HOUSE BILL REPORT
ESB 5073

As Passed House - Amended:
April 14, 2003

Title: An act relating to watershed management.

Brief Description: Adopting provisions for cooperative watershed management plans.

Sponsors: By Senators Fraser, Honeyford, Hale and Kohl-Welles.

Brief History:
Committee Activity:
Agriculture & Natural Resources: 3/28/03, 4/4/03 [DPA].
Floor Activity:
Passed House - Amended: 4/14/03, 62-34.

Brief Summary of Engrossed Bill
(As Amended by House)

- Authorizes local governments and certain special purpose districts to establish interlocal agreements for watershed management plan implementation.
- Includes operation and financing provisions for watershed management partnerships.
- Allows use of water supply revenues for plan projects and activities.

HOUSE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: Do pass as amended. Signed by 7 members: Representatives Linville, Chair; Rockefeller, Vice Chair; Eickmeyer, Grant, Hunt, McDermott and Quall.

Minority Report: Do not pass. Signed by 6 members: Representatives Schoesler, Ranking Minority Member; Holmquist, Assistant Ranking Minority Member; Kristiansen, Assistant Ranking Minority Member; Chandler, Orcutt and Sump.

Staff: Caroleen Dineen (786-7156).

Background:

Watershed Planning.

State law establishes a mechanism for conducting watershed planning through a locally initiated process. The state law process requires watershed planning to include an assessment of water supply and use in the planning area and development of strategies for future water use. Watershed planning may include water quality, habitat, and instream flow elements.

Watershed planning may be conducted for one watershed or water resource inventory area (WRIA) or it may be conducted for multiple WRIAs. Local governments initiating watershed planning create a planning unit and designate a lead agency to provide staff support. The Department of Ecology (DOE) provides grants for organizing a planning unit and establishing work schedules, conducting assessments, studying storage opportunities, setting instream flows, developing a watershed plan, and making recommendations.

When a watershed plan is approved by the planning unit, it is submitted for approval by the legislative authorities of all counties with territory in the WRIA or WRIAs for which planning was conducted. If approved by the counties after notice, public hearings, and a joint session to consider the plan, the watershed plan is an approved watershed plan.

Interlocal Cooperation Act.

The Interlocal Cooperation Act allows public agencies to enter into agreements with one another for joint or cooperative action. Any powers, privileges, or authority held by a public agency may be exercised jointly with any other public agency having the power, privilege, or authority. Issues to be addressed in interlocal agreements, the process for creating such agreements, and costs and payments issues are specified by statute.

A "public agency" includes any agency, political subdivision, or unit of local government. The term includes municipal corporations, special purpose districts, local service districts, state agencies, federal agencies, recognized Indian tribes, and other states' political subdivisions.

Summary of Amended Bill:

Provisions are added to the Interlocal Cooperation Act regarding agreements to implement watershed management plans. Public agencies may enter into agreements to form a watershed management partnership to implement all or parts of a watershed management plan, including coordination and oversight of plan implementation. Watershed plans, salmon recovery plans, watershed management elements of comprehensive plans and shoreline master programs, and other types of plans are considered "watershed management plans" for these purposes. Provisions are specified

for filing a watershed management partnership agreement with the county auditor(s) and designating a treasurer.

The public agencies forming a watershed management partnership may develop and implement a financing plan for elements of the watershed management plan. The revenue proposal must attempt to achieve equitable distribution of the total burden among benefited persons. In addition, the revenue proposal must include provisions to ensure persons or parcels within the watershed plan area will not be taxed or assessed by more than one public agency for a specific plan project, program, or activity. A revenue proposal must be submitted for election on the same day in all jurisdictions and cannot be implemented unless it receives a majority vote within each participating city, county, and special purpose district.

Other provisions regarding financing of plan implementation are included. Any separate legal entity formed by the watershed management partnership may issue and sell general obligation bonds in the same manner as general county bonds and may issue revenue bonds. In addition, cities, counties, and certain special purpose districts may authorize water-related revenues to be expended for implementation of watershed management plan projects or activities. Water-related revenues include rates, charges, and fees for providing water supply, treatment, distribution, and management services as well as general revenues expended for water management. Authorized special districts include water districts, sewer districts, water-sewer districts, public utility districts, irrigation and reclamation districts, conservation districts, port districts, diking and drainage districts, flood control districts, lake management districts, aquifer protection areas, and shellfish protection districts.

Provisions are added to local government and certain special purpose district statutes to authorize participation in and use of revenue for watershed management partnerships and other interlocal agreements. Definitions are added to the Interlocal Cooperation Act to implement these provisions.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: This bill creates a local option for watershed plan implementation. Many needs exist for water-related projects and activities, and the state is in dire fiscal circumstances. This bill provides flexibility and options to fund watershed projects at the local level. This bill allows creation of a watershed taxing district that could sell bonds. This bill also allows local governments to move a portion of money from one specific

program to provide matching dollars that may be needed for watershed plan implementation funding. The bill promotes a collaborative process at the local level, reduces barriers to cooperation, and increases sources of funds for watershed plan implementation.

Concerns that taxpayers may be taxed multiple times by various local taxing entities should be addressed.

Testimony Against: All local entities involved in the watershed management partnership could exercise taxing authority for the same project. Taxpayers could be taxed multiple times. There should be other ways to address this issue.

Testified: (In support) Senator Fraser, prime sponsor; Senator Honeyford; Paul Parker, Washington State Association of Counties; and Dave Monthie, King County.

(In support with concerns) Mike Moran, Center for Environmental Law and Policy; and Josh Baldi, Washington Environmental Council.

(Opposed) Gene Jenkins.