2 <u>2SHB 2200</u> - S AMD 3 By Committee on Ecology & Parks

5 Strike everything after the enacting clause and insert the 6 following:

"NEW SECTION. Sec. 1. FINDINGS AND INTENT. (1) The legislature finds that in order for the state to make appropriate decisions regarding the management, protection, use, and conservation of our state's water and fishery resources, it must possess an authoritative and accurate understanding of the water quality, water quantity, water availability, and fishery habitat conditions that exist within the water basins of the state. To gain such an understanding, the legislature further finds that the state should properly fund, support, and facilitate the preparation of basin assessments for the water basins of the state.

It is the intent of the legislature that the information, data, and analysis resulting from the preparation of basin assessments be used by the department of ecology to render timely and appropriate water right decisions; to clear the backlog of pending water right applications; and to make sound and balanced resource management decisions affecting the ground and surface waters of the state's basins. It is further the intent of the legislature that the basin assessments be used by local governments for water resources planning, growth management planning, and local regulatory decisions. These assessments should also be used to support the efforts of state, tribal, and local governments, and other interested parties engaged in the initiation, development, and implementation of cooperative water basin plans. The preparation and use of basin assessments should not, however, be subject to the initiation or funding of basin planning processes.

It is further the intent of the legislature that in preparing basin assessments, the state take all reasonable steps to ensure that these assessments are developed using data, analysis, and methodologies that are scientifically sound and are subject to effective quality control and peer review mechanisms.

(2) The legislature finds that it is in the best interests of the state to plan, develop, and provide for the use, protection, and management of our state's water and water-dependent natural resources and values through the development of basin plans developed in a cooperative manner by local, state, tribal, private, public, and federal interests. The purpose of such plans should be to gain a better understanding of the health of the basin's water and water-dependent natural resources and values, to resolve uncertainties and differences regarding the condition of these resources, and to cooperatively determine the most appropriate methods by which basin resources should be used, protected, managed, restored, and enhanced.

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It is further the intent of the legislature that locally based 12 13 basin planning groups should at a minimum, include representatives from 14 state government, local governments, and federally recognized tribal 15 governments whose reservation or ceded areas are within the basin. 16 Basin planning groups should also include and promote the participation 17 of other interested public and private parties with a clear stake in basin resource management, including representatives from business, 18 19 agriculture, environment, fisheries, community development, recreation. All reasonable efforts should be made to include the 20 participation of interested parties in the development of basin plans, 21 including those with localized interests and those with regional and 22 state-wide interests. However, should interested parties to basin 23 24 planning prove unable or unwilling to engage in cooperative basin 25 planning, the state should not discourage the development of basin 26 plans involving other interested parties and state and local government 27 and tribal participants.

- (3) It is the intent of the legislature that the interests and rights of all persons in possession of existing water right permits, certificates, valid claim declarations, and adjudicated water rights be protected within the basin planning process.
- 32 (4) It is the intent of the legislature that existing resource management plans, agreements, and facility permits and licenses, 33 34 relating to the management of water or water-dependent natural resources executed or issued before the effective date of this section 35 shall not be made subject to reconsideration by locally based basin 36 37 planning groups formed as a result of this chapter except by mutual consent of the parties to such plans, agreements, permits, and 38 39 licenses.

- 1 (5) The legislature finds that it is a high priority for the state 2 to support, provide technical assistance, and fund to the maximum 3 extent possible, the preparation and implementation of basin plans. 4 These plans should be prepared in cooperation with local governments, 5 private citizens and landowners, tribal governments, federal and state 6 agencies, and other parties residing within or having a clear interest 7 in the status of the basin's water and fishery resources.
- 8 <u>NEW SECTION.</u> **Sec. 2.** DEFINITIONS. Unless the context clearly 9 requires otherwise, the following definitions apply throughout this 10 chapter:
- 11 (1) "Basin" refers to any one of the sixty-two areas in the state 12 containing a major watershed or river basin as established in chapter 13 173-500 WAC.
- (2) "Basin assessment" means a review and analysis of the overall environmental health, quality, water usage, and water availability of part or all of a WRIA's ground and surface waters and fishery resources.
- 18 (3) "Basin plan" means a locally developed plan that provides a 19 comprehensive approach to the future management, use, conservation, 20 protection, and allocation of water resources within a WRIA, river 21 basin, or subbasin, and the means by which associated water quality and 22 fisheries will be protected, conserved, restored, used, and managed.
- (4) "Initial basin planning unit" means the governmental entities formed by the planning process initiating entities under section 204 of this act.
- 26 (5) "Planning unit," "basin planning unit," and "expanded planning unit" mean the basin planning unit formed through the procedures of section 205 of this act.
 - (6) "Department" means the department of ecology.

- 30 (7) "Person" means a firm, association, corporation, general 31 purpose local government, special district, or other municipal 32 corporation, governmental agency, as well as an individual.
- 33 (8) "Qualified governmental entity" means a general purpose local 34 government, county, state agency, federally recognized tribe, special 35 district, or consortium of local government and special districts that 36 presently serves, is intended to serve, or has the authority to serve 37 water or engage in water resource planning and management on a regional 38 basis.

- 1 (9) "Tribe" or "tribes" means Indian tribes within Washington state 2 that are formally recognized by the federal government.
- 3 (10) "WRIA" or "water resource inventory area" is one of sixty-two 4 areas in the state containing a major watershed or river basin as 5 established in chapter 173-500 WAC.

6 PART I

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BASIN ASSESSMENTS

- 8 <u>NEW SECTION.</u> **Sec. 101.** BASIN ASSESSMENTS--PURPOSES. It is the 9 intent of the legislature that basin assessments be employed by the 10 department to achieve the following purposes:
- 11 (1) To render timely and appropriate decisions on pending and 12 future water right applications using information and data that are 13 based on sound hydraulic and hydrogeologic methodology and analysis;
- 14 (2) To determine the appropriate conditions to be added to permits 15 that are issued to ensure that water-dependent natural resources and 16 associated habitat protected;
- 17 (3) To support and coordinate the data-related study and information collection efforts of the state, local governments, special districts, tribes, and other interested parties that have initiated cooperative basin planning for the purpose of developing a basin plan or would like to commence cooperative basin planning within their basin;
- 23 (4) To enable the state, local government, tribes, and other 24 persons to make sound and well-informed decisions relative to future 25 land use plans and policies, capital facility plans and projects, and 26 water resource plans and management, and fish and wildlife habitat 27 conservation plans within a basin; and
- 28 (5) To assist property owners and the public to understand the 29 characteristics of the water and natural resource of their local areas.
- NEW SECTION. 30 Sec. 102. PREPARATION OF ASSESSMENTS. (1) Basin assessments may be prepared for an entire WRIA, multiple WRIAs, or less 31 32 than an entire WRIA, by the department, or by the department with the 33 assistance of a qualified governmental entity that is acting as a lead 34 entity in the development of cooperative basin plans or authorized under statute or interlocal agreement, to undertake regional studies 35 and water supply activities. In the event a qualified governmental 36

- 1 entity is willing to assist in undertaking a basin assessment, the 2 department may enter an intergovernmental agreement for the cooperative 3 preparation, that addresses duties and funding responsibilities.
- 4 The department shall develop a standardized draft intergovernmental agreement that may serve as the basis for negotiating 5 and executing a final agreement with qualified governmental entities 6 7 willing to assist in undertaking basin assessments. The agreement 8 shall describe the terms under which these entities may perform basin 9 assessment duties, including the appropriate data collection, 10 scientific methodology, analytical tools, quality control approach to be employed, and public and property owner review and comment. 11
- NEW SECTION. Sec. 103. PROCESS FOR PREPARATION. (1) The preparation of basin assessments may occur in two stages, a first stage which shall be described as a level I assessment, and a second stage which shall be described as a level II assessment. A level I assessment shall at a minimum, include the following:
- 17 (a) A comprehensive collection of available data relating to a
 18 basin's ground water and surface water quantities, water availability,
 19 present and projected water uses, water quality, the health of
 20 associated water-dependent natural resources and habitat, climatic
 21 variables, including precipitation, and land use characteristics;
- (b) A determination of whether the data available is sufficient for the department to declare water is available for further appropriation or insufficient to render such decisions absent additional data collection and study efforts;
- (c) An identification or determination of environmental trends affecting water and water-dependent natural resources, to the extent existing data is sufficient to perform this task;
- 29 (d) An identification of data-related gaps that require further 30 study and information before decisions can or should be made with 31 regard to water right and resource management matters;
- 32 (e) A determination of those areas where the data collected is 33 sufficient for the agency to make informed and authoritative water 34 right decisions;
- (f) A preliminary recommendation regarding priority areas, issues, data, analysis, and resource issues that warrant further study in a level II assessment;

- 1 (g) A minimum of two public hearings in the basin area where the 2 data and preliminary recommendations are subject to review and comment;
- 3 (h) Circulation of data and preliminary recommendations to all 4 state agencies, local and tribal governments in the basin, and any 5 federal water management agencies with major water-related responsibilities in the basin or relating to return flows from the 6 7 basin; and
 - (i) After circulation to public agencies specified in (h) of this subsection and public hearing required in (g) of this subsection, make findings and final recommendations.

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- (2) In the event the department determines that a level I 11 assessment does not contain data, analysis, and other findings 12 13 sufficient to make authoritative decisions with regard to water availability, water use, water quality, the status of water-dependent 14 natural resources, and the environmental impacts of further ground or 15 16 surface water appropriations, the department may undertake a level II 17 assessment to provide the additional data, analysis, and findings necessary for the department to make timely water right and resource 18 19 management decisions. The scope of work and overall study effort of a 20 level II assessment should be guided by the data, analytical findings, public comment, and recommendations developed within a level I 21 22 assessment.
- (3) The department shall develop a process and procedures whereby 23 24 the data, analysis, findings, and recommendations contained within 25 level I and level II assessments are subject to effective and objective 26 quality control standards, including but not limited to the creation of 27 an independent peer review panel comprised of qualified persons with expertise in hydrology, hydrogeology, engineering, water quality, 28 fishery biology, and related environmental sciences. The procedures 29 30 shall afford opportunity for public review and comment.
- <u>NEW SECTION.</u> **Sec. 104.** FORMAT AND ACCESS TO DATA. The department 31 32 shall develop as uniform as possible a system of procedures for the 33 entry and distribution of all data and information relating to basin 34 assessments in all regions of the state. The procedures shall be designed to ensure that data collected by the state and other qualified 35 36 governmental entities is prepared and stored on a common software system that is easily accessible to state agencies, local governments, 37 38 tribal governments, and other interested parties. It shall attempt to

help make water-related data of the United States geological survey 1 It shall also be designed to ensure that basin assessments 2 operate as open file documents that may be enhanced by new or 3 4 additional data that has been provided to the department and reviewed 5 and approved by the peer review mechanism cited in section 103(3) of Upon the completion of a basin assessment, the department 6 7 shall make electronic and hard copies of the basin assessment reports 8 and supporting data and make such copies available for public review at 9 the department's regional offices and department headquarters.

NEW SECTION. Sec. 105. TIMELINE FOR PREPARATION. The timeline for the preparation and completion of a level I or level II basin assessment using any state funds or grants shall be established at the onset of the process.

14 PART II

15 BASIN PLANNING

16 NEW SECTION. Sec. 201. BASIN PLANNING. The legislature finds 17 that locally based basin planning is an essential major component of the process of determining the policy, regulatory, and management 18 approaches necessary for the protection, conservation, restoration, 19 use, and allocation of our state's water resources. 20 In advancing 21 cooperative basin planning, the legislature further finds that the 22 development and implementation of basin plans can best be achieved by 23 dividing the planning process into two phases, phase I and phase II. Under phase I, which may also be described as prescoping, state, local, 24 25 and tribal governments shall identify and undertake basic data collection and coordination, needs assessments, public education, and 26 27 public involvement tasks necessary to prepare and proceed to a second The second phase shall involve the development of a 28 comprehensive basin plan, including to the extent possible, the 29 participation of those parties with a clear stake in the management, 30 protection, and conservation of a basin's water and water-dependent 31 32 natural resources.

NEW SECTION. Sec. 202. NOTICE OF INTENT TO PLAN. Phase I, or the prescoping phase of a basin planning process, shall be initiated by filing with the department a notice of intent to plan. The notice of

- 1 intent shall be initiated and signed by at least two local governments
- 2 responsible for substantial water resource planning, management or
- 3 delivery, or one such local government and a tribe residing or
- 4 asserting treaty-based interests within the basin.
- NEW SECTION. Sec. 203. CONTENTS OF NOTICE. The initiating entities shall prepare the notice of intent filed under section 202 of this act and include the following in the notice:
- 8 (1) A basic description of the portion of the water resource 9 inventory area, which may be a subWRIA, WRIA, or multiple WRIAs, 10 proposed to be included within the regional planning area, and where 11 appropriate, an explanation for the inclusion of more than one water 12 resource inventory area; and
- 13 (2) Identification of public and private groups and tribal entities 14 with a known interest in the proposed WRIA planning area and the 15 methods by which they will be contacted and invited to participate.
- Sec. 204. FORMATION OF BASIN PLANNING UNIT--16 NEW SECTION. 17 PRESCOPING. (1) Within sixty days of submittal of the notice of intent 18 to the department, the initiating entities shall call an invitational meeting of all general purpose local governments, all special districts 19 providing water and waste water service, including those districts 20 21 engaged in hydropower, industrial, or irrigation supply, state agencies 22 with natural resource or water resource planning or management 23 responsibilities, affected tribes, and federal agencies that have 24 substantial water management responsibilities in the basin.
- 25 (2) Representatives from the state, local, and tribal governmental 26 units shall be selected to form an initial basin planning unit. Once 27 constituted, members of the basic planning unit shall designate one or 28 more of the governmental agencies to act as lead or colead agencies. 29 Once designated, the lead agency or agencies may administer all tasks associated with the prescoping phase and the subsequent full planning 30 phase in sections 201 and 205 of this act, enter into contracts agreed 31 to by the basin planning unit, coordinate intergovernmental agreements 32 33 among the participating entities, and undertake basic data collection tasks, including agreements with the department to assist in preparing 34 35 level I and II basin assessments, for the purpose of assisting the basin planning unit to define its overall planning objectives and 36 37 recommended scope of work. The lead agency shall draw upon those staff

- resources made available from the state, in addition to local and tribal governments participating in the planning unit, to support its role and the work of the initial basin planning unit and expanded planning unit.
- 5 (3) The initial basin planning unit is responsible for evaluating 6 the preliminary administrative, organizational, data collection, and 7 coordination tasks necessary to proceed with basin planning and has one 8 year to complete its tasks. These tasks shall include, but not be 9 limited to the following:
- 10 (a) Identifying persons and organizations with a clear interest or 11 stake in a comprehensive basin planning effort, including agriculture, 12 business, environment, fisheries, and recreational interests;
- 13 (b) Identifying the potential range of policy, technical, and 14 treaty-based issues, interests, and concerns held by the basin planning 15 unit and other potential members of a basin planning process;
- (c) Identifying, collecting, and cataloging available data relating to water quality, water quantity, current and projected water usage, and fishery resources. This task may include initiating a level I basin assessment with the department or developing preliminary findings with regard to the status of water availability, the health and status of water-dependent natural resources and habitat, and the status of water quality within the planning area;
 - (d) Identifying water quality, quantity, water use, and water-dependent resource data gaps requiring further data collection, analysis, and study in a level II assessment effort and developing preliminary scopes of work for level II assessment tasks that may be reviewed, evaluated, and implemented during phase II of the basin planning process;

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- (e) Developing an interim scope of work that identifies data collection and administrative tasks that can be funded and implemented before the commencement of full basin planning;
- 32 (f) Developing a recommended scope of work for the expanded 33 planning unit to consider including planning objectives, schedule for 34 performance, data, studies, modeling, analytical work products, funding 35 requirements and potential sources, and other planning elements 36 necessary to comply with this chapter; and
 - (g) A public involvement process for all phases of the effort.
- 38 (4) The initial basin planning unit shall establish its own 39 decision-making process.

Sec. 205. COMMENCEMENT OF FULL BASIN PLANNING--NEW SECTION. 1 FORMATION OF EXPANDED PLANNING UNIT. (1) Upon completion of the 2 3 prescoping phase tasks and activities described in section 202 of this 4 act, the initial basin planning unit shall call an invitational meeting 5 of all local governments and special districts not participating in the basin planning unit, in addition to all other governmental agencies, 6 7 interest groups and stakeholders identified in the prescoping phase 8 including agriculture, business, environment, sport and commercial 9 fisheries, recreation, and the general public.

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(2) Within sixty days after the invitational meeting, an expanded basin planning unit shall be formed consisting of three representatives each from state agencies, local governments, including special districts, and tribes participating in the basin planning unit, one representative from each of the interest groups identified in this section, and several representatives of the general public. interest group shall select its representatives to the expanded basin planning unit. General public representatives shall be selected by the participating general purpose local governments. Governmental representatives shall constitute a majority of the total number of representatives participating in the expanded planning unit. An interest group not granted voting status may petition the planning unit members to secure voting status. The petition may be received up to ninety days after the invitational meeting described in this section. Decisions to add additional interest groups with voting status shall be made by a two-thirds vote of the original planning unit members. Groups not requesting voting status may participate in an ex-officio capacity at the invitation of the expanded basin planning unit.

(3) If a designated group chooses not to participate in the basin planning unit, the planning process shall continue and the nonparticipating group's position within the planning unit shall remain vacant for the duration of the planning period. If no groups, other than the governmental entities that constitute the initial basin planning unit, are either willing or able to proceed at the time of the invitational meeting, the full planning process may proceed in their absence and the initial basin planning unit should attempt to limit its scope of work to those issues, interests, resources, priorities, and water rights that are directly held by or associated with participating basin planning unit members.

- 1 (4) The period allowed for the expanded basin planning process 2 shall be established at the onset of the process.
- 3 (5) Participants in the expanded planning unit shall seek to reach 4 decisions by consensus.
- NEW SECTION. Sec. 206. INSTREAM FLOWS. A basin planning unit, as part of the planning process, may review and recommend changes to existing instream flow levels established by regulation within the WRIA. A planning unit shall submit to the department for rule adoption, recommended instream flow levels for those rivers and streams within the WRIA where minimum flows have not been established. These recommendations shall be included in a basin plan.
- NEW SECTION. Sec. 207. SCOPE OF WORK. Within one hundred twenty days after the expanded basin planning unit has been formed, it shall review the scope of work recommended by the initial basin planning unit for the purpose of making changes, additions, or deletions to the scope of work and associated work plans.
- 17 NEW SECTION. Sec. 208. PUBLIC INVOLVEMENT--SCOPE OF WORK. (1)The basin planning unit shall establish a public involvement advisory 18 19 committee that is responsible for assuring public involvement. committee's work shall include providing information and receiving 20 21 comments and suggestions from the public regarding the scope of work, 22 the projects, plans, and action of the basin planning unit, and the 23 goals, findings, progress, and recommendations regarding the basin planning process. 24
- 25 (2) The basin planning unit shall conduct at least two public 26 hearings within the WRIA planning area on the planning objectives, work 27 plans, and scope of work before their adoption and commencement of 28 related work.
- NEW SECTION. Sec. 209. PLAN CONTENTS. (1) Before the adoption of a draft basin plan, the basin planning unit shall conduct at least two public hearings.
- 32 (2) The plan may include, but is not limited to the following:
- 33 (a) A quantitative determination of projected future uses and how 34 much surface and ground water exists within the WRIA or basin;

- 1 (b) A quantitative determination of projected future uses and how 2 much surface and ground water is available to meet instream and out-of-3 stream demands, including agricultural, fisheries, industrial, 4 municipal, recreational, and residential uses, and the conditions and 5 procedures under which future allocations may be made for those uses;
- 6 (c) An analysis of surface and ground water quality conditions 7 within the WRIA or basin;
- 8 (d) A determination of approximately when and how much water is 9 claimed, used, permitted, and certificated, including instream flows;
- 10 (e) Measures and plans to improve the water quality of the ground 11 and surface water sources;
- 12 (f) Water supply planning requirements for future needs in 13 accordance with adopted local government land use plans;
 - (g) Fisheries restoration and enhancement objectives and plans;
- 15 (h) Instream flow recommendations;

- (i) Options and opportunities for the potential storage, recharge,and reuse of water;
- 18 (j) Land use management controls and incentives for habitat 19 preservation and restoration;
- 20 (k) Conservation and water use efficiency measures applicable to 21 the basin;
- (1) Identification of potential interbasin issues of importance and recommended methods for resolution; and
- 24 (m) A plan for implementation, including responsible parties, 25 funding, and schedule.
- 26 (3) The basin planning unit may prepare an environmental impact 27 statement, if required by the county or other local legislative 28 authority, to address the provisions of the plan.
- 29 (4) The basin planning unit shall submit the draft basin plan to 30 all local governments with land use authority within the WRIA or basin planning area for their review. Within ninety days of receipt of the 31 draft plan, the local governments shall determine whether or not the 32 plan as submitted is consistent with the jurisdiction's adopted land 33 use plans and shoreline development policies. If found inconsistent, 34 35 reviewing local governments shall remand the basin plan to the planning unit and identify those provisions requiring change or conformance to 36 37 local government plans and policies. Lack of available water may require local governments to modify land use or water supply plans. 38

- (5) The planning unit shall submit the draft basin plan to the 1 department, which shall coordinate plan distribution and receipt of 2 3 comments from other state agencies. The department shall review the 4 plan to determine consistency with existing state statutes and rules, 5 and incorporate into any remand comments the determinations of other state agencies regarding statutes and rules under their jurisdiction. 6 7 In its review capacity, the department may not reject or modify the 8 plan, but may remand it back to the basin planning unit with comments 9 if sections are found to be inconsistent with state or federal law. 10 Sections that are determined by the department to be consistent with state and federal law may be implemented immediately. 11 department determine the plan is not consistent with existing state 12 13 statutes or rules, it shall notify in writing the basin planning unit of the following within ninety days of receipt: 14
- 15 (a) Plan inconsistencies with either or both rules and statutes; 16 and
- 17 (b) Recommendations regarding changes, to either or both the 18 statutes and rules, required for plan implementation.
- 19 (6) Upon completion of review by the department, members of the basin planning unit shall formally adopt and implement those 20 provisions, policies, and obligations of the plan consistent with 21 existing laws or rules within one hundred twenty days through legally 22 The adoption process by state agencies, local 23 binding procedures. 24 governments, and tribes shall occur through the adoption of 25 resolutions, ordinances, or other methods that legally bind the parties 26 to the terms of the plan and its provisions. State laws or ordinances found in conflict with plan provisions shall be submitted to the 27 28 legislature or local government for review to determine if amendment or 29 repeal of such laws or ordinances is in the public interest.
- (7) Following adoption of the plan by the basin planning unit, the department shall expeditiously prepare a rule for incorporation into the Washington administrative code that:
 - (a) Reflects state approval of the plan; and

34 (b) Makes, where possible, all appropriate changes to existing 35 rules that would otherwise preclude plan implementation. Where 36 multiple requests for rule making under this subsection are pending, 37 the department may schedule initiation of rule-making procedures to 38 conform to available budgetary resources.

- 1 (8) The department and other state agencies shall take all 2 appropriate action and make program and policy changes to implement the 3 plan.
- 4 <u>NEW SECTION.</u> **Sec. 210.** GRANTS, FUNDS, AND TECHNICAL ASSISTANCE.
- 5 (1) Initial basin planning units and expanded basin planning units
- 6 engaged in basin planning efforts may accept state, federal, and local
- 7 government grants, funds, and other financing, as well as enter into
- 8 cooperative agreements with private and public entities for the purpose
- 9 of developing basin plans, conducting level I and level II basin
- 10 assessments, water quality and fishery data collection and analysis,
- 11 facilitation, and plan implementation.
- 12 (2) The department shall support, though the provision of all
- 13 possible technical and funding assistance, the efforts of basin
- 14 planning units and qualified governmental entities to assist in
- 15 preparing level I or level II basin assessment in WRIAs where no such
- 16 assessments have been prepared.
- 17 <u>NEW SECTION.</u> **Sec. 211.** ADMINISTRATIVE RULE. The department
- 18 shall, within one hundred twenty days of the effective date of this
- 19 section, propose for public review guidelines for implementing the
- 20 basin planning processes authorized in this chapter.
- 21 PART III
- 22 WATER RIGHTS ADJUDICATION
- NEW SECTION. Sec. 301. A new section is added to chapter 90.03
- 24 RCW to read as follows:
- 25 The water rights adjudication account is established in the state
- 26 treasury. Funds in the water rights adjudication account may be
- 27 expended, subject to appropriation in the 1995-97 and subsequent fiscal
- 28 biennia for the costs of basin-wide water rights adjudications,
- 29 including the costs of referees in such adjudications.
- 30 Sec. 302. RCW 43.84.092 and 1995 c 394 s 1 and 1995 c 122 s 12 are
- 31 each reenacted and amended to read as follows:
- 32 (1) All earnings of investments of surplus balances in the state
- 33 treasury shall be deposited to the treasury income account, which
- 34 account is hereby established in the state treasury.

- (2) The treasury income account shall be utilized to pay or receive 1 funds associated with federal programs as required by the federal cash 2 management improvement act of 1990. The treasury income account is 3 4 subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by 5 the cash management improvement act. Refunds of interest to the 6 7 federal treasury required under the cash management improvement act 8 fall under RCW 43.88.180 and shall not require appropriation. The 9 office of financial management shall determine the amounts due to or 10 from the federal government pursuant to the cash management improvement The office of financial management may direct transfers of funds 11 12 between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. 13 Refunds or 14 allocations shall occur prior to the distributions of earnings set 15 forth in subsection (4) of this section.
 - (3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

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- (4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:
- following accounts and funds shall receive their The proportionate share of earnings based upon each account's and fund's average daily balance for the period: The capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects educational, penal account, the charitable, and reformatory institutions account, the common school construction fund, the county criminal justice assistance account, the county sales and use tax equalization account, the data processing building construction account, the deferred compensation administrative account, the deferred compensation principal account, the department of retirement systems expense account, the Eastern Washington University capital projects

account, the education construction fund, the emergency reserve fund, 1 2 the federal forest revolving account, the health services account, the public health services account, the health system capacity account, the 3 4 personal health services account, the industrial insurance premium 5 refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the 6 7 local leasehold excise tax account, the local real estate excise tax 8 account, the local sales and use tax account, the medical aid account, 9 the mobile home park relocation fund, the municipal criminal justice 10 assistance account, the municipal sales and use tax equalization account, the natural resources deposit account, the perpetual 11 12 surveillance and maintenance account, the public employees' retirement 13 system plan I account, the public employees' retirement system plan II the Puyallup tribal settlement account, the resource 14 account, 15 management cost account, the site closure account, the special wildlife 16 account, the state employees' insurance account, the state employees' 17 insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the 18 19 supplemental pension account, the teachers' retirement system plan I 20 account, the teachers' retirement system plan II account, the tuition recovery trust fund, the University of Washington bond retirement fund, 21 the University of Washington building account, the volunteer fire 22 fighters' relief and pension principal account, the volunteer fire 23 24 fighters' relief and pension administrative account, the Washington 25 judicial retirement system account, the Washington law enforcement 26 officers' and fire fighters' system plan I retirement account, the Washington law enforcement officers' and fire fighters' system plan II 27 retirement account, the Washington state patrol retirement account, the 28 29 Washington State University building account, the Washington State 30 University bond retirement fund, the water rights adjudication account, 31 the water pollution control revolving fund, and the Western Washington University capital projects account. Earnings derived from investing 32 balances of the agricultural permanent fund, the normal 33 permanent fund, the permanent common school fund, the scientific 34 35 permanent fund, and the state university permanent fund shall be allocated to their respective beneficiary accounts. All earnings to be 36 37 distributed under this subsection (4)(a) shall first be reduced by the allocation to the state treasurer's service fund pursuant to RCW 38 39 43.08.190.

(b) The following accounts and funds shall receive eighty percent 1 2 of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The aeronautics account, 3 4 the aircraft search and rescue account, the central Puget Sound public 5 transportation account, the city hardship assistance account, the county arterial preservation account, the department of licensing 6 7 services account, the economic development account, the essential rail 8 assistance account, the essential rail banking account, the ferry bond 9 retirement fund, the gasohol exemption holding account, the grade crossing protective fund, the high capacity transportation account, the 10 highway bond retirement fund, the highway construction stabilization 11 account, the highway safety account, the marine operating fund, the 12 13 motor vehicle fund, the motorcycle safety education account, the pilotage account, the public transportation systems account, the Puget 14 15 Sound capital construction account, the Puget Sound ferry operations account, the recreational vehicle account, the rural arterial trust 16 17 account, the safety and education account, the small city account, the special category C account, the state patrol highway account, the 18 19 transfer relief account, the transportation capital facilities account, 20 the transportation equipment fund, the transportation fund, the 21 transportation improvement account, the transportation revolving loan 22 account, and the urban arterial trust account.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

26 PART IV

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27 GENERAL PERMITS

NEW SECTION. Sec. 401. The legislature finds that the present delay in the processing of water right applications is not beneficial to the citizens of the state nor is it in keeping with the goal of managing the resource to the highest possible standard and maximum net benefit.

The legislature further finds that water conservation efforts would be greatly enhanced by a permit system that encourages water right applicants to use only the amount of water actually necessary to meet their needs.

- NEW SECTION. Sec. 402. A new section is added to chapter 90.03 2 RCW to read as follows:
- 3 (1) The department shall develop a general permit system for 4 appropriating water for nonconsumptive, nonbypass uses. This system 5 must be designed and used to accurately identify and register any water right application that qualifies for the streamlined process of 6 7 appropriation of water by meeting the requirements in this section and 8 registering the use as authorized under the terms and conditions of the 9 general permit. The general permit system must be applicable state-10 wide, and all waters of the state shall be eligible for coverage under The evaluation and report required for an application 11 under RCW 90.03.290 are not required for applications processed under 12 13 the general permit system. For the purposes of this section:
- (a) "Nonconsumptive, nonbypass use" means a use of water in which water is diverted from a stream or drawn from an aquifer and following its use is discharged back into or near the point of diversion or withdrawal without diminishment in quality, and the use is less than five thousand gallons of net consumption per day; and
- 19 (b) "Without diminishment of quality" means that, before being 20 discharged back to its source, the water being discharged meets state 21 water quality standards adopted under chapter 90.48 RCW.
- 22 (2) The department shall, by January 1, 1997, establish the general 23 permit system by adopting rules in accordance with chapter 34.05 RCW. 24 Before the adoption of rules for a system, the department shall consult 25 with representatives of the following interest groups: Agriculture; 26 aquaculture; home construction and development; county government; city government; surface mining; and the environmental community. At least 27 four public hearings must be held at various locations around the 28 state, not less than two of which shall be east of the crest of the 29 30 Cascade mountains. The rules must identify criteria for proposed uses of water for which applications might be processed under the system and 31 must establish procedures for filing and processing applications and 32 33 issuing water rights certificates under the general permit system.
- NEW SECTION. **Sec. 403.** A new section is added to chapter 90.03 RCW to read as follows:
- An application for registration as a nonconsumptive, nonbypass water user under the general permit system established under section 402 of this act must be made on a form adopted and provided by the

department. Within sixty days of receipt of a properly completed 1 application, the department shall determine whether the proposed use is 2 eligible to be processed under the general permit system. 3 4 department determines that the proposed use is eligible to be processed 5 under the system, the application must be processed under the system within the next sixty days. The priority date of the water right 6 7 established pursuant to this section shall be the date that the 8 properly completed application is submitted. If the department 9 determines that the proposed use is not eligible for the processing, 10 the department shall explain to the applicant in writing the reasons for its determination. For a proposed use determined ineligible for 11 the processing, if the department finds that the information contained 12 13 on the application form substantially satisfies the information requirements for an application for a use that would normally be filed 14 15 for processing the application outside of the general permit system, 16 the department shall notify the applicant of its finding and shall 17 process the application as if it were filed for processing outside of the system. If the department finds that the information does not 18 19 substantially satisfy the requirements, the application must be 20 considered to be incomplete for the processing and the applicant must be notified of this consideration. 21

NEW SECTION. **Sec. 404.** A new section is added to chapter 90.03 RCW to read as follows:

Nothing in sections 402 and 403 of this act authorizes the impairment or operates to impair any existing water rights. A water right holder under sections 402 and 403 of this act shall not make withdrawals that impair a senior water right. A holder of a senior water right who believes his or her water right is impaired may file a complaint with the department of ecology. Where such complaints of impairment have been received, the department of ecology shall make all reasonable efforts to resolve them in a timely manner through agreement of the parties. Nothing in section 402 or 403 of this act may be construed as waiving any requirement established under chapter 90.48 RCW or federal law that a permittee secure a discharge permit regarding water quality.

36 PART V

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REGULATORY AUTHORITY AFTER SINKING CREEK

NEW SECTION. Sec. 501. A new section is added to chapter 43.27A RCW to read as follows:

The purpose of this section is to set forth the powers of the department to regulate the withdrawal or diversion of public waters and water or water rights related thereto including regulation based on dates of priority or other pertinent factors. Regulatory actions taken under this section shall be based on examination and determination by the department or the court, as applicable, of the various water rights involved according to the department's records and other records and pertinent facts. The powers set forth in this section may be exercised whether or not a general adjudication relating to the water rights involved has been conducted.

- (1) In a regulatory situation (a) where a water right or all water rights proposed for regulation by the department, as well as any right or rights of a senior priority that the proposed regulation is designed to protect, is or are embodied in a certificate or certificates issued under RCW 90.03.240, 90.03.330, 90.38.040, 90.42.040, or 90.44.060 or a permit or permits issued pursuant to RCW 90.03.290 or 90.44.060; or (b) where a flow or level has been established by rule pursuant to chapter 90.22 or 90.54 RCW; or (c) where it appears to the department that public waters are being withdrawn without any right or other appropriate authority whatsoever, the department in its discretion is authorized to regulate the right or rights under either RCW 43.27A.190 or subsection (2) of this section.
- (2) In a regulatory situation where one or more of the water rights proposed for regulation by the department, as well as any right or rights of a senior priority that the proposed regulation is designed to protect, is not or are not embodied in a permit or certificate as described in subsection (1) of this section, the department is only authorized to bring an appropriate action at law or in equity, including seeking injunctive relief, as it may deem necessary. Where actions are brought in a state court, the actions shall be initiated in the superior court of the county where the point or points of diversion of the water right or rights proposed for regulation are located. the points of diversion are located in more than one county, the department may bring the action in a county where a point of diversion is located.
- 38 (3) Nothing in this section authorizes the department to accomplish 39 a general adjudication of water rights proceeding or the substantial

- 1 equivalent of a general adjudication of water rights. The exclusive
- 2 procedure for accomplishing a general adjudication of water rights is
- 3 under RCW 90.03.110 through 90.03.245 or 90.44.220.
- 4 (4) Nothing in this section shall amend, revise, or repeal RCW
- 5 90.14.130 or 90.14.200.
- 6 (5) This section does not in any way modify regulatory powers
- 7 previously placed with the department except as provided in subsections
- 8 (1) and (2) of this section.
- 9 PART VI
- 10 WATER RIGHTS FOR INSTREAM PURPOSES
- 11 <u>NEW SECTION.</u> **Sec. 601.** A new section is added to chapter 90.03
- 12 RCW to read as follows:
- Notwithstanding any provision in this chapter or chapter 90.54 RCW,
- 14 a right to the beneficial use of water may be maintained and
- 15 established without a physical diversion of water and such right may be
- 16 held by any person as defined by RCW 90.03.015 or by a unit of state or
- 17 local government.
- 18 Such a transfer for instream purposes may be permanent or
- 19 temporary. A temporary transfer may remain in effect for any length of
- 20 time as determined by the water right holder. The holder of the water
- 21 right temporarily transferred to instream purposes may transfer all or
- 22 part of the water right to the use for which the water right was
- 23 initially granted at any time the holder chooses.
- 24 Sec. 602. RCW 90.03.380 and 1991 c 347 s 15 are each amended to
- 25 read as follows:
- 26 The right to the use of water which has been applied to a
- 27 beneficial use in the state shall be and remain appurtenant to the land
- 28 or place upon which the same is used: PROVIDED, HOWEVER, That said
- 29 right may be transferred to another or to others and become appurtenant
- 30 to any other land or place of use, including an instream use without
- 31 physical diversion of water, without loss of priority of right
- 32 theretofore established if such change can be made without detriment or
- 33 injury to existing rights. A person may transfer an instream water
- 34 right to another person without obtaining the approval required under
- 35 this section, but the person shall file a notice of the transfer with
- 36 the department stating the name and address of the person or

governmental unit to whom the right has been transferred. The point of 1 diversion of water for beneficial use or the purpose of use may be 2 changed, if such change can be made without detriment or injury to 3 4 existing rights. Before any transfer of such right to use water or 5 change of the point of diversion of water or change of purpose of use can be made, any person having an interest in the transfer or change, 6 7 shall file a written application therefor with the department, and said 8 application shall not be granted until notice of said application shall 9 be published as provided in RCW 90.03.280. If it shall appear that 10 such transfer or such change may be made without injury or detriment to existing rights, the department shall issue to the applicant a 11 certificate in duplicate granting the right for such transfer or for 12 13 such change of point of diversion or of use. The certificate so issued shall be filed and be made a record with the department and the 14 15 duplicate certificate issued to the applicant may be filed with the 16 county auditor in like manner and with the same effect as provided in 17 the original certificate or permit to divert water.

If an application for change proposes to transfer water rights from one irrigation district to another, the department shall, before publication of notice, receive concurrence from each of the irrigation districts that such transfer or change will not adversely affect the ability to deliver water to other landowners or impair the financial integrity of either of the districts.

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A change in place of use by an individual water user or users of water provided by an irrigation district need only receive approval for the change from the board of directors of the district if the use of water continues within the irrigation district.

28 This section shall not apply to trust water rights acquired by the 29 state through the funding of water conservation projects under chapter 30 90.38 RCW or RCW 90.42.010 through 90.42.070.

31 **Sec. 603.** RCW 90.42.080 and 1993 c 98 s 4 are each amended to read 32 as follows:

(1) The state may acquire all or portions of existing water rights, by purchase, gift, or other appropriate means other than by condemnation, from any person or entity or combination of persons or entities. Once acquired, such rights are trust water rights. A water right acquired by the state that is expressly conditioned upon the use

- being limited to instream purposes shall be administered as a trust
 water right in compliance with such condition.
- 3 (2) The department may enter into leases, contracts, or such other 4 arrangements with other persons or entities as appropriate, to ensure 5 that trust water rights acquired in accordance with this chapter may be 6 exercised to the fullest possible extent.
- 7 (3) Trust water rights may be acquired by the state on a temporary 8 or permanent basis.
- 9 (4) The provisions of RCW 90.03.380 and 90.03.390 apply to 10 transfers of water rights under this section.
- 11 (5) No funds may be expended for the purchase of water rights by 12 the state pursuant to this section unless specifically appropriated for 13 this purpose by the legislature.

14 PART VII

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WATER RIGHTS ADMINISTRATION EFFICIENCIES

- 16 **Sec. 701.** RCW 90.03.340 and 1987 c 109 s 90 are each amended to 17 read as follows:
- 18 After January 1, 1997, the priority date of the right acquired by
- 19 appropriation ((shall relate back to)) is the date ((of filing of)) the
- 20 ((original)) completed application form for the right is filed with the
- 21 department. For the purposes of this section and RCW 90.03.270, a
- 22 completed application form is one that contains all of the information
- 23 requested on the form and is accompanied by the application fee.
- 24 **Sec. 702.** RCW 90.03.270 and 1987 c 109 s 85 are each amended to 25 read as follows:
- 26 Upon receipt of ((an)) a completed water right application form it
- 27 shall be the duty of the department to ((make an endorsement thereon of
- 28 the)) date ((of its receipt)), stamp, and to keep a record of ((same))
- 29 <u>it</u>. If ((upon examination, the application is found to be defective,))
- 30 an application form is filed with the department but the information
- 31 requested on the application form is not complete or the form is not
- 32 accompanied by the proper application fee, the form and any application
- 33 <u>fee filed with</u> it shall be returned to the applicant ((for correction
- 34 or completion,)) and the date and the reasons for the return thereof
- 35 shall be ((endorsed thereon and made a record in his office. No
- 36 application shall lose its priority of filing on account of such

- 1 defects, provided acceptable maps, drawings and such data as is
- 2 required by the department shall be filed with the department within
- 3 such reasonable time as it shall require)) noted in the department's
- 4 records and in a letter returning the form. The department may not
- 5 require an applicant to provide information in support of an
- 6 application for a water right permit that is not necessary for the
- 7 <u>department's investigations, determinations, or findings regarding that</u>
- 8 particular application.
- 9 **Sec. 703.** RCW 90.03.280 and 1994 c 264 s 83 are each amended to 10 read as follows:
- 11 Upon receipt of a ((proper)) completed application, the department
- 12 shall instruct the applicant to publish notice ((thereof)) in a form
- 13 and within a time prescribed by the department in a newspaper of
- 14 general circulation published in the county or counties in which the
- 15 storage, diversion or withdrawal, and use is to be made, and in such
- 16 other newspapers as the department may direct, once a week for two
- 17 consecutive weeks. The notice shall include information pertinent to
- 18 the proposed appropriation, including the location, the source, the
- 19 purpose or purposes of use, and the quantity proposed to be diverted or
- 20 withdrawn. The notice shall state that persons wishing to protest the
- 21 proposed appropriation must do so in writing to the department within
- 22 thirty days of the last date of publication of the notice. In order to
- 23 be considered by the department, a protest must be received by the
- 24 department within thirty days of the last date of publication of the
- 25 <u>notice</u>. Upon receipt by the department of an application it shall send
- 26 notice thereof containing pertinent information to the director of fish
- 27 and wildlife.
- NEW SECTION. Sec. 704. A new section is added to chapter 43.21B
- 29 RCW to read as follows:
- In a proceeding before the pollution control hearings board
- 31 challenging a decision of the department related to the issuance,
- 32 conditioning, transfer, amendment, or denial of a water right permit
- 33 under Title 90 RCW, the burden of proof is on the person filing the
- 34 appeal.
- 35 <u>NEW SECTION.</u> **Sec. 705.** A new section is added to chapter 90.03
- 36 RCW to read as follows:

A water right applicant may appeal to the pollution control hearings board a determination by the department regarding the nature and extent of the information needed to make determinations regarding the application for or the processing of a water right permit.

5 <u>NEW SECTION.</u> **Sec. 706.** A new section is added to chapter 43.21B 6 RCW to read as follows:

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- (1) In any appeals of water-related agency actions over which the hearings board has jurisdiction, the chairman of the hearings board may assign the case to a single member of the hearings board in lieu of the entire board. In such cases, the board member assigned to the case shall have all powers relating to the administration of oaths, issuance of subpoenas, and taking of depositions as are granted to agencies in chapter 34.05 RCW, the administrative procedure act, and shall be subject to all duties imposed upon, and shall have all powers granted to, an agency by those provisions of chapter 34.05 RCW relating to adjudicative proceedings.
- 17 (2) The environmental hearings office shall by rule determine a 18 procedure for the random selection and rotation of board members for 19 single-member cases, and shall implement this procedure in assigning an 20 appeal of a water-related agency action to a single board member for 21 review.
- (3) In cases decided under subsection (1) of this section, a 22 23 decision of the single member shall have the same force and effect as 24 a decision of the full board. A party to an appeal decided by a single 25 board member may, within ten days of a decision, request rehearing en A request for rehearing en banc shall be granted only by 26 agreement of two members of the board. Rehearing en banc is not 27 favored and ordinarily will not be 28 granted except (a) when 29 consideration of the full hearings board is necessary to secure or 30 maintain uniformity of its decisions, or (b) when the proceeding involves a question of exceptional importance. En banc review shall be 31 limited to review of the record. 32
- 33 (4) A request for rehearing en banc under subsection (3) of this 34 section is not a prerequisite for seeking judicial review. An order 35 denying rehearing en banc is not subject to reconsideration under RCW 36 34.05.470 or by any court.
- 37 (5) No request for rehearing en banc may stay the effectiveness of 38 an order.

- 1 (6) Nothing in this section affects the rights of a party under RCW 2 34.05.470.
- 3 (7) For purposes of this section, a "water-related agency action" 4 includes (a) a decision to grant or deny a permit or certificate for a right to the beneficial use of water or to amend, change, or transfer 5 such a right; (b) a decision to enforce the conditions of a permit for, 6 7 or right to, the beneficial use of water or to require any person to 8 discontinue the use of water; and (c) a decision regarding the nature 9 and extent of the information needed to make determinations regarding 10 the application for or processing of a water right permit.
- 11 **Sec. 707.** RCW 90.03.290 and 1994 c 264 s 84 are each amended to 12 read as follows:
- (1) When ((an)) a completed application complying with the provisions of this chapter and with the rules ((and regulations)) of the department has been filed, the ((same)) application shall be placed on record with the department, and it shall be ((its)) the department's duty to ((investigate the application, and)) determine what water, if any, is available for appropriation, and find and determine to what beneficial use or uses it can be applied.
- The department shall investigate the application. The applicant 20 shall provide a completed application form. In addition to providing 21 the information requested on the form, however, the applicant shall 22 23 also provide such information as may be required for the department's investigation, determinations, and findings regarding the application 24 and may provide additional information. The information provided by 25 the applicant shall satisfy the protocols, which are study plans and 26 27 criteria, established by the department for obtaining and providing the information. If an applicant provides the information, and satisfies 28 29 the protocols set by the department for obtaining and providing it, the department shall review the information and may take actions to verify 30 that the information is accurate. The department may not, except to 31 replace inaccurate information, take actions that would require the 32 33 applicant to obtain major portions of the information anew.
 - (2) With regard to an application:

35 <u>(a)</u> If it is proposed to appropriate water for irrigation purposes, 36 the department shall investigate, determine and find what lands are 37 capable of irrigation by means of water found available for 38 appropriation. (b) If it is proposed to appropriate water for the purpose of power development, the department shall investigate, determine and find whether the proposed development is likely to prove detrimental to the public interest, having in mind the highest feasible use of the waters belonging to the public.

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(3) If the application does not contain, and the applicant does not promptly furnish sufficient information on which to base such findings, the department may issue a preliminary permit, for a period of not to exceed three years, requiring the applicant to make such surveys, investigations, studies, and progress reports, as in the opinion of the department may be necessary. If the applicant fails to comply with the conditions of the preliminary permit, it and the application or applications on which it is based shall be automatically canceled and the applicant so notified. If the holder of a preliminary permit shall, before its expiration, file with the department a verified report of expenditures made and work done under the preliminary permit, which, in the opinion of the department, establishes the good faith, intent and ability of the applicant to carry on the proposed development, the preliminary permit may, with the approval of the governor, be extended, but not to exceed a maximum period of five years from the date of the issuance of the preliminary permit.

(4) The department shall make and file as part of the record in the matter, written findings of fact concerning all things investigated. The department shall make a summary of the record of examination, and the proposed permit if the department proposes to issue the permit, available to the public by any means reasonable, including using the register established under section 714 of this act. The department shall provide a period of at least thirty days for the public to submit comments thereon. The department shall consider the comments received and the entire record, and if it shall find that there is water available for appropriation for a beneficial use, and the appropriation thereof as proposed in the application will not impair existing rights or be detrimental to the public welfare, it shall issue a permit stating the amount of water to which the applicant shall be entitled and the beneficial use or uses to which it may be applied: PROVIDED, That where the water applied for is to be used for irrigation purposes, it shall become appurtenant only to such land as may be reclaimed thereby to the full extent of the soil for agricultural purposes. But where there is no unappropriated water in the proposed source of

supply, or where the proposed use conflicts with existing rights, or threatens to prove detrimental to the public interest, having due 2 regard to the highest feasible development of the use of the waters 3 4 belonging to the public, it shall be duty of the department to reject 5 such application and to refuse to issue the permit asked for. permit is refused because of conflict with existing rights and such 6 7 applicant shall acquire same by purchase or condemnation under RCW 8 90.03.040, the department may thereupon grant such permit. Any 9 application may be approved for a less amount of water than that 10 applied for, if there exists substantial reason therefor, and in any event shall not be approved for more water than can be applied to 11 beneficial use for the purposes named in the application. 12 In 13 determining whether or not a permit shall issue upon any application, it shall be the duty of the department to investigate all facts 14 15 relevant and material to the application. After the department 16 approves said application in whole or in part and before any permit 17 shall be issued thereon to the applicant, such applicant shall pay the fee provided in RCW 90.03.470: PROVIDED FURTHER, That in the event a 18 19 permit is issued by the department upon any application, it shall be its duty to notify the director of fish and wildlife and affected 20 federally recognized Indian tribes of such issuance. 21

22 **Sec. 708.** RCW 90.03.320 and 1987 c 109 s 67 are each amended to 23 read as follows:

24 (1) Actual construction work shall be commenced on any project for 25 which permit has been granted within such reasonable time as shall be prescribed by the department, and shall thereafter be prosecuted with 26 27 diligence and completed within the time prescribed by the department. The department, in fixing the time for the commencement of the work, or 28 29 for the completion thereof and the application of the water to the 30 beneficial use prescribed in the permit, shall take into consideration the cost and magnitude of the project and the engineering and physical 31 features to be encountered, and shall allow such time as shall be 32 33 reasonable and just under the conditions then existing, having due 34 regard for the public welfare and public interests affected: and, for good cause shown, it shall extend the time or times fixed as aforesaid, 35 36 and shall grant such further period or periods as may be reasonably 37 necessary, having due regard to the good faith of the applicant and the 38 public interests affected.

- 1 (2) For the purposes of this section, "good cause" includes but is 2 not limited to the following circumstances that prevent work completion 3 within the prescribed period:
- 4 <u>(a) Active service in the armed forces of the United States during</u> 5 <u>a military crisis;</u>
 - (b) Nonvoluntary service in the armed forces of the United States;
- 7 <u>(c) A court order having the effect of stopping the construction</u> 8 <u>work;</u>
- 9 <u>(d) Delays in securing other permits necessary to proceed with the</u>
 10 <u>development;</u>
- 11 (e) A single transfer in ownership of the property;

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- 12 <u>(f) Implementation of water efficiency measures, including</u>
 13 conservation and reclaimed water use;
- 14 (g) Encountering unanticipated physical impediments to 15 construction; and
- 16 (h) Encountering generally depressed economic conditions.
- 17 (3) If the terms of the permit or extension thereof((τ)) are not 28 complied with, the department shall give notice by ((registered)) 29 certified mail that ((such)) the permit will be canceled unless the 20 ($(holders\ thereof\ shall)$) permittee shows cause within sixty days why 21 the ((same)) permit should not be ((so)) canceled. If cause ((be)) is 22 not shown, ((said)) the permit shall be canceled.
- 23 **Sec. 709.** RCW 90.03.260 and 1987 c 109 s 84 are each amended to 24 read as follows:
 - ((Each application for permit to appropriate water shall set forth the name and post office address of the applicant, the source of water supply, the nature and amount of the proposed use, the time during which water will be required each year, the location and description of the proposed ditch, canal, or other work, the time within which the completion of the construction and the time for the complete application of the water to the proposed use. If for agricultural purposes, it shall give the legal subdivision of the land and the acreage to be irrigated, as near as may be, and the amount of water expressed in acre feet to be supplied per season. If for power purposes, it shall give the nature of the works by means of which the power is to be developed, the head and amount of water to be utilized, and the uses to which the power is to be applied. If for construction of a reservoir, it shall give the height of the dam, the capacity of

the reservoir, and the uses to be made of the impounded waters. If for 1 municipal water supply, it shall give the present population to be 2 served, and, as near as may be, the future requirement of the 3 4 municipality. If for mining purposes, it shall give the nature of the mines to be served and the method of supplying and utilizing the water; 5 also their location by legal subdivisions. All applications shall be 6 7 accompanied by such maps and drawings, in duplicate, and such other 8 data, as may be required by the department, and such accompanying data 9 shall be considered as a part of the application.)) The department 10 shall adopt rules in accordance with chapter 34.05 RCW by January 1, 1997, that specify the contents of completed water right application 11 forms. The rules shall include specific timelines for the department 12 to follow in making a determination as to whether an application is 13 complete and notifying the applicant of its determination. The rules 14 15 shall also identify the kinds of inaccuracies that render an 16 application incomplete.

17 **Sec. 710.** RCW 90.44.060 and 1987 c 109 s 109 are each amended to 18 read as follows:

19 Applications for permits for appropriation of underground water shall be made in the same form and manner provided in RCW 90.03.250 20 through 90.03.340, as amended, the provisions of which sections are 21 22 hereby extended to govern and to apply to ground water, or ground water 23 right certificates and to all permits that shall be issued pursuant to 24 such applications, and the rights to the withdrawal of ground water 25 acquired thereby shall be governed by RCW 90.03.250 through 90.03.340, 26 inclusive((: PROVIDED, That each application to withdraw public ground 27 water by means of a well or wells shall set forth the following additional information: (1) the name and post office address of the 28 29 applicant; (2) the name and post office address of the owner of the 30 land on which such well or wells or works will be located; (3) the location of the proposed well or wells or other works for the proposed 31 withdrawal; (4) the ground water area, sub-area, or zone from which 32 33 withdrawal is proposed, provided the department has designated such 34 area, sub area, or zone in accord with RCW 90.44.130; (5) the amount of 35 water proposed to be withdrawn, in gallons a minute and in acre feet a 36 year, or millions of gallons a year; (6) the depth and type of construction proposed for the well or wells or other works: AND 37 PROVIDED FURTHER, That)). The department shall adopt rules in 38

accordance with chapter 34.05 RCW by January 1, 1997, that specify the 1 contents of completed water right application forms. The rules shall 2 include specific timelines for the department to follow in making a 3 4 determination as to whether an application is complete and notifying the applicant of its determination. The rules shall also identify the 5 kinds of inaccuracies that render an application incomplete. Any 6 7 permit issued pursuant to an application for constructing a well or 8 wells to withdraw public ground water may specify an approved type and 9 manner of construction for the purposes of preventing waste of said 10 public waters and of conserving their head.

11 **Sec. 711.** RCW 90.03.250 and 1987 c 109 s 83 are each amended to 12 read as follows:

13 Any person, municipal corporation, firm, irrigation district, association, corporation or water users' association hereafter desiring 14 15 to appropriate water for a beneficial use shall make an application to 16 the department for a permit to make such appropriation, and shall not use or divert such waters until he has received a permit from the 17 18 department as in this chapter provided. The construction of any ditch, canal or works, or performing any work in connection with said 19 construction or appropriation, or the use of any waters, shall not be 20 an appropriation of such water nor an act for the purpose of 21 appropriating water unless a permit to make said appropriation has 22 23 first been granted by the department: PROVIDED, That a temporary 24 permit may be granted upon a proper showing made to the department to 25 be valid only during the pendency of such application for a permit unless sooner revoked by the department: PROVIDED, FURTHER, That 26 nothing in this chapter contained shall be deemed to affect RCW 27 90.40.010 through 90.40.080 except that the notice and certificate 28 29 therein provided for in RCW 90.40.030 shall be addressed to the 30 department, and the department shall exercise the powers and perform the duties prescribed by RCW 90.40.030. 31

The department shall encourage the filing of a consolidated application for a complex project under a single ownership that proposes to divert or withdraw water from more than one source, including a combination of surface and ground water sources. The filing of a consolidated application for transfer or change of one or more water rights involving multiple sources shall also be encouraged if all of the affected diversions or withdrawals are intended to serve

- 1 <u>a single project with a single ownership. The department shall adopt</u>
- 2 and provide forms for consolidated applications.
- 3 <u>NEW SECTION.</u> **Sec. 712.** A new section is added to chapter 90.03 4 RCW to read as follows:
- 5 (1) The department shall establish streamlined procedures for its 6 processing of applications for de minimis appropriations of surface 7 water, but only if the department has reserved and set aside the water 8 for future beneficial use under RCW 90.54.050.
- 9 (2) Applications for appropriating water under this section shall be made on a form provided by the department. Within sixty days of the 10 publication of a notice in accordance with RCW 11 90.03.280, the 12 department shall issue or deny a permit the requested for If the department denies the application, it shall 13 appropriation. 14 explain its determination in writing.
- 15 (3) The department shall waive the evaluation and report 16 requirements of RCW 90.03.290 if during the establishment of the 17 reservation it was conclusively determined that water is available and 18 that no impairment of existing water rights or the public interest will 19 occur.
- 20 (4) This section may not be used in areas that are within urban 21 growth areas as designated under RCW 36.70A.110 or within the service 22 areas of a public water system as defined in chapter 70.119A RCW that 23 has an available water supply.
- (5) Unless the context clearly requires otherwise, as used in this chapter, "de minimis appropriation" means diversion and use of surface water in an amount not exceeding four hundred fifty gallons per day and not exceeding an instantaneous diversion rate of two one-hundredths cubic feet per second.
- 29 (6) The department shall develop, in cooperation with the 30 department of health, informational materials regarding the risks of 31 drinking untreated surface water. This informational material may be 32 provided to prospective applicants. The department shall attach the 33 informational materials to any permit that is approved under this 34 section.
- NEW SECTION. **Sec. 713.** A new section is added to chapter 90.03 RCW to read as follows:

- (1) The department may authorize short-term uses of water without publication of the notice required under RCW 90.03.280 and without the report required under RCW 90.03.290. However, before approving a short-term use, the department shall determine to its satisfaction that the substantive criteria in RCW 90.03.290 are met and that a stream affected by a short-term use will be retained with sufficient flows to maintain instream uses and to protect existing water rights. The department shall adopt and provide application forms for persons applying for a short-term use and shall expedite its consideration of short-term use requests to the extent practicable.
- (2) For the purposes of this chapter, "short-term use" means a use of water that will not exceed one year in duration. Short-term uses include but are not limited to use in construction, dust control, dewatering, and short-term planned fire suppression activities.
- NEW SECTION. **Sec. 714.** A new section is added to chapter 90.03 RCW to read as follows:

17 The department shall establish a register that identifies, by water 18 resource inventory area, applications for new water rights and 19 applications for water right transfers and changes. The register shall The location of the proposed use, change, or transfer; 20 whether the application is for surface or ground water; and for ground 21 or surface water applications, the water source. The department shall 22 23 produce the register once every two weeks and shall make the register 24 available to interested parties for a fee that is based on the cost of 25 making the register available. One year after the effective date of 26 this section, the department may cease production of the register if 27 the number of requests for the register are not adequate to cover the costs of producing it. 28

29 PART VIII 30 STORAGE

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- 31 **Sec. 801.** RCW 90.54.020 and 1989 c 348 s 1 are each amended to 32 read as follows:
- 33 Utilization and management of the waters of the state shall be 34 guided by the following general declaration of fundamentals:
- 35 (1) Uses of water for domestic, stock watering, industrial, 36 commercial, agricultural, irrigation, hydroelectric power production,

- 1 mining, fish and wildlife maintenance and enhancement, recreational,
- 2 and thermal power production purposes, and preservation of
- 3 environmental and aesthetic values, and all other uses compatible with
- 4 the enjoyment of the public waters of the state, are declared to be
- 5 beneficial.
- 6 (2) Allocation of waters among potential uses and users shall be
- 7 based generally on the securing of the maximum net benefits for the
- 8 people of the state. Maximum net benefits shall constitute total
- 9 benefits less costs including opportunities lost.
- 10 (3) The quality of the natural environment shall be protected and,
- 11 where possible, enhanced as follows:
- 12 (a) Perennial rivers and streams of the state shall be retained
- 13 with base flows necessary to provide for preservation of wildlife,
- 14 fish, scenic, aesthetic and other environmental values, and
- 15 navigational values. Lakes and ponds shall be retained substantially
- 16 in their natural condition. Withdrawals of water which would conflict
- 17 therewith shall be authorized only in those situations where it is
- 18 clear that overriding considerations of the public interest will be
- 19 served.
- 20 (b) Waters of the state shall be of high quality. Regardless of
- 21 the quality of the waters of the state, all wastes and other materials
- 22 and substances proposed for entry into said waters shall be provided
- 23 with all known, available, and reasonable methods of treatment prior to
- 24 entry. Notwithstanding that standards of quality established for the
- 25 waters of the state would not be violated, wastes and other materials
- 26 and substances shall not be allowed to enter such waters which will
- 27 reduce the existing quality thereof, except in those situations where
- 28 it is clear that overriding considerations of the public interest will
- 29 be served. Technology-based effluent limitations or standards for
- 30 discharges for municipal water treatment plants located on the
- 31 Chehalis, Columbia, Cowlitz, Lewis, or Skagit river shall be adjusted
- 32 to reflect credit for substances removed from the plant intake water
- 33 if:
- 34 (i) The municipality demonstrates that the intake water is drawn
- 35 from the same body of water into which the discharge is made; and
- 36 (ii) The municipality demonstrates that no violation of receiving
- 37 water quality standards or appreciable environmental degradation will
- 38 result.

- (4) The development of multipurpose water storage facilities shall 1 be a high priority for programs of water allocation, planning, 2 management, and efficiency. The department, other state agencies, 3 4 local governments, and planning units formed under section 204 or 205 of this act shall evaluate the potential for the development of new 5 storage projects and the benefits of storage in reducing damage to 6 7 stream banks and property, increasing the use of land, providing water 8 for municipal, industrial, agricultural, power generation, and other 9 beneficial uses, and improving stream flow regimes for fisheries and 10 other instream uses.
- 11 <u>(5)</u> Adequate and safe supplies of water shall be preserved and 12 protected in potable condition to satisfy human domestic needs.
- (((5))) <u>(6)</u> Multiple-purpose impoundment structures are to be preferred over single-purpose structures. Due regard shall be given to means and methods for protection of fishery resources in the planning for and construction of water impoundment structures and other artificial obstructions.
- $((\frac{6}{1}))$ (7) Federal, state, and local governments, individuals, 18 19 corporations, groups and other entities shall be encouraged to carry 20 out practices of conservation as they relate to the use of the waters In addition to traditional development approaches, 21 of the state. improved water use efficiency and conservation shall be emphasized in 22 23 the management of the state's water resources and in some cases will be 24 a potential new source of water with which to meet future needs 25 throughout the state.
 - (((7))) (8) Development of water supply systems, whether publicly or privately owned, which provide water to the public generally in regional areas within the state shall be encouraged. Development of water supply systems for multiple domestic use which will not serve the public generally shall be discouraged where water supplies are available from water systems serving the public.

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- (((+8))) (9) Full recognition shall be given in the administration of water allocation and use programs to the natural interrelationships of surface and ground waters.
- (((9))) (10) Expressions of the public interest will be sought at all stages of water planning and allocation discussions.
- (((10))) <u>(11)</u> Water management programs, including but not limited to, water quality, flood control, drainage, erosion control and storm runoff are deemed to be in the public interest.

3	NEW SECTI	ON. Sec.	901.	PART	HEADINGS	S AND	CAPTIONS N	OT LAW.	Part
4	headings and	captions	used	in thi	s act do	not	constitute	any p	art of

PART IX

MISCELLANEOUS

- 6 <u>NEW SECTION.</u> **Sec. 902.** Sections 2, 101 through 105, and 201 7 through 211 of this act shall constitute a new chapter in Title 90 RCW.
- NEW SECTION. Sec. 903. If specific funding for the purposes of sections 101 through 105 and 201 through 211 of this act, referencing by bill and section numbers, is not provided by June 30, 1996, in the omnibus appropriations act, sections 101 through 105 and 201 through 12 211 of this act are null and void."

13 <u>2SHB 2200</u> - S AMD 14 By Committee on Ecology & Parks

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the law.

On page 1, line 1 of the title, after "management;" strike the remainder of the title and insert "amending RCW 90.03.380, 90.42.080, 90.03.340, 90.03.270, 90.03.280, 90.03.290, 90.03.320, 90.03.260, 90.44.060, 90.03.250, and 90.54.020; reenacting and amending RCW 43.84.092; adding new sections to chapter 90.03 RCW; adding a new section to chapter 43.27A RCW; adding new sections to chapter 43.21B RCW; adding a new chapter to Title 90 RCW; and creating new sections."

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