050:

(A) An applicant shall pay a fee of five hundred dollars to thepermitting authority;

(B) Except as provided in (b) of this subsection, an applicant may obtain approval for a withdrawal exempt from permitting under RCW 90.44.050 for domestic use only, with a maximum annual average withdrawal of nine hundred fifty gallons per day per connection; and

(C) An applicant shall manage stormwater runoff on-site to the extent practicable by maximizing infiltration, including using lowimpact development techniques, or pursuant to stormwater management requirements adopted by the local permitting authority, if locally adopted requirements are more stringent.

31 (b) Upon the issuance of a drought emergency order under RCW 43.83B.405, the department may curtail withdrawal of groundwater 32 exempt from permitting under RCW 90.44.050 and approved under this 33 subsection (4) to no more than three hundred fifty gallons per day 34 per connection for indoor use only. Notwithstanding the limitation to 35 36 no more than three hundred fifty gallons per day per connection for 37 indoor use only, an applicant may use groundwater exempt from permitting to maintain a fire control buffer during a drought 38 emergency order. 39

40 (5) Rules adopted under this chapter or chapter 90.54 RCW may: Code Rev/ML:akl 12 S-4056.3/18 3rd draft 1 (a) Rely on watershed restoration and enhancement plan 2 recommendations and procedures established in this section to 3 authorize new withdrawals exempt from permitting under RCW 90.44.050 4 that would potentially impact a closed waterbody or a minimum flow or 5 level;

6 (b) Rely on projects identified in the watershed restoration and 7 enhancement plan to offset consumptive water use; and

8 (c) Include updates to fees based on the watershed restoration 9 and enhancement committee's determination of the costs for offsetting 10 consumptive water use.

11 (6) This section only applies to new domestic groundwater withdrawals exempt from permitting under RCW 90.44.050 in the 12 following water resource inventory areas with instream flow rules 13 adopted under chapters 90.22 and 90.54 RCW that do not explicitly 14 regulate permit-exempt groundwater withdrawals: 7 (Snohomish); 8 15 16 (Cedar-Sammamish); 9 (Duwamish-Green); 10 (Puyallup-White); 12 17 (Chambers-Clover); 13 (Deschutes); 14 (Kennedy-Goldsborough); and 15 18 (Kitsap) and does not restrict the withdrawal of groundwater for other uses that are exempt from permitting under RCW 90.44.050. 19

20 NEW SECTION. Sec. 204. (1) The department shall initiate two pilot projects to measure water use from all new groundwater 21 withdrawals for domestic purposes exempt from permitting under RCW 22 90.44.050 in the areas described in this section. The pilot projects 23 24 must be conducted to determine the overall feasibility of measuring 25 water use for all new groundwater withdrawals. The department must purchase and provide meters to be used in the pilot projects. The 26 27 pilot projects must be conducted in the area under the Dungeness water rule, chapter 173-518 WAC, within water resource inventory area 28 18 and the area in which the Kittitas county water bank program 29 30 operates within water resource inventory area 39.

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(2) At a minimum, the pilot project must address the following:

32 (a) Initial and on-going costs, including costs to local33 government and the department;

34 (b) Technical, practical, and legal considerations that must be 35 addressed;

36 (c) The costs and benefits of a water use measurement program 37 relying on individual meters versus a water management program that 38 estimates permit-exempt groundwater withdrawals; and

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(d) Measures to protect the privacy of individual property owners
 and ensure accurate data collection.

3 (3) The department shall report on the pilot project results in 4 the report to the legislature submitted under section 205 of this 5 act. The department shall include recommendations to the legislature, 6 including estimated program costs for expanding the pilot projects to 7 other basins.

8 <u>NEW SECTION.</u> Sec. 205. The department shall submit a report to 9 the legislature by December 31, 2020, and December 31, 2027, in 10 compliance with RCW 43.01.036, that includes the following elements:

(1) Progress in completing and adopting watershed plans under section 202 of this act and watershed restoration and enhancement plans under section 203 of this act;

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(2) A description of program projects and expenditures;

(3) An assessment of the streamflow restoration and enhancementbenefits from program projects;

17 (4) A listing of other efforts or actions taken associated with 18 streamflow restoration and enhancement, projects to benefit instream 19 resources, and other directly related watershed improvements 20 conducted in coordination with the restoration and enhancement 21 planning process;

(5) The total number of new withdrawals exempt from permitting under RCW 90.44.050 authorized in each water resource inventory area under provisions of sections 202 and 203 of this act, and estimates of consumptive water use impacts associated with the new withdrawals; and

(6) A description of potential or planned projects, including
 projected costs and anticipated streamflow, water supply, and
 watershed health benefits.

Sec. 206. (1) The watershed restoration and 30 NEW SECTION. enhancement account is created in the custody of the state treasurer. 31 All receipts from fees paid pursuant to sections 202 and 203 of this 32 act must be deposited into the account. The account may also receive 33 34 those moneys as may be appropriated by the legislature for the purpose of funding restoration and enhancement projects as identified 35 in sections 202 and 203 of this act. Expenditures from the account 36 may be used only for the costs of administering this act, including 37 implementing watershed planning projects under section 202 of this 38 Code Rev/ML:akl 14 S-4056.3/18 3rd draft 1 act and watershed restoration and enhancement projects under section 203 of this act, and collecting data and completing studies necessary 2 develop, implement, and evaluate watershed restoration 3 to and enhancement projects under this act. Only the director or the 4 director's designee may authorize expenditures from the account. The 5 б account is subject to allotment procedures under chapter 43.88 RCW, 7 but an appropriation is not required for expenditures.

8 (2) Fee revenues collected under sections 202 and 203 of this act 9 must be used exclusively within the water resource inventory area in 10 which the fee originated. The restriction in this subsection does not 11 apply to moneys in the watershed restoration and enhancement account 12 that do not originate from fees collected under sections 202 and 203 13 of this act.

Sec. 207. (1) The watershed restoration and 14 NEW SECTION. 15 enhancement taxable bond account is created in the custody of the 16 state treasurer. All receipts from direct appropriations from the legislature or moneys directed to the account from any other source 17 must be deposited in the account. The account is intended to fund 18 projects using taxable bonds. Expenditures from the account may be 19 used only as provided for in this section. Only the director or the 20 21 director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, 22 but an appropriation is not required for expenditures. 23

24 (2) Expenditures from the watershed restoration and enhancement 25 taxable bond account may be used to assess, plan, and develop projects that include acquiring senior water 26 rights, water 27 conservation, water reuse, stream gaging, groundwater monitoring, and developing natural and constructed infrastructure, which includes, 28 but is not limited to, projects such as floodplain restoration, off-29 30 channel storage, and aquifer recharge, or other actions designed to provide access to new water supplies with priority given to projects 31 in watersheds developing plans as directed by sections 202 and 203 of 32 this act and watersheds participating in the pilot project in section 33 204 of this act. 34

(1) The watershed restoration and 35 NEW SECTION. Sec. 208. enhancement bond account is created in the custody of the state 36 37 All receipts from direct appropriations treasurer. from the legislature or moneys directed to the account from any other source 38 Code Rev/ML:akl 15 S-4056.3/18 3rd draft 1 must be deposited in the account. The account is intended to fund 2 projects using tax exempt bonds. Expenditures from the account may be 3 used only as provided for in this section. Only the director or the 4 director's designee may authorize expenditures from the account. The 5 account is subject to allotment procedures under chapter 43.88 RCW, 6 but an appropriation is not required for expenditures.

7 (2) Expenditures from the watershed restoration and enhancement bond account may be used to assess, plan, and develop projects that 8 include acquiring senior water rights, water conservation, water 9 reuse, stream gaging, groundwater monitoring, and developing natural 10 and constructed infrastructure, which includes, but is not limited 11 to, projects such as floodplain restoration, off-channel storage, and 12 aquifer recharge, or other actions designed to provide access to new 13 water supplies with priority given to projects in watersheds 14 developing plans as directed by sections 202 and 203 of this act and 15 16 watersheds participating in the pilot project in section 204 of this 17 act.

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PART 3

19 NEW SECTION. Sec. 301. (1) A joint legislative task force on water resource mitigation is established to review the treatment of 20 surface water and groundwater appropriations as they relate to 21 instream flows and fish habitat, to develop and recommend 22 а mitigation sequencing process and scoring system to address such 23 24 appropriations, and to review the Washington supreme court decision in Foster v. Department of Ecology, 184 Wn.2d 465, 362 P.3d 959 25 26 (2015).

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(2) The task force must consist of the following members:

(a) Two members from each of the two largest caucuses of thesenate, appointed by the president of the senate;

30 (b) Two members from each of the two largest caucuses of the 31 house of representatives, appointed by the speaker of the house of 32 representatives;

33 (c) A representative from the department, appointed by the 34 director of the department;

(d) A representative from the department of fish and wildlife,
 appointed by the director of the department of fish and wildlife;

37 (e) A representative from the department of agriculture,38 appointed by the director of the department of agriculture;

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(f) One representative from each of the following groups,
 appointed by the consensus of the cochairs of the task force:

3 (i) An organization representing the farming industry in4 Washington;

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(ii) An organization representing Washington cities;

6 (iii) Two representatives from an environmental advocacy7 organization or organizations;

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(iv) An organization representing municipal water purveyors;

(v) An organization representing business interests;

10 (vi) Representatives of two federally recognized Indian tribes, 11 one invited by recommendation of the Northwest Indian fisheries 12 commission, and one invited by recommendation of the Columbia river 13 intertribal fish commission.

14 (3) One cochair of the task force must be a member of the 15 majority caucus of one chamber of the legislature, and one cochair 16 must be a member of the minority caucus of the other chamber of the 17 legislature, as those caucuses existed as of the effective date of 18 this section.

19 (4) The first meeting of the task force must occur by June 30,20 2018.

(5) Staff support for the task force must be provided by the office of program research and senate committee services. The department and the department of fish and wildlife shall cooperate with the task force and provide information as the cochairs reasonably request.

26 (6) Within existing appropriations, the expenses of the operations of the task force, including the expenses associated with 27 the task force's meetings, must be paid jointly and in equal amounts 28 29 the senate and the house of representatives. by Task force expenditures are subject to approval by the house executive rules 30 31 committee and the senate facility and operations committee. 32 Legislative members of the task force are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are 33 not entitled to be reimbursed for travel expenses if they are elected 34 officials or are participating on behalf of an employer, governmental 35 36 entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW. 37

38 (7)(a) By November 15, 2019, the joint legislative task force 39 must make recommendations to the legislature in compliance with RCW 40 43.01.036.

1 (b) Recommendations of the joint legislative task force must be 2 made by a sixty percent majority of the members of the task force. 3 The representatives of the departments of fish and wildlife, ecology, 4 and agriculture are not eligible to vote on the recommendations. 5 Minority recommendations that achieve the support of at least five of 6 the named voting members of the task force may also be submitted to 7 the legislature.

(8) The department shall issue permit decisions for up to five 8 water resource mitigation pilot projects. It is the intent of the 9 legislature to use the pilot projects to inform the legislative task 10 11 force process while also enabling the processing of water right applications that address water supply needs. The department is 12 authorized to issue permits in reliance upon water resource 13 mitigation of impacts to instream flows and closed surface water 14 bodies under the following mitigation sequence: 15

16 (a) Avoiding impacts by: (i) Complying with mitigation required 17 by adopted rules that set forth minimum flows, levels, or closures; 18 or (ii) making the water diversion or withdrawal subject to the 19 applicable minimum flows or levels; or

(b) Where avoidance of impacts is not reasonably attainable, minimizing impacts by providing permanent new or existing trust water rights or through other types of replacement water supply resulting in no net annual increase in the quantity of water diverted or withdrawn from the stream or surface water body and no net detrimental impacts to fish and related aquatic resources; or

26 (C) Where avoidance and minimization are not reasonably attainable, compensating for impacts by providing net ecological 27 benefits to fish and related aquatic resources in the water resource 28 inventory area through in-kind or out-of-kind mitigation or a 29 combination thereof, that improves the function and productivity of 30 31 affected fish populations and related aquatic habitat. Out-of-kind mitigation may include instream or out-of-stream measures that 32 improve or enhance existing water quality, riparian habitat, or other 33 instream functions and values for which minimum instream flows or 34 closures were established in that watershed. 35

36 (9) The department must monitor the implementation of the pilot 37 projects, including all mitigation associated with each pilot 38 project, approved under this section at least annually through 39 December 31, 2028.

1 (10) The pilot projects eligible for processing under this 2 section, based on criteria as of the effective date of this section, 3 include:

4 (a) A city operating a group A water system in Kitsap county and
5 water resource inventory area 15, with a population between 13,000
6 and 14,000;

7 (b) A city operating a group A water system in Pierce county and 8 water resource inventory area 10, with a population between 9,500 and 9 10,500;

10 (c) A city operating a group A water system in Thurston county 11 and water resource inventory area 11, with a population between 8,500 12 and 9,500;

13 (d) A nonprofit mutual water system operating a group A water 14 system in Pierce county and water resource inventory area 12, with 15 between 10,500 and 11,500 service connections; and

16 (e) An irrigation district located in Whatcom county and water 17 resource inventory area 1, solely for the purpose of processing 18 changes of water rights from surface water to groundwater, and 19 implementing flow augmentation to benefit instream flows.

(11) Water right applicants eligible to be processed under this pilot project authority must elect to be included in the pilot project review by notifying the department by July 1, 2018. Once an applicant notifies the department of its intent to be processed under this pilot project authority, subsection (8) of this section applies to final decisions issued by the department, even if such a final decision is issued after the expiration of this section.

(12) By November 15, 2018, the department must furnish the task
 force with information on conceptual mitigation plans for each water
 resource mitigation pilot project application.

30 (13) To ensure that the processing of pilot project applications 31 can inform the task force process in a timely manner, the department 32 must expedite processing of applications for water resource 33 mitigation pilot projects. The applicant for each pilot project must 34 reimburse the department for the department's costs of processing the 35 applicant's application.

36 (14) The water resource mitigation pilot project authority 37 granted to the department does not affect or modify any other 38 procedural requirements of chapter 90.03, 90.44, or 90.54 RCW that 39 apply to the processing of such applications.

40 (15) The joint legislative task force expires December 31, 2019. Code Rev/ML:akl 19 S-4056.3/18 3rd draft (16) This section expires January 1, 2029.

2 **Sec. 302.** RCW 90.03.247 and 2003 c 39 s 48 are each amended to 3 read as follows:

(1) Whenever an application for a permit to make beneficial use 4 5 of public waters is approved relating to a stream or other water body for which minimum flows or levels have been adopted and are in effect б at the time of approval, the permit shall be conditioned to: (a) 7 Protect the levels or flows; or (b) require water resource mitigation 8 of impacts to instream flows and closed surface water bodies for 9 water resource mitigation pilot projects authorized under section 301 10 11 of this act.

(2) No agency may establish minimum flows and levels or similar 12 water flow or level restrictions for any stream or lake of the state 13 other than the department of ecology whose authority to establish is 14 exclusive, as provided in chapter 90.03 RCW and RCW 90.22.010 and 15 16 90.54.040. The provisions of other statutes, including but not 17 limited to ((RCW 77.55.100 and)) chapter 43.21C RCW, may not be interpreted in a manner that is inconsistent with this section. In 18 establishing such minimum flows, levels, or similar restrictions, the 19 20 department shall, during all stages of development by the department of ecology of minimum flow proposals, consult with, and carefully 21 consider the recommendations of, the department of fish and wildlife, 22 23 the department of ((community, trade, and economic development)) 24 commerce, the department of agriculture, and representatives of the 25 affected Indian tribes. Nothing herein shall preclude the department of fish and wildlife, the department of ((community, trade, and 26 27 economic development)) commerce, or the department of agriculture from presenting its views on minimum flow needs at any public hearing 28 or to any person or agency, and the department of fish and wildlife, 29 30 the department of ((community, trade, and economic development)) commerce, and the department of agriculture are each empowered to 31 32 participate in proceedings of the federal energy regulatory commission and other agencies to present its views on minimum flow 33 34 needs.

35 **Sec. 303.** RCW 90.03.290 and 2001 c 239 s 1 are each amended to 36 read as follows:

37 (1) When an application complying with the provisions of this
 38 chapter and with the rules of the department has been filed, the same
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1 shall be placed on record with the department, and it shall be its duty to investigate the application, and determine what water, if 2 any, is available for appropriation, and find and determine to what 3 beneficial use or uses it can be applied. If it is proposed to 4 appropriate water for irrigation purposes, the department shall 5 6 investigate, determine and find what lands are capable of irrigation 7 by means of water found available for appropriation. If it is proposed to appropriate water for the purpose of power development, 8 the department shall investigate, determine and find whether the 9 proposed development is likely to prove detrimental to the public 10 11 interest, having in mind the highest feasible use of the waters 12 belonging to the public.

(2)(a) If the application does not contain, and the applicant 13 does not promptly furnish sufficient information on which to base 14 such findings, the department may issue a preliminary permit, for a 15 16 period of not to exceed three years, requiring the applicant to make 17 such surveys, investigations, studies, and progress reports, as in the opinion of the department may be necessary. If the applicant 18 fails to comply with the conditions of the preliminary permit, it and 19 the application or applications on which it is based shall be 20 21 automatically canceled and the applicant so notified. If the holder of a preliminary permit shall, before its expiration, file with the 22 department a verified report of expenditures made and work done under 23 the preliminary permit, which, in the opinion of the department, 24 establishes the good faith, intent, and ability of the applicant to 25 carry on the proposed development, the preliminary permit may, with 26 27 the approval of the governor, be extended, but not to exceed a maximum period of five years from the date of the issuance of the 28 29 preliminary permit.

(b) For any application for which a preliminary permit was issued 30 31 and for which the availability of water was directly affected by a 32 moratorium on further diversions from the Columbia river during the years from 1990 to 1998, the preliminary permit is extended through 33 June 30, 2002. If such an application and preliminary permit were 34 canceled during the moratorium, the application and preliminary 35 permit shall be reinstated until June 30, 2002, if the application 36 and permit: (i) Are for providing regional water supplies in more 37 than one urban growth area designated under chapter 36.70A RCW and in 38 one or more areas near such urban growth areas, or the application 39 40 and permit are modified for providing such supplies, and (ii) provide S-4056.3/18 3rd draft Code Rev/ML:akl 21

or are modified to provide such regional supplies through the use of existing intake or diversion structures. The authority to modify such a canceled application and permit to accomplish the objectives of (b)(i) and (ii) of this subsection is hereby granted.

(3) The department shall make and file as part of the record in 5 the matter, written findings of 6 fact concerning all things investigated, and if it shall find that there is water available for 7 appropriation for a beneficial use, and the appropriation thereof as 8 proposed in the application will not impair existing rights or be 9 detrimental to the public welfare, it shall issue a permit stating 10 11 the amount of water to which the applicant shall be entitled and the 12 beneficial use or uses to which it may be applied: PROVIDED, That where the water applied for is to be used for irrigation purposes, it 13 shall become appurtenant only to such land as may be reclaimed 14 thereby to the full extent of the soil for agricultural purposes. But 15 16 where there is no unappropriated water in the proposed source of 17 supply, or where the proposed use conflicts with existing rights, or threatens to prove detrimental to the public interest, having due 18 19 regard to the highest feasible development of the use of the waters belonging to the public, it shall be duty of the department to reject 20 21 such application and to refuse to issue the permit asked for.

(4) If the permit is refused because of conflict with existing 22 rights and such applicant shall acquire same by purchase 23 or condemnation under RCW 90.03.040, the department may thereupon grant 24 25 such permit. Any application may be approved for a less amount of water than that applied for, if there exists substantial reason 26 therefor, and in any event shall not be approved for more water than 27 can be applied to beneficial use for the purposes named in the 28 application. In determining whether or not a permit shall issue upon 29 any application, it shall be the duty of the department to 30 31 investigate all facts relevant and material to the application. After the department approves said application in whole or in part and 32 before any permit shall be issued thereon to the applicant, such 33 applicant shall pay the fee provided in RCW 90.03.470: PROVIDED 34 FURTHER, That in the event a permit is issued by the department upon 35 any application, it shall be its duty to notify the director of fish 36 and wildlife of such issuance. 37

38 (5) The requirements of subsections (1) and (3) of this section 39 do not apply to water resource mitigation pilot projects for which 40 permits are issued in reliance upon water resource mitigation of

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1 <u>impacts to instream flows and closed surface water bodies under</u> 2 <u>section 301 of this act.</u>

3 <u>NEW SECTION.</u> Sec. 304. The legislature intends to appropriate 4 three hundred million dollars for projects to achieve the goals of 5 this act until June 30, 2033. The department of ecology is directed 6 to implement a program to restore and enhance stream flows by 7 fulfilling obligations under this act to develop and implement plans 8 to restore stream flows to levels necessary to support robust, 9 healthy, and sustainable salmon populations.

10 <u>NEW SECTION.</u> **sec. 305.** Sections 201 through 208 and 301 of this 11 act constitute a new chapter in Title 90 RCW.

12 <u>NEW SECTION.</u> Sec. 306. If any provision of this act or its 13 application to any person or circumstance is held invalid, the 14 remainder of the act or the application of the provision to other 15 persons or circumstances is not affected.

16 <u>NEW SECTION.</u> Sec. 307. This act is necessary for the immediate 17 preservation of the public peace, health, or safety, or support of 18 the state government and its existing public institutions, and takes 19 effect immediately."

<u>SSB 6091</u> - S AMD 347 By Senator Van De Wege

ADOPTED 01/18/2018

On page 1, beginning on line 2 of the title, after "development;" strike the remainder of the title and insert "amending RCW 19.27.097, 58.17.110, 90.03.247, and 90.03.290; adding a new section to chapter 36.70A RCW; adding a new section to chapter 36.70 RCW; adding a new chapter to Title 90 RCW; creating a new section; providing an expiration date; and declaring an emergency."

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