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SUBSTITUTE SENATE BILL 5746

State of Washington 67th Legislature 2022 Regular Session

By Senate Agriculture, Water, Natural Resources & Parks (originally sponsored by Senators Warnick, Nobles, and Stanford)

READ FIRST TIME 01/21/22.

- AN ACT Relating to drought preparedness, response, and funding; amending RCW 43.83B.415, 43.83B.430, and 90.86.030; and adding new sections to chapter 43.83B RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 43.83B.415 and 2020 c 168 s 5 are each amended to 6 read as follows:
 - (1) (a) The department is authorized to issue grants to eligible public entities to reduce current or future hardship caused by water unavailability stemming from drought conditions. No single entity may receive more than ((twenty-five)) 25 percent of the total funds available. The department is not obligated to fund projects that do not provide sufficient benefit to alleviating hardship caused by drought or water unavailability. Projects must show substantial benefit from securing water supply, availability, or reliability relative to project costs. Projects do not need to be completed while a drought emergency order under RCW 43.83B.405(2) is in effect.
 - (b) Except for projects for public water systems serving economically disadvantaged communities, the department may only fund up to ((fifty)) 50 percent of the total eligible cost of the project. Money used by applicants as a cash match may not originate from other state funds.

p. 1 SSB 5746

- 1 (c) For the purposes of this chapter, eligible public entities 2 include only:
 - (i) Counties, cities, and towns;

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- (ii) Water and sewer districts formed under chapter 57.02 RCW;
- 5 (iii) Public utility districts formed under chapter 54.04 RCW;
- 6 (iv) Port districts formed under chapter 53.04 RCW;
- 7 (v) Conservation districts formed under chapter 89.08 RCW;
- 8 (vi) Irrigation districts formed under chapter 87.03 RCW;
- 9 (vii) Watershed management partnerships formed under RCW 10 39.34.200; and
- 11 (viii) Federally recognized tribes.
- 12 (2) Grants may be used to develop projects that enhance the
 13 ability of water users to effectively mitigate for the impacts of
 14 water unavailability arising from drought. Project applicants must
 15 demonstrate that the projects will increase their resiliency,
 16 preparedness, or ability to withstand drought conditions when they
 17 occur. Projects may include, but are not limited to:
 - (a) Creation of additional water storage;
 - (b) Implementation of source substitution projects;
- 20 (c) Development of alternative, backup, or emergency water 21 supplies or interties;
- 22 (d) Installation of infrastructure or creation of educational 23 programs that improve water conservation and efficiency or promote 24 use of reclaimed water;
- (e) Development or update of local drought contingency plans if not already required by state rules adopted under chapter 246-290 WAC:
- 28 (f) Mitigation of emergency withdrawals authorized under RCW 29 43.83B.410(1);
- 30 (g) Projects designed to mitigate for the impacts of water supply 31 shortages on fish and wildlife; and
- 32 (h) Emergency construction or modification of water recreational 33 facilities.
- 34 (3) During a drought emergency order pursuant to RCW 35 43.83B.405(2), the department shall prioritize funding for projects designed to relieve the immediate hardship caused by water 37 unavailability.
- 38 **Sec. 2.** RCW 43.83B.430 and 2020 c 168 s 6 are each amended to 39 read as follows:

p. 2 SSB 5746

The state drought preparedness ((and response)) account is created in the state treasury. All receipts from appropriated funds designated for the account and all cost recovery revenues collected under RCW 43.83B.410(5) must be deposited into the account. At the beginning of each biennium the state treasurer shall transfer into the account from the general fund the sum of \$2,000,000. Expenditures from the account may be used for drought planning and preparedness ((and response)) activities under this chapter, including grants issued under RCW 43.83B.415. Moneys in the account may be spent only after appropriation.

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NEW SECTION. Sec. 3. A new section is added to chapter 43.83B RCW to read as follows:

Upon the issuance of an order of drought emergency under RCW 43.83B.405(2), the state treasurer shall transfer from the general fund to the emergency drought response account created in section 4 of this act such amounts as necessary to bring the balance of the account to \$3,000,000. The office of financial management must determine the fund balance of the emergency drought response account as of the previous fiscal month before the issuance of an order of drought emergency. The office of financial management must promptly notify the state treasurer and the department of the account balance and the necessary transfer amount once a determination is made. A transfer based on the determination by the office of financial management may be made only once every fiscal year. The department shall, at a minimum, provide the director of financial management, legislative fiscal committees, and the joint legislative committee on water supply during drought, established under RCW 90.86.010, with a close-out cost summary following the expiration of the emergency drought order.

<u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 43.83B RCW to read as follows:

The emergency drought response account is created in the state treasury. All receipts from moneys received pursuant to section 3 of this act, moneys appropriated to the account by the legislature for the purpose of funding emergency drought response actions, or moneys directed to the account from any other lawful source must be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only

p. 3 SSB 5746

- 1 for the costs of implementing the powers set forth in RCW 43.83B.410
- 2 through 43.83B.420 to provide relief for the immediate hardship
- 3 caused by water unavailability while a drought emergency order issued
- 4 pursuant to RCW 43.83B.405(2) is in effect.

- **Sec. 5.** RCW 90.86.030 and 2010 1st sp.s. c 7 s 122 are each amended to read as follows:
 - (1) The joint legislative committee on water supply during drought shall convene from time to time at the call of the chair when an advisory is in effect under RCW 43.83B.405(1), when a drought ((conditions)) emergency order under RCW 43.83B.405(2) is in effect, or when the chair determines, in consultation with the department of ecology, that it is likely that such an order will be issued within the next year.
 - (2) The committee may request and review information relating to water supply conditions in the state, and economic, environmental, and other impacts relating to decreased water supply being experienced or anticipated. The governor's executive water emergency committee, the department of ecology, and other state agencies with water management or related responsibilities shall cooperate in responding to requests from the committee.
 - (3) During drought conditions in which ((an)) a drought emergency order issued under RCW 43.83B.405(2) is in effect, the department of ecology shall provide to the committee no less than monthly a report describing drought response activities of the department and other state and federal agencies participating on the water supply availability committee. The report shall include information regarding applications for, and approvals and denials of emergency water withdrawals and temporary changes or transfers of, water rights under RCW 43.83B.410. The report must include information regarding grants applied for or issued under RCW 43.83B.415.
- 31 (4) The committee from time to time shall make recommendations to 32 the senate and house of representatives on budgetary and legislative 33 actions that will improve the state's drought response programs and 34 planning.

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p. 4 SSB 5746