#### SENATE BILL 6091

### State of Washington 65th Legislature 2018 Regular Session

By Senators Van De Wege, Rolfes, and Frockt

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AN ACT Relating to ensuring that water is available to support development; amending RCW 19.27.097, 58.17.110, and 90.54.010; reenacting and amending RCW 36.70A.070; adding new sections to chapter 90.54 RCW; adding a new chapter to Title 43 RCW; creating new sections; providing an expiration date; and declaring an emergency.

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

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# PART 1

8 **Sec. 101.** RCW 19.27.097 and 2015 c 225 s 17 are each amended to 9 read as follows:

10 (1)(a) Each applicant for a building permit of a building necessitating potable water shall provide evidence of an adequate 11 12 water supply for the intended use of the building. Evidence may be in 13 the form of a water right permit from the department of ecology, a letter from an approved water purveyor stating the ability to provide 14 15 water, or another form sufficient to verify the existence of an adequate water supply. ((In addition to other authorities, the county 16 17 or city may impose conditions on building permits requiring connection to an existing public water system where the existing 18 19 system is willing and able to provide safe and reliable potable water 20 to the applicant with reasonable economy and efficiency.)) An

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application for a water right shall not be sufficient proof of an
 adequate water supply.

3 (b) In areas where rules have been adopted under chapter 90.22 or 4 90.54 RCW that explicitly regulate permit-exempt groundwater 5 withdrawals, evidence of an adequate water supply must be consistent 6 with and may rely on the specific rule requirements.

7 (c) In areas where rules have been adopted under chapter 90.22 or 8 90.54 RCW that do not explicitly regulate permit-exempt groundwater 9 withdrawals, evidence of an adequate water supply must be consistent 10 with and may rely on the requirements established in section 105 of 11 this act, unless an applicant provides other evidence of an adequate 12 water supply that complies with chapters 90.03 and 90.44 RCW.

13 (d) In other areas of the state, physical and legal evidence of 14 an adequate water supply may be demonstrated by the submission of a 15 water well report consistent with the requirements of chapter 18.104 16 RCW, except that additional requirements may apply to demonstrate the 17 physical and legal existence of an adequate water supply, as 18 determined by the department of ecology, if the application is 19 within:

20 (i) An area where water rights have been adjudicated in 21 accordance with chapter 90.03 RCW and is subject to federal flow 22 regulation, including the entire Yakima river basin (water resource 23 inventory areas 37, 38, or 39);

24 (ii) An area where water rights have been adjudicated in a
25 federal court action and is subject to federal flow regulation; or

26 (iii) Water resource inventory areas 3 or 4, which were subject 27 to the supreme court of Washington's October 3, 2013, opinion in 28 Swinomish Indian Tribal Community v. Washington State Department of 29 Ecology, 178 Wn.2d 571, 311 P.3d 6 (2013).

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. 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 ((<del>(3)</del>)) <u>(4)</u> 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 Sec. 102. RCW 36.70A.070 and 2017 3rd sp.s. c 18 s 4 and 2017 11 3rd sp.s. c 16 s 4 are each reenacted and amended to read as follows: The comprehensive plan of a county or city that is required or 12 chooses to plan under RCW 36.70A.040 shall consist of a map or maps, 13 and descriptive text covering objectives, principles, and standards 14 15 used to develop the comprehensive plan. The plan shall be an 16 internally consistent document and all elements shall be consistent 17 with the future land use map. A comprehensive plan shall be adopted 18 and amended with public participation as provided in RCW 36.70A.140. 19 Each comprehensive plan shall include a plan, scheme, or design for 20 each of the following:

21 A land use element designating the (1)proposed general 22 distribution and general location and extent of the uses of land, where appropriate, for agriculture, timber production, 23 housing, 24 commerce, industry, recreation, open spaces, general aviation 25 airports, public utilities, public facilities, and other land uses. The land use element shall include population densities, building 26 27 intensities, and estimates of future population growth. The land use 28 element shall provide for protection of the quality and quantity of groundwater used for public water supplies. In providing for the 29 30 protection of the quantity of groundwater used for public water 31 supplies under this chapter, a county or city must be consistent with and may rely on chapters 90.03, 90.22, 90.44, and 90.54 RCW and 32 applicable rules adopted pursuant to those statutes. A comprehensive 33 plan must incorporate projected uses of water over the subsequent 34 twenty years as developed under section 105 of this act. Wherever 35 possible, the land use element should consider utilizing urban 36 planning approaches that promote physical activity. Where applicable, 37 38 the land use element shall review drainage, flooding, and storm water run-off in the area and nearby jurisdictions and provide guidance for 39

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corrective actions to mitigate or cleanse those discharges that
 pollute waters of the state, including Puget Sound or waters entering
 Puget Sound.

(2) A housing element ensuring the vitality and character of 4 established residential neighborhoods that: (a) Includes an inventory 5 6 and analysis of existing and projected housing needs that identifies 7 the number of housing units necessary to manage projected growth; (b) includes a statement of goals, policies, objectives, and mandatory 8 provisions for the preservation, improvement, and development of 9 housing, including single-family residences; (c) 10 identifies sufficient land for housing, including, but not limited to, 11 12 qovernment-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster 13 care facilities; and (d) makes adequate provisions for existing and 14 projected needs of all economic sequents of the community. 15 In 16 counties and cities subject to the review and evaluation requirements 17 of RCW 36.70A.215, any revision to the housing element shall include 18 consideration of prior review and evaluation reports and any reasonable measures identified. 19

(3) A capital facilities plan element consisting of: (a) An 20 21 inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities; (b) a 22 forecast of the future needs for such capital facilities; (c) the 23 proposed locations and capacities of expanded or new 24 capital 25 facilities; (d) at least a six-year plan that will finance such 26 capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and (e) a 27 requirement to reassess the land use element if probable funding 28 29 falls short of meeting existing needs and to ensure that the land use element, capital facilities plan element, and financing plan within 30 31 the capital facilities plan element are coordinated and consistent. 32 Park and recreation facilities shall be included in the capital facilities plan element. 33

(4) A utilities element consisting of the general location,
 proposed location, and capacity of all existing and proposed
 utilities, including, but not limited to, electrical lines,
 telecommunication lines, and natural gas lines.

38 (5) Rural element. Counties shall include a rural element39 including lands that are not designated for urban growth,

agriculture, forest, or mineral resources. The following provisions
 shall apply to the rural element:

3 (a) Growth management act goals and local circumstances. Because 4 circumstances vary from county to county, in establishing patterns of 5 rural densities and uses, a county may consider local circumstances, 6 but shall develop a written record explaining how the rural element 7 harmonizes the planning goals in RCW 36.70A.020 and meets the 8 requirements of this chapter.

(b) Rural development. The rural element shall permit rural 9 development, forestry, and agriculture in rural areas. The rural 10 11 element shall provide for a variety of rural densities, uses, essential public facilities, and rural governmental services needed 12 to serve the permitted densities and uses. To achieve a variety of 13 rural densities and uses, counties may provide for clustering, 14 density transfer, design guidelines, conservation easements, and 15 other innovative techniques that will accommodate appropriate rural 16 17 economic advancement, densities, and uses that are not characterized 18 by urban growth and that are consistent with rural character.

(c) Measures governing rural development. The rural element shall include measures that apply to rural development and protect the rural character of the area, as established by the county, by:

(i) Containing or otherwise controlling rural development;

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23 (ii) Assuring visual compatibility of rural development with the 24 surrounding rural area;

25 (iii) Reducing the inappropriate conversion of undeveloped land 26 into sprawling, low-density development in the rural area;

(iv) Protecting critical areas, as provided in RCW 36.70A.060, and surface water and groundwater resources, which must be consistent with and may rely on applicable rules adopted pursuant to chapters 90.03, 90.22, 90.44, and 90.54 RCW; and

(v) Protecting against conflicts with the use of agricultural,
 forest, and mineral resource lands designated under RCW 36.70A.170.

(d) Limited areas of more intensive rural development. Subject to the requirements of this subsection and except as otherwise specifically provided in this subsection (5)(d), the rural element may allow for limited areas of more intensive rural development, including necessary public facilities and public services to serve the limited area as follows:

39 (i) Rural development consisting of the infill, development, or40 redevelopment of existing commercial, industrial, residential, or

mixed-use areas, whether characterized as shoreline development,
 villages, hamlets, rural activity centers, or crossroads
 developments.

(A) A commercial, industrial, residential, shoreline, or mixeduse area are subject to the requirements of (d)(iv) of this
subsection, but are not subject to the requirements of (c)(ii) and
(iii) of this subsection.

8 (B) Any development or redevelopment other than an industrial 9 area or an industrial use within a mixed-use area or an industrial 10 area under this subsection (5)(d)(i) must be principally designed to 11 serve the existing and projected rural population.

(C) Any development or redevelopment in terms of building size, scale, use, or intensity shall be consistent with the character of the existing areas. Development and redevelopment may include changes in use from vacant land or a previously existing use so long as the new use conforms to the requirements of this subsection (5);

17 (ii) The intensification of development on lots containing, or 18 new development of, small-scale recreational or tourist uses, 19 including commercial facilities to serve those recreational or tourist uses, that rely on a rural location and setting, but that do 20 not include new residential development. A small-scale recreation or 21 22 tourist use is not required to be principally designed to serve the existing and projected rural population. Public services and public 23 facilities shall be limited to those necessary to serve the 24 25 recreation or tourist use and shall be provided in a manner that does 26 not permit low-density sprawl;

(iii) The intensification of development on lots containing 27 28 isolated nonresidential uses or new development of isolated cottage isolated small-scale businesses that are 29 industries and not principally designed to serve the existing and projected rural 30 31 population and nonresidential uses, but do provide job opportunities 32 for rural residents. Rural counties may allow the expansion of smallscale businesses as long as those small-scale businesses conform with 33 the rural character of the area as defined by the local government 34 according to RCW 36.70A.030(16). Rural counties may also allow new 35 36 small-scale businesses to utilize a site previously occupied by an existing business as long as the new small-scale business conforms to 37 the rural character of the area as defined by the local government 38 36.70A.030(16). Public services 39 according RCW and to public 40 facilities shall be limited to those necessary to serve the isolated

1 nonresidential use and shall be provided in a manner that does not 2 permit low-density sprawl;

(iv) A county shall adopt measures to minimize and contain the 3 existing areas or uses of more intensive rural development, 4 as appropriate, authorized under this subsection. Lands included in such 5 6 existing areas or uses shall not extend beyond the logical outer boundary of the existing area or use, thereby allowing a new pattern 7 of low-density sprawl. Existing areas are those that are clearly 8 identifiable and contained and where there is a logical boundary 9 delineated predominately by the built environment, but that may also 10 11 include undeveloped lands if limited as provided in this subsection. 12 The county shall establish the logical outer boundary of an area of more intensive rural development. In establishing the logical outer 13 14 boundary, the county shall address (A) the need to preserve the character of existing natural neighborhoods and communities, (B) 15 16 physical boundaries, such as bodies of water, streets and highways, 17 and land forms and contours, (C) the prevention of abnormally 18 irregular boundaries, and (D) the ability to provide public facilities and public services in a manner that does not permit low-19 20 density sprawl;

(v) For purposes of (d) of this subsection, an existing area or existing use is one that was in existence:

(A) On July 1, 1990, in a county that was initially required toplan under all of the provisions of this chapter;

(B) On the date the county adopted a resolution under RCW 36.70A.040(2), in a county that is planning under all of the provisions of this chapter under RCW 36.70A.040(2); or

(C) On the date the office of financial management certifies the county's population as provided in RCW 36.70A.040(5), in a county that is planning under all of the provisions of this chapter pursuant to RCW 36.70A.040(5).

32 (e) Exception. This subsection shall not be interpreted to permit 33 in the rural area a major industrial development or a master planned 34 resort unless otherwise specifically permitted under RCW 36.70A.360 35 and 36.70A.365.

36 (6) A transportation element that implements, and is consistent 37 with, the land use element.

38 (a) The transportation element shall include the following39 subelements:

40 (i) Land use assumptions used in estimating travel;

1 (ii) Estimated traffic impacts to state-owned transportation 2 facilities resulting from land use assumptions to assist the 3 department of transportation in monitoring the performance of state 4 facilities, to plan improvements for the facilities, and to assess 5 the impact of land-use decisions on state-owned transportation 6 facilities;

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(iii) Facilities and services needs, including:

8 (A) An inventory of air, water, and ground transportation 9 facilities and services, including transit alignments and general 10 aviation airport facilities, to define existing capital facilities 11 and travel levels as a basis for future planning. This inventory must 12 include state-owned transportation facilities within the city or 13 county's jurisdictional boundaries;

(B) Level of service standards for all locally owned arterials
and transit routes to serve as a gauge to judge performance of the
system. These standards should be regionally coordinated;

17 (C) For state-owned transportation facilities, level of service standards for highways, as prescribed in chapters 47.06 and 47.80 18 RCW, to gauge the performance of the system. The purposes of 19 reflecting level of service standards for state highways in the local 20 21 comprehensive plan are to monitor the performance of the system, to evaluate improvement strategies, and to facilitate coordination 22 between the county's or city's six-year street, road, or transit 23 24 program and the office of financial management's ten-year investment 25 program. The concurrency requirements of (b) of this subsection do not apply to transportation facilities and services of statewide 26 significance except for counties consisting of islands whose only 27 connection to the mainland are state highways or ferry routes. In 28 29 these island counties, state highways and ferry route capacity must be a factor in meeting the concurrency requirements in (b) of this 30 31 subsection;

(D) Specific actions and requirements for bringing into
 compliance locally owned transportation facilities or services that
 are below an established level of service standard;

(E) Forecasts of traffic for at least ten years based on the
 adopted land use plan to provide information on the location, timing,
 and capacity needs of future growth;

(F) Identification of state and local system needs to meetcurrent and future demands. Identified needs on state-owned

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1 transportation facilities must be consistent with the statewide 2 multimodal transportation plan required under chapter 47.06 RCW;

(iv) Finance, including:

4 (A) An analysis of funding capability to judge needs against
5 probable funding resources;

6 (B) A multiyear financing plan based on the needs identified in 7 the comprehensive plan, the appropriate parts of which shall serve as the basis for the six-year street, road, or transit program required 8 by RCW 35.77.010 for cities, RCW 36.81.121 for counties, and RCW 9 35.58.2795 for public transportation systems. The multiyear financing 10 11 plan should be coordinated with the ten-year investment program 12 developed by the office of financial management as required by RCW 47.05.030; 13

14 (C) If probable funding falls short of meeting identified needs, 15 a discussion of how additional funding will be raised, or how land 16 use assumptions will be reassessed to ensure that level of service 17 standards will be met;

18 (v) Intergovernmental coordination efforts, including an 19 assessment of the impacts of the transportation plan and land use 20 assumptions on the transportation systems of adjacent jurisdictions;

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(vi) Demand-management strategies;

(vii) Pedestrian and bicycle component to include collaborative efforts to identify and designate planned improvements for pedestrian and bicycle facilities and corridors that address and encourage enhanced community access and promote healthy lifestyles.

26 (b) After adoption of the comprehensive plan by jurisdictions required to plan or who choose to plan under RCW 36.70A.040, local 27 jurisdictions must adopt and enforce ordinances which prohibit 28 development approval if the development causes the level of service 29 on a locally owned transportation facility to decline below the 30 31 standards adopted in the transportation element of the comprehensive 32 plan, unless transportation improvements or strategies to accommodate the impacts of development are made concurrent with the development. 33 These strategies may include increased public transportation service, 34 ride-sharing programs, demand management, and other transportation 35 36 systems management strategies. For the purposes of this subsection (6), "concurrent with the development" means that improvements or 37 strategies are in place at the time of development, or that a 38 39 financial commitment is in place to complete the improvements or 40 strategies within six years. If the collection of impact fees is 1 delayed under RCW 82.02.050(3), the six-year period required by this 2 subsection (6)(b) must begin after full payment of all impact fees is 3 due to the county or city.

4 (c) The transportation element described in this subsection (6), 5 the six-year plans required by RCW 35.77.010 for cities, RCW 6 36.81.121 for counties, and RCW 35.58.2795 for public transportation 7 systems, and the ten-year investment program required by RCW 8 47.05.030 for the state, must be consistent.

9 (7) An economic development element establishing local goals, 10 policies, objectives, and provisions for economic growth and vitality 11 and a high quality of life. A city that has chosen to be a 12 residential community is exempt from the economic development element 13 requirement of this subsection.

14 (8) A park and recreation element that implements, and is 15 consistent with, the capital facilities plan element as it relates to 16 park and recreation facilities. The element shall include: (a) 17 Estimates of park and recreation demand for at least a ten-year 18 period; (b) an evaluation of facilities and service needs; and (c) an 19 evaluation of intergovernmental coordination opportunities to provide 20 regional approaches for meeting park and recreational demand.

(9) It is the intent that new or amended elements required after January 1, 2002, be adopted concurrent with the scheduled update provided in RCW 36.70A.130. Requirements to incorporate any such new or amended elements shall be null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before local government must update comprehensive plans as required in RCW 36.70A.130.

28 **Sec. 103.** RCW 58.17.110 and 1995 c 32 s 3 are each amended to 29 read as follows:

30 (1) The city, town, or county legislative body shall inquire into the public use and interest proposed to be served by the 31 establishment of the subdivision and dedication. It shall determine: 32 (a) If appropriate provisions are made for, but not limited to, the 33 public health, safety, and general welfare, for open spaces, drainage 34 ways, streets or roads, alleys, other public ways, transit stops, 35 potable water supplies, sanitary wastes, parks and recreation, 36 playgrounds, schools and schoolgrounds, and shall consider all other 37 38 relevant facts, including sidewalks and other planning features that assure safe walking conditions for students who only walk to and from 39

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1 school; and (b) whether the public interest will be served by the 2 subdivision and dedication.

(2) A proposed subdivision and dedication shall not be approved 3 unless the city, town, or county legislative body makes written 4 5 findings that: (a) Appropriate provisions are made for the public б health, safety, and general welfare and for such open spaces, 7 drainage ways, streets or roads, alleys, other public ways, transit stops, potable water supplies, sanitary wastes, parks and recreation, 8 playgrounds, schools and schoolgrounds and all other relevant facts, 9 including sidewalks and other planning features that assure safe 10 11 walking conditions for students who only walk to and from school; and 12 (b) the public use and interest will be served by the platting of such subdivision and dedication. If it finds that the proposed 13 subdivision and dedication make such appropriate provisions and that 14 the public use and interest will be served, then the legislative body 15 shall approve the proposed subdivision and dedication. Dedication of 16 17 land to any public body, provision of public improvements to serve 18 the subdivision, and/or impact fees imposed under RCW 82.02.050 19 through 82.02.090 may be required as a condition of subdivision approval. Dedications shall be clearly shown on the final plat. No 20 21 dedication, provision of public improvements, or impact fees imposed 22 under RCW 82.02.050 through 82.02.090 shall be allowed that constitutes an unconstitutional taking of private property. 23 The legislative body shall not as a condition to the approval of any 24 25 subdivision require a release from damages to be procured from other 26 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.

32 <u>(4) A county or city must be consistent with and may rely on</u> 33 <u>chapters 90.03, 90.22, 90.44, and 90.54 RCW and applicable rules</u> 34 <u>adopted pursuant to those statutes in determining appropriate</u> 35 <u>provisions for water supply for a subdivision, dedication, or short</u> 36 <u>subdivision under this chapter.</u>

37 **Sec. 104.** RCW 90.54.010 and 1990 c 295 s 1 are each amended to 38 read as follows: 1 (1) It is the intent of the legislature to protect and restore healthy stream flows for instream resources, which will aid in 2 recovery of depleted salmonid populations, support properly 3 functioning ecosystems, and provide for the general welfare of the 4 citizens of the state. The legislature also intends to ensure that a 5 б legal and reliable domestic water supply is available for its citizens, which is essential to support the vitality of our state, 7 including rural communities. 8

9 <u>(a) Healthy watersheds and stream flows ensure preservation of</u> 10 <u>instream resources, which include fish, wildlife, scenic, aesthetic,</u> 11 <u>environmental, recreational, and navigational values. These resources</u> 12 <u>are central to our state's identity, culture, and economy and must be</u> 13 <u>preserved and where possible enhanced for future generations.</u>

14 (b) Inadequate stream flows adversely impact instream resources. 15 Out-of-stream water use, loss of wetlands and floodplains, loss of 16 vegetated cover, increase in impervious surfaces, loss of snowpack, 17 and other factors combined with naturally low flows that occur in 18 late summer and fall contribute to stream flow limitations that are 19 becoming an increasingly significant barrier to recovery of 20 threatened and endangered species, especially salmonids.

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(2) The legislature finds that:

22 (a) Proper utilization of the water resources of this state is necessary to the promotion of public health and the economic well-23 being of the state and the preservation of its natural resources and 24 25 aesthetic values. Although water is a renewable resource, its supply and availability are becoming increasingly limited, particularly 26 during summer and fall months and dry years when demand is greatest. 27 28 Growth and prosperity have significantly increased the competition 29 for this limited resource. Adequate water supplies are essential to meet the needs of the state's growing population and economy. At the 30 31 same time instream resources and values must be preserved and 32 protected so that future generations can continue to enjoy them.

33 (b) All citizens of Washington share an interest in the proper stewardship of our invaluable water resources. To ensure that 34 available water supplies are managed to best meet both instream and 35 ((offstream needs, a comprehensive planning process)) out-of-stream 36 needs, a comprehensive watershed restoration and enhancement program 37 is essential. The people of the state have the unique opportunity to 38 39 work together to ((plan and manage our water)) restore and enhance 40 instream resources. Through a comprehensive planning and watershed

1 restoration process that includes the state, Indian tribes, local governments, and interested parties, it is possible to make better 2 use of available water supplies and achieve better management of 3 water resources. Through comprehensive planning and implementation of 4 watershed restoration and enhancement projects, conflicts among water 5 6 users and interests can be reduced or resolved and instream resources 7 can be improved. It is in the best interests of the state that comprehensive water resource planning and restoration be given a high 8 priority so that water resources and associated values can be 9 utilized and enjoyed today and protected for tomorrow. 10

11 (c) Diverse hydrologic, climatic, cultural, and socioeconomic 12 conditions exist throughout the regions of the state. Water resource 13 issues vary significantly across regions. Comprehensive water 14 resource planning is best accomplished through a regional planning 15 process sensitive to the unique characteristics and issues of each 16 region.

(d) Comprehensive water resource planning must provide interested
parties adequate opportunity to participate. Water resource issues
are best addressed through cooperation and coordination among the
state, Indian tribes, local governments, and interested parties.

21 (e) The long-term needs of the state require ongoing assessment of water availability, use, and demand. A thorough inventory of 22 available resources is essential to water resource management. 23 Current state water resource data and data management is inadequate 24 25 to meet changing needs and respond to competing water demands. 26 Therefore, a state water resource data program is needed to support 27 an effective water resource management program. Efforts should be made to coordinate and consolidate into one resource data system all 28 29 relevant information developed by the department of ecology and other agencies relating to the use, protection, and management of the 30 31 state's water resources.

32 (((2))) <u>(3)</u> It is the purpose of this chapter to set forth fundamentals of water resource policy for the state to ((insure)) 33 ensure that waters of the state are protected and fully utilized for 34 the greatest benefit to the people of the state of Washington and, in 35 36 relation thereto, to provide direction to the department of ecology, other state agencies and officials, and local government in carrying 37 38 out water and related resources programs. It is the intent of the 39 legislature to work closely with the executive branch, Indian tribes,

1 local government, and interested parties to ensure that water 2 resources of the state are wisely managed.

(4) To <u>achieve the goals of this act</u>, <u>significant legislative</u> 3 action is needed to address both the impact of new development on 4 stream flows and to restore and enhance properly functioning 5 б watersheds to preserve and enhance instream resources. The department 7 is directed to implement a program to restore and enhance stream flows by establishing watershed restoration and enhancement 8 committees, as specified in section 105 of this act, to develop and 9 implement plans for stream flow restoration to support vibrant fish 10 and wildlife, including restoring threatened and endangered 11 12 salmonids.

13 <u>NEW SECTION.</u> Sec. 105. A new section is added to chapter 90.54 14 RCW to read as follows:

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

(2)(a) The department shall establish watershed restoration and enhancement committees in each watershed with an instream flow rule adopted or amended before 2000 under this chapter or chapter 90.22 RCW.

25 (b) The department shall chair the watershed restoration and 26 enhancement committee and invite the following entities to 27 participate:

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

30 (ii) A representative from each federally recognized Indian tribe 31 that has a usual and accustomed harvest area within the water 32 resource inventory area;

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

35 (iv) A representative designated by each county within the water 36 resource inventory area; and

37 (v) A representative designated by each city within the water 38 resource inventory area.

1 (3) By June 30, 2023, the department shall prepare and adopt a 2 watershed restoration and enhancement plan for each watershed with an 3 instream flow rule adopted or amended before 2000 under this chapter 4 or chapter 90.22 RCW, in collaboration with the watershed restoration 5 and enhancement committee. Except as described in (h) of this 6 subsection, all members of a watershed restoration and enhancement 7 committee must approve the plan prior to adoption.

(a) The watershed restoration and enhancement plan should include 8 recommendations for projects and actions that will measure, protect, 9 and enhance instream resources and improve watershed functions that 10 11 support the recovery of threatened and endangered salmonids. Plan 12 recommendations may include, but are not limited to, acquiring senior water conservation, water reuse, stream gaging, 13 water rights, groundwater monitoring, and developing natural and constructed 14 infrastructure, which includes such projects as surface water 15 16 impoundment, floodplain restoration, off-channel storage, and aquifer 17 recharge. Qualifying projects must be specifically designed to enhance stream flows and not result in negative impacts to ecological 18 19 functions or critical habitat. The plan may also include projects that improve watershed functions and instream resources without 20 21 specifically replacing the consumptive quantity from projected future 22 water users.

(b) At a minimum, the plan must include those actions that the 23 24 committee determines to be necessary to offset potential impacts to 25 instream flows associated with permit-exempt domestic and commercial 26 water use. The highest priority recommendations must include replacing the quantity of consumptive water use during the same time 27 as the impact and in the same basin or tributary. Lower priority 28 29 projects include projects not in the same basin or tributary, projects that replace consumptive water supply impacts only during 30 31 critical flow periods, and projects that protect or improve instream 32 resources without replacing the consumptive quantity of water.

(c) Prior to adoption of the watershed restoration and enhancement plan, the department must determine that actions identified in the 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.

(d) The watershed restoration and enhancement plan must includean evaluation or estimation of the cost of offsetting new domestic

and commercial water uses over the subsequent twenty years, including
 withdrawals exempt from permitting under RCW 90.44.050.

3 (e) The watershed restoration and enhancement plan must include 4 estimates of the cumulative consumptive water use impacts over the 5 subsequent twenty years, including withdrawals exempt from permitting 6 under RCW 90.44.050.

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

8 (i) Recommendations for modification to fees established under 9 this subsection;

10 (ii) Standards for water use quantities that are less than 11 authorized under RCW 90.44.050 for withdrawals exempt from 12 permitting;

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

15 (iv) Other approaches to manage water resources for a water 16 resource inventory area or a portion thereof.

(g) After adoption of a watershed restoration and enhancement plan, the department shall evaluate the plan recommendations and initiate rule making, if necessary, to incorporate recommendations into rules adopted under this chapter or under chapter 90.22 RCW.

21 (h) If the watershed restoration and enhancement committee fails to approve a plan by June 30, 2023, the director of the department 22 shall submit the final draft plan to the salmon recovery funding 23 board established under RCW 77.85.110 and request that the salmon 24 25 recovery funding board provide a technical review and provide recommendations to the director to amend the final draft plan, if 26 necessary, so that actions identified in the plan, after accounting 27 for new projected uses of water over the subsequent twenty years, 28 29 will result in a net ecological benefit to instream resources within the water resource inventory area. The director of the department 30 31 shall consider the recommendations and may amend the plan without committee approval prior to adoption. After plan adoption, the 32 director of the department shall initiate rule making within six 33 months to incorporate recommendations into rules adopted under this 34 chapter, and shall adopt amended rules within two years of initiation 35 36 of rule making.

37 (4)(a) To rely on the provisions of this act, a city or county 38 issuing a building permit under RCW 19.27.097, or approving a 39 subdivision under chapter 58.17 RCW must:

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

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

4 (iii) Record the number of building permits issued under chapter
5 19.27 RCW or subdivision approvals issued under chapter 58.17 RCW
6 subject to the provisions of this act;

7 (iv) Annually remit an accounting of building permits and 8 subdivision approvals subject to the provisions of this act;

9 (v) Until rules have been adopted that specify otherwise, require 10 the following measures for each new domestic and commercial use that 11 relies on a withdrawal exempt from permitting under RCW 90.44.050:

(A) An applicant shall pay a fee of one thousand five hundreddollars to the permitting 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 a single domestic or commercial indoor use only, with a maximum annual average withdrawal of four hundred gallons per day; and

(C) An applicant shall manage stormwater runoff on-site to the 19 20 extent practicable by maximizing infiltration usinq green 21 infrastructure including low-impact development techniques, or pursuant to stormwater management requirements adopted by the local 22 permitting authority, if locally adopted requirements are more 23 24 stringent.

(b) The department and the city or county issuing a building permit under RCW 19.27.097 may allow an applicant to obtain approval for a withdrawal of groundwater exempt from permitting under RCW 90.44.050 for a single domestic or commercial outdoor use for a specified period of time, after the department has reviewed and determined that water is available in the watershed for these purposes.

32 (5) The department shall initiate rule making under this chapter 33 in at least one water resource inventory area every four years in a 34 basin in which instream flow rules do not exist, and when 35 prioritizing a water resource inventory area, must consider:

36 (a) Population growth rates over the past ten years;

(b) Presence of threatened or endangered species;

37

38 (c) Vulnerability of instream resources to impacts from low 39 flows; and

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(d) Whether the water resource inventory area is identified as a
 salmon critical basin by the department.

3 (6) Rules adopted under this chapter may:

4 (a) Rely on watershed restoration and enhancement plan 5 recommendations and procedures established in this act to authorize 6 new withdrawals exempt from permitting under RCW 90.44.050 that would 7 potentially impact a closed waterbody or a minimum flow or level;

8 (b) Rely on projects identified in the watershed restoration and 9 enhancement plan to offset consumptive water use; and

10 (c) Include updates to fees based on the watershed restoration 11 and enhancement committee's determination of the costs for offsetting 12 consumptive water use.

13 (7) The department shall submit a report to the legislature by 14 December 31, 2022, and December 31, 2027, in compliance with RCW 15 43.01.036, that includes the following elements:

16 (a) Progress in completing and adopting watershed restoration and 17 enhancement plans;

18

(b) A description of program projects and expenditures;

19 (c) An assessment of the streamflow restoration and enhancement 20 benefits from program projects;

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

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

30 (f) A description of potential or planned projects, including 31 projected costs and anticipated streamflow, water supply, and 32 watershed health benefits.

33 <u>NEW SECTION.</u> Sec. 106. A new section is added to chapter 90.54
 34 RCW to read as follows:

(1) The department shall initiate a pilot project to measure water use from all new groundwater withdrawals, including withdrawals exempt from permitting under RCW 90.44.050. The pilot project must be conducted to determine the overall feasibility of measuring water use for all new groundwater withdrawals. The pilot project must be 1 conducted in a priority water resource inventory area, as determined 2 by the director of the department. At a minimum, the pilot project 3 must address the following:

4 (a) Initial and on-going costs, including costs to individual5 property owners, local government, and the department;

6 (b) Technical, practical, and legal considerations that must be 7 addressed;

8 (c) The costs and benefits of a water use measurement program 9 relying on individual meters versus a water management program that 10 estimates permit-exempt groundwater withdrawals; and

11 (d) Measures to protect the privacy of individual property owners 12 and ensure accurate data collection.

13 (2) The department shall report on the pilot project results in 14 the report to the legislature submitted under section 105 of this 15 act. The department shall include recommendations to the legislature, 16 including estimated program costs for expanding the pilot project to 17 other basins.

18 <u>NEW SECTION.</u> Sec. 107. A new section is added to chapter 90.54
19 RCW to read as follows:

Nothing in this chapter affects the ability of any person to pursue a cause of action for the protection of any water right that is not a base flow, minimum flow, minimum level, or other similar standard or policy, established by the department under this chapter or chapter 90.22 RCW.

25 <u>NEW SECTION.</u> Sec. 108. A new section is added to chapter 90.54 26 RCW to read as follows:

The watershed restoration and enhancement account is created in 27 the custody of the state treasurer. The account may receive those 28 29 moneys as may be appropriated by the legislature for the purpose of funding restoration and enhancement projects as identified in section 30 105 of this act. Expenditures from the account may be used only for 31 the costs of administering this act, including implementing watershed 32 restoration and enhancement projects under section 105 of this act, 33 34 and collecting data and completing studies necessary to develop, and evaluate watershed restoration and enhancement implement, 35 projects under this act. Only the director of the department or the 36 director's designee may authorize expenditures from the account. 37

<u>NEW SECTION.</u> Sec. 109. A new section is added to chapter 90.54
 RCW to read as follows:

The watershed restoration and enhancement taxable bond 3 (1)account is created in the state treasury. All receipts from direct 4 appropriations from the legislature or moneys directed to the account 5 б from any other source must be deposited in the account. Moneys in the 7 account may be spent only after appropriation. The account is intended to fund projects using taxable bonds. Expenditures from the 8 account may be used only as provided for in this section. 9

(2) Expenditures from the watershed restoration and enhancement 10 11 taxable bond account may be used to assess, plan, and develop 12 include acquiring senior water projects that rights, water conservation, water reuse, stream gaging, groundwater monitoring, and 13 developing natural and constructed infrastructure, which includes 14 projects such as surface water impoundment, floodplain restoration, 15 16 off-channel storage, and aquifer recharge, or other actions designed 17 to provide access to new water supplies within watersheds developing 18 plans as directed by section 105 of this act.

19 <u>NEW SECTION.</u> Sec. 110. A new section is added to chapter 90.54 20 RCW to read as follows:

(1) The watershed restoration and enhancement bond account is 21 22 state treasury. All receipts from created in the direct appropriations from the legislature or moneys directed to the account 23 24 from any other source must be deposited in the account. Moneys in the 25 account may be spent only after appropriation. The account is intended to fund projects using tax exempt bonds. Expenditures from 26 27 the account may be used only as provided for in this section.

(2) Expenditures from the watershed restoration and enhancement 28 bond account may be used to assess, plan, and develop projects that 29 30 include acquiring senior water rights, water conservation, water reuse, stream gaging, groundwater monitoring, and developing natural 31 and constructed infrastructure, which includes projects such as 32 surface water impoundment, floodplain restoration, off-channel 33 storage, and aquifer recharge, or other actions designed to provide 34 35 access to new water supplies within watersheds developing plans as directed by section 105 of this act. 36

37 <u>NEW SECTION.</u> **Sec. 111.** (1) A joint legislative task force on 38 water resource mitigation is established to make recommendations to the legislature on the necessary authority in Title 90 RCW for the department of ecology to authorize mitigation for impacts to instream flows, fish, or aquatic habitat from appropriations of water in areas where instream flows have been adopted by rule. These recommendations must address the authority of the department of ecology to authorize water resource mitigation in the following sequence:

7 (a) Avoiding impacts by: (i) Complying with applicable mitigation
8 requirements established in the rule setting forth minimum flows,
9 levels, or closures; or (ii) making the water diversion or withdrawal
10 subject to the applicable minimum flows or levels;

11 (b) Where avoidance is not reasonably attainable, minimizing 12 impacts by providing replacement water supply resulting in no net 13 annual increase in the quantity of water diverted or withdrawn from 14 the stream or surface water body and no net detrimental impacts to 15 fish and related aquatic resources; and

16 (C) Where avoidance and minimization are not reasonably 17 attainable, compensating for impacts by providing net ecological 18 benefits to fish and related aquatic resources in the water resource 19 inventory area through out-of-kind mitigation, which may include instream or out-of-stream measures that improve or enhance existing 20 21 water quality, riparian habitat, and other stream conditions, or any other measures that improve the function and productivity of affected 22 fish populations and related aquatic habitat. 23

24 (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;

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

30 (c) A representative from the department of ecology, appointed by31 the director of the department of ecology;

32 (d) A representative from the department of fish and wildlife,33 appointed by the director of the department of fish and wildlife;

34 (e) A representative from the department of agriculture,35 appointed by the director of the department of agriculture;

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

38 (i) An organization representing the farming industry in 39 Washington;

40 (ii) An organization representing Washington cities;

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

3

(iv) An organization representing municipal water purveyors;

4

(v) An organization representing business interests;

5 (vi) Representatives of two federally recognized Indian tribes, 6 one invited by recommendation of the Northwest Indian fisheries 7 commission, and one invited by recommendation of the Columbia river 8 intertribal fish commission.

9 (3) One cochair of the task force must be a member of the largest 10 caucus of the house of representatives, and one cochair must be a 11 member of the largest caucus of the senate, as those caucuses existed 12 as of the effective date of this section.

13 (4) The first meeting of the task force must occur by June 30,14 2018.

15 (5) Staff support for the task force must be provided by the 16 office of program research and senate committee services. The 17 department of ecology and the department of fish and wildlife shall 18 cooperate with the task force and provide information as the cochairs 19 reasonably request.

20 Within existing appropriations, the expenses of the (6) operations of the task force, including the expenses associated with 21 the task force's meetings, must be paid jointly and in equal amounts 22 by the senate and the house of representatives. 23 Task force expenditures are subject to approval by the house executive rules 24 25 committee and the senate facility and operations committee. Legislative members of the task force are reimbursed for travel 26 expenses in accordance with RCW 44.04.120. Nonlegislative members are 27 not entitled to be reimbursed for travel expenses if they are elected 28 29 officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement 30 for other 31 nonlegislative members is subject to chapter 43.03 RCW.

32 (7)(a) By November 15, 2019, the joint legislative task force 33 must make recommendations to the legislature in compliance with RCW 34 43.01.036.

35 (b) Recommendations of the joint legislative task force must be 36 made by a three-fourths majority of the members of the committee. The 37 representatives of the departments of fish and wildlife, ecology, and 38 agriculture are not eligible to vote on the recommendations. Minority 39 recommendations that achieve the support of at least five of the 1 named voting members of the task force may also be submitted to the 2 legislature.

3

(8) The joint legislative task force expires December 31, 2019.

4 (9) This section expires January 1, 2020.

5 <u>NEW SECTION.</u> Sec. 112. The legislature intends to appropriate 6 two hundred million dollars for projects to achieve the goals of this 7 act until January 1, 2028. The department of ecology is directed to 8 implement a program to restore and enhance stream flows by fulfilling 9 obligations under this act to develop and implement plans to restore 10 stream flows to levels necessary to support robust, healthy, and 11 sustainable salmon populations.

12

### PART 2

13 <u>NEW SECTION.</u> Sec. 201. For the purpose of providing funds for the watershed restoration and enhancement program created in this 14 15 act, the state finance committee is authorized to issue general obligation bonds of the state of Washington in the sum of two hundred 16 million dollars, or as much thereof as may be required, to finance 17 18 the projects and all costs incidental thereto. Bonds authorized in 19 this section may be sold at such price as the state finance committee shall determine. No bonds authorized in this section may be offered 20 21 for sale without prior legislative appropriation of the net proceeds 22 of the sale of the bonds.

23 NEW SECTION. Sec. 202. It is the intent of the legislature that the proceeds of the new bonds authorized in section 201 of this act 24 will be appropriated in phases over five biennia, beginning with the 25 2017-2019 biennium. This is not intended to limit the legislature's 26 27 ability to appropriate bond proceeds if the full amount authorized in section 201 of this act has not been appropriated after five biennia. 28 29 The authorization to issue bonds contained in section 201 of this act does not expire until the full authorization has been appropriated 30 31 and issued.

32 <u>NEW SECTION.</u> Sec. 203. The proceeds from the sale of the bonds 33 authorized in section 201 of this act must be deposited in the 34 watershed restoration and enhancement bond account created in section 35 110 of this act. If the state finance committee deems it necessary to

1 issue the bonds authorized in section 201 of this act as taxable bonds in order to comply with federal internal revenue service rules 2 and regulations pertaining to the use of nontaxable bond proceeds, 3 the proceeds of such taxable bonds must be deposited into the 4 watershed restoration and enhancement taxable bond account created in 5 б section 109 of this act. The state treasurer shall submit written notice to the director of financial management if it is determined 7 that any such transfer to the state taxable building construction 8 account is necessary. Moneys in the account may be spent only after 9 appropriation. The proceeds shall be used exclusively for the 10 purposes specified in section 201 of this act and for the payment of 11 12 expenses incurred in the issuance and sale of the bonds. These proceeds shall be administered by the office of financial management, 13 14 subject to legislative appropriation.

15 Sec. 204. The debt-limit general fund bond NEW SECTION. 16 retirement account shall be used for the payment of the principal of 17 and interest on the bonds authorized in section 201 of this act. The state finance committee shall, on or before June 30th of each year, 18 certify to the state treasurer the amount needed in the ensuing 19 20 twelve months to meet the bond retirement and interest requirements. On each date on which any interest or principal and interest payment 21 is due, the state treasurer shall withdraw from any general state 22 23 revenues received in the state treasury and deposit in the debt-limit 24 general fund bond retirement account an amount equal to the amount 25 certified by the state finance committee to be due on the payment date. Bonds issued under section 201 of this act shall state that 26 27 they are a general obligation of the state of Washington, shall pledge the full faith and credit of the state to the payment of the 28 principal thereof and the interest thereon, and shall contain an 29 30 unconditional promise to pay the principal and interest as the same 31 shall become due.

The owner and holder of each of the bonds or the trustee for the owner and holder of any of the bonds may by mandamus or other appropriate proceeding require the transfer and payment of funds as directed in this section.

36 <u>NEW SECTION.</u> **Sec. 205.** The legislature may provide additional 37 means for raising moneys for the payment of the principal of and 38 interest on the bonds authorized in section 201 of this act, and section 204 of this act shall not be deemed to provide an exclusive
 method for the payment.

3 <u>NEW SECTION.</u> Sec. 206. The bonds authorized in section 201 of 4 this act shall be a legal investment for all state funds or funds 5 under state control and for all funds of any other public body.

6 <u>NEW SECTION.</u> Sec. 207. Sections 201 through 206 of this act 7 constitute a new chapter in Title 43 RCW.

8

# part 3

9 <u>NEW SECTION.</u> Sec. 301. If specific authority to issue general 10 obligation bonds of at least two hundred million dollars for the 11 purposes of this act, referencing this act by bill or chapter number, 12 is not provided by June 30, 2018, in a bond authorization act, this 13 act is null and void.

14 <u>NEW SECTION.</u> Sec. 302. If any provision of this act or its 15 application to any person or circumstance is held invalid, the 16 remainder of the act or the application of the provision to other 17 persons or circumstances is not affected.

18 <u>NEW SECTION.</u> Sec. 303. This act is necessary for the immediate 19 preservation of the public peace, health, or safety, or support of 20 the state government and its existing public institutions, and takes 21 effect immediately.

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