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**ENGROSSED SUBSTITUTE HOUSE BILL 1622**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** House Rural Development, Agriculture, & Natural Resources  
(originally sponsored by Representatives Blake, Kretz, Springer,  
Chandler, Chapman, Dent, and Shewmake; by request of Department of  
Ecology)

READ FIRST TIME 02/22/19.

1 AN ACT Relating to drought preparedness and response; amending  
2 RCW 43.83B.400, 43.83B.405, 43.83B.410, 43.83B.415, and 43.83B.430;  
3 adding new sections to chapter 43.83B RCW; decodifying RCW  
4 43.83B.005, 43.83B.200, 43.83B.210, 43.83B.300, 43.83B.345,  
5 43.83B.360, 43.83B.380, and 43.83B.385; repealing RCW 43.83B.220 and  
6 43.83B.336; and providing an expiration date.

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

8 NEW SECTION. **Sec. 1.** A new section is added to chapter 43.83B  
9 RCW to read as follows:

10 The definitions in this section apply throughout this chapter  
11 unless the context clearly requires otherwise.

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

13 (2) "Drought condition" means that the water supply for a  
14 geographic area, or for a significant portion of a geographic area,  
15 is below seventy-five percent of normal and the water shortage is  
16 likely to create undue hardships for water users or the environment.

17 (3) "Normal" water supply, for the purpose of determining drought  
18 conditions, means the median amount of water available to a  
19 geographical area, relative to the most recent thirty-year base  
20 period used to define climate normals.

1       **Sec. 2.** RCW 43.83B.400 and 1989 c 171 s 1 are each amended to  
2 read as follows:

3       (~~It is the intent of~~) The legislature (~~to provide emergency~~  
4 ~~powers to the department of ecology to enable it to take actions, in~~  
5 ~~a timely and expeditious manner, that are designed to alleviate~~  
6 ~~hardships and reduce burdens on various water users and uses arising~~  
7 ~~from drought conditions. As used in this chapter, "drought condition"~~  
8 ~~means that the water supply for a geographical area or for a~~  
9 ~~significant portion of a geographical area is below seventy-five~~  
10 ~~percent of normal and the water shortage is likely to create undue~~  
11 ~~hardships for various water uses and users.)) recognizes that drought  
12 and water shortages can place a significant hardship on Washington  
13 communities, farms, and the natural environment. Rising temperatures  
14 due to climate change may cause water supply shortages to be more  
15 frequent and severe in the future. Therefore, the ability to respond  
16 to drought and water shortage emergencies is critical to the long-  
17 term prosperity of our state. It is the intent of the legislature to  
18 provide the department with the authority to effectively and  
19 efficiently take actions when a drought emergency occurs to alleviate  
20 hardship on water users and our natural environment.~~

21       The legislature also recognizes that effective emergency drought  
22 response is predicated on building resiliency and preparedness before  
23 water shortages occur. Therefore, it is also the intent of the  
24 legislature that the department assist water users by supporting  
25 measures to strengthen the resiliency and preparedness of water users  
26 to drought conditions in the long term.

27       **Sec. 3.** RCW 43.83B.405 and 1989 c 171 s 2 are each amended to  
28 read as follows:

29       (1) Whenever it appears to the department, based on the  
30 definitions of drought condition and normal water supply set forth in  
31 section 1 of this act, that drought conditions may develop, the  
32 department may issue a drought advisory. The drought advisory should  
33 seek to increase the awareness and readiness of affected water users  
34 and may recommend voluntary actions to alleviate drought impacts.

35       (2)(a) Whenever it appears to the department ((of ecology)),  
36 based on the definitions of drought condition and normal water supply  
37 set forth in section 1 of this act, that a drought condition either  
38 exists or is forecast to occur within the state or portions thereof,  
39 the department ((of ecology)) is authorized to issue orders of

1 drought emergency, pursuant to adopted rules (~~((previously adopted))~~),  
2 to implement the powers as set forth in RCW 43.83B.410 through  
3 43.83B.420. (~~The department shall, immediately upon the issuance of~~  
4 ~~an order under this section, cause said order to be published in~~  
5 ~~newspapers of general circulation in the areas of the state to which~~  
6 ~~the order relates.))~~

7 (b) Prior to the issuance of an order of drought emergency, the  
8 department shall ~~((a))~~:

9 (i) Consult with (~~and obtain the views of~~) the federal and  
10 state government entities identified in the drought contingency plan  
11 periodically revised by the department pursuant to ~~((RCW~~  
12 ~~43.83B.410(4), and~~

13 ~~(b))~~ section 7 of this act and consult with affected federally  
14 recognized tribes;

15 (ii) Consider input from local water users in the determination  
16 of undue hardship under section 1(2) of this act; and

17 (iii) Obtain the written approval of the governor.

18 (c) Upon issuance of an order of drought emergency, the  
19 department shall notify the public of the order consistent with rules  
20 adopted by the department.

21 (d) Orders of drought emergency issued under (~~this section~~) (a)  
22 of this subsection shall be deemed orders for the purposes of chapter  
23 34.05 RCW.

24 (e) A person may petition the department to declare a drought  
25 emergency for the state or portions of the state.

26 ~~((2))~~ (3)(a) Any order issued under subsection ~~((1))~~ (2) of  
27 this section shall contain a termination date for the order. The  
28 termination date shall be not later than one calendar year from the  
29 date the order is issued. Although the department may, with the  
30 written approval of the governor, change the termination date by  
31 amending the order, no such amendment or series of amendments may  
32 have the effect of extending its termination to a date which is later  
33 than two calendar years after the issuance of the order.

34 ~~((3))~~ (b) The provisions of ~~(subsection (2) of)~~ this section  
35 do not preclude the issuance of more than one order under subsection  
36 ~~((1))~~ (2) of this section for different areas of the state, or  
37 sequentially for the same area, as the need arises ~~((for such an~~  
38 ~~order or orders))~~.

1       **Sec. 4.** RCW 43.83B.410 and 1989 c 171 s 3 are each amended to  
2 read as follows:

3       Upon the issuance of an order of drought emergency under RCW  
4 43.83B.405(2), the department ~~((of ecology is empowered to))~~ may:

5       (1)(a) Authorize emergency withdrawal of public surface and  
6 ground waters, including dead storage within reservoirs, on a  
7 temporary basis and authorize temporary or permanent associated  
8 physical works ~~((which may be either temporary or permanent))~~. The  
9 department shall prioritize the approval of emergency withdrawal  
10 authorizations in order to address those most affected by the water  
11 deficit to ensure the survival of irrigated crops, the state's  
12 fisheries, and the provision of water for small communities.

13       **(b)** The termination date for ~~((the authority to make such an))~~  
14 emergency withdrawals may not be later than the termination date of  
15 the order issued under RCW 43.83B.405(2) ~~((under which the power to~~  
16 ~~authorize the withdrawal is established))~~.

17       **(c)** The department ~~((of ecology))~~ may issue ~~((such))~~ emergency  
18 withdrawal authorizations only when, after investigation and after  
19 providing appropriate federal, state, and local governmental bodies  
20 and affected federally recognized tribes an opportunity to comment,  
21 the following are found:

22       (i) The waters proposed for withdrawal are to be used for a  
23 beneficial use involving a previously established activity or  
24 purpose;

25       (ii) The previously established activity or purpose was furnished  
26 water through rights applicable to the use of a public body of water  
27 that cannot be exercised due to the lack of water arising from  
28 natural drought conditions; and

29       (iii) The proposed withdrawal will not reduce flows or levels  
30 below essential minimums necessary ~~((A))~~ to ~~((assure))~~ ensure the  
31 maintenance of fisheries requirements~~((r))~~ and ~~((B))~~ to protect  
32 federal and state interests including, among others, power  
33 generation, navigation, and existing water rights~~((r))~~.

34       ~~((b))~~ **(d)** All emergency withdrawal authorizations issued under  
35 this section shall contain provisions that allow for termination of  
36 withdrawals, in whole or in part, whenever withdrawals will conflict  
37 with flows and levels as provided in ~~((a))~~ (c)(iii) of this  
38 subsection. ~~((Domestic and irrigation uses of public surface and~~  
39 ~~ground waters shall be given priority in determining "beneficial~~  
40 ~~uses."))~~

1       (e) As to water withdrawal and associated works authorized under  
2 this subsection, the requirements of chapter 43.21C RCW and public  
3 bidding requirements as otherwise provided by law are waived and  
4 inapplicable. All state and local agencies with authority to issue  
5 permits or other authorizations for such works shall, to the extent  
6 possible, expedite the processing of the permits or authorizations in  
7 keeping with the emergency nature of the requests and shall provide a  
8 decision to the applicant within fifteen calendar days of the date of  
9 application. All state departments or other agencies having  
10 jurisdiction over state or other public lands, if such lands are  
11 necessary to effectuate the withdrawal authorizations issued under  
12 this subsection, shall provide short-term easements or other  
13 appropriate property interest upon the payment of the fair market  
14 value. This mandate shall not apply to any lands of the state that  
15 are reserved for a special purpose or use that cannot properly be  
16 carried out if the property interest were conveyed;

17       (2) Approve a temporary change in purpose, place of use, ~~((e#))~~  
18 point of diversion, or point of withdrawal, consistent with existing  
19 state policy allowing transfer or lease of waters between willing  
20 parties, as provided for in RCW 90.03.380, 90.03.390, and 90.44.100.  
21 However, compliance with any requirements of ~~((a))~~ notice of  
22 newspaper publication of these sections or ~~((b))~~ the state  
23 environmental policy act~~((r))~~ under chapter 43.21C RCW, is not  
24 required when such changes are necessary to respond to drought  
25 conditions as determined by the department ~~((of ecology))~~. An  
26 approval of a temporary change of a water right as authorized under  
27 this subsection is not admissible as evidence in either supporting or  
28 contesting the validity of water claims in ~~((State of Washington,~~  
29 ~~Department of Ecology v. Acquavella, Yakima county superior court~~  
30 ~~number 77-2-01484-5))~~ a general adjudication under RCW 90.03.210 or  
31 any similar proceeding where the existence of a water right is at  
32 issue~~((r))~~;

33       (3) Employ additional persons for specified terms of time,  
34 consistent with the term of a drought condition, as are necessary to  
35 ensure the successful performance of the activities associated with  
36 implementing the emergency drought program of this chapter~~((r))~~;

37       (4) ~~((Revise the drought contingency plan previously developed by~~  
38 ~~the department; and~~  
39       ~~(5))~~ Acquire needed emergency drought-related equipment;

1       (5) Enter into agreements with applicants receiving emergency  
2 withdrawal authorizations established under this section to recover  
3 the costs, or a portion thereof, of mitigation for emergency  
4 withdrawal authorizations, provided that mitigation is done to  
5 protect instream flows, federally regulated flows, or senior water  
6 rights. The department may establish the specifics of cost recovery  
7 by rule, based on the amount of water used in the emergency  
8 withdrawal, which shall not exceed the cost of mitigation; and

9       (6) Enter into interagency agreements as authorized under chapter  
10 39.34 RCW to partner in emergency drought response.

11       **Sec. 5.** RCW 43.83B.415 and 1989 c 171 s 4 are each amended to  
12 read as follows:

13       (1) (a) ~~The department ((of ecology is authorized to make loans,~~  
14 ~~grants, or combinations of loans and grants from emergency~~  
15 ~~agricultural water supply funds when necessary to provide water to~~  
16 ~~alleviate emergency drought conditions in order to ensure the~~  
17 ~~survival of irrigated crops and the state's fisheries. For the~~  
18 ~~purposes of this section, "emergency agricultural water supply funds"~~  
19 ~~means funds appropriated from the state emergency water projects~~  
20 ~~revolving account created under RCW 43.83B.360. The department of~~  
21 ~~ecology may make the loans, grants, or combinations of loans and~~  
22 ~~grants as matching funds in any case where federal, local, or other~~  
23 ~~funds have been made available on a matching basis. The department~~  
24 ~~may make a loan of up to ninety percent of the total eligible project~~  
25 ~~cost or combination loan and grant up to one hundred percent of the~~  
26 ~~total single project cost. The grant portion for any single project~~  
27 ~~shall not exceed twenty percent of the total project cost except~~  
28 ~~that, for activities forecast to have fifty percent or less of normal~~  
29 ~~seasonal water supply, the grant portion for any single project or~~  
30 ~~entity shall not exceed forty percent of the total project cost. No~~  
31 ~~single entity shall receive more than ten percent of the total~~  
32 ~~emergency agricultural water supply funds available for drought~~  
33 ~~relief. These funds shall not be used for nonagricultural drought~~  
34 ~~relief purposes unless there are no other capital budget funds~~  
35 ~~available for these purposes. In any biennium the total expenditures~~  
36 ~~of emergency agricultural water supply funds for nonagricultural~~  
37 ~~drought relief purposes may not exceed ten percent of the total of~~  
38 ~~such funds available during that biennium.~~

1 ~~(2) (a) Except as provided in (b) of this subsection, after June~~  
2 ~~30, 1989, emergency agricultural water supply funds, including the~~  
3 ~~repayment of loans and any accrued interest, shall not be used for~~  
4 ~~any purpose except during drought conditions as determined under RCW~~  
5 ~~43.83B.400 and 43.83B.405.~~

6 ~~(b) Emergency agricultural water supply funds may be used on a~~  
7 ~~one-time basis for the development of procedures to be used by state~~  
8 ~~governmental entities to implement the state's drought contingency~~  
9 ~~plan.)) is authorized to issue grants to eligible public entities to~~  
10 ~~reduce current or future hardship caused by water unavailability~~  
11 ~~stemming from drought conditions. No single entity may receive more~~  
12 ~~than twenty-five percent of the total funds available. The department~~  
13 ~~is not obligated to fund projects that do not provide sufficient~~  
14 ~~benefit to alleviating hardship caused by drought or water~~  
15 ~~unavailability. Projects must show substantial benefit from securing~~  
16 ~~water supply, availability, or reliability relative to project costs.~~

17 (b) Except for projects for public water systems serving  
18 economically disadvantaged communities, the department may only fund  
19 up to fifty percent of the total eligible cost of the project. Money  
20 used by applicants as a cash match may not originate from other state  
21 funds.

22 (c) For the purposes of this chapter, eligible public entities  
23 include only:

- 24 (i) Counties, cities, and towns;
- 25 (ii) Water and sewer districts formed under chapter 57.02 RCW;
- 26 (iii) Public utility districts formed under chapter 54.04 RCW;
- 27 (iv) Port districts formed under chapter 53.04 RCW;
- 28 (v) Conservation districts formed under chapter 89.08 RCW;
- 29 (vi) Irrigation districts formed under chapter 87.03 RCW;
- 30 (vii) Watershed management partnerships formed under RCW  
31 39.34.200; and
- 32 (viii) Federally recognized tribes.

33 (2) Grants may be used to develop projects that enhance the  
34 ability of water users to effectively mitigate for the impacts of  
35 water unavailability arising from drought. Project applicants must  
36 demonstrate that the projects will increase their resiliency,  
37 preparedness, or ability to withstand drought conditions when they  
38 occur. Projects may include, but are not limited to:

- 39 (a) Creation of additional water storage;
- 40 (b) Implementation of source substitution projects;

1 (c) Development of alternative, backup, or emergency water  
2 supplies or interties;

3 (d) Installation of infrastructure or creation of educational  
4 programs that improve water conservation and efficiency or promote  
5 use of reclaimed water;

6 (e) Development or update of local drought contingency plans if  
7 not already required by state rules adopted under chapter 246-290  
8 WAC;

9 (f) Mitigation of emergency withdrawals authorized under RCW  
10 43.83B.410(1);

11 (g) Projects designed to mitigate for the impacts of water supply  
12 shortages on fish and wildlife; and

13 (h) Emergency construction or modification of water recreational  
14 facilities.

15 (3) During a drought emergency order pursuant to RCW  
16 43.83B.405(2), the department shall prioritize funding for projects  
17 designed to relieve the immediate hardship caused by water  
18 unavailability.

19 **Sec. 6.** RCW 43.83B.430 and 2016 sp.s. c 36 s 933 are each  
20 amended to read as follows:

21 The state drought preparedness and response account is created in  
22 the state treasury. All receipts from appropriated funds designated  
23 for the account and (~~funds transferred from the state emergency~~  
24 ~~water projects revolving account~~) all cost recovery revenues  
25 collected under RCW 43.83B.410(5) must be deposited into the account.  
26 Expenditures from the account may be used for drought preparedness  
27 and response activities under this chapter, including grants issued  
28 under RCW 43.83B.415. Moneys in the account may be spent only after  
29 appropriation. (~~Expenditures from the account may be used only for~~  
30 ~~drought preparedness. During the 2009-2011 fiscal biennium, the~~  
31 ~~legislature may transfer from the state drought preparedness account~~  
32 ~~to the state general fund such amounts as reflect the excess fund~~  
33 ~~balance of the account. For the 2015-2017 fiscal biennium, the~~  
34 ~~account may also accept revenue collected from emergency drought~~  
35 ~~well-related water service contracts and may be used for drought~~  
36 ~~response.))~~

37 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.83B  
38 RCW to read as follows:

1 In collaboration with affected governments, the department may  
2 revise the existing drought contingency plan. The department shall  
3 notify interested parties of any updates to the drought contingency  
4 plan.

5 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.83B  
6 RCW to read as follows:

7 (1) The department shall initiate a pilot program in a selected  
8 basin or basins to explore the cost, feasibility, and benefits of  
9 entering into long-term water right lease agreements. The purpose of  
10 the agreements is to alleviate water supply conditions that may  
11 affect public health and safety, drinking water supplies,  
12 agricultural activities, or fish and wildlife survival. Under this  
13 program, the department is authorized to negotiate and enter into  
14 contractual agreements before a drought emergency is declared under  
15 RCW 43.83B.405(2) that identify projects, measures, sources of water,  
16 and other resources that may be accessed during times of water  
17 shortage. Water right changes executed under agreement under this  
18 section are subject to the requirements of RCW 90.03.380.

19 (2) The department shall submit a report to the legislature by  
20 December 31, 2024, on the results of the pilot program. The  
21 department shall include a summary of the contracts entered into  
22 pursuant to this section and recommendations to the legislature.

23 (3) This section expires June 30, 2025.

24 NEW SECTION. **Sec. 9.** The following sections are decodified:

25 (1) RCW 43.83B.005 (Transfer of duties to the department of  
26 health);

27 (2) RCW 43.83B.200 (Deposit of proceeds from repayment of loans,  
28 interest, gifts, grants, etc., in state and local improvements  
29 revolving account—water supply facilities—Use);

30 (3) RCW 43.83B.210 (Loans or grants from department of ecology—  
31 Authorized—Limitations);

32 (4) RCW 43.83B.300 (Legislative findings—General obligation bonds  
33 authorized—Issuance, terms—Appropriation required);

34 (5) RCW 43.83B.345 (Rates of charges for water—Payment into bond  
35 redemption fund—Grants and loans—Contracts);

36 (6) RCW 43.83B.360 (State emergency water projects revolving  
37 account—Proceeds from sale of bonds);

1 (7) RCW 43.83B.380 (Appropriations to department of health—  
2 Authorized projects—Conditions); and

3 (8) RCW 43.83B.385 (Appropriations to department of ecology—  
4 Authorized projects—Findings).

5 NEW SECTION. **Sec. 10.** The following acts or parts of acts are  
6 each repealed:

7 (1) RCW 43.83B.220 (Contractual agreements) and 2009 c 549 s  
8 5159, 1989 c 11 s 17, & 1975 1st ex.s. c 295 s 5; and

9 (2) RCW 43.83B.336 (Civil penalties).

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