

SHB 1138 - S COMM AMD

By Committee on Agriculture, Water, Natural Resources & Parks

ADOPTED 04/11/2023

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

3 **"Sec. 1.** RCW 43.83B.415 and 2020 c 168 s 5 are each amended to
4 read as follows:

5 (1)(a) The department is authorized to issue grants to eligible
6 public entities to reduce current or future hardship caused by water
7 unavailability stemming from drought conditions. No single entity may
8 receive more than (~~twenty-five~~) 25 percent of the total funds
9 available. The department is not obligated to fund projects that do
10 not provide sufficient benefit to alleviating hardship caused by
11 drought or water unavailability. Projects must show substantial
12 benefit from securing water supply, availability, or reliability
13 relative to project costs. Projects do not need to be completed while
14 a drought emergency order under RCW 43.83B.405(2) is in effect.

15 (b) Except for projects for public water systems serving
16 economically disadvantaged communities, the department may only fund
17 up to (~~fifty~~) 50 percent of the total eligible cost of the project.
18 Money used by applicants as a cash match may not originate from other
19 state funds.

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

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

31 (2) Grants may be used to develop projects that enhance the
32 ability of water users to effectively mitigate for the impacts of

1 water unavailability arising from drought. Project applicants must
2 demonstrate that the projects will increase their resiliency,
3 preparedness, or ability to withstand drought conditions when they
4 occur. Projects may include, but are not limited to:

5 (a) Creation of additional water storage;

6 (b) Implementation of source substitution projects;

7 (c) Development of alternative, backup, or emergency water
8 supplies or interties;

9 (d) Installation of infrastructure or creation of educational
10 programs that improve water conservation and efficiency or promote
11 use of reclaimed water;

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

15 (f) Mitigation of emergency withdrawals authorized under RCW
16 43.83B.410(1);

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

19 (h) Emergency construction or modification of water recreational
20 facilities.

21 (3) During a drought emergency order pursuant to RCW
22 43.83B.405(2), the department shall prioritize funding for projects
23 designed to relieve the immediate hardship caused by water
24 unavailability.

25 **Sec. 2.** RCW 43.83B.430 and 2022 c 297 s 957 and 2022 c 296 s
26 7008 are each reenacted and amended to read as follows:

27 The state drought preparedness (~~(and—response)~~) account is
28 created in the state treasury. All receipts from appropriated funds
29 designated for the account and all cost recovery revenues collected
30 under RCW 43.83B.410(5) must be deposited into the account.
31 Expenditures from the account may be used for drought planning and
32 preparedness (~~(and—response)~~) activities under this chapter,
33 including grants issued under RCW 43.83B.415. During the 2021-2023
34 fiscal biennium, moneys in the account may be used for water banking
35 pilot projects. Moneys in the account may be spent only after
36 appropriation. During the 2021-2023 fiscal biennium, the legislature
37 may appropriate moneys from the account for activities related to
38 water banking.

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

3 Upon the issuance of an order of drought emergency under RCW
4 43.83B.405(2), the state treasurer shall transfer from the general
5 fund to the emergency drought response account created in section 4
6 of this act those amounts necessary to bring the balance of the
7 emergency drought response account to \$3,000,000, based upon the
8 determination of the transfer amount from the office of financial
9 management. The office of financial management must determine the
10 fund balance of the emergency drought response account as of the
11 previous fiscal month before the issuance of an order of drought
12 emergency. The office of financial management must promptly notify
13 the state treasurer and the department of the account balance and the
14 necessary transfer amount once a determination is made. A transfer
15 based on the determination by the office of financial management may
16 be made only once every fiscal year.

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.83B
18 RCW to read as follows:

19 The emergency drought response account is created in the state
20 treasury. All receipts from moneys received pursuant to section 3 of
21 this act, moneys appropriated to the account by the legislature for
22 the purpose of funding emergency drought response actions or moneys
23 directed to the account from any other lawful source must be
24 deposited into the account. Moneys in the account may be spent only
25 after appropriation. Expenditures from the account may be used only
26 for the costs of implementing the powers set forth in RCW 43.83B.410
27 through 43.83B.420 to provide relief for the immediate hardship
28 caused by water unavailability while a drought emergency order issued
29 pursuant to RCW 43.83B.405(2) is in effect. The department must, at a
30 minimum, provide the director of the office of financial management,
31 legislative fiscal committees, and the joint legislative committee on
32 water supply during drought, established under RCW 90.86.010, with a
33 close-out cost summary following the expiration of an emergency
34 drought order during which expenditures were made from the account.

35 **Sec. 5.** RCW 90.86.030 and 2010 1st sp.s. c 7 s 122 are each
36 amended to read as follows:

37 (1) The joint legislative committee on water supply during
38 drought shall convene from time to time at the call of the chair when

1 an advisory is in effect under RCW 43.83B.405(1), when a drought
2 (~~conditions~~) emergency order under RCW 43.83B.405 is in effect, or
3 when the chair determines, in consultation with the department of
4 ecology, that it is likely that such an order will be issued within
5 the next year.

6 (2) The committee may request and review information relating to
7 water supply conditions in the state, and economic, environmental,
8 and other impacts relating to decreased water supply being
9 experienced or anticipated. The governor's executive water emergency
10 committee, the department of ecology, and other state agencies with
11 water management or related responsibilities shall cooperate in
12 responding to requests from the committee.

13 (3) During drought conditions in which (~~an~~) a drought emergency
14 order issued under RCW 43.83B.405(2) is in effect, the department of
15 ecology shall provide to the committee no less than monthly a report
16 describing drought response activities of the department and other
17 state and federal agencies participating on the water supply
18 availability committee. The report shall include information
19 regarding applications for, and approvals and denials of emergency
20 water withdrawals and temporary changes or transfers of, water rights
21 under RCW 43.83B.410. The report must include information regarding
22 grants applied for or issued under RCW 43.83B.415.

23 (4) The committee from time to time shall make recommendations to
24 the senate and house of representatives on budgetary and legislative
25 actions that will improve the state's drought response programs and
26 planning."

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27 On page 1, beginning on line 1 of the title, after
28 "preparedness;" strike the remainder of the title and insert
29 "amending RCW 43.83B.415 and 90.86.030; reenacting and amending RCW
30 43.83B.430; and adding new sections to chapter 43.83B RCW."

EFFECT: Directs the state treasurer to transfer from the state
general fund to the emergency drought response account the amounts
needed to bring the balance of the account to \$3,000,000 upon the
issuance of a drought emergency order. Requires the office of
financial management (OFM) to determine the fund balance of the

emergency drought response account as of the previous fiscal month before the issuance of a drought emergency order. Requires OFM to promptly notify the state treasurer and the department of ecology of the account balance and the necessary transfer amount once a fund balance determination is made. Provides that a transfer based on the determination by the OFM may be made only once every fiscal year.

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