ESHB 1622 - S COMM AMD By Committee on Ways & Means

NOT CONSIDERED 12/23/2019

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

3 "<u>NEW SECTION.</u> Sec. 1. A new section is added to chapter 43.83B
4 RCW to read as follows:

5 The definitions in this section apply throughout this chapter 6 unless the context clearly requires otherwise.

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

8 (2) "Drought condition" means that the water supply for a 9 geographic area, or for a significant portion of a geographic area, 10 is below seventy-five percent of normal and the water shortage is 11 likely to create undue hardships for water users or the environment.

12 (3) "Normal" water supply, for the purpose of determining drought 13 conditions, means the median amount of water available to a 14 geographical area, relative to the most recent thirty-year base 15 period used to define climate normals.

16 Sec. 2. RCW 43.83B.400 and 1989 c 171 s 1 are each amended to 17 read as follows:

((It is the intent of)) The legislature ((to provide emergency 18 19 powers to the department of ecology to enable it to take actions, in 20 a timely and expeditious manner, that are designed to alleviate 21 hardships and reduce burdens on various water users and uses arising from drought conditions. As used in this chapter, "drought condition" 2.2 23 means that the water supply for a geographical area or for a significant portion of a geographical area is below seventy-five 24 25 percent of normal and the water shortage is likely to create undue 26 hardships for various water uses and users.)) recognizes that drought and water shortages can place a significant hardship on Washington 27 28 communities, farms, and the natural environment. Rising temperatures due to climate change may cause water supply shortages to be more 29 frequent and severe in the future. Therefore, the ability to respond 30 31 to drought and water shortage emergencies is critical to the long-32 term prosperity of our state. It is the intent of the legislature to provide the department with the authority to effectively and efficiently take actions when a drought emergency occurs to alleviate hardship on water users and our natural environment.

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

10 Sec. 3. RCW 43.83B.405 and 1989 c 171 s 2 are each amended to 11 read as follows:

12 (1) Whenever it appears to the department, based on the 13 definitions of drought condition and normal water supply set forth in 14 section 1 of this act, that drought conditions may develop, the 15 department may issue a drought advisory. The drought advisory should 16 seek to increase the awareness and readiness of affected water users 17 and may recommend voluntary actions to alleviate drought impacts.

18 (2) (a) Whenever it appears to the department $((of ecology))_{L}$ based on the definitions of drought condition and normal water supply 19 20 set forth in section 1 of this act, that a drought condition either exists or is forecast to occur within the state or portions thereof, 21 22 the department ((of ecology)) is authorized to issue orders of drought emergency, pursuant to adopted rules ((previously adopted)), 23 24 to implement the powers as set forth in RCW 43.83B.410 through 43.83B.420. ((The department shall, immediately upon the issuance of 25 26 an order under this section, cause said order to be published in 27 newspapers of general circulation in the areas of the state to which 28 the order relates.))

29 (b) Prior to the issuance of an order of drought emergency, the 30 department shall ((-(-a))):

31 <u>(i) Consult with ((and obtain the views of</u>)) the federal and 32 state government entities identified in the drought contingency plan 33 periodically revised by the department pursuant to ((RCW 34 43.83B.410(4), and

35 (b)) section 7 of this act and consult with affected federally 36 recognized tribes;

37 (ii) Consider input from local water users in the determination 38 of undue hardship under section 1(2) of this act; and

39 <u>(iii) Obtain the written approval of the governor.</u>

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

<u>(d)</u> Orders <u>of drought emergency</u> issued under ((this section)) <u>(a)</u>
<u>of this subsection</u> shall be deemed orders for the purposes of chapter
34.05 RCW.

7 (e) A person may petition the department to declare a drought emergency for the state or portions of the state. The department may 8 review a petition, but any order of drought emergency issued after 9 receipt of a petition must be based on the definitions of drought 10 condition and normal water supply set forth in section 1 of this act, 11 12 and must be issued according to the procedure set forth in this section. The department may not rely exclusively on information 13 presented in a petition when determining whether to issue an order of 14 drought emergency. 15

16 ((-(2))) (3) (a) Any order issued under subsection ((-(1))) (2) of 17 this section shall contain a termination date for the order. The 18 termination date shall be not later than one calendar year from the 19 date the order is issued. Although the department may, with the written approval of the governor, change the termination date by 20 21 amending the order, no such amendment or series of amendments may 22 have the effect of extending its termination to a date which is later 23 than two calendar years after the issuance of the order.

(((3))) (b) The provisions of ((subsection (2) of)) this section do not preclude the issuance of more than one order under subsection $(((1))) (2) of this section for different areas of the state_{L} or$ $sequentially for the same area_{L} as the need arises ((for such an order or orders)).$

29 Sec. 4. RCW 43.83B.410 and 1989 c 171 s 3 are each amended to 30 read as follows:

31 Upon the issuance of an order <u>of drought emergency</u> under RCW 32 43.83B.405<u>(2)</u>, the department ((of ecology is empowered to)) <u>may</u>:

(1) (a) Authorize emergency withdrawal of public surface and ground waters, including dead storage within reservoirs, on a temporary basis and authorize <u>temporary or permanent</u> associated physical works ((which may be either temporary or permanent)). The department shall prioritize the approval of emergency withdrawal authorizations in order to address those most affected by the water

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1 deficit to ensure the survival of irrigated crops, the state's

2 fisheries, and the provision of water for small communities.

3 (b) The termination date for ((the authority to make such an)) 4 emergency withdrawals may not be later than the termination date of 5 the order issued under RCW 43.83B.405(2) ((under which the power to 6 authorize the withdrawal is established)).

7 <u>(c)</u> The department ((of ecology)) may issue ((such)) <u>emergency</u> 8 withdrawal authorization<u>s</u> only when, after investigation and after 9 providing appropriate federal, state, and local governmental bodies 10 <u>and affected federally recognized tribes</u> an opportunity to comment, 11 the following are found:

12 (i) The waters proposed for withdrawal are to be used for a 13 beneficial use involving a previously established activity or 14 purpose;

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

(iii) The proposed withdrawal will not reduce flows or levels below essential minimums necessary (((A))) to ((assure)) <u>ensure</u> the maintenance of fisheries requirements $((\tau))$ and (((B))) to protect federal and state interests including, among others, power generation, navigation, and existing water rights $((\tau))$.

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

31 (e) As to water withdrawal and associated works authorized under 32 this subsection, the requirements of chapter 43.21C RCW and public bidding requirements as otherwise provided by law are waived and 33 inapplicable. All state and local agencies with authority to issue 34 permits or other authorizations for such works shall, to the extent 35 possible, expedite the processing of the permits or authorizations in 36 keeping with the emergency nature of the requests and shall provide a 37 decision to the applicant within fifteen calendar days of the date of 38 39 application. All state departments or other agencies having 40 jurisdiction over state or other public lands, if such lands are Code Rev/ML:amh S-3965.1/19 4

necessary to effectuate the withdrawal authorizations issued under this subsection, shall provide short-term easements or other appropriate property interest upon the payment of the fair market value. This mandate shall not apply to any lands of the state that are reserved for a special purpose or use that cannot properly be carried out if the property interest were conveyed;

7 (2) Approve a temporary change in purpose, place of use, $((\frac{\partial r}{\partial r}))$ point of diversion, or point of withdrawal, consistent with existing 8 state policy allowing transfer or lease of waters between willing 9 10 parties, as provided for in RCW 90.03.380, 90.03.390, and 90.44.100. However, compliance with any requirements of $((\frac{a}{a}))$ notice of 11 12 newspaper publication of these sections or (((b))) the state environmental policy $act((\tau))$ <u>under</u> chapter 43.21C RCW, is not 13 required when such changes are necessary to respond to drought 14 15 conditions as determined by the department ((of ecology)). An 16 approval of a temporary change of a water right as authorized under 17 this subsection is not admissible as evidence in either supporting or contesting the validity of water claims in ((State of Washington, 18 19 Department of Ecology v. Acquavella, Yakima county superior court number 77-2-01484-5)) a general adjudication under RCW 90.03.210 or 20 21 any similar proceeding where the existence of a water right is at 22 issue((-));

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

27 (4) ((Revise the drought contingency plan previously developed by 28 the department; and

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(5)) Acquire needed emergency drought-related equipment;

30 (5) Enter into agreements with applicants receiving emergency withdrawal authorizations established under this section to recover 31 the costs, or a portion thereof, of mitigation for emergency 32 withdrawal authorizations, provided that mitigation is done to 33 protect instream flows, federally regulated flows, or senior water 34 rights. The department may establish the specifics of cost recovery 35 by rule, based on the amount of water used in the emergency 36 withdrawal, which shall not exceed the cost of mitigation; and 37

38 (6) Enter into interagency agreements as authorized under chapter
 39 <u>39.34 RCW to partner in emergency drought response</u>.

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1 Sec. 5. RCW 43.83B.415 and 1989 c 171 s 4 are each amended to 2 read as follows:

(1) (a) The department ((of ecology is authorized to make loans, 3 grants, or combinations of loans and grants from emergency 4 agricultural water supply funds when necessary to provide water to 5 6 alleviate emergency drought conditions in order to ensure the survival of irrigated crops and the state's fisheries. For the 7 purposes of this section, "emergency agricultural water supply funds" 8 means funds appropriated from the state emergency water projects 9 10 revolving account created under RCW 43.83B.360. The department of ecology may make the loans, grants, or combinations of loans and 11 grants as matching funds in any case where federal, local, or other 12 13 funds have been made available on a matching basis. The department may make a loan of up to ninety percent of the total eligible project 14 15 cost or combination loan and grant up to one hundred percent of the total single project cost. The grant portion for any single project 16 17 shall not exceed twenty percent of the total project cost except that, for activities forecast to have fifty percent or less of normal 18 seasonal water supply, the grant portion for any single project or 19 entity shall not exceed forty percent of the total project cost. No 20 21 single entity shall receive more than ten percent of the total emergency agricultural water supply funds available for drought 22 relief. These funds shall not be used for nonagricultural drought 23 24 relief purposes unless there are no other capital budget funds 25 available for these purposes. In any biennium the total expenditures of emergency agricultural water supply funds for nonagricultural 26 27 drought relief purposes may not exceed ten percent of the total of 28 such funds available during that biennium.

29 (2) (a) Except as provided in (b) of this subsection, after June 30 30, 1989, emergency agricultural water supply funds, including the 31 repayment of loans and any accrued interest, shall not be used for 32 any purpose except during drought conditions as determined under RCW 33 43.83B.400 and 43.83B.405.

34 (b) Emergency agricultural water supply funds may be used on a 35 one-time basis for the development of procedures to be used by state 36 governmental entities to implement the state's drought contingency 37 plan.)) is authorized to issue grants to eligible public entities to 38 reduce current or future hardship caused by water unavailability 39 stemming from drought conditions. No single entity may receive more 40 than twenty-five percent of the total funds available. The department

1	is not obligated to fund projects that do not provide sufficient
2	benefit to alleviating hardship caused by drought or water
3	unavailability. Projects must show substantial benefit from securing
4	water supply, availability, or reliability relative to project costs.
5	(b) Except for projects for public water systems serving
6	economically disadvantaged communities, the department may only fund
7	up to fifty percent of the total eligible cost of the project. Money
8	used by applicants as a cash match may not originate from other state
9	funds.
10	(c) For the purposes of this chapter, eligible public entities
11	include only:
12	(i) Counties, cities, and towns;
13	(ii) Water and sewer districts formed under chapter 57.02 RCW;
14	(iii) Public utility districts formed under chapter 54.04 RCW;
15	(iv) Port districts formed under chapter 53.04 RCW;
16	(v) Conservation districts formed under chapter 89.08 RCW;
17	(vi) Irrigation districts formed under chapter 87.03 RCW;
18	(vii) Watershed management partnerships formed under RCW
19	<u>39.34.200; and</u>
20	(viii) Federally recognized tribes.
21	(2) Grants may be used to develop projects that enhance the
22	ability of water users to effectively mitigate for the impacts of
23	water unavailability arising from drought. Project applicants must
24	demonstrate that the projects will increase their resiliency,
25	preparedness, or ability to withstand drought conditions when they
26	occur. Projects may include, but are not limited to:
27	(a) Creation of additional water storage;
28	(b) Implementation of source substitution projects;
29	(c) Development of alternative, backup, or emergency water
30	supplies or interties;
31	(d) Installation of infrastructure or creation of educational
32	programs that improve water conservation and efficiency or promote
33	use of reclaimed water;
34	<u>(e) Development or update of local drought contingency plans if</u>
35	not already required by state rules adopted under chapter 246-290
36	WAC;
37	(f) Mitigation of emergency withdrawals authorized under RCW
38	<u>43.83B.410(1);</u>
39	(g) Projects designed to mitigate for the impacts of water supply
40	shortages on fish and wildlife; and

1 (h) Emergency construction or modification of water recreational 2 facilities.

3 <u>(3) During a drought emergency order pursuant to RCW</u> 4 <u>43.83B.405(2), the department shall prioritize funding for projects</u> 5 <u>designed to relieve the immediate hardship caused by water</u> 6 <u>unavailability.</u>

7 Sec. 6. RCW 43.83B.430 and 2016 sp.s. c 36 s 933 are each 8 amended to read as follows:

9 The state drought preparedness and response account is created in 10 the state treasury. All receipts from appropriated funds designated 11 for the account and ((funds transferred from the state emergency water projects revolving account)) all cost recovery revenues 12 collected under RCW 43.83B.410(5) must be deposited into the account. 13 Expenditures from the account may be used for drought preparedness 14 and response activities under this chapter, including grants issued 15 16 under RCW 43.83B.415. Moneys in the account may be spent only after 17 appropriation. ((Expenditures from the account may be used only for drought preparedness. During the 2009-2011 fiscal biennium, the 18 legislature may transfer from the state drought preparedness account 19 20 to the state general fund such amounts as reflect the excess fund balance of the account. For the 2015-2017 fiscal biennium, the 21 22 account may also accept revenue collected from emergency drought well-related water service contracts and may be used for drought 23 24 response.))

25 <u>NEW SECTION.</u> Sec. 7. A new section is added to chapter 43.83B 26 RCW to read as follows:

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

31 <u>NEW SECTION.</u> Sec. 8. A new section is added to chapter 43.83B 32 RCW to read as follows:

(1) The department shall initiate a pilot program in a selected basin or basins to explore the cost, feasibility, and benefits of entering into long-term water right lease agreements. The purpose of the agreements is to alleviate water supply conditions that may affect public health and safety, drinking water supplies, Code Rev/ML:amh 8 S-3965.1/19 agricultural activities, or fish and wildlife survival. Under this program, the department is authorized to negotiate and enter into contractual agreements before a drought emergency is declared under RCW 43.83B.405(2) that identify projects, measures, sources of water, and other resources that may be accessed during times of water shortage. Water right changes executed under agreement under this section are subject to the requirements of RCW 90.03.380.

8 (2) The department shall submit a report to the legislature by 9 December 31, 2024, on the results of the pilot program. The 10 department shall include a summary of the contracts entered into 11 pursuant to this section and recommendations to the legislature.

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

13 <u>NEW SECTION.</u> Sec. 9. The following sections are decodified:

14 (1) RCW 43.83B.005 (Transfer of duties to the department of 15 health);

16 (2) RCW 43.83B.200 (Deposit of proceeds from repayment of loans, 17 interest, gifts, grants, etc., in state and local improvements 18 revolving account-water supply facilities—Use);

19 (3) RCW 43.83B.210 (Loans or grants from department of ecology— 20 Authorized—Limitations);

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

23 (5) RCW 43.83B.345 (Rates of charges for water—Payment into bond 24 redemption fund—Grants and loans—Contracts);

25 (6) RCW 43.83B.360 (State emergency water projects revolving 26 account—Proceeds from sale of bonds);

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

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

31 <u>NEW SECTION.</u> Sec. 10. The following acts or parts of acts are 32 each repealed:

33 (1) RCW 43.83B.220 (Contractual agreements) and 2009 c 549 s
 34 5159, 1989 c 11 s 17, & 1975 1st ex.s. c 295 s 5; and
 35 (2) RCW 43.83B.336 (Civil penalties).

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1 <u>NEW SECTION.</u> Sec. 11. This act is necessary for the immediate 2 preservation of the public peace, health, or safety, or support of 3 the state government and its existing public institutions, and takes 4 effect immediately.

5 <u>NEW SECTION.</u> Sec. 12. If specific funding for the purposes of 6 this act, referencing this act by bill or chapter number, is not 7 provided by June 30, 2019, in either the omnibus operating or capital 8 appropriations act, this act is null and void."

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On page 1, line 1 of the title, after "response;" strike the 9 remainder of the title and insert "amending RCW 43.83B.400, 10 11 43.83B.405, 43.83B.410, 43.83B.415, and 43.83B.430; adding new sections to chapter 43.83B RCW; creating a new section; decodifying 12 13 RCW 43.83B.005, 43.83B.200, 43.83B.210, 43.83B.300, 43.83B.345, 43.83B.360, 43.83B.380, and 43.83B.385; repealing RCW 43.83B.220 and 14 43.83B.336; providing an expiration date; and declaring an 15 16 emergency."

EFFECT: Requires Ecology to base the decision to issue a drought emergency order in response to a petition on the definitions of drought condition and normal water supply and to follow established procedures when issuing a drought emergency order. Provides that Ecology may not rely exclusively on petitioner's information when making a determination to issue a drought emergency order.

Adds an emergency clause.

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