

E2SSB 6117 - H COMM AMD
By Committee on Appropriations

ADOPTED AND ENGROSSED 04/11/2007

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

3 "NEW SECTION. **Sec. 1.** (1) Since the 1992 enactment of the
4 reclaimed water act, the value of reclaimed water as a new source of
5 supply has received increasing recognition across the state and across
6 the nation. New information on the matters in this section has
7 increased awareness of the need to better manage, protect, and conserve
8 water resources and to use reclaimed water in that process. The
9 legislature now finds the following:

10 (a) Global warming and climate change. Global warming has reduced
11 the volume of glaciers in the North Cascade mountains to between
12 eighteen to thirty-two percent since 1983, and up to seventy-five
13 percent of the glaciers are at risk of disappearing under projected
14 temperatures for this century. Mountain snow pack has declined at
15 virtually every measurement location in the Pacific Northwest, reducing
16 the proportion of annual river flow to Puget Sound during summer months
17 by eighteen percent since 1948. Global warming has also shifted peak
18 stream flows earlier in the year in watersheds covering much of
19 Washington state, including the Columbia river basin, jeopardizing the
20 state's salmon fisheries. The state's recent report on the economic
21 impacts of climate change indicate that water resources will be one of
22 the areas most affected, and that many utilities may need to invest
23 major resources in new supply and conservation measures. Developing
24 and implementing adaptation strategies, such as water conservation that
25 includes the use of reclaimed water, can extend existing water supply
26 systems to help address the global warming impacts. In particular,
27 because reclaimed water uses existing sources of supply and fairly
28 constant base flows of wastewater, it has year-round dependability,
29 without regard to any given year's climate variability. This is

1 particularly important during summer months, when outdoor demands peak
2 and stream flows are critical for fish.

3 (b) Puget Sound. The governor has initiated a Puget Sound
4 partnership, with a request for an initial strategy to address high
5 priority problems. In December, the partnership delivered a strategy
6 that includes expanded use of reclaimed water both in order to improve
7 the Puget Sound's water quality by reducing wastewater discharges and
8 by replacing current sources of supply for nonpotable uses that
9 detrimentally affect stream flows and habitat.

10 (c) Salmon recovery. The federal fisheries services recently
11 approved a salmon recovery plan for the Puget Sound, which was
12 developed across multiple watersheds by numerous local governments,
13 tribal governments, and other parties to achieve sustainable
14 populations of salmon and other species. That plan includes an
15 adaptive management component where continued efforts will be made to
16 address issues, including problems with instream flows, identified as
17 a limiting factor in virtually all the watersheds, through strategies
18 that will be developed by regional and watershed implementation groups.
19 A potentially significant strategy may be the substitution of reclaimed
20 water for nonpotable uses where it will benefit streams and habitat.

21 (d) Water quality. Increasingly stringent federal standards for
22 water quality are forcing a number of communities to develop strategies
23 for wastewater treatment that, in addition to providing higher
24 treatment levels, will reduce the quantity of discharges. For many of
25 those communities, facilities to produce reclaimed water will be a
26 necessary approach to achieve both water quality and water supply
27 objectives.

28 (e) Watershed plans. Under the watershed planning act of 1997,
29 approximately two-thirds of the watersheds in the state have used a
30 bottom-up approach to developing collaborative plans for meeting future
31 water supply needs. Many of those plans include the use of reclaimed
32 water for meeting those needs.

33 (f) Columbia river water management. Pursuant to legislation and
34 funding provided in 2006, federal, state, and local governments and
35 agencies, along with tribal governments, user groups, environmental
36 organizations, and others are developing a comprehensive strategy for
37 the mainstem Columbia that will ensure supplies for future growth while
38 protecting stream flows and fish habitat. The strategy will include

1 multiple tools that may include the potential development of new
2 storage, conservation measures, and water use efficiency. One pathway
3 toward conservation and efficiency is likely to be identification and
4 implementation of reclaimed water opportunities.

5 (g) Development schedule. The time frame required to plan, design,
6 construct, and begin use of reclaimed water can be extensive due to the
7 public information and acceptance efforts required in addition to
8 planning, design, and environmental assessment required for
9 infrastructure projects. This extended time frame necessitates the
10 initiation of reclaimed water projects as soon as possible.

11 (2) It is therefore the intent of the legislature to:

12 (a) Effectuate and reinvigorate the original intent behind the
13 reclaimed water act to expand the use of reclaimed water for nonpotable
14 uses throughout the state;

15 (b) Restate and emphasize the use of reclaimed water as a matter of
16 water resource management policy;

17 (c) Address current barriers to the use of reclaimed water, where
18 changes in state law will resolve such issues;

19 (d) Develop information from the state agencies responsible for
20 promoting the use of reclaimed water and address regulatory, financial,
21 planning, and other barriers to the expanded use of reclaimed water,
22 relying on state agency expertise and experience with reclaimed water;

23 (e) Facilitate achieving state, regional, and local objectives
24 through use of reclaimed water for water supply purposes in high
25 priority areas of the state, and in regional and local watershed and
26 water planning;

27 (f) Provide planning tools to local governments to incorporate
28 reclaimed water and related water conservation into land use plans,
29 consistent with water planning;

30 (g) Expand the scope of work of the advisory committee established
31 under chapter 279, Laws of 2006 to identify other reclaimed water
32 issues that should be addressed; and

33 (h) Provide initial funding, and evaluate options for providing
34 additional direct state funding, for reclaimed water projects.

35 **Sec. 2.** RCW 90.46.005 and 2001 c 69 s 1 are each amended to read
36 as follows:

37 The legislature finds that by encouraging the use of reclaimed

1 water while assuring the health and safety of all Washington citizens
2 and the protection of its environment, the state of Washington will
3 continue to use water in the best interests of present and future
4 generations.

5 To facilitate the immediate use of reclaimed water (~~((as soon as is~~
6 ~~practicable, the legislature encourages the cooperative efforts of the~~
7 ~~public and private sectors and the use of pilot projects))~~ for uses
8 approved by the departments of ecology and health, the state shall
9 expand both direct financial support and financial incentives for
10 capital investments in water reuse and reclaimed water to effectuate
11 the goals of this chapter. The legislature further directs the
12 department of health and the department of ecology to coordinate
13 efforts towards developing an efficient and streamlined process for
14 creating and implementing processes for the use of reclaimed water.

15 It is hereby declared that the people of the state of Washington
16 have a primary interest in the development of facilities to provide
17 reclaimed water to replace potable water in nonpotable applications, to
18 supplement existing surface and ground water supplies, and to assist in
19 meeting the future water requirements of the state.

20 The legislature further finds and declares that the utilization of
21 reclaimed water by local communities for domestic, agricultural,
22 industrial, recreational, and fish and wildlife habitat creation and
23 enhancement purposes, including wetland enhancement, will contribute to
24 the peace, health, safety, and welfare of the people of the state of
25 Washington. To the extent reclaimed water is appropriate for
26 beneficial uses, it should be so used to preserve potable water for
27 drinking purposes, contribute to the restoration and protection of
28 instream flows that are crucial to preservation of the state's salmonid
29 fishery resources, contribute to the restoration of Puget Sound by
30 reducing wastewater discharge, provide a drought resistant source of
31 water supply for nonpotable needs, or be a source of supply integrated
32 into state, regional, and local strategies to respond to population
33 growth and global warming. Use of reclaimed water constitutes the
34 development of new basic water supplies needed for future generations
35 and local and regional water management planning should consider
36 coordination of infrastructure, development, storage, water reclamation
37 and reuse, and source exchange as strategies to meet water demands
38 associated with population growth and impacts of global warming.

1 The legislature further finds and declares that the use of
2 reclaimed water is not inconsistent with the policy of antidegradation
3 of state waters announced in other state statutes, including the water
4 pollution control act, chapter 90.48 RCW and the water resources act,
5 chapter 90.54 RCW.

6 The legislature finds that other states, including California,
7 Florida, and Arizona, have successfully used reclaimed water to
8 supplement existing water supplies without threatening existing
9 resources or public health.

10 It is the intent of the legislature that the department of ecology
11 and the department of health undertake the necessary steps to encourage
12 the development of water reclamation facilities so that reclaimed water
13 may be made available to help meet the growing water requirements of
14 the state.

15 The legislature further finds and declares that reclaimed water
16 facilities are water pollution control facilities as defined in chapter
17 70.146 RCW and are eligible for financial assistance as provided in
18 chapter 70.146 RCW. The legislature finds that funding demonstration
19 projects will ensure the future use of reclaimed water. The
20 demonstration projects in RCW 90.46.110 are varied in nature and will
21 provide the experience necessary to test different facets of the
22 standards and refine a variety of technologies so that water purveyors
23 can begin to use reclaimed water technology in a more cost-effective
24 manner. This is especially critical in smaller cities and communities
25 where the feasibility for such projects is great, but there are scarce
26 resources to develop the necessary facilities.

27 The legislature further finds that the agricultural processing
28 industry can play a critical and beneficial role in promoting the
29 efficient use of water by having the opportunity to develop and reuse
30 agricultural industrial process water from food processing.

31 **Sec. 3.** RCW 90.46.120 and 2003 1st sp.s. c 5 s 13 are each amended
32 to read as follows:

33 (1) The owner of a wastewater treatment facility that is reclaiming
34 water with a permit issued under this chapter has the exclusive right
35 to any reclaimed water generated by the wastewater treatment facility.
36 Use ~~((and))~~, distribution ~~((of the))~~, and the recovery from aquifer
37 storage of reclaimed water by the owner of the wastewater treatment

1 facility is exempt from the permit requirements of RCW 90.03.250 and
2 90.44.060, provided that a permit for recovery of reclaimed water from
3 aquifer storage and recovery shall be reviewed under the standards
4 established under RCW 90.03.370(2). Revenues derived from the
5 reclaimed water facility shall be used only to offset the cost of
6 operation of the wastewater utility fund or other applicable source of
7 system-wide funding.

8 (2) If the proposed use or uses of reclaimed water are intended to
9 augment or replace potable water supplies or create the potential for
10 the development of additional potable water supplies, such use or uses
11 shall be considered in the development of ~~((the))~~ any regional water
12 supply plan or plans addressing potable water supply service by
13 multiple water purveyors. Such water supply plans include plans
14 developed by multiple jurisdictions under the relevant provisions of
15 chapters 43.20, 70.116, 90.44, and 90.82 RCW, and the water supply
16 provisions under the utility element of chapter 36.70A RCW. The method
17 by which such plans are approved shall remain unchanged. The owner of
18 a wastewater treatment facility that proposes to reclaim water shall be
19 included as a participant in the development of such regional water
20 supply plan or plans.

21 (3) Where opportunities for the use of reclaimed water exist within
22 the period of time addressed by a water system plan, a water supply
23 plan, or a coordinated water system plan developed under chapters 43.20
24 ~~((or))~~, 70.116, 90.44, and 90.82 RCW, and the water supply provisions
25 under the utility element of chapter 36.70A RCW, these plans must be
26 developed and coordinated to ensure that opportunities for reclaimed
27 water are evaluated. The requirements of this subsection (3) do not
28 apply to water system plans developed under chapter 43.20 RCW for
29 utilities serving less than one thousand service connections.

30 (4) The provisions of any plan for reclaimed water, developed under
31 the authorities in subsections (2) and (3) of this section, should be
32 included by a city, town, or county in reviewing provisions for water
33 supplies in a proposed short plat, short subdivision, or subdivision
34 under chapter 58.17 RCW, where reclaimed water supplies may be proposed
35 for nonpotable purposes in the short plat, short subdivision, or
36 subdivision.

1 **Sec. 4.** RCW 90.46.130 and 2002 c 329 s 5 are each amended to read
2 as follows:

3 (1)(a) Except as provided in subsections (2) and (5) of this
4 section, facilities that reclaim water under this chapter shall not
5 impair any existing water right downstream from any freshwater
6 discharge points of such facilities unless ~~((compensation or mitigation~~
7 ~~for such impairment is agreed to by the holder of the affected water~~
8 ~~right)) the impairment is mitigated or the holder of the water right is~~
9 provided just compensation for the impairment. For purposes of this
10 subsection, "just compensation" has the same meaning as provided in
11 Title 8 RCW.

12 **(b)** Any reclaimed water project that reduces the quantity of sewage
13 treatment plant effluent discharged directly into marine waters is
14 deemed to not impair any existing water rights.

15 (2) Agricultural water use of agricultural industrial process water
16 and use of industrial reuse water under this chapter shall not impair
17 existing water rights within the water source that is the source of
18 supply for the agricultural processing plant or the industrial
19 processing and, if the water source is surface water, the existing
20 water rights are downstream from the agricultural processing plant's
21 discharge points existing on July 22, 2001, or from the industrial
22 processing's discharge points existing on June 13, 2002.

23 (3) The department of ecology shall convene and staff a task force
24 to review potential barriers or issues related to development of
25 reclaimed water projects pursuant to the evaluation of water rights
26 impairment under this section and related impairment issues and shall
27 report the findings and any recommendations of this review to the
28 appropriate standing committees of the legislature no later than
29 December 31, 2007. The task force shall be cochaired by a
30 representative from the water quality and the water resources programs
31 at the department, and shall consist of representatives of interested
32 groups, including the attorney general, the department of health, local
33 governments, tribal governments, water utilities, reclaimed water
34 utilities, wastewater utilities, environmental organizations,
35 agricultural organizations, and businesses including golf course
36 owners. The task force and report shall address the following topics
37 at a minimum: (a) Internal processing of reclaimed water permits by
38 the department, including the ability to deliver timely decisions on

1 potential impairment of water rights; (b) compliance with state and
2 federal water quality standards on existing and future discharges,
3 including potential requirements on wastewater utilities to reduce
4 discharges to water and increase upland discharges; (c) nature of water
5 that is imported into a watershed or potentially exported from the
6 watershed in the form of effluent or reclaimed water; (d) inequities or
7 different treatment of processing of reclaimed water permits and
8 wastewater permits for similar treatment and facilities; (e) ability of
9 existing provisions of state law, such as chapter 90.48 RCW, to address
10 possible impacts to, and mitigation for, stream flows and fish habitat;
11 (f) technical ability to determine impacts to water sources from
12 reclaimed water facilities; (g) approaches to these issues in other
13 western states with significant use of reclaimed water; (h) the ability
14 of subsection (1)(a) of this section to adequately, efficiently, and
15 equitably address impairment compensation and mitigation.

16 (4) For purposes of determining a claim of impairment under
17 subsection (1)(a) of this section, of a downstream water right existing
18 as of August 18, 1997, the applicant for a reclaimed water permit shall
19 publish notice of an application for a permit for a reclaimed water
20 facility in the same manner as provided for in RCW 90.48.170. If the
21 department receives a claim of impairment within thirty days of the
22 last publication of notice, the department shall investigate the claim
23 of impairment and issue a written decision. The decision must include
24 any conditions the department finds necessary to mitigate any
25 impairment. The decision must be issued within one hundred eighty days
26 and is appealable by any party under RCW 43.21B.310, regardless of
27 whether the party submits a claim of impairment within thirty days of
28 the last publication of notice, upon the issuance of the decision or as
29 part of the overall reclaimed water permit upon the issuance of a
30 reclaimed water permit. This section may not be construed as exempting
31 a reclaimed water project from the provisions of chapter 43.21C RCW.

32 (5) This section may not be construed as establishing any right for
33 a downstream water right holder to the continued discharge from an
34 upstream wastewater treatment plant or reclaimed water facility.

35 **Sec. 5.** 2006 c 279 s 3 (uncodified) is amended to read as follows:

36 (1) In order to identify and pursue other measures to facilitate
37 achieving the objectives in RCW 90.46.005 for expanded, appropriate,

1 and safe use of reclaimed water, the department of ecology and the
2 department of health shall provide the legislature with relevant
3 information through periodic progress reports, as provided in this
4 section.

5 (2) The department of ecology (~~(must present)~~) shall provide
6 interim reports to the appropriate committees of the legislature by
7 January 1, 2008, and January 1, 2009, that summarize the steps taken to
8 that date towards the final rule making required by (~~section 1 of this~~
9 ~~act~~) RCW 90.46.015. The reports (~~must~~) shall include, at a minimum,
10 a summary of participation in the rule advisory (~~group and~~)
11 committee, the topics considered by the department, and issues
12 identified by the rule advisory committee as barriers to expanded use
13 of reclaimed water that may not be addressed within the rules to be
14 adopted by the department.

15 (3) In addition to subsection (2) of this section, the department
16 shall form a subtask force consisting of not more than ten members
17 chosen from the existing rule advisory committee, and reclaimed water
18 users, to further identify and recommend actions to increase the
19 promotion of reclaimed water as a water supply and water resource
20 management option. At a minimum, the subtask force shall consider (a)
21 issues assigned by the rule advisory committee; (b) staffing levels,
22 resources, and roles within both state agencies; (c) optimizing
23 organizational structure; (d) unresolved legal issues specific to
24 reclaimed water use; and (e) a more appropriate name to describe
25 reclaimed water. Information regarding these topics shall be appended
26 to the required interim reports as the topics are considered by the
27 advisory group.

28 **Sec. 6.** RCW 90.82.043 and 2003 1st sp.s. c 4 s 3 are each amended
29 to read as follows:

30 (1) Within one year of accepting funding under RCW 90.82.040(2)(e),
31 the planning unit must complete a detailed implementation plan.
32 Submittal of a detailed implementation plan to the department is a
33 condition of receiving grants for the second and all subsequent years
34 of the phase four grant.

35 (2) Each implementation plan must contain strategies to provide
36 sufficient water for: (a) Production agriculture; (b) commercial,

1 industrial, and residential use; and (c) instream flows. Each
2 implementation plan must contain timelines to achieve these strategies
3 and interim milestones to measure progress.

4 (3) The implementation plan must clearly define coordination and
5 oversight responsibilities; any needed interlocal agreements, rules, or
6 ordinances; any needed state or local administrative approvals and
7 permits that must be secured; and specific funding mechanisms.

8 (4) In developing the implementation plan, the planning unit must
9 consult with other entities planning in the watershed management area
10 and identify and seek to eliminate any activities or policies that are
11 duplicative or inconsistent.

12 (5)(a) By December 1, 2003, and by December 1st of each subsequent
13 year, the director of the department shall report to the appropriate
14 legislative standing committees regarding statutory changes necessary
15 to enable state agency approval or permit decision making needed to
16 implement a plan approved under this chapter.

17 (b) Beginning with the December 1, 2007, report, and then every two
18 years thereafter, the director shall include in each report the extent
19 to which reclaimed water has been identified in the watershed plans as
20 potential sources or strategies to meet future water needs, and
21 provisions in any watershed implementation plans that discuss barriers
22 to implementation of the water reuse elements of those plans. The
23 department's report shall include an estimate of the potential cost of
24 reclaimed water facilities and identification of potential sources of
25 funding for them.

26 NEW SECTION. Sec. 7. (1) By January 1, 2008, the department of
27 health shall file a brief report with the appropriate committees of the
28 legislature on the general status of:

29 (a) Development of permit fees for industrial and commercial uses
30 of reclaimed water as required by RCW 90.46.030;

31 (b) Development of standards and guidelines for greywater use as
32 required by RCW 90.46.140; and

33 (c) Permitting of greywater use by local health officers and
34 plumbing officials in accordance with standards and guidelines
35 developed pursuant to RCW 90.46.140.

36 (2) The report shall also identify:

1 (a) A general description of the number, type, and location of
2 reclaimed water opportunities included in water supply and coordinated
3 water system plans since 2003, as required by RCW 90.46.140;

4 (b) The best information currently available regarding potential
5 public health risks associated with reclaimed water, if any, any known
6 occurrences of any public health incidents associated with reclaimed
7 water use, the approaches to reclaimed water-related public health
8 issues taken in other states, and resource needs of the department to
9 evaluate any known public health risks; and

10 (c) A description of a basic public information and public
11 acceptance program necessary to generate public support for the
12 beneficial use of reclaimed water.

13 (3) In order to ensure brevity of the report, the department should
14 include references to existing documents, reports, internet sites, and
15 other sources of detailed information on the foregoing issues.

16 **Sec. 8.** RCW 90.54.020 and 1997 c 442 s 201 are each amended to
17 read as follows:

18 Utilization and management of the waters of the state shall be
19 guided by the following general declaration of fundamentals:

20 (1) Uses of water for domestic, stock watering, industrial,
21 commercial, agricultural, irrigation, hydroelectric power production,
22 mining, fish and wildlife maintenance and enhancement, recreational,
23 and thermal power production purposes, and preservation of
24 environmental and aesthetic values, and all other uses compatible with
25 the enjoyment of the public waters of the state, are declared to be
26 beneficial.

27 (2) Allocation of waters among potential uses and users shall be
28 based generally on the securing of the maximum net benefits for the
29 people of the state. Maximum net benefits shall constitute total
30 benefits less costs including opportunities lost.

31 (3) The quality of the natural environment shall be protected and,
32 where possible, enhanced as follows:

33 (a) Perennial rivers and streams of the state shall be retained
34 with base flows necessary to provide for preservation of wildlife,
35 fish, scenic, aesthetic and other environmental values, and
36 navigational values. Lakes and ponds shall be retained substantially
37 in their natural condition. Withdrawals of water which would conflict

1 therewith shall be authorized only in those situations where it is
2 clear that overriding considerations of the public interest will be
3 served.

4 (b) Waters of the state shall be of high quality. Regardless of
5 the quality of the waters of the state, all wastes and other materials
6 and substances proposed for entry into said waters shall be provided
7 with all known, available, and reasonable methods of treatment prior to
8 entry. Notwithstanding that standards of quality established for the
9 waters of the state would not be violated, wastes and other materials
10 and substances shall not be allowed to enter such waters which will
11 reduce the existing quality thereof, except in those situations where
12 it is clear that overriding considerations of the public interest will
13 be served. Technology-based effluent limitations or standards for
14 discharges for municipal water treatment plants located on the
15 Chehalis, Columbia, Cowlitz, Lewis, or Skagit river shall be adjusted
16 to reflect credit for substances removed from the plant intake water
17 if:

18 (i) The municipality demonstrates that the intake water is drawn
19 from the same body of water into which the discharge is made; and

20 (ii) The municipality demonstrates that no violation of receiving
21 water quality standards or appreciable environmental degradation will
22 result.

23 (4) The development of multipurpose water storage facilities shall
24 be a high priority for programs of water allocation, planning,
25 management, and efficiency. The department, other state agencies,
26 local governments, and planning units formed under section 107 or 108
27 of this act shall evaluate the potential for the development of new
28 storage projects and the benefits and effects of storage in reducing
29 damage to stream banks and property, increasing the use of land,
30 providing water for municipal, industrial, agricultural, power
31 generation, and other beneficial uses, and improving stream flow
32 regimes for fisheries and other instream uses.

33 (5) Adequate and safe supplies of water shall be preserved and
34 protected in potable condition to satisfy human domestic needs.

35 (6) Multiple-purpose impoundment structures are to be preferred
36 over single-purpose structures. Due regard shall be given to means and
37 methods for protection of fishery resources in the planning for and

1 construction of water impoundment structures and other artificial
2 obstructions.

3 (7) Federal, state, and local governments, individuals,
4 corporations, groups and other entities shall be encouraged to carry
5 out practices of conservation as they relate to the use of the waters
6 of the state. In addition to traditional development approaches,
7 improved water use efficiency (~~and~~), conservation, and use of
8 reclaimed water shall be emphasized in the management of the state's
9 water resources and in some cases will be a potential new source of
10 water with which to meet future needs throughout the state. Use of
11 reclaimed water shall be encouraged through state and local planning
12 and programs with incentives for state financial assistance recognizing
13 programs and plans that encourage the use of conservation and reclaimed
14 water use, and state agencies shall continue to review and reduce
15 regulatory barriers and streamline permitting for the use of reclaimed
16 water where appropriate.

17 (8) Development of water supply systems, whether publicly or
18 privately owned, which provide water to the public generally in
19 regional areas within the state shall be encouraged. Development of
20 water supply systems for multiple domestic use which will not serve the
21 public generally shall be discouraged where water supplies are
22 available from water systems serving the public.

23 (9) Full recognition shall be given in the administration of water
24 allocation and use programs to the natural interrelationships of
25 surface and ground waters.

26 (10) Expressions of the public interest will be sought at all
27 stages of water planning and allocation discussions.

28 (11) Water management programs, including but not limited to, water
29 quality, flood control, drainage, erosion control and storm runoff are
30 deemed to be in the public interest.

31 **Sec. 9.** RCW 90.54.180 and 1989 c 348 s 5 are each amended to read
32 as follows:

33 Consistent with the fundamentals of water resource policy set forth
34 in this chapter, state and local governments, individuals,
35 corporations, groups and other entities shall be encouraged to carry
36 out water use efficiency and conservation programs and practices
37 consistent with the following:

1 (1) Water efficiency and conservation programs should utilize an
2 appropriate mix of economic incentives, cost share programs, regulatory
3 programs, and technical and public information efforts. Programs which
4 encourage voluntary participation are preferred.

5 (2) Increased water use efficiency and reclaimed water should
6 receive consideration as a potential source of water in state and local
7 water resource planning processes. In determining the cost-
8 effectiveness of alternative water sources, consideration should be
9 given to the benefits of conservation, waste water recycling, and
10 impoundment of waters. Where reclaimed water is a feasible replacement
11 source of water, it shall be used by state agencies and state
12 facilities for nonpotable water uses in lieu of the use of potable
13 water. For purposes of this requirement, feasible replacement source
14 means (a) the reclaimed water is of adequate quality and quantity for
15 the proposed use; (b) the proposed use is approved by the departments
16 of ecology and health; (c) the reclaimed water can be reliably supplied
17 by a local public agency or public water system; and (d) the cost of
18 the reclaimed water is reasonable relative to the costs of conservation
19 or other potentially available supplies of potable water, after taking
20 into account all costs and benefits, including environmental costs and
21 benefits.

22 (3) In determining the cost-effectiveness of alternative water
23 sources, full consideration should be given to the benefits of storage
24 which can reduce the damage to stream banks and property, increase the
25 utilization of land, provide water for municipal, industrial,
26 agricultural, and other beneficial uses, provide for the generation of
27 electric power from renewable resources, and improve stream flow
28 regimes for fishery and other instream uses.

29 (4) Entities receiving state financial assistance for construction
30 of water source expansion or acquisition of new sources shall develop,
31 and implement if cost-effective, a water use efficiency and
32 conservation element of a water supply plan pursuant to RCW
33 43.20.230(1).

34 (5) State programs to improve water use efficiency should focus on
35 those areas of the state in which water is overappropriated; areas that
36 experience diminished streamflows or aquifer levels; regional areas
37 that the governor has identified as high priority for investments in
38 improved water quality and quantity, including the Spokane river, the

1 Columbia river basin, and the Puget Sound; areas most likely to be
2 affected by global warming; and areas where projected water needs,
3 including those for instream flows, exceed available supplies.

4 (6) Existing and future generations of citizens of the state of
5 Washington should be made aware of the importance of the state's water
6 resources and the need for wise and efficient use and development of
7 this vital resource. In order to increase this awareness, state
8 agencies should integrate public (~~(education)~~) information programs on
9 increasing water use efficiency into existing public information
10 efforts. This effort shall be coordinated with other levels of
11 government, including local governments and Indian tribes.

12 NEW SECTION. Sec. 10. A new section is added to chapter 90.46 RCW
13 to read as follows:

14 (1) The department of ecology shall establish a subtask force from
15 the existing rule advisory committee, and reclaimed water users, by
16 July 31, 2007, composed of no more than ten members including a
17 representative from the department of ecology, who shall serve as
18 chair, a representative from the department of health, and
19 representatives from city, county, and water-sewer district utilities,
20 and the environmental and business communities. By January 1, 2008,
21 the subtask force shall submit to the appropriate legislative
22 committees a recommendation for a long-term dedicated funding program
23 to construct reclaimed water facilities. To minimize the
24 administrative burden, the subtask force shall work toward a
25 coordinated effort with the current clean water state revolving fund
26 and centennial clean water fund integrated program under which
27 reclaimed water projects with a water quality benefit are currently
28 eligible and shall review the "2006 Inventory of State Infrastructure
29 Programs" produced by the joint legislative audit and review committee.
30 The subtask force shall also review current existing conservation and
31 water reuse plans or programs for cities, counties, and districts and
32 provide a report to the appropriate legislative committees regarding
33 the number, general nature, and extent that conservation and reclaimed
34 water use is identified or incorporated into such plans. The subtask
35 force also shall consider, and recommend, provisions on: (a) The
36 inclusion of reclaimed water use criteria or requirements as an element
37 of water use efficiency requirements required under RCW 70.119A.180 and

1 for water system, public water system, and/or regional water plans as
2 required under chapters 43.20 and 70.119 RCW; and (b) the current and
3 potential use of water conservation plans or ordinances, water
4 conservation measures in regional watershed plans, and water
5 conservation programs adopted by cities, towns, or counties addressing
6 the use of reclaimed water where potable water is not required by the
7 department of health.

8 (2) The recommendation shall provide a comprehensive funding, loan,
9 and grant program that includes the following:

10 (a) Eligibility requirements: Eligible components should include
11 the additional water reclamation components to treat wastewater
12 effluent to reclaimed water standards, distribution pump stations,
13 storage, trunk lines, and distribution lines, and multiple-purpose
14 projects in proportion to the costs allocated to reclaimed water;

15 (b) Competitive process for funding: The funding should be
16 competitive and establish a maximum percentage or maximum funding
17 amount available to any applicant;

18 (c) Priorities for funding that target reclaimed water projects
19 ready to proceed, local support for the project, projects in areas that
20 have adopted mandatory use ordinances or letters of intent to execute
21 user contracts, projects providing broader public benefits to
22 environmental water quality or water resource needs such as Puget Sound
23 restoration, Columbia river water management strategies, water quality
24 improvements, wetlands habitat, and instream flows, projects with
25 benefits that clearly extend to citizens other than the utility
26 ratepayers; and

27 (d) A proposed grant program for projects in identified high
28 priority areas.

29 NEW SECTION. **Sec. 11.** A new section is added to chapter 90.46 RCW
30 to read as follows:

31 (1) The legislature finds that the state should take a lead in
32 increasing the visibility of the use of reclaimed water.

33 (2) The department of general administration shall develop a
34 proposal to provide a comprehensive campus-wide plan for the use of
35 nonpotable water in lieu of the use of potable water for irrigation and
36 related outdoor uses, to serve as a demonstration project for the use
37 of reclaimed water. The department of general administration shall

1 work with the city of Olympia to provide a report to the legislature by
2 December 1, 2007, of the needed infrastructure, cost, and potential
3 funding sources for the project."

4 Correct the title.

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