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**SENATE BILL 6345**

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**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Senators Honeyford and Warnick

1 AN ACT Relating to establishing the water infrastructure program;  
2 adding a new chapter to Title 90 RCW; adding a new chapter to Title  
3 43 RCW; providing a contingent effective date; and providing for  
4 submission of certain sections of this act to a vote of the people.

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

6 **PART 1**

7 **WATER INFRASTRUCTURE PROGRAM**

8 NEW SECTION. **Sec. 101.** The water infrastructure program is  
9 established and must be administered in accordance with this chapter.

10 NEW SECTION. **Sec. 102.** The definitions in this section apply  
11 throughout this chapter unless the context clearly requires  
12 otherwise.

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

14 (2) "Preference" means, when referring to a project, that the  
15 project should be ranked more favorably than other projects that lack  
16 preferred characteristics, but "preference" does not mean that the  
17 department must reject projects that lack preferred characteristics.

18 (3) "Priority" means, when referring to a project, that the  
19 project must be ranked more favorably than other projects.

1 (4) "Project" means infrastructure that meets the criteria for  
2 funding established in this chapter.

3 (5) "Sponsor" means a Washington state agency, a local government  
4 or other public entity in Washington, an agency of the United States  
5 government engaged in water supply or flood control activities in  
6 Washington, or a federally recognized Indian tribe with a reservation  
7 in Washington.

8 NEW SECTION. **Sec. 103.** The water infrastructure program must be  
9 administered for the purpose of funding projects that promote the  
10 following objectives:

11 (1) Increasing the availability of water for out-of-stream  
12 beneficial uses;

13 (2) Reducing the risk of flooding, protecting against damage that  
14 may be caused by flooding, and restoring areas where flooding has  
15 occurred;

16 (3) Improving fish passage; or

17 (4) Reducing stormwater pollution from existing development.

18 NEW SECTION. **Sec. 104.** (1) The water infrastructure program  
19 must be administered as a competitive grant program to evaluate and  
20 rank projects proposed by sponsors.

21 (2) The department shall begin accepting applications from  
22 sponsors on April 1st in each even-numbered year. The application  
23 submission period must remain open until October 1st of the same  
24 year.

25 (3) After the application submission period closes, the  
26 department shall distribute applications to the office of Columbia  
27 river, office of Chehalis basin, or fish passage barrier removal  
28 board, as appropriate, which must evaluate the applications and  
29 create ranked lists of projects for the objectives under section 103  
30 of this act. The ranked lists must be provided by the department to  
31 the appropriate standing committees of the legislature before the  
32 commencement of the regular session of the legislature in each odd-  
33 numbered year.

34 (4) The department shall publish a list of approved projects  
35 based on appropriations made by the legislature and shall notify  
36 sponsors of approved projects after the adjournment sine die of the  
37 regular or special sessions of the legislature in each odd-numbered  
38 year.

1 (5) The department shall publish a list of approved projects  
2 after the adjournment sine die of the regular or special sessions of  
3 the legislature in an even-numbered year if the legislature makes an  
4 appropriation resulting in the funding of projects in an even-  
5 numbered year.

6 (6) Subject to the availability of amounts appropriated for this  
7 specific purpose, the department is authorized to provide funding to  
8 sponsors for projects that were approved. The department may not  
9 obligate funds from the water infrastructure program account, water  
10 infrastructure program bond account, or water infrastructure program  
11 taxable bond account before the legislature has appropriated funds  
12 from such accounts for the purpose of funding projects under this  
13 chapter.

14 (7) A sponsor that is not approved may reapply during a  
15 subsequent application submission period in accordance with this  
16 section.

17 NEW SECTION. **Sec. 105.** The office of Columbia river shall  
18 review proposed projects designed to increase the availability of  
19 water for out-of-stream beneficial uses. The following criteria apply  
20 to these projects:

21 (1) A project must increase the availability of water for out-of-  
22 stream beneficial uses;

23 (2) The highest priority projects are those projects that  
24 implement the integrated plan, as defined under RCW 90.38.010, or  
25 satisfy the water supply needs identified under RCW 90.90.020;

26 (3) Preference must be given to projects that provide multiple  
27 benefits;

28 (4) Preference must be given to projects that mitigate impacts to  
29 fish and wildlife caused by the project;

30 (5) Preference must be given to projects that include practicable  
31 conservation measures to ensure that water is used efficiently; and

32 (6) The office of Columbia river may consider whether a project  
33 helps the state prepare for the effects of climate change.

34 NEW SECTION. **Sec. 106.** The office of Chehalis basin shall  
35 review proposed projects designed to reduce the risk of flooding,  
36 protect against damage that may be caused by flooding, and restore  
37 areas where flooding has occurred. The following criteria apply to  
38 these projects:

1 (1) A project must reduce the risk of flooding, protect against  
2 damage that may be caused by flooding, or restore areas where  
3 flooding has occurred;

4 (2) The highest priority projects are those that implement the  
5 Chehalis basin strategy under RCW 43.21A.732;

6 (3) Preference must be given to projects that provide multiple  
7 benefits;

8 (4) Preference must be given to projects located in areas that  
9 historically have been at the greatest risk and most vulnerable to  
10 flooding;

11 (5) Preference must be given to projects that eliminate or  
12 minimize the risk of future damage or disruption to critical  
13 infrastructure, such as centers of commerce, emergency response  
14 systems, hospitals, and transportation corridors; and

15 (6) The office of Chehalis basin may consider whether a project  
16 helps the state prepare for the effects of climate change.

17 NEW SECTION. **Sec. 107.** The fish passage barrier removal board  
18 shall review proposed projects designed to improve fish passage. The  
19 following criteria apply to these projects:

20 (1) A project must improve fish passage;

21 (2) The highest priority projects are those that satisfy the  
22 state's obligations under a court order; and

23 (3) Preference must be given to projects sponsored by a city or  
24 county.

25 NEW SECTION. **Sec. 108.** The department shall review proposed  
26 projects designed to reduce stormwater pollution from existing  
27 development. The following criteria apply to these projects:

28 (1) A project must reduce stormwater pollution from existing  
29 development;

30 (2) Preference must be given to projects that rely on low-impact  
31 development retrofit techniques; and

32 (3) Preference must be given to projects that have a high water  
33 quality benefit and address stormwater pollution from existing  
34 infrastructure.

35 NEW SECTION. **Sec. 109.** (1) Projects may be consistent with more  
36 than one objective under section 103 of this act, but a sponsor is  
37 required to identify which objective is the primary objective for a

1 project. The reviewing authorities shall, to the greatest extent  
2 practicable, rank projects so that approximately equal amounts will  
3 have been allocated among each of the project objective categories  
4 under section 103 of this act over the first twenty years of the  
5 water infrastructure program.

6 (2) The reviewing authorities shall rank projects in a manner  
7 designed to provide funding for as many projects as practicable,  
8 while attempting to ensure that each project will receive sufficient  
9 funding to facilitate successful completion of the project.

10 (3) The reviewing authorities shall consider whether each project  
11 is consistent with the action agenda as defined under RCW 90.71.010,  
12 if applicable.

13 (4) Moneys made available under this chapter may not be used to  
14 acquire property through condemnation.

15 NEW SECTION. **Sec. 110.** Sponsors that apply for funding through  
16 the water infrastructure program are required to provide a minimum of  
17 twenty-five percent of project costs in sponsor funding. The  
18 reviewing authorities shall give preference to projects that provide  
19 a higher level of sponsor funding. Sponsor funding may include funds,  
20 commitments, or contributions dedicated to the accomplishment of the  
21 project, such as cash on hand, the value of real property when  
22 acquired solely for the purpose of the project, the proceeds of a  
23 letter of credit or other binding loan commitment, or similar  
24 commitments. Sponsors may receive credit for properly documented  
25 funding that was contributed no earlier than ten years prior to the  
26 effective date of this section and that was dedicated to the  
27 accomplishment of the project.

28 NEW SECTION. **Sec. 111.** The department may establish advisory  
29 committees to ensure that the water infrastructure program is  
30 administered with due consideration for the views of individuals and  
31 organizations that have demonstrated their interest in water  
32 management in Washington.

33 NEW SECTION. **Sec. 112.** The department shall monitor progress in  
34 completing projects and achieving desired outcomes for projects  
35 funded under the water infrastructure program. Beginning July 1,  
36 2022, the department shall submit biennial reports to the legislature  
37 describing the use of funds under this chapter.

1           NEW SECTION.   **Sec. 113.** The water infrastructure program bond  
2 account is created in the state treasury. All receipts of money  
3 directed to the account must be deposited in the account. The account  
4 is intended to fund projects for purposes relating to the water  
5 infrastructure program established in this chapter using tax exempt  
6 bonds. Moneys in the account may be spent only after appropriation.

7           NEW SECTION.   **Sec. 114.** The water infrastructure program taxable  
8 bond account is created in the state treasury. All receipts of money  
9 directed to the account must be deposited in the account. The account  
10 is intended to fund projects for purposes relating to the water  
11 infrastructure program established in this chapter using taxable  
12 bonds. Moneys in the account may be spent only after appropriation.

13           NEW SECTION.   **Sec. 115.** The legislature intends to appropriate  
14 five hundred million dollars each biennium for projects under this  
15 chapter, up to a total of five billion dollars, for ten biennia. This  
16 chapter is not intended to limit the legislature's ability to  
17 appropriate bond proceeds if the full amount authorized in this  
18 chapter has not been appropriated after ten biennia, and the  
19 authorization to issue bonds contained in this chapter does not  
20 expire until the full authorization has been appropriated and issued.

21           NEW SECTION.   **Sec. 116.** Sections 101 through 115 of this act  
22 constitute a new chapter in Title 90 RCW.

23   **PART 2**  
24   **BOND AUTHORIZATION**

25           NEW SECTION.   **Sec. 201.** (1) For the purposes of providing needed  
26 capital improvements to meet the objectives of the water  
27 infrastructure program created in sections 101 through 115 of this  
28 act, the state finance committee is authorized to issue general  
29 obligation bonds of the state of Washington in the sum of five  
30 billion dollars, or so much thereof as may be required, to finance  
31 all or a part of the cost of these projects and all costs incidental  
32 thereto. The bonds issued under the authority of this section shall  
33 be known as water infrastructure program bonds.

1 (2) Bonds authorized in this section must be sold in the manner,  
2 at the time or times, in amounts, and at such prices as the state  
3 finance committee determines.

4 (3) The authorization to issue bonds contained in this chapter  
5 does not expire until the full authorization has been issued.

6 (4) No bonds authorized in this section may be offered for sale  
7 without prior legislative appropriation of the net proceeds of the  
8 sale of the bonds.

9 NEW SECTION. **Sec. 202.** (1) The proceeds from the sale of bonds  
10 authorized in section 201 of this act shall be deposited in the water  
11 infrastructure program bond account, created in section 113 of this  
12 act.

13 (2) If the state finance committee deems it necessary or  
14 advantageous to issue taxable bonds in order to comply with federal  
15 internal revenue service rules and regulations pertaining to the use  
16 of nontaxable bond proceeds or in order to reduce the total financing  
17 costs for bonds issued, the proceeds of taxable bonds shall be  
18 transferred to the water infrastructure program taxable bond account  
19 created in section 114 of this act. The state treasurer shall submit  
20 written notice to the director of financial management if it is  
21 determined that any transfer to the water infrastructure program  
22 taxable bond account is necessary or that a transfer from the water  
23 infrastructure program taxable bond account to the water  
24 infrastructure program bond account may be made.

25 NEW SECTION. **Sec. 203.** (1) The nondebt-limit general fund bond  
26 retirement account must be used for the payment of the principal of  
27 and interest on the bonds authorized in section 201 of this act.

28 (2) The state finance committee must, on or before June 30th of  
29 each year, certify to the state treasurer the amount needed in the  
30 ensuing twelve months to meet the bond retirement and interest  
31 requirements on the bonds authorized in section 201 of this act.

32 (3) On each date on which any interest or principal and interest  
33 payment is due on bonds issued for the purposes of section 201 of  
34 this act, the state treasurer shall withdraw from any general state  
35 revenues received in the state treasury and deposit in the nondebt-  
36 limit general fund bond retirement account an amount equal to the  
37 amount certified by the state finance committee to be due on the  
38 payment date.

1 NEW SECTION. **Sec. 204.** (1) Bonds issued under section 201 of  
2 this act must state that they are a general obligation of the state  
3 of Washington, must pledge the full faith and credit of the state to  
4 the payment of the principal thereof and the interest thereon, and  
5 must contain an unconditional promise to pay the principal and  
6 interest as the same shall become due.

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

11 NEW SECTION. **Sec. 205.** The legislature may provide additional  
12 means for raising moneys for the payment of the principal of and  
13 interest on the bonds authorized in section 201 of this act.

14 NEW SECTION. **Sec. 206.** The state finance committee is  
15 authorized to prescribe the form, terms, conditions, and covenants of  
16 the bonds provided for in this chapter, the time or times of sale of  
17 all or any portion of them, and the conditions and manner of their  
18 sale and issuance.

19 **PART 3**  
20 **REFERENDUM PROVISIONS**

21 NEW SECTION. **Sec. 301.** (1) The secretary of state shall submit  
22 section 201 of this act to the people for their adoption and  
23 ratification, or rejection, at the next general election to be held  
24 in this state, in accordance with Article II, section 1 and Article  
25 VIII, section 3 of the state Constitution and the laws adopted to  
26 facilitate their operation.

27 (2) If the people ratify section 201 of this act as specified  
28 under subsection (1) of this section, revenues generated shall be  
29 spent as detailed in this act.

30 (3) Pursuant to RCW 29A.72.050(6), the statement of subject and  
31 concise description for the ballot title shall read: "The legislature  
32 has passed Senate Bill No. . . . (this act), concerning a water  
33 infrastructure program. This bill would authorize bonds to:

34 (a) Increase the availability of water for out-of-stream  
35 beneficial uses;



- 1 (b) Reduce the risk of flooding, protect against damage that may  
2 be caused by flooding, and restore areas where flooding has occurred;  
3 (c) Improve fish passage; and  
4 (d) Reduce stormwater pollution from existing development."

5 **PART 4**  
6 **MISCELLANEOUS**

7 NEW SECTION. **Sec. 401.** Sections 201 through 206 of this act  
8 constitute a new chapter in Title 43 RCW.

9 NEW SECTION. **Sec. 402.** If the people ratify section 201 of this  
10 act as specified under section 301(1) of this act, sections 101  
11 through 206 of this act take effect January 1, 2021.

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