## CERTIFICATION OF ENROLLMENT

## ENGROSSED SUBSTITUTE SENATE BILL 5372

Chapter 341, Laws of 2007

60th Legislature 2007 Regular Session

PUGET SOUND PARTNERSHIP

EFFECTIVE DATE: 07/01/07

Passed by the Senate April 20, 2007 YEAS 43 NAYS 4

## BRAD OWEN

## President of the Senate

Passed by the House April 10, 2007 YEAS 86 NAYS 12

## FRANK CHOPP

## Speaker of the House of Representatives

THOMAS HOEMANN

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of

Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5372** as

passed by the Senate and the House

of Representatives on the dates

hereon set forth.

Secretary

Approved May 7, 2007, 9:43 a.m.

FILED

May 8, 2007

CHRISTINE GREGOIRE

Governor of the State of Washington

Secretary of State State of Washington

# ENGROSSED SUBSTITUTE SENATE BILL 5372

## AS AMENDED BY THE HOUSE

Passed Legislature - 2007 Regular Session

## State of Washington

60th Legislature 2007 Regular Session

Senate Committee on Water, Energy & Telecommunications (originally sponsored by Senators Rockefeller, Swecker, Poulsen, Marr, Keiser, Shin, Kline, McAuliffe, Fraser, Kilmer and Murray; by request of Governor Gregoire)

READ FIRST TIME 02/28/07.

AN ACT Relating to the Puget Sound partnership; amending RCW 1 2 90.71.010, 90.71.060, 43.155.070, 70.146.070, 89.08.520, 70.105D.070, 79A.15.040, 90.50A.030, 90.50A.040, 90.71.100, 77.60.160, 43.17.010, 3 43.17.020, 42.17.2401, 77.85.090, 90.88.005, 90.88.020, 90.88.030, 4 90.88.901, 90.88.902, 90.48.260, 79A.60.520, 79A.60.510, 79.105.500, 5 77.60.130, 70.146.070, 70.118.090, 43.21J.030, 43.21J.040, and 6 7 28B.30.632; reenacting and amending RCW 79.105.150 and 77.85.130; adding a new section to chapter 43.155 RCW; adding a new section to 8 9 chapter 70.146 RCW; adding a new section to chapter 89.08 RCW; adding 10 a new section to chapter 70.105D RCW; adding a new section to chapter 79.105 RCW; adding a new section to chapter 79A.15 RCW; adding a new 11 12 section to chapter 77.85 RCW; adding a new section to chapter 90.50A RCW; adding a new section to chapter 41.06 RCW; adding new sections to 13 chapter 90.71 RCW; recodifying RCW 90.71.100; decodifying RCW 90.71.902 14 90.71.903; repealing RCW 90.71.005, 90.71.015, 90.71.020, 15 90.71.030, 90.71.040, 90.71.050, 90.71.070, 90.71.080, 90.71.900, and 16 90.71.901; providing an effective date; and declaring an emergency. 17

### 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

- NEW SECTION. Sec. 1. FINDINGS AND INTENT. (1) The legislature finds that:
  - (a) Puget Sound, including Hood Canal, and the waters that flow to it are a national treasure and a unique resource. Residents enjoy a way of life centered around these waters that depends upon clean and healthy marine and freshwater resources.
  - (b) Puget Sound is in serious decline, and Hood Canal is in a serious crisis. This decline is indicated by loss of and damage to critical habit, rapid decline in species populations, increases in aquatic nuisance species, numerous toxics contaminated sites, urbanization and attendant storm water drainage, closure of beaches to shellfish harvest due to disease risks, low-dissolved oxygen levels causing death of marine life, and other phenomena. If left unchecked, these conditions will worsen.
  - (c) Puget Sound must be restored and protected in a more coherent and effective manner. The current system is highly fragmented. Immediate and concerted action is necessary by all levels of government working with the public, nongovernmental organizations, and the private sector to ensure a thriving natural system that exists in harmony with a vibrant economy.
  - (d) Leadership, accountability, government transparency, thoughtful and responsible spending of public funds, and public involvement will be integral to the success of efforts to restore and protect Puget Sound.
  - (2) The legislature therefore creates a new Puget Sound partnership to coordinate and lead the effort to restore and protect Puget Sound, and intends that all governmental entities, including federal and state agencies, tribes, cities, counties, ports, and special purpose districts, support and help implement the partnership's restoration efforts. The legislature further intends that the partnership will:
  - (a) Define a strategic action agenda prioritizing necessary actions, both basin-wide and within specific areas, and creating an approach that addresses all of the complex connections among the land, water, web of species, and human needs. The action agenda will be based on science and include clear, measurable goals for the recovery of Puget Sound by 2020;
- 37 (b) Determine accountability for performance, oversee the

- efficiency and effectiveness of money spent, educate and engage the public, and track and report results to the legislature, the governor, and the public;
- 4 (c) Not have regulatory authority, nor authority to transfer the 5 responsibility for, or implementation of, any state regulatory program, 6 unless otherwise specifically authorized by the legislature.
- 7 (3) It is the goal of the state that the health of Puget Sound be restored by 2020.
- 9 **Sec. 2.** RCW 90.71.010 and 1996 c 138 s 2 are each amended to read 10 as follows:
- 11 Unless the context clearly requires otherwise, the definitions in 12 this section apply throughout this chapter.
- 13 (1) (("Action team" means the Puget Sound water quality action 14 team.
- 15 (2) "Chair" means the chair of the action team.
- 16 (3) "Council" means the Puget Sound council created in RCW 17 90.71.030.
- (4) "Puget Sound management plan" means the 1994 Puget Sound water quality management plan as it exists June 30, 1996, and as subsequently amended by the action team.
- 21 (5) "Support staff" means the staff to the action team.
- 22 (6) "Work plan" means the work plan and budget developed by the
  23 action team.)) "Action agenda" means the comprehensive schedule of
  24 projects, programs, and other activities designed to achieve a healthy
  25 Puget Sound ecosystem that is authorized and further described in
  26 sections 12 and 13 of this act.
- 27 (2) "Action area" means the geographic areas delineated as provided 28 in section 8 of this act.
- 29 <u>(3) "Benchmarks" means measurable interim milestones or</u> 30 <u>achievements established to demonstrate progress towards a goal,</u> 31 objective, or outcome.
  - (4) "Board" means the ecosystem coordination board.
- 33 (5) "Council" means the leadership council.

34 (6) "Environmental indicator" means a physical, biological, or 35 chemical measurement, statistic, or value that provides a proximate 36 gauge, or evidence of, the state or condition of Puget Sound.

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- 1 (7) "Implementation strategies" means the strategies incorporated 2 on a biennial basis in the action agenda developed under section 13 of 3 this act.
  - (8) "Nearshore" means the area beginning at the crest of coastal bluffs and extending seaward through the marine photics zone, and to the head of tide in coastal rivers and streams. "Nearshore" also means both shoreline and estuaries.
    - (9) "Panel" means the Puget Sound science panel.
- 9 (10) "Partnership" means the Puget Sound partnership.
- (11) "Puget Sound" means Puget Sound and related inland marine waters, including all salt waters of the state of Washington inside the international boundary line between Washington and British Columbia, and lying east of the junction of the Pacific Ocean and the Strait of Juan de Fuca, and the rivers and streams draining to Puget Sound as mapped by water resource inventory areas 1 through 19 in WAC 173-500-040 as it exists on the effective date of this section.
  - (12) "Puget Sound partner" means an entity that has been recognized by the partnership, as provided in section 16 of this act, as having consistently achieved outstanding progress in implementing the 2020 action agenda.
    - (13) "Watershed groups" means all groups sponsoring or administering watershed programs, including but not limited to local governments, private sector entities, watershed planning units, watershed councils, shellfish protection areas, regional fishery enhancement groups, marine resource committees including those working with the northwest straits commission, nearshore groups, and watershed lead entities.
  - (14) "Watershed programs" means and includes all watershed-level plans, programs, projects, and activities that relate to or may contribute to the protection or restoration of Puget Sound waters.

    Such programs include jurisdiction-wide programs regardless of whether more than one watershed is addressed.
- NEW SECTION. Sec. 3. PUGET SOUND PARTNERSHIP--AGENCY CREATED. An agency of state government, to be known as the Puget Sound partnership, is created to oversee the restoration of the environmental health of Puget Sound by 2020. The agency shall consist of a leadership council,

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- 1 an executive director, an ecosystem coordination board, and a Puget
- 2 Sound science panel.
- 3 NEW SECTION. Sec. 4. LEADERSHIP COUNCIL---STRUCTURE---PROCEDURES.
- 4 (1) The partnership shall be led by a leadership council composed of
- 5 seven members appointed by the governor, with the advice and consent of
- 6 the senate. The governor shall appoint members who are publicly
- 7 respected and influential, are interested in the environmental and
- 8 economic prosperity of Puget Sound, and have demonstrated leadership
- 9 qualities. The governor shall designate one of the seven members to
- 10 serve as chair and a vice-chair shall be selected annually by the
- 11 membership of the council.

- 12 (2) The initial members shall be appointed as follows:
- 13 (a) Three of the initial members shall be appointed for a term of two years;
- 15 (b) Two of the initial members shall be appointed for a term of three years; and
- 17 (c) Two of the initial members shall be appointed for a term of 18 four years.
- 19 (3) The initial members' successors shall be appointed for terms of 20 four years each, except that any person chosen to fill a vacancy shall 21 be appointed only for the unexpired term of the member whom he or she 22 succeeds.
  - (4) Members of the council are eligible for reappointment.
- 24 (5) Any member of the council may be removed by the governor for cause.
- 26 (6) Members whose terms expire shall continue to serve until 27 reappointed or replaced by a new member.
- 28 (7) A majority of the council constitutes a quorum for the 29 transaction of business.
- 30 (8) Council decisions and actions require majority vote approval of all council members.
- NEW SECTION. Sec. 5. LEADERSHIP COUNCIL--POWERS AND DUTIES. (1)
- 33 The leadership council shall have the power and duty to:
- 34 (a) Provide leadership and have responsibility for the functions of
- 35 the partnership, including adopting, revising, and guiding the
- 36 implementation of the action agenda, allocating funds for Puget Sound

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- recovery, providing progress and other reports, setting strategic priorities and benchmarks, adopting and applying accountability measures, and making appointments to the board and panel;
  - (b) Adopt rules, in accordance with chapter 34.05 RCW;
  - (c) Create subcommittees and advisory committees as appropriate to assist the council;
  - (d) Enter into, amend, and terminate contracts with individuals, corporations, or research institutions to effectuate the purposes of this chapter;
  - (e) Make grants to governmental and nongovernmental entities to effectuate the purposes of this chapter;
  - (f) Receive such gifts, grants, and endowments, in trust or otherwise, for the use and benefit of the partnership to effectuate the purposes of this chapter;
- 15 (g) Promote extensive public awareness, education, and 16 participation in Puget Sound protection and recovery;
  - (h) Work collaboratively with the Hood Canal coordinating council established in chapter 90.88 RCW on Hood Canal-specific issues;
  - (i) Maintain complete and consolidated financial information to ensure that all funds received and expended to implement the action agenda have been accounted for; and
  - (j) Such other powers and duties as are necessary and appropriate to carry out the provisions of this chapter.
  - (2) The council may delegate functions to the chair and to the executive director, however the council may not delegate its decisional authority regarding developing or amending the action agenda.
  - (3) The council shall work closely with existing organizations and all levels of government to ensure that the action agenda and its implementation are scientifically sound, efficient, and achieve necessary results to accomplish recovery of Puget Sound to health by 2020.
  - (4) The council shall support, engage, and foster collaboration among watershed groups to assist in the recovery of Puget Sound.
  - (5) When working with federally recognized Indian tribes to develop and implement the action agenda, the council shall conform to the procedures and standards required in a government-to-governmental relationship with tribes under the 1989 Centennial Accord between the

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- state of Washington and the sovereign tribal governments in the state of Washington.
- 3 (6) Members of the council shall be compensated in accordance with 4 RCW 43.03.220 and be reimbursed for travel expenses in accordance with 5 RCW 43.03.050 and 43.03.060.
- NEW SECTION. Sec. 6. EXECUTIVE DIRECTOR--POWERS AND DUTIES. (1)
  The partnership shall be administered by an executive director who
  serves as a communication link between all levels of government, the
  private sector, tribes, nongovernmental organizations, the council, the
  board, and the panel. The executive director shall be accountable to
  the council and the governor for effective communication, actions, and
  results.

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- (2) The executive director shall be appointed by and serve at the pleasure of the governor, in consultation with the council. The governor shall consider the recommendations of the council when appointing the executive director.
- (3) The executive director shall have complete charge of and supervisory powers over the partnership, subject to the guidance from the council.
- 20 (4) The executive director shall employ a staff, who shall be state 21 employees under Title 41 RCW.
  - (5) Upon approval of the council, the executive director may take action to create a private nonprofit entity, which may take the form of a nonprofit corporation, to assist the partnership in restoring Puget Sound by:
  - (a) Raising money and other resources through charitable giving, donations, and other appropriate mechanisms;
- 28 (b) Engaging and educating the public regarding Puget Sound's 29 health, including efforts and opportunities to restore Puget Sound 30 ecosystems; and
- 31 (c) Performing other similar activities as directed by the 32 partnership.
- NEW SECTION. Sec. 7. ECOSYSTEM COORDINATION BOARD. (1) The council shall convene the ecosystem coordination board not later than October 1, 2007.
  - (2) The board shall consist of the following:

- 1 (a) One representative from the geographic area of each of the 2 action areas specified in section 8 of this act, appointed by the 3 council. The council shall solicit nominations from, at a minimum, 4 counties, cities, and watershed groups;
  - (b) Two members representing general business interests, one of whom shall represent in-state general small business interests, both appointed by the council;
- 8 (c) Two members representing environmental interests, appointed by the council;
  - (d) Three representatives of tribal governments located in Puget Sound, invited by the governor to participate as members of the board;
  - (e) One representative each from counties, cities, and port districts, appointed by the council from nominations submitted by statewide associations representing such local governments;
  - (f) Three representatives of state agencies with environmental management responsibilities in Puget Sound, representing the interests of all state agencies, one of whom shall be the commissioner of public lands or his or her designee; and
  - (g) Three representatives of federal agencies with environmental management responsibilities in Puget Sound, representing the interests of all federal agencies and invited by the governor to participate as members of the board.
  - (3) The president of the senate shall appoint two senators, one from each major caucus, as legislative liaisons to the board. The speaker of the house of representatives shall appoint two representatives, one from each major caucus, as legislative liaisons to the board.
- 28 (4) The board shall elect one of its members as chair, and one of its members as vice-chair.
- 30 (5) The board shall advise and assist the council in carrying out 31 its responsibilities in implementing this chapter, including 32 development and implementation of the action agenda. The board's 33 duties include:
- 34 (a) Assisting cities, counties, ports, tribes, watershed groups, 35 and other governmental and private organizations in the compilation of 36 local programs for consideration for inclusion in the action agenda as 37 provided in section 8 of this act;

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- (b) Upon request of the council, reviewing and making recommendations regarding activities, projects, and programs proposed for inclusion in the action agenda, including assessing existing ecosystem scale management, restoration and protection plan elements, activities, projects, and programs for inclusion in the action agenda;
  - (c) Seeking public and private funding and the commitment of other resources for plan implementation;
  - (d) Assisting the council in conducting public education activities regarding threats to Puget Sound and about local implementation strategies to support the action agenda; and
- (e) Recruiting the active involvement of and encouraging the collaboration and communication among governmental and nongovernmental entities, the private sector, and citizens working to achieve the recovery of Puget Sound.
- 15 (6) Members of the board, except for federal and state employees, 16 shall be reimbursed for travel expenses in accordance with RCW 17 43.03.050 and 43.03.060.
  - NEW SECTION. Sec. 8. INTEGRATING WATERSHED PROGRAMS AND ECOSYSTEM SCALE PLANS INTO THE ACTION AGENDA. (1) The partnership shall develop the action agenda in part upon the foundation of existing watershed programs that address or contribute to the health of Puget Sound. To ensure full consideration of these watershed programs in a timely manner to meet the required date for adoption of the action agenda, the partnership shall rely largely upon local watershed groups, tribes, cities, counties, special purpose districts, and the private sector, who are engaged in developing and implementing these programs.
  - (2) The partnership shall organize this work by working with these groups in the following geographic action areas of Puget Sound, which collectively encompass all of the Puget Sound basin and include the areas draining to the marine waters in these action areas:
    - (a) Strait of Juan de Fuca;
    - (b) The San Juan Islands;
    - (c) Whidbey Island;
- 34 (d) North central Puget Sound;
- 35 (e) South central Puget Sound;
- 36 (f) South Puget Sound; and
- 37 (g) Hood Canal.

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- (3) The council shall define the geographic delineations of these action areas based upon the common issues and interests of the entities in these action areas, and upon the characteristics of the Sound's physical structure, and the water flows into and within the Sound.
- (4) The executive director, working with the board representatives from each action area, shall invite appropriate tribes, local governments, and watershed groups to convene for the purpose of compiling the existing watershed programs relating or contributing to the health of Puget Sound. The participating groups should work to identify the applicable local plan elements, projects, and programs, together with estimated budget, timelines, and proposed funding sources, that are suitable for adoption into the action agenda. This may include a prioritization among plan elements, projects, and programs.
- (5) The partnership may provide assistance to watershed groups in those action areas that are developing and implementing programs included within the action agenda, and to improve coordination among the groups to improve and accelerate the implementation of the action agenda.
- (6) The executive director, working with the board, shall also compile and assess ecosystem scale management, restoration, and protection plans for the Puget Sound basin.
- (a) At a minimum, the compilation shall include the Puget Sound nearshore estuary project, clean-up plans for contaminated aquatic lands and shorelands, aquatic land management plans, state resource management plans, habitat conservation plans, and recovery plans for salmon, orca, and other species in Puget Sound that are listed under the federal endangered species act.
- (b) The board should work to identify and assess applicable ecosystem scale plan elements, projects, and programs, together with estimated budget, timelines, and proposed funding sources, that are suitable for adoption into the action agenda.
- (c) When the board identifies conflicts or disputes among ecosystem scale projects or programs, the board may convene the agency managers in an attempt to reconcile the conflicts with the objective of advancing the protection and recovery of Puget Sound.
- 37 (d) If it determines that doing so will increase the likelihood of 38 restoring Puget Sound by 2020, the partnership may explore the utility

- of federal assurances under the endangered species act, 16 U.S.C. Sec.
- 2 1531 et seq., and shall confer with the federal services administering
- 3 that act.

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- (7) The executive director shall integrate and present the proposed elements from watershed programs and ecosystem-level plans to the council for consideration for inclusion in the action agenda not later than July 1, 2008.
- 8 <u>NEW SECTION.</u> **Sec. 9.** SCIENCE PANEL--CREATED. (1) The council 9 shall appoint a nine-member Puget Sound science panel to provide 10 independent, nonrepresentational scientific advice to the council and 11 expertise in identifying environmental indicators and benchmarks for 12 incorporation into the action agenda.
  - (2) In establishing the panel, the council shall request the Washington academy of sciences, created in chapter 70.220 RCW, to nominate fifteen scientists with recognized expertise in fields of science essential to the recovery of Puget Sound. Nominees should reflect the full range of scientific and engineering disciplines involved in Puget Sound recovery. At a minimum, the Washington academy of sciences shall consider making nominations from scientists associated with federal, state, and local agencies, tribes, the business and environmental communities, members of the K-12, college, and university communities, and members of the board. The solicitation should be to all sectors, and candidates may be from all public and private sectors. Persons nominated by the Washington academy of sciences must disclose any potential conflicts of interest, and any financial relationship with any leadership council member, and disclose sources of current financial support and contracts relating to Puget Sound recovery.
  - (3) The panel shall select a chair and a vice-chair. Panel members shall serve four-year terms, except that the council shall determine initial terms of two, three, and four years to provide for staggered terms. The council shall determine reappointments and select replacements or additional members of the panel. No panel member may serve longer than twelve years.
  - (4) The executive director shall designate a lead staff scientist to coordinate panel actions, and administrative staff to support panel

- activities. The legislature intends to provide ongoing funding for staffing of the panel to ensure that it has sufficient capacity to provide independent scientific advice.
  - (5) The executive director of the partnership and the science panel shall explore a shared state and federal responsibility for the staffing and administration of the panel. In the event that a federally sponsored Puget Sound recovery office is created, the council may propose that such office provide for staffing and administration of the panel.
- 10 (6) The panel shall assist the council in developing and revising 11 the action agenda, making recommendations to the action agenda, and 12 making recommendations to the council for updates or revisions.
- (7) Members of the panel shall be reimbursed for travel expenses under RCW 43.03.050 and 43.03.060, and based upon the availability of funds, the council may contract with members of the panel for compensation for their services under chapter 39.29 RCW. If appointees to the panel are employed by the federal, state, tribal, or local governments, the council may enter into interagency personnel agreements.
- 20 <u>NEW SECTION.</u> **Sec. 10.** SCIENCE PANEL--FUNCTIONS AND DUTIES. (1) 21 The panel shall:
- (a) Assist the council, board, and executive director in carrying out the obligations of the partnership, including preparing and updating the action agenda;
  - (b) As provided in section 11 of this act, assist the partnership in developing an ecosystem level strategic science program that:
- 27 (i) Addresses monitoring, modeling, data management, and research; 28 and
  - (ii) Identifies science gaps and recommends research priorities;
- 30 (c) Develop and provide oversight of a competitive peer-reviewed 31 process for soliciting, strategically prioritizing, and funding 32 research and modeling projects;
- (d) Provide input to the executive director in developing biennial implementation strategies; and
- 35 (e) Offer an ecosystem-wide perspective on the science work being 36 conducted in Puget Sound and by the partnership.

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(2) The panel should collaborate with other scientific groups and consult other scientists in conducting its work. To the maximum extent possible, the panel should seek to integrate the state-sponsored Puget Sound science program with the Puget Sound science activities of federal agencies, including working toward an integrated research agenda and Puget Sound science work plan.

- (3) By July 31, 2008, the panel shall identify environmental indicators measuring the health of Puget Sound, and recommend environmental benchmarks that need to be achieved to meet the goals of the action agenda. The council shall confer with the panel on incorporating the indicators and benchmarks into the action agenda.
- NEW SECTION. Sec. 11. SCIENCE PANEL--PROGRAMS, UPDATES, AND WORK PLANS. (1) The strategic science program shall be developed by the panel with assistance and staff support provided by the executive director. The science program may include:
  - (a) Continuation of the Puget Sound assessment and monitoring program, as provided in RCW 90.71.060, as well as other monitoring or modeling programs deemed appropriate by the executive director;
    - (b) Development of a monitoring program, in addition to the provisions of RCW 90.71.060, including baselines, protocols, guidelines, and quantifiable performance measures, to be recommended as an element of the action agenda;
  - (c) Recommendations regarding data collection and management to facilitate easy access and use of data by all participating agencies and the public; and
    - (d) A list of critical research needs.
- 27 (2) The strategic science program may not become an official 28 document until a majority of the members of the council votes for its 29 adoption.
  - (3) A Puget Sound science update shall be developed by the panel with assistance and staff support provided by the executive director. The panel shall submit the initial update to the executive director by April 2010, and subsequent updates as necessary to reflect new scientific understandings. The update shall:
- 35 (a) Describe the current scientific understanding of various 36 physical attributes of Puget Sound;

- 1 (b) Serve as the scientific basis for the selection of 2 environmental indicators measuring the health of Puget Sound; and
  - (c) Serve as the scientific basis for the status and trends of those environmental indicators.
  - (4) The executive director shall provide the Puget Sound science update to the Washington academy of sciences, the governor, and appropriate legislative committees, and include:
    - (a) A summary of information in existing updates; and
- 9 (b) Changes adopted in subsequent updates and in the state of the 10 Sound reports produced pursuant to section 19 of this act.
- 11 (5) A biennial science work plan shall be developed by the panel, 12 with assistance and staff support provided by the executive director, 13 and approved by the council. The biennial science work plan shall 14 include, at a minimum:
- 15 (a) Identification of recommendations from scientific and technical 16 reports relating to Puget Sound;
  - (b) A description of the Puget Sound science-related activities being conducted by various entities in the region, including studies, models, monitoring, research, and other appropriate activities;
  - (c) A description of whether the ongoing work addresses the recommendations and, if not, identification of necessary actions to fill gaps;
  - (d) Identification of specific biennial science work actions to be done over the course of the work plan, and how these actions address science needs in Puget Sound; and
- 26 (e) Recommendations for improvements to the ongoing science work in 27 Puget Sound.
- NEW SECTION. Sec. 12. ACTION AGENDA--GOALS AND OBJECTIVES. (1)
  The action agenda shall consist of the goals and objectives in this
  section, implementation strategies to meet measurable outcomes,
  benchmarks, and identification of responsible entities. By 2020, the
  action agenda shall strive to achieve the following goals:
- 33 (a) A healthy human population supported by a healthy Puget Sound 34 that is not threatened by changes in the ecosystem;
- 35 (b) A quality of human life that is sustained by a functioning 36 Puget Sound ecosystem;

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- 1 (c) Healthy and sustaining populations of native species in Puget 2 Sound, including a robust food web;
  - (d) A healthy Puget Sound where freshwater, estuary, near shore, marine, and upland habitats are protected, restored, and sustained;
  - (e) An ecosystem that is supported by ground water levels as well as river and stream flow levels sufficient to sustain people, fish, and wildlife, and the natural functions of the environment;
  - (f) Fresh and marine waters and sediments of a sufficient quality so that the waters in the region are safe for drinking, swimming, shellfish harvest and consumption, and other human uses and enjoyment, and are not harmful to the native marine mammals, fish, birds, and shellfish of the region.
- 13 (2) The action agenda shall be developed and implemented to achieve 14 the following objectives:
  - (a) Protect existing habitat and prevent further losses;
- 16 (b) Restore habitat functions and values;
- 17 (c) Significantly reduce toxics entering Puget Sound fresh and 18 marine waters;
- 19 (d) Significantly reduce nutrients and pathogens entering Puget 20 Sound fresh and marine waters;
- 21 (e) Improve water quality and habitat by managing storm water 22 runoff;
- 23 (f) Provide water for people, fish and wildlife, and the 24 environment;
- 25 (g) Protect ecosystem biodiversity and recover imperiled species; 26 and
- 27 (h) Build and sustain the capacity for action.
- 28 NEW SECTION. Sec. 13. ACTION AGENDA--DEVELOPMENT AND ELEMENTS.
- 29 (1) The council shall develop a science-based action agenda that leads
- 30 to the recovery of Puget Sound by 2020 and achievement of the goals and
- 31 objectives established in section 12 of this act. The action agenda
- 32 shall:

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- 33 (a) Address all geographic areas of Puget Sound including upland 34 areas and tributary rivers and streams that affect Puget Sound;
- 35 (b) Describe the problems affecting Puget Sound's health using 36 supporting scientific data, and provide a summary of the historical

environmental health conditions of Puget Sound so as to determine past levels of pollution and restorative actions that have established the current health conditions of Puget Sound;

- (c) Meet the goals and objectives described in section 12 of this act, including measurable outcomes for each goal and objective specifically describing what will be achieved, how it will be quantified, and how progress towards outcomes will be measured. The action agenda shall include near-term and long-term benchmarks designed to ensure continuous progress needed to reach the goals, objectives, and designated outcomes by 2020. The council shall consult with the panel in developing these elements of the plan;
- (d) Identify and prioritize the strategies and actions necessary to restore and protect Puget Sound and to achieve the goals and objectives described in section 12 of this act;
- (e) Identify the agency, entity, or person responsible for completing the necessary strategies and actions, and potential sources of funding;
- (f) Include prioritized actions identified through the assembled proposals from each of the seven action areas and the identification and assessment of ecosystem scale programs as provided in section 8 of this act;
- 22 (g) Include specific actions to address aquatic rehabilitation zone 23 one, as defined in RCW 90.88.010;
  - (h) Incorporate any additional goals adopted by the council; and
  - (i) Incorporate appropriate actions to carry out the biennial science work plan created in section 11 of this act.
  - (2) In developing the action agenda and any subsequent revisions, the council shall, when appropriate, incorporate the following:
  - (a) Water quality, water quantity, sediment quality, watershed, marine resource, and habitat restoration plans created by governmental agencies, watershed groups, and marine and shoreline groups. The council shall consult with the board in incorporating these plans;
  - (b) Recovery plans for salmon, orca, and other species in Puget Sound listed under the federal endangered species act;
- 35 (c) Existing plans and agreements signed by the governor, the 36 commissioner of public lands, other state officials, or by federal 37 agencies;

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1 (d) Appropriate portions of the Puget Sound water quality 2 management plan existing on the effective date of this section.

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- (3) Until the action agenda is adopted, the existing Puget Sound management plan and the 2007-09 Puget Sound biennial plan shall remain in effect. The existing Puget Sound management plan shall also continue to serve as the comprehensive conservation and management plan for the purposes of the national estuary program described in section 320 of the federal clean water act, until replaced by the action agenda and approved by the United States environmental protection agency as the new comprehensive conservation and management plan.
- (4) The council shall adopt the action agenda by September 1, 2008. 11 The council shall revise the action agenda as needed, and revise the 12 13 implementation strategies every two years using an adaptive management 14 process informed by tracking actions and monitoring results in Puget In revising the action agenda and the implementation 15 strategies, the council shall consult the panel and the board and 16 17 provide opportunity for public review and comment. Biennial updates shall: 18
- 19 (a) Contain a detailed description of prioritized actions necessary 20 in the biennium to achieve the goals, objectives, outcomes, and 21 benchmarks of progress identified in the action agenda;
- (b) Identify the agency, entity, or person responsible for completing the necessary action; and
  - (c) Establish biennial benchmarks for near-term actions.
- 25 (5) The action agenda shall be organized and maintained in a single document to facilitate public accessibility to the plan.
- 27 <u>NEW SECTION.</u> **Sec. 14.** DEVELOPMENT OF BIENNIAL BUDGET REQUESTS.
- 28 (1) State agencies responsible for implementing elements of the action 29 agenda shall:
- 30 (a) Provide to the partnership by June 1st of each even-numbered 31 year their estimates of the actions and the budget resources needed for 32 the forthcoming biennium to implement their portion of the action 33 agenda; and
- 34 (b) Work with the partnership in the development of biennial budget 35 requests to achieve consistency with the action agenda to be submitted 36 to the governor for consideration in the governor's biennial budget

- request. The agencies shall seek the concurrence of the partnership in the proposed funding levels and sources included in this proposed budget.
- 4 (2) If a state agency submits an amount different from that developed in subsection (1)(a) of this section as part of its biennial budget request, the partnership and state agency shall jointly identify the differences and the reasons for these differences and present this information to the office of financial management by October 1st of each even-numbered year.
- 10 NEW SECTION. Sec. 15. FUNDING FROM PARTNERSHIP--ACCOUNTABILITY.
- (1) Any funding made available directly to the partnership from the Puget Sound recovery account created in section 23 of this act and used by the partnership for loans, grants, or funding transfers to other
- 14 entities shall be prioritized according to the action agenda developed
- 15 pursuant to section 13 of this act.

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- (2) The partnership shall condition, with interagency agreements, any grants or funding transfers to other entities from the Puget Sound recovery account to ensure accountability in the expenditure of the funds and to ensure that the funds are used by the recipient entity in the manner determined by the partnership to be the most consistent with the priorities of the action agenda. Any conditions placed on federal funding under this section shall incorporate and be consistent with requirements under signed agreements between the entity and the federal government.
- (3) If the partnership finds that the provided funding was not used as instructed in the interagency agreement, the partnership may suspend or further condition future funding to the recipient entity.
- 28 (4) The partnership shall require any entity that receives funds 29 for implementing the action agenda to publicly disclose and account for 30 expenditure of those funds.
- NEW SECTION. Sec. 16. IMPLEMENTATION--FISCAL ACCOUNTABILITY. (1)
  The legislature intends that fiscal incentives and disincentives be
  used as accountability measures designed to achieve consistency with
  the action agenda by:
- 35 (a) Ensuring that projects and activities in conflict with the 36 action agenda are not funded;

1 (b) Aligning environmental investments with strategic priorities of the action agenda; and

- (c) Using state grant and loan programs to encourage consistency with the action agenda.
- (2) The council shall adopt measures to ensure that funds appropriated for implementation of the action agenda and identified by proviso or specifically referenced in the omnibus appropriations act pursuant to RCW 43.88.030(1)(g) are expended in a manner that will achieve the intended results. In developing such performance measures, the council shall establish criteria for the expenditure of the funds consistent with the responsibilities and timelines under the action agenda, and require reporting and tracking of funds expended. The council may adopt other measures, such as requiring interagency agreements regarding the expenditure of provisoed or specifically referenced Puget Sound funds.
- (3) The partnership shall work with other state agencies providing grant and loan funds or other financial assistance for projects and activities that impact the health of the Puget Sound ecosystem under chapters 43.155, 70.105D, 70.146, 77.85, 79.105, 79A.15, 89.08, and 90.50A RCW to, within the authorities of the programs, develop consistent funding criteria that prohibits funding projects and activities that are in conflict with the action agenda.
- (4) The partnership shall develop a process and criteria by which entities that consistently achieve outstanding progress in implementing the action agenda are designated as Puget Sound partners. State agencies shall work with the partnership to revise their grant, loan, or other financial assistance allocation criteria to create a preference for entities designated as Puget Sound partners for funds allocated to the Puget Sound basin, pursuant to RCW 43.155.070, 70.105D.070, 70.146.070, 77.85.130, 79.105.150, 79A.15.040, 89.08.520, and 90.50A.040. This process shall be developed on a timeline that takes into consideration state grant and loan funding cycles.
- (5) Any entity that receives state funds to implement actions required in the action agenda shall report biennially to the council on progress in completing the action and whether expected results have been achieved within the time frames specified in the action agenda.

- NEW SECTION. Sec. 17. ACCOUNTABILITY FOR IMPLEMENTATION. (1) The council is accountable for achieving the action agenda. The legislature intends that all governmental entities within Puget Sound will exercise their existing authorities to implement the applicable provisions of the action agenda.
- (2) The partnership shall involve the public and implementing entities to develop standards and processes by which the partnership will determine whether implementing entities are taking actions consistent with the action agenda and achieving the outcomes identified in the action agenda. Among these measures, the council may hold management conferences with implementing entities to review and assess performance in undertaking implementation strategies with a particular focus on compliance with and enforcement of existing laws. Where the council identifies an inconsistency with the action agenda, the council shall offer support and assistance to the entity with the objective of remedying the inconsistency. The results of the conferences shall be included in the state of the Sound report required under section 19 of this act.
- (3) In the event the council determines that an entity is in substantial noncompliance with the action agenda, it shall provide notice of this finding and supporting information to the entity. council or executive director shall thereafter meet and confer with the entity to discuss the finding and, if appropriate, develop a corrective If no agreement is reached, the council shall hold a action plan. public meeting to present its findings and the proposed corrective If the entity is a state agency, the meeting shall action plan. include representatives of the governor's office and office of financial management. If the entity is a local government, the meeting shall be held in the jurisdiction and electoral representatives from the jurisdictions shall be invited to attend. If, after this process, the council finds that substantial noncompliance continues, the council shall issue written findings and document its conclusions. The council may recommend to the governor that the entity be ineligible for state financial assistance until the substantial noncompliance is remedied. Instances of noncompliance shall be included in the state of the Sound report required under section 19 of this act.
- 37 (4) The council shall provide a forum for addressing and resolving 38 problems, conflicts, or a substantial lack of progress in a specific

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area that it has identified in the implementation of the action agenda, 1 2 or that citizens or implementing entities bring to the council. council may use conflict resolution mechanisms such as but not limited 3 to, technical and financial assistance, facilitated discussions, and 4 5 mediation to resolve the conflict. Where the parties and the council are unable to resolve the conflict, and the conflict significantly 6 7 impairs the implementation of the action agenda, the council shall provide its analysis of the conflict and recommendations resolution to 8 governor, the 9 legislature, and to those entities with jurisdictional authority to resolve the conflict. 10

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- (5) When the council or an implementing entity identifies a statute, rule, ordinance or policy that conflicts with or is an impediment to the implementation of the action agenda, or identifies a deficiency in existing statutory authority to accomplish an element of the action agenda, the council shall review the matter with the implementing entities involved. The council shall evaluate the merits of the conflict, impediment, or deficiency, and make recommendations to the legislature, governor, agency, local government or other appropriate entity for addressing and resolving the conflict.
- 20 (6) The council may make recommendations to the governor and 21 appropriate committees of the senate and house of representatives for 22 local or state administrative or legislative actions to address 23 barriers it has identified to successfully implementing the action 24 agenda.
- NEW SECTION. Sec. 18. LIMITATIONS ON AUTHORITY. (1) The partnership shall not have regulatory authority nor authority to transfer the responsibility for, or implementation of, any state regulatory program, unless otherwise specifically authorized by the legislature.
  - (2) The action agenda may not create a legally enforceable duty to review or approve permits, or to adopt plans or regulations. The action agenda may not authorize the adoption of rules under chapter 34.05 RCW creating a legally enforceable duty applicable to the review or approval of permits or to the adoption of plans or regulations. No action of the partnership may alter the forest practices rules adopted pursuant to chapter 76.09 RCW, or any associated habitat conservation plan. Any changes in forest practices identified by the processes

- established in this chapter as necessary to fully recover the health of Puget Sound by 2020 may only be realized through the processes established in RCW 76.09.370 and other designated processes established in Title 76 RCW. Nothing in this subsection or subsection (1) of this section limits the accountability provisions of this chapter.
  - (3) Nothing in this chapter limits or alters the existing legal authority of local governments, nor does it create a legally enforceable duty upon local governments. When a local government proposes to take an action inconsistent with the action agenda, it shall inform the council and identify the reasons for taking the action. If a local government chooses to take an action inconsistent with the action agenda or chooses not to take action required by the action agenda, it will be subject to the accountability measures in this chapter which can be used at the discretion of the council.
  - NEW SECTION. Sec. 19. REPORTS. (1) By September 1st of each even-numbered year beginning in 2008, the council shall provide to the governor and the appropriate fiscal committees of the senate and house of representatives its recommendations for the funding necessary to implement the action agenda in the succeeding biennium. The recommendations shall:
    - (a) Identify the funding needed by action agenda element;
  - (b) Address funding responsibilities among local, state, and federal governments, as well as nongovernmental funding; and
  - (c) Address funding needed to support the work of the partnership, the panel, the ecosystem work group, and entities assisting in coordinating local efforts to implement the plan.
  - (2) In the 2008 report required under subsection (1) of this section, the council shall include recommendations for projected funding needed through 2020 to implement the action agenda; funding needs for science panel staff; identify methods to secure stable and sufficient funding to meet these needs; and include proposals for new sources of funding to be dedicated to Puget Sound protection and recovery. In preparing the science panel staffing proposal, the council shall consult with the panel.
- 35 (3) By November 1st of each odd-numbered year beginning in 2009, 36 the council shall produce a state of the Sound report that includes, at 37 a minimum:

(a) An assessment of progress by state and nonstate entities in implementing the action agenda, including accomplishments in the use of state funds for action agenda implementation;

- (b) A description of actions by implementing entities that are inconsistent with the action agenda and steps taken to remedy the inconsistency;
- (c) The comments by the panel on progress in implementing the plan, as well as findings arising from the assessment and monitoring program;
- (d) A review of citizen concerns provided to the partnership and the disposition of those concerns;
- (e) A review of the expenditures of funds to state agencies for the implementation of programs affecting the protection and recovery of Puget Sound, and an assessment of whether the use of the funds is consistent with the action agenda; and
- (f) An identification of all funds provided to the partnership, and recommendations as to how future state expenditures for all entities, including the partnership, could better match the priorities of the action agenda.
- (4)(a) The council shall review state programs that fund facilities and activities that may contribute to action agenda implementation. By November 1, 2009, the council shall provide initial recommendations regarding program changes to the governor and appropriate fiscal and policy committees of the senate and house of representatives. By November 1, 2010, the council shall provide final recommendations regarding program changes, including proposed legislation to implement the recommendation, to the governor and appropriate fiscal and policy committees of the senate and house of representatives.
- (b) The review in this subsection shall be conducted with the active assistance and collaboration of the agencies administering these programs, and in consultation with local governments and other entities receiving funding from these programs:
  - (i) The water quality account, chapter 70.146 RCW;
- 33 (ii) The water pollution control revolving fund, chapter 90.50A RCW;
  - (iii) The public works assistance account, chapter 43.155 RCW;
- 36 (iv) The aquatic lands enhancement account, RCW 79.105.150;
- (v) The state toxics control account and local toxics control account and clean-up program, chapter 70.105D RCW;

- 1 (vi) The acquisition of habitat conservation and outdoor recreation 2 land, chapter 79A.15 RCW;
- 3 (vii) The salmon recovery funding board, RCW 77.85.110 through 4 77.85.150;
- 5 (viii) The community economic revitalization board, chapter 43.160 6 RCW;
- 7 (ix) Other state financial assistance to water quality-related 8 projects and activities; and
- 9 (x) Water quality financial assistance from federal programs 10 administered through state programs or provided directly to local 11 governments in the Puget Sound basin.
  - (c) The council's review shall include but not be limited to:
- (i) Determining the level of funding and types of projects and activities funded through the programs that contribute to implementation of the action agenda;
  - (ii) Evaluating the procedures and criteria in each program for determining which projects and activities to fund, and their relationship to the goals and priorities of the action agenda;
  - (iii) Assessing methods for ensuring that the goals and priorities of the action agenda are given priority when program funding decisions are made regarding water quality-related projects and activities in the Puget Sound basin and habitat-related projects and activities in the Puget Sound basin;
- (iv) Modifying funding criteria so that projects, programs, and activities that are inconsistent with the action agenda are ineligible for funding;
- (v) Assessing ways to incorporate a strategic funding approach for the action agenda within the outcome-focused performance measures required by RCW 43.41.270 in administering natural resource-related and environmentally based grant and loan programs.
- NEW SECTION. Sec. 20. BASIN-WIDE RESTORATION PROGRESS. By
  December 1, 2010, and subject to available funding, the Washington
  academy of sciences shall conduct an assessment of basin-wide
  restoration progress. The assessment shall include, but not be limited
  to, a determination of the extent to which implementation of the action
  agenda is making progress toward the action agenda goals, and a

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- 1 determination of whether the environmental indicators and benchmarks
- 2 included in the action agenda accurately measure and reflect progress
- 3 toward the action agenda goals.

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- NEW SECTION. Sec. 21. PERFORMANCE AUDIT. (1) The joint legislative audit and review committee shall conduct two performance audits of the partnership, with the first audit to be completed by December 1, 2011, and the second to be completed by December 1, 2016.
  - (2) The audit shall include but not be limited to:
  - (a) A determination of the extent to which funds expended by the partnership or provided in biennial budget acts expressly for implementing the action agenda have contributed toward meeting the scientific benchmarks and the recovery goals of the action agenda;
  - (b) A determination of the efficiency and effectiveness of the partnership's oversight of action agenda implementation, based upon the achievement of the objectives as measured by the established environmental indicators and benchmarks; and
  - (c) Any recommendations for improvements in the partnership's performance and structure, and to provide accountability for action agenda results by action entities.
  - (3) The partnership may use the audits as the basis for developing changes to the action agenda, and may submit any recommendations requiring legislative policy or budgetary action to the governor and to the appropriate committees of the senate and house of representatives.
- 24 Sec. 22. RCW 90.71.060 and 1996 c 138 s 7 are each amended to read 25 as follows:
  - In addition to other powers and duties specified in this chapter, the ((action team shall ensure)) panel, with the approval of the council, shall guide the implementation and coordination of ((the)) a Puget Sound ((ambient)) assessment and monitoring program ((established in the Puget Sound management plan. The program shall include, at a minimum:
  - (1) A research program, including but not limited to methods to provide current research information to managers and scientists, and to establish priorities based on the needs of the action team;
- 35 (2) A monitoring program, including baselines, protocols, 36 guidelines, and quantifiable performance measures. In consultation

with state agencies, local and tribal governments, and other public and 1 2 private interests, the action team shall develop and track quantifiable performance measures that can be used by the governor and the 3 legislature to assess the effectiveness over time of programs and 4 5 actions initiated under the plan to improve and protect Puget Sound water quality and biological resources. The performance measures shall 6 7 be developed by June 30, 1997. The performance measures shall include, but not be limited to a methodology to track the progress of: Fish and 8 wildlife habitat; sites with sediment contamination; wetlands; 9 10 shellfish beds; and other key indicators of Puget Sound health. State 11 agencies shall assist the action team in the development and tracking 12 of these performance measures. The performance measures may be limited 13 to a selected geographic area)).

NEW SECTION. Sec. 23. PUGET SOUND RECOVERY ACCOUNT. The Puget Sound recovery account is created in the state treasury. To the account shall be deposited such funds as the legislature directs or appropriates to the account. Federal grants, gifts, or other financial assistance received by the Puget Sound partnership and other state agencies from nonstate sources for the specific purpose of recovering Puget Sound may be deposited into the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used for the protection and recovery of Puget Sound.

- Sec. 24. RCW 43.155.070 and 2001 c 131 s 5 are each amended to read as follows:
- (1) To qualify for loans or pledges under this chapter the board must determine that a local government meets all of the following conditions:
- 28 (a) The city or county must be imposing a tax under chapter 82.46 29 RCW at a rate of at least one-quarter of one percent;
- 30 (b) The local government must have developed a capital facility 31 plan; and
- 32 (c) The local government must be using all local revenue sources 33 which are reasonably available for funding public works, taking into 34 consideration local employment and economic factors.
- 35 (2) Except where necessary to address a public health need or 36 substantial environmental degradation, a county, city, or town planning

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- under RCW 36.70A.040 must have adopted a comprehensive plan, including 1 2 a capital facilities plan element, and development regulations as required by RCW 36.70A.040. This subsection does not require any 3 county, city, or town planning under RCW 36.70A.040 to adopt a 4 comprehensive plan or development regulations before requesting or 5 receiving a loan or loan guarantee under this chapter if such request 6 7 is made before the expiration of the time periods specified in RCW 36.70A.040. A county, city, or town planning under RCW 36.70A.040 8 which has not adopted a comprehensive plan and development regulations 9 within the time periods specified in RCW 36.70A.040 is not prohibited 10 from receiving a loan or loan guarantee under this chapter if the 11 12 comprehensive plan and development regulations are adopted as required 13 by RCW 36.70A.040 before submitting a request for a loan or loan 14 quarantee.
  - (3) In considering awarding loans for public facilities to special districts requesting funding for a proposed facility located in a county, city, or town planning under RCW 36.70A.040, the board shall consider whether the county, city, or town planning under RCW 36.70A.040 in whose planning jurisdiction the proposed facility is located has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040.

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- (4) The board shall develop a priority process for public works projects as provided in this section. The intent of the priority process is to maximize the value of public works projects accomplished with assistance under this chapter. The board shall attempt to assure a geographical balance in assigning priorities to projects. The board shall consider at least the following factors in assigning a priority to a project:
- (a) Whether the local government receiving assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;
- (b) Except as otherwise conditioned by section 25 of this act, whether the entity receiving assistance is a Puget Sound partner, as defined in RCW 90.71.010;
- 35 <u>(c) Whether the project is referenced in the action agenda</u> 36 developed by the Puget Sound partnership under section 13 of this act;
- 37 (d) Whether the project is critical in nature and would affect the 38 health and safety of a great number of citizens;

- 1 ((<del>(c)</del>)) <u>(e)</u> The cost of the project compared to the size of the local government and amount of loan money available;
- 3  $((\frac{d}{d}))$  (f) The number of communities served by or funding the 4 project;
  - $((\frac{e}{e}))$  (g) Whether the project is located in an area of high unemployment, compared to the average state unemployment;
  - ((f)) (h) Whether the project is the acquisition, expansion, improvement, or renovation by a local government of a public water system that is in violation of health and safety standards, including the cost of extending existing service to such a system;
  - $((\frac{g}))$  (i) The relative benefit of the project to the community, considering the present level of economic activity in the community and the existing local capacity to increase local economic activity in communities that have low economic growth; and
    - $((\frac{h}{h}))$  (i) Other criteria that the board considers advisable.
  - (5) Existing debt or financial obligations of local governments shall not be refinanced under this chapter. Each local government applicant shall provide documentation of attempts to secure additional local or other sources of funding for each public works project for which financial assistance is sought under this chapter.
  - (6) Before November 1st of each year, the board shall develop and submit to the appropriate fiscal committees of the senate and house of representatives a description of the loans made under RCW 43.155.065, 43.155.068, and subsection (9) of this section during the preceding fiscal year and a prioritized list of projects which are recommended for funding by the legislature, including one copy to the staff of each of the committees. The list shall include, but not be limited to, a description of each project and recommended financing, the terms and conditions of the loan or financial guarantee, the local government jurisdiction and unemployment rate, demonstration of the jurisdiction's critical need for the project and documentation of local funds being used to finance the public works project. The list shall also include measures of fiscal capacity for each jurisdiction recommended for financial assistance, compared to authorized limits and state averages, including local government sales taxes; real estate excise taxes; property taxes; and charges for or taxes on sewerage, water, garbage, and other utilities.

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(7) The board shall not sign contracts or otherwise financially obligate funds from the public works assistance account before the legislature has appropriated funds for a specific list of public works projects. The legislature may remove projects from the list recommended by the board. The legislature shall not change the order of the priorities recommended for funding by the board.

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- (8) Subsection (7) of this section does not apply to loans made under RCW 43.155.065, 43.155.068, and subsection (9) of this section.
- (9) Loans made for the purpose of capital facilities plans shall be exempted from subsection (7) of this section.
- (10) To qualify for loans or pledges for solid waste or recycling facilities under this chapter, a city or county must demonstrate that the solid waste or recycling facility is consistent with and necessary to implement the comprehensive solid waste management plan adopted by the city or county under chapter 70.95 RCW.
- 16 (11) After January 1, 2010, any project designed to address the
  17 effects of storm water or wastewater on Puget Sound may be funded under
  18 this section only if the project is not in conflict with the action
  19 agenda developed by the Puget Sound partnership under section 13 of
  20 this act.
- NEW SECTION. Sec. 25. A new section is added to chapter 43.155 22 RCW to read as follows:
- 23 In developing a priority process for public works projects under 24 RCW 43.155.070, the board shall give preferences only to Puget Sound partners, as defined in RCW 90.71.010, over other entities that are 25 26 eligible to be included in the definition of Puget Sound partner. Entities that are not eligible to be a Puget Sound partner due to 27 geographic location, composition, exclusion from the scope of the 28 29 action agenda developed by the Puget Sound partnership under section 13 30 of this act, or for any other reason, shall not be given less 31 preferential treatment than Puget Sound partners.
- 32 **Sec. 26.** RCW 70.146.070 and 1999 c 164 s 603 are each amended to read as follows:
- 34 (1) When making grants or loans for water pollution control 35 facilities, the department shall consider the following:
  - (a) The protection of water quality and public health;

- 1 (b) The cost to residential ratepayers if they had to finance water 2 pollution control facilities without state assistance;
  - (c) Actions required under federal and state permits and compliance orders;
  - (d) The level of local fiscal effort by residential ratepayers since 1972 in financing water pollution control facilities;
  - (e) Except as otherwise conditioned by section 27 of this act, whether the entity receiving assistance is a Puget Sound partner, as defined in RCW 90.71.010;
  - (f) Whether the project is referenced in the action agenda developed by the Puget Sound partnership under section 13 of this act;
  - (g) The extent to which the applicant county or city, or if the applicant is another public body, the extent to which the county or city in which the applicant public body is located, has established programs to mitigate nonpoint pollution of the surface or subterranean water sought to be protected by the water pollution control facility named in the application for state assistance; and
  - $((\frac{f}))$  (h) The recommendations of the Puget Sound  $(\frac{action\ team}{bartnership\ created\ in\ section\ 3}$  of this act and any other board, council, commission, or group established by the legislature or a state agency to study water pollution control issues in the state.
  - (2) Except where necessary to address a public health need or substantial environmental degradation, a county, city, or town planning under RCW 36.70A.040 may not receive a grant or loan for water pollution control facilities unless it has adopted a comprehensive plan, including a capital facilities plan element, and development regulations as required by RCW 36.70A.040. This subsection does not require any county, city, or town planning under RCW 36.70A.040 to adopt a comprehensive plan or development regulations before requesting or receiving a grant or loan under this chapter if such request is made before the expiration of the time periods specified in RCW 36.70A.040. A county, city, or town planning under RCW 36.70A.040 which has not adopted a comprehensive plan and development regulations within the time periods specified in RCW 36.70A.040 is not prohibited from receiving a grant or loan under this chapter if the comprehensive plan and development regulations are adopted as required by RCW 36.70A.040 before submitting a request for a grant or loan.

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(3) Whenever the department is considering awarding grants or loans for public facilities to special districts requesting funding for a proposed facility located in a county, city, or town planning under RCW 36.70A.040, it shall consider whether the county, city, or town planning under RCW 36.70A.040 in whose planning jurisdiction the proposed facility is located has adopted a comprehensive plan and development regulations as required by RCW 36.70A.040.

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- 8 (4) After January 1, 2010, any project designed to address the
  9 effects of water pollution on Puget Sound may be funded under this
  10 chapter only if the project is not in conflict with the action agenda
  11 developed by the Puget Sound partnership under section 13 of this act.
- NEW SECTION. Sec. 27. A new section is added to chapter 70.146 RCW to read as follows:
- When making grants or loans for water pollution control facilities 14 under RCW 70.146.070, the department shall give preference only to 15 16 Puget Sound partners, as defined in RCW 90.71.010, in comparison to 17 other entities that are eligible to be included in the definition of Puget Sound partner. Entities that are not eligible to be a Puget 18 Sound partner due to geographic location, composition, exclusion from 19 20 the scope of the action agenda developed by the Puget Sound partnership 21 under section 13 of this act, or for any other reason, shall not be 22 given less preferential treatment than Puget Sound partners.
- 23 **Sec. 28.** RCW 89.08.520 and 2001 c 227 s 3 are each amended to read 24 as follows:
  - (1) In administering grant programs to improve water quality and protect habitat, the commission shall:
  - (a) Require grant recipients to incorporate the environmental benefits of the project into their grant applications((, and the commission shall utilize));
    - (b) In its grant prioritization and selection process, consider:
- 31 <u>(i) T</u>he statement of environmental ((benefit[s] in its grant
  32 prioritization and selection process.)) benefits;
- (ii) Whether, except as conditioned by section 29 of this act, the applicant is a Puget Sound partner, as defined in RCW 90.71.010; and
- 35 (iii) Whether the project is referenced in the action agenda

- developed by the Puget Sound partnership under section 13 of this act; and
  - (c) Not provide funding, after January 1, 2010, for projects designed to address the restoration of Puget Sound that are in conflict with the action agenda developed by the Puget Sound partnership under section 13 of this act.
  - (2)(a) The commission shall also develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grant program.
- 10 <u>(b)</u> The commission shall work with the districts to develop uniform performance measures across participating districts( $(\cdot, \cdot)$ ) and to the extent possible, the commission should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270. The commission shall consult with affected interest groups in implementing this section.
- NEW SECTION. Sec. 29. A new section is added to chapter 89.08 RCW to read as follows:
  - When administering water quality and habitat protection grants under this chapter, the commission shall give preference only to Puget Sound partners, as defined in RCW 90.71.010, in comparison to other entities that are eligible to be included in the definition of Puget Sound partner. Entities that are not eligible to be a Puget Sound partner due to geographic location, composition, exclusion from the scope of the Puget Sound action agenda developed by the Puget Sound partnership under section 13 of this act, or for any other reason, shall not be given less preferential treatment than Puget Sound partners.
- 28 **Sec. 30.** RCW 70.105D.070 and 2005 c 488 s 926 are each amended to read as follows:
- 30 (1) The state toxics control account and the local toxics control account are hereby created in the state treasury.
- 32 (2) The following moneys shall be deposited into the state toxics 33 control account: (a) Those revenues which are raised by the tax 34 imposed under RCW 82.21.030 and which are attributable to that portion 35 of the rate equal to thirty-three one-hundredths of one percent; (b) 36 the costs of remedial actions recovered under this chapter or chapter

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- 70.105A RCW; (c) penalties collected or recovered under this chapter; 1
- 2 and (d) any other money appropriated or transferred to the account by
- the legislature. Moneys in the account may be used only to carry out 3
- the purposes of this chapter, including but not limited to the 4
- 5 following activities:

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- (i) The state's responsibility for hazardous waste planning, 6 7 management, regulation, enforcement, technical assistance, and public education required under chapter 70.105 RCW; 8
- 9 The state's responsibility for solid waste planning, 10 management, regulation, enforcement, technical assistance, and public 11 education required under chapter 70.95 RCW;
- 12 (iii) The hazardous waste cleanup program required under this 13 chapter;
  - (iv) State matching funds required under the federal cleanup law;
- (v) Financial assistance for local programs in accordance with 15 chapters 70.95, 70.95C, 70.95I, and 70.105 RCW; 16
- 17 (vi) State government programs for the safe reduction, recycling, or disposal of hazardous wastes from households, small businesses, and 18 agriculture; 19
  - (vii) Hazardous materials emergency response training;
- 21 (viii) Water and environmental health protection and monitoring 22 programs;
  - (ix) Programs authorized under chapter 70.146 RCW;
- 24 (x) A public participation program, including regional citizen 25 advisory committees;
- (xi) Public funding to assist potentially liable persons to pay for 26 27 the costs of remedial action in compliance with cleanup standards under RCW 70.105D.030(2)(e) but only when the amount and terms of such 28 funding are established under a settlement agreement under RCW 29 70.105D.040(4) and when the director has found that the funding will 30 31 achieve both (A) a substantially more expeditious or enhanced cleanup 32 than would otherwise occur, and (B) the prevention or mitigation of
- unfair economic hardship; and 33
- (xii) Development and demonstration of alternative management 34 technologies designed to carry out the top two hazardous waste 35 management priorities of RCW 70.105.150. 36
- 37 (3) The following moneys shall be deposited into the local toxics

- control account: Those revenues which are raised by the tax imposed under RCW 82.21.030 and which are attributable to that portion of the rate equal to thirty-seven one-hundredths of one percent.
  - (a) Moneys deposited in the local toxics control account shall be used by the department for grants or loans to local governments for the following purposes in descending order of priority:
    - (i) Remedial actions;

- (ii) Hazardous waste plans and programs under chapter 70.105 RCW;
- 9 (iii) <u>S</u>olid waste plans and programs under chapters 70.95, 70.95C, 10 70.95I, and 70.105 RCW;
  - (iv) Funds for a program to assist in the assessment and cleanup of sites of methamphetamine production, but not to be used for the initial containment of such sites, consistent with the responsibilities and intent of RCW 69.50.511; and
  - (v) Cleanup and disposal of hazardous substances from abandoned or derelict vessels, defined for the purposes of this section as vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel, that pose a threat to human health or the environment. ((For purposes of this subsection (3)(a)(v), "abandoned or derelict vessels" means vessels that have little or no value and either have no identified owner or have an identified owner lacking financial resources to clean up and dispose of the vessel.))
  - (b) Funds for plans and programs shall be allocated consistent with the priorities and matching requirements established in chapters 70.105, 70.95C, 70.95I, and 70.95 RCW, except that any applicant that is a Puget Sound partner, as defined in RCW 90.71.010, along with any project that is referenced in the action agenda developed by the Puget Sound partnership under section 13 of this act, shall, except as conditioned by section 31 of this act, receive priority for any available funding for any grant or funding programs or sources that use a competitive bidding process. ((During the 1999-2001 fiscal biennium, moneys in the account may also be used for the following activities: Conducting a study of whether dioxins occur in fertilizers, soil amendments, and soils; reviewing applications for registration of fertilizers; and conducting a study of plant uptake of metals. During the 2005-2007 fiscal biennium, the legislature may transfer from the local toxics control account to the state toxics control account such

amounts as specified in the omnibus capital budget bill. During the 2005-2007 fiscal biennium, moneys in the account may also be used for grants to local governments to retrofit public sector diesel equipment and for storm water planning and implementation activities.

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- (b))) (c) Funds may also be appropriated to the department of health to implement programs to reduce testing requirements under the federal safe drinking water act for public water systems. The department of health shall reimburse the account from fees assessed under RCW 70.119A.115 by June 30, 1995.
- (4) Except for unanticipated receipts under RCW 43.79.260 through 43.79.282, moneys in the state and local toxics control accounts may be spent only after appropriation by statute.
- (5) One percent of the moneys deposited into the state and local control accounts shall be allocated only for public participation grants to persons who may be adversely affected by a release or threatened release of a hazardous substance and to not-forprofit public interest organizations. The primary purpose of these grants is to facilitate the participation by persons and organizations in the investigation and remedying of releases or threatened releases of hazardous substances and to implement the state's solid and hazardous waste management priorities. However, during the 1999-2001 fiscal biennium, funding may not be granted to entities engaged in lobbying activities, and applicants may not be awarded grants if their cumulative grant awards under this section exceed two hundred thousand dollars. No grant may exceed sixty thousand dollars. Grants may be renewed annually. Moneys appropriated for public participation from either account which are not expended at the close of any biennium shall revert to the state toxics control account.
- (6) No moneys deposited into either the state or local toxics control account may be used for solid waste incinerator feasibility studies, construction, maintenance, or operation, or, after January 1, 2010, for projects designed to address the restoration of Puget Sound, funded in a competitive grant process, that are in conflict with the action agenda developed by the Puget Sound partnership under section 13 of this act.
- 36 (7) The department shall adopt rules for grant or loan issuance and performance.

((<del>8)</del> During the 2005-2007 fiscal biennium, the legislature may transfer from the state toxics control account to the water quality account such amounts as reflect the excess fund balance of the fund.))

NEW SECTION. Sec. 31. A new section is added to chapter 70.105D RCW to read as follows:

When administering funds under this chapter, the department shall give preference only to Puget Sound partners, as defined in RCW 90.71.010, in comparison to other entities that are eligible to be included in the definition of Puget Sound partner. Entities that are not eligible to be a Puget Sound partner due to geographic location, composition, exclusion from the scope of the Puget Sound action agenda developed by the Puget Sound partnership under section 13 of this act, or for any other reason, shall not be given less preferential treatment than Puget Sound partners.

- **Sec. 32.** RCW 79.105.150 and 2005 c 518 s 946 and 2005 c 155 s 121 are each reenacted and amended to read as follows:
  - (1) After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.115.150(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public purposes; for providing and improving access to the lands; and for volunteer cooperative fish and game projects.
  - (2) In providing grants for aquatic lands enhancement projects, the ((department)) interagency committee for outdoor recreation shall:
  - (a) Require grant recipients to incorporate the environmental benefits of the project into their grant applications ( $(\frac{1}{1})$ , and the department shall));
  - (b) Utilize the statement of environmental benefits, consideration, except as provided in section 33 of this act, of whether the applicant is a Puget Sound partner, as defined in RCW 90.71.010, and whether a project is referenced in the action agenda developed by the Puget Sound

partnership under section 13 of this act, in its prioritization and
selection process((... The department shall also)); and

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- (c) Develop appropriate outcome-focused performance measures to be used both for management and performance assessment of the grants.
- (3) To the extent possible, the department should coordinate its performance measure system with other natural resource-related agencies as defined in RCW 43.41.270.
- 8 <u>(4)</u> The department shall consult with affected interest groups in implementing this section.
- (((3) During the fiscal biennium ending June 30, 2007, the funds 10 11 may be appropriated for boating safety, settlement costs for aquatic 12 lands cleanup, and shellfish management, enforcement, and enhancement 13 and assistance to local governments for septic system surveys and data bases.)) (5) After January 1, 2010, any project designed to address the 14 restoration of Puget Sound may be funded under this chapter only if the 15 project is not in conflict with the action agenda developed by the 16 17 Puget Sound partnership under section 13 of this act.
- NEW SECTION. Sec. 33. A new section is added to chapter 79.105 19 RCW to read as follows:

When administering funds under this chapter, the interagency committee for outdoor recreation shall give preference only to Puget Sound partners, as defined in RCW 90.71.010, in comparison to other entities that are eligible to be included in the definition of Puget Sound partner. Entities that are not eligible to be a Puget Sound partner due to geographic location, composition, exclusion from the scope of the Puget Sound action agenda developed by the Puget Sound partnership under section 13 of this act, or for any other reason, shall not be given less preferential treatment than Puget Sound partners.

- 30 **Sec. 34.** RCW 79A.15.040 and 2005 c 303 s 3 are each amended to 31 read as follows:
- 32 (1) Moneys appropriated for this chapter to the habitat 33 conservation account shall be distributed in the following way:
- 34 (a) Not less than forty percent through June 30, 2011, at which 35 time the amount shall become forty-five percent, for the acquisition 36 and development of critical habitat;

- 1 (b) Not less than thirty percent for the acquisition and 2 development of natural areas;
  - (c) Not less than twenty percent for the acquisition and development of urban wildlife habitat; and
  - (d) Not less than ten percent through June 30, 2011, at which time the amount shall become five percent, shall be used by the committee to fund restoration and enhancement projects on state lands. Only the department of natural resources and the department of fish and wildlife may apply for these funds to be used on existing habitat and natural area lands.
- 11 (2)(a) In distributing these funds, the committee retains 12 discretion to meet the most pressing needs for critical habitat, 13 natural areas, and urban wildlife habitat, and is not required to meet 14 the percentages described in subsection (1) of this section in any one 15 biennium.
  - (b) If not enough project applications are submitted in a category within the habitat conservation account to meet the percentages described in subsection (1) of this section in any biennium, the committee retains discretion to distribute any remaining funds to the other categories within the account.
  - (3) Only state agencies may apply for acquisition and development funds for natural areas projects under subsection (1) (b) of this section.
  - (4) State and local agencies may apply for acquisition and development funds for critical habitat and urban wildlife habitat projects under subsection (1)(a) and (c) of this section.
  - (5)(a) Any lands that have been acquired with grants under this section by the department of fish and wildlife are subject to an amount in lieu of real property taxes and an additional amount for control of noxious weeds as determined by RCW 77.12.203.
- 31 (b) Any lands that have been acquired with grants under this 32 section by the department of natural resources are subject to payments 33 in the amounts required under the provisions of RCW 79.70.130 and 34 79.71.130.
- 35 (6)(a) Except as otherwise conditioned by section 35 of this act,
  36 the committee shall consider the following in determining distribution
  37 priority:

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1 (i) Whether the entity applying for funding is a Puget Sound 2 partner, as defined in RCW 90.71.010; and

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- (ii) Whether the project is referenced in the action agenda developed by the Puget Sound partnership under section 13 of this act.
- 5 (7) After January 1, 2010, any project designed to address the 6 restoration of Puget Sound may be funded under this chapter only if the 7 project is not in conflict with the action agenda developed by the 8 Puget Sound partnership under section 13 of this act.
- 9 <u>NEW SECTION.</u> **Sec. 35.** A new section is added to chapter 79A.15 10 RCW to read as follows:

When administering funds under this chapter, the committee shall 11 give preference only to Puget Sound partners, as defined in RCW 12 90.71.010, in comparison to other entities that are eligible to be 13 included in the definition of Puget Sound partner. Entities that are 14 15 not eligible to be a Puget Sound partner due to geographic location, 16 composition, exclusion from the scope of the Puget Sound action agenda 17 developed by the Puget Sound partnership under section 13 of this act, 18 or for any other reason, shall not be given less preferential treatment than Puget Sound partners. 19

- 20 **Sec. 36.** RCW 77.85.130 and 2005 c 309 s 8, 2005 c 271 s 1, and 21 2005 c 257 s 3 are each reenacted and amended to read as follows:
- (1) The salmon recovery funding board shall develop procedures and 22 criteria for allocation of funds for salmon habitat projects and salmon 23 recovery activities on a statewide basis to address the highest 24 25 priorities for salmon habitat protection and restoration. extent practicable the board shall adopt an annual allocation of 26 funding. The allocation should address both protection and restoration 27 of habitat, and should recognize the varying needs in each area of the 28 29 state on an equitable basis. The board has the discretion to partially 30 fund, or to fund in phases, salmon habitat projects. The board may annually establish a maximum amount of funding available for any 31 individual project, subject to available funding. No projects required 32 solely as a mitigation or a condition of permitting are eligible for 33 34 funding.
- 35 (2)(a) In evaluating, ranking, and awarding funds for projects and activities the board shall give preference to projects that:

- 1 (i) Are based upon the limiting factors analysis identified under 2 RCW 77.85.060;
  - (ii) Provide a greater benefit to salmon recovery based upon the stock status information contained in the department of fish and wildlife salmonid stock inventory (SASSI), the salmon and steelhead habitat inventory and assessment project (SSHIAP), and any comparable science-based assessment when available;
    - (iii) Will benefit listed species and other fish species;
- 9 (iv) Will preserve high quality salmonid habitat; ((and))
- 10 (v) Are included in a regional or watershed-based salmon recovery 11 plan that accords the project, action, or area a high priority for 12 funding;
- (vi) Are, except as provided in section 37 of this act, sponsored by an entity that is a Puget Sound partner, as defined in RCW 90.71.010; and
- 16 <u>(vii) Are projects referenced in the action agenda developed by the</u>
  17 Puget Sound partnership under section 13 of this act.
  - (b) In evaluating, ranking, and awarding funds for projects and activities the board shall also give consideration to projects that:
    - (i) Are the most cost-effective;
    - (ii) Have the greatest matched or in-kind funding;
- (iii) Will be implemented by a sponsor with a successful record of project implementation; ((and))
  - (iv) Involve members of the veterans conservation corps established in RCW 43.60A.150; and
    - (v) Are part of a regionwide list developed by lead entities.
- 27 (3) The board may reject, but not add, projects from a habitat 28 project list submitted by a lead entity for funding.
  - (4) The board shall establish criteria for determining when block grants may be made to a lead entity. The board may provide block grants to the lead entity to implement habitat project lists developed under RCW 77.85.050, subject to available funding. The board shall determine an equitable minimum amount of project funds for each recovery region, and shall distribute the remainder of funds on a competitive basis. The board may also provide block grants to the lead entity or regional recovery organization to assist in carrying out functions described under this chapter. Block grants must be expended consistent with the priorities established for the board in subsection

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(2) of this section. Lead entities or regional recovery organizations receiving block grants under this subsection shall provide an annual report to the board summarizing how funds were expended for activities consistent with this chapter, including the types of projects funded, project outcomes, monitoring results, and administrative costs.

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- (5) The board may waive or modify portions of the allocation procedures and standards adopted under this section in the award of grants or loans to conform to legislative appropriations directing an alternative award procedure or when the funds to be awarded are from federal or other sources requiring other allocation procedures or standards as a condition of the board's receipt of the funds. The board shall develop an integrated process to manage the allocation of funding from federal and state sources to minimize delays in the award of funding while recognizing the differences in state and legislative appropriation timing.
- (6) The board may award a grant or loan for a salmon recovery project on private or public land when the landowner has a legal obligation under local, state, or federal law to perform the project, when expedited action provides a clear benefit to salmon recovery, and there will be harm to salmon recovery if the project is delayed. For purposes of this subsection, a legal obligation does not include a project required solely as a mitigation or a condition of permitting.
- (7) Property acquired or improved by a project sponsor may be conveyed to a federal agency if: (a) The agency agrees to comply with all terms of the grant or loan to which the project sponsor was obligated; or (b) the board approves: (i) Changes in the terms of the grant or loan, and the revision or removal of binding deed of right instruments; and (ii) a memorandum of understanding or similar document ensuring that the facility or property will retain, to the extent feasible, adequate habitat protections; and (c) the appropriate legislative authority of the county or city with jurisdiction over the project area approves the transfer and provides notification to the board.
- (8) After January 1, 2010, any project designed to address the restoration of Puget Sound may be funded under this chapter only if the project is not in conflict with the action agenda developed by the Puget Sound partnership under section 13 of this act.

NEW SECTION. Sec. 37. A new section is added to chapter 77.85 RCW to read as follows:

When administering funds under this chapter, the board shall give 3 preference only to Puget Sound partners, as defined in RCW 90.71.010, 4 5 in comparison to other entities that are eligible to be included in the definition of Puget Sound partner. Entities that are not eligible to 6 7 be a Puget Sound partner due to geographic location, composition, exclusion from the scope of the Puget Sound action agenda developed by 8 9 the Puget Sound partnership under section 13 of this act, or for any other reason, shall not be given less preferential treatment than Puget 10 11 Sound partners.

12 **Sec. 38.** RCW 90.50A.030 and 1996 c 37 s 4 are each amended to read 13 as follows:

The department ((of ecology)) shall use the moneys in the water pollution control revolving fund to provide financial assistance as provided in the water quality act of 1987 and as provided in RCW 90.50A.040:

- (1) To make loans, on the condition that:
- (a) Such loans are made at or below market interest rates, including interest free loans, at terms not to exceed twenty years;
  - (b) Annual principal and interest payments will commence not later than one year after completion of any project and all loans will be fully amortized not later then twenty years after project completion;
  - (c) The recipient of a loan will establish a dedicated source of revenue for repayment of loans; and
- 26 (d) The fund will be credited with all payments of principal and 27 interest on all loans.
  - (2) Loans may be made for the following purposes:
- 29 (a) To public bodies for the construction or replacement of water 30 pollution control facilities as defined in section 212 of the federal 31 water quality act of 1987;
  - (b) For the implementation of a management program established under section 319 of the federal water quality act of 1987 relating to the management of nonpoint sources of pollution, subject to the requirements of that act; and
- 36 (c) For development and implementation of a conservation and

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- management plan under section 320 of the federal water quality act of 1987 relating to the national estuary program, subject to the requirements of that act.
  - (3) The department may also use the moneys in the fund for the following purposes:
  - (a) To buy or refinance the water pollution control facilities' debt obligations of public bodies at or below market rates, if such debt was incurred after March 7, 1985;
  - (b) To guarantee, or purchase insurance for, public body obligations for water pollution control facility construction or replacement or activities if the guarantee or insurance would improve credit market access or reduce interest rates, or to provide loans to a public body for this purpose;
  - (c) As a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the state if the proceeds of the sale of such bonds will be deposited in the fund;
    - (d) To earn interest on fund accounts; and

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- (e) To pay the expenses of the department in administering the water pollution control revolving fund according to administrative reserves authorized by federal and state law.
- (4) ((Beginning with the biennium ending June 30, 1997,)) The department shall present a biennial progress report on the use of moneys from the account to the ((chairs of the senate committee on ways and means and the house of representatives committee on appropriations. The first report is due June 30, 1996, and the report for each succeeding biennium is due December 31 of the odd numbered year)) appropriate committees of the legislature. The report shall consist of a list of each recipient, project description, and amount of the grant, loan, or both.
- 31 (5) The department may not use the moneys in the water pollution 32 control revolving fund for grants.
- 33 **Sec. 39.** RCW 90.50A.040 and 1988 c 284 s 5 are each amended to read as follows:
- Moneys deposited in the water pollution control revolving fund shall be administered by the department ((of ecology)). In administering the fund, the department shall:

- 1 (1) Consistent with RCW 90.50A.030 and section 40 of this act,
  2 allocate funds for loans in accordance with the annual project priority
  3 list in accordance with section 212 of the federal water pollution
  4 control act as amended in 1987, and allocate funds under sections 319
  5 and 320 according to the provisions of that act;
  - (2) Use accounting, audit, and fiscal procedures that conform to generally accepted government accounting standards;
  - (3) Prepare any reports required by the federal government as a condition to awarding federal capitalization grants;
- 10 (4) Adopt by rule any procedures or standards necessary to carry 11 out the provisions of this chapter;
- 12 (5) Enter into agreements with the federal environmental protection agency;
  - (6) Cooperate with local, substate regional, and interstate entities regarding state assessment reports and state management programs related to the nonpoint source management programs as noted in section 319(c) of the federal water pollution control act amendments of 1987 and estuary programs developed under section 320 of that act; ((and))
- 20 (7) Comply with provisions of the water quality act of 1987; and
- 21 (8) After January 1, 2010, not provide funding for projects
  22 designed to address the restoration of Puget Sound that are in conflict
  23 with the action agenda developed by the Puget Sound partnership under
  24 section 13 of this act.
- NEW SECTION. Sec. 40. A new section is added to chapter 90.50A RCW to read as follows:
- 27 (1) In administering the fund, the department shall give priority 28 consideration to:
- 29 (a) A public body that is a Puget Sound partner, as defined in RCW 30 90.71.010; and
- 31 (b) A project that is referenced in the action agenda developed by 32 the Puget Sound partnership under section 13 of this act.
- 33 (2) When implementing this section, the department shall give 34 preference only to Puget Sound partners, as defined in RCW 90.71.010, 35 in comparison to other entities that are eligible to be included in the 36 definition of Puget Sound partner. Entities that are not eligible to 37 be a Puget Sound partner due to geographic location, composition,

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- 1 exclusion from the scope of the Puget Sound action agenda developed
- 2 under section 13 of this act, or for any other reason, shall not be
- 3 given less preferential treatment than Puget Sound partners.

- NEW SECTION. Sec. 41. TRANSFER OF POWERS, DUTIES, AND FUNCTIONS--REFERENCES TO CHAIR OF THE PUGET SOUND ACTION TEAM. (1) The Puget Sound action team is hereby abolished and its powers, duties, and functions are hereby transferred to the Puget Sound partnership as consistent with this chapter. All references to the chair or the Puget Sound action team in the Revised Code of Washington shall be construed to mean the executive director or the Puget Sound partnership.
- (2)(a) All employees of the Puget Sound action team are transferred to the jurisdiction of the Puget Sound partnership.
  - (b) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the Puget Sound action team shall be delivered to the custody of the Puget Sound partnership. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the Puget Sound action team shall be made available to the Puget Sound partnership. All funds, credits, or other assets held by the Puget Sound action team shall be assigned to the Puget Sound partnership.
  - (c) Any appropriations made to the Puget Sound action team shall, on the effective date of this section, be transferred and credited to the Puget Sound partnership.
  - (d) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.
  - (3) All rules and all pending business before the Puget Sound action team shall be continued and acted upon by the Puget Sound partnership. All existing contracts and obligations shall remain in full force and shall be performed by the Puget Sound partnership.
- 34 (4) The transfer of the powers, duties, functions, and personnel of 35 the Puget Sound action team shall not affect the validity of any act 36 performed before the effective date of this section.

- (5) If apportionments of budgeted funds are required because of the transfers directed by this section, the director of financial management shall certify the apportionments to the agencies affected, the state auditor, and the state treasurer. Each of these shall make the appropriate transfer and adjustments in funds and appropriation accounts and equipment records in accordance with the certification.
- (6) Nothing contained in this section may be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement until the agreement has expired or until the bargaining unit has been modified by action of the public employment relations commission as provided by law.
- NEW SECTION. Sec. 42. CAPTIONS NOT LAW. Captions used in this chapter are not any part of the law.
- **Sec. 43.** RCW 90.71.100 and 2001 c 273 s 3 are each amended to read 15 as follows:
  - (1)(a) The ((action team)) department of health shall ((establish a)) manage the established shellfish on-site sewage grant program in Puget Sound and for Pacific and Grays Harbor counties. The ((action team)) department of health shall provide funds to local health jurisdictions to be used as grants or loans to individuals for improving their on-site sewage systems. The grants or loans may be provided only in areas that have the potential to adversely affect water quality in commercial and recreational shellfish growing areas.
  - (b) A recipient of a grant or loan shall enter into an agreement with the appropriate local health jurisdiction to maintain the improved on-site sewage system according to specifications required by the local health jurisdiction.
  - (c) The ((action team)) department of health shall work closely with local health jurisdictions and ((shall endeavor)) it shall be the goal of the department of health to attain geographic equity between Grays Harbor, Willapa Bay, and ((the)) Puget Sound when making funds available under this program.
- 33 (d) For the purposes of this subsection, "geographic equity" means 34 issuing on-site sewage grants or loans at a level that matches the 35 funds generated from the oyster reserve lands in that area.

1 (2) In ((the)) Puget Sound, the ((action team)) department of 2 health shall give first priority to areas that are:

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- (a) Identified as "areas of special concern" under WAC 246-272-01001; ((or))
- 5 (b) Included within a shellfish protection district under chapter 6 90.72 RCW; or
  - (c) Identified as a marine recovery area under chapter 70.118A RCW.
- 8 (3) In Grays Harbor and Pacific counties, the ((action team))
  9 department of health shall give first priority to preventing the
  10 deterioration of water quality in areas where commercial or
  11 recreational shellfish are grown.
  - (4) The ((action team)) department of health and each participating local health jurisdiction shall enter into a memorandum of understanding that will establish an applicant income eligibility requirement for individual grant applicants from within the jurisdiction and other mutually agreeable terms and conditions of the grant program.
  - (5) The ((action team)) department of health may recover the costs to administer this program not to exceed ten percent of the shellfish on-site sewage grant program.
- 21 (6) ((For the 2001 2003 biennium, the action team may use up to 22 fifty percent of the shellfish on-site sewage grant program funds for grants to local health jurisdictions to establish areas of special 23 24 concern under WAC 246-272-01001, or for operation and maintenance 25 programs therein, where commercial and recreational uses are present)) 26 For the 2007-2009 biennium, from the funds received under this section, 27 Pacific county may transfer up to two hundred thousand dollars to the department of fish and wildlife for research identified by the 28 department of fish and wildlife and the appropriate oyster reserve 29 advisory committee under RCW 77.60.160. 30
- 31 **Sec. 44.** RCW 77.60.160 and 2001 c 273 s 2 are each amended to read 32 as follows:
- 33 (1) The oyster reserve land account is created in the state 34 treasury. All receipts from revenues from the lease of land or sale of 35 shellfish from oyster reserve lands must be deposited into the account. 36 Moneys in the account may be spent only after appropriation.

- Expenditures from the account may be used only as provided in this section.
- 3 (2) Funds in the account shall be used for the purposes provided 4 for in this subsection:
  - (a) Up to forty percent for the management expenses incurred by the department that are directly attributable to the management of the oyster reserve lands and for the expenses associated with new research and development activities at the Pt. Whitney and Nahcotta shellfish laboratories managed by the department. As used in this subsection, "new research and development activities" includes an emphasis on the control of aquatic nuisance species and burrowing shrimp;
- 12 (b) Up to ten percent may be deposited into the state general fund; 13 and
- 14 (c) Except as provided in subsection (3) of this section, all 15 remaining funds in the account shall be used for the shellfish - on-16 site sewage grant program established in RCW 90.71.100.
- 17 (3)(a) No later than January 1st of each year, from revenues
  18 received from the Willapa bay oyster reserve, the department shall
  19 transfer one hundred thousand dollars to the on-site sewage grant
  20 program established in RCW 90.71.100 (as recodified by this act).
- 21 <u>(b) All remaining revenues received from the Willapa bay oyster</u> 22 <u>reserve shall be used to fund research activities as specified in</u> 23 subsection 2(a) of this section.
- NEW SECTION. Sec. 45. A new section is added to chapter 41.06 RCW to read as follows:
- In addition to the exemptions under RCW 41.06.070, the provisions of this chapter shall not apply in the Puget Sound partnership to the executive director, to one confidential secretary, and to all professional staff.
- 30 **Sec. 46.** RCW 43.17.010 and 2006 c 265 s 111 are each amended to read as follows:
- There shall be departments of the state government which shall be known as (1) the department of social and health services, (2) the department of ecology, (3) the department of labor and industries, (4) the department of agriculture, (5) the department of fish and wildlife,
- 36 (6) the department of transportation, (7) the department of licensing,

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- (8) the department of general administration, (9) the department of 1 community, trade, and economic development, (10) the department of 2 veterans affairs, (11) the department of revenue, (12) the department 3 of retirement systems, (13) the department of corrections, (14) the 4 department of health, (15) the department of financial institutions, 5 (16) the department of archaeology and historic preservation, ((and)) 6 (17) the department of early learning, and (18) the Puget Sound 7 8 partnership, which shall be charged with the execution, enforcement, 9 and administration of such laws, and invested with such powers and required to perform such duties, as the legislature may provide. 10
- 11 **Sec. 47.** RCW 43.17.020 and 2006 c 265 s 112 are each amended to 12 read as follows:
- There shall be a chief executive officer of each department to be 13 known as: (1) The secretary of social and health services, (2) the 14 15 director of ecology, (3) the director of labor and industries, (4) the 16 director of agriculture, (5) the director of fish and wildlife, (6) the 17 secretary of transportation, (7) the director of licensing, (8) the director of general administration, (9) the director of community, 18 19 trade, and economic development, (10) the director of veterans affairs, (11) the director of revenue, (12) the director of retirement systems, 20 21 (13) the secretary of corrections, (14) the secretary of health, (15) 22 the director of financial institutions, (16) the director of the 23 department of archaeology and historic preservation, ((and)) (17) the director of early learning, and (18) the executive director of the 24 Puget Sound partnership. 25
  - Such officers, except the director of fish and wildlife, shall be appointed by the governor, with the consent of the senate, and hold office at the pleasure of the governor. The director of fish and wildlife shall be appointed by the fish and wildlife commission as prescribed by RCW 77.04.055.

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- 31 **Sec. 48.** RCW 42.17.2401 and 2006 c 265 s 113 are each amended to read as follows:
- For the purposes of RCW 42.17.240, the term "executive state officer" includes:
- 35 (1) The chief administrative law judge, the director of agriculture, the administrator of the Washington basic health plan, the

director of the department of services for the blind, the director of the state system of community and technical colleges, the director of community, trade, and economic development, the secretary of corrections, the director of early learning, the director of ecology, the commissioner of employment security, the chair of the energy facility site evaluation council, the secretary of the state finance committee, the director of financial management, the director of fish and wildlife, the executive secretary of the forest practices appeals board, the director of the gambling commission, the director of general administration, the secretary of health, the administrator of the Washington state health care authority, the executive secretary of the health care facilities authority, the executive secretary of the higher education facilities authority, the executive secretary of the horse racing commission, the executive secretary of the human rights commission, the executive secretary of the indeterminate sentence review board, the director of the department of information services, the director of the interagency committee for outdoor recreation, the executive director of the state investment board, the director of labor and industries, the director of licensing, the director of the lottery commission, the director of the office of minority and women's business enterprises, the director of parks and recreation, the director of personnel, the executive director of the public disclosure commission, the executive director of the Puget Sound partnership, the director of retirement systems, the director of revenue, the secretary of social and health services, the chief of the Washington state patrol, the executive secretary of the board of tax appeals, the secretary of transportation, the secretary of the utilities and transportation commission, the director of veterans affairs, the president of each of the regional and state universities and the president of The Evergreen State College, and each district and each campus president of each state community college;

- (2) Each professional staff member of the office of the governor;
- (3) Each professional staff member of the legislature; and
- (4) Central Washington University board of trustees, board of trustees of each community college, each member of the state board for community and technical colleges, state convention and trade center board of directors, committee for deferred compensation, Eastern Washington University board of trustees, Washington economic

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development finance authority, The Evergreen State College board of 1 trustees, executive ethics board, forest practices appeals board, 2 forest practices board, gambling commission, life sciences discovery 3 fund authority board of trustees, Washington health care facilities 4 authority, each member of the Washington health services commission, 5 higher education coordinating board, higher education facilities 6 7 authority, horse racing commission, state housing finance commission, human rights commission, indeterminate sentence review board, board of 8 industrial insurance appeals, information services board, interagency 9 10 committee for outdoor recreation, state investment board, commission on judicial conduct, legislative ethics board, liquor control board, 11 lottery commission, marine oversight board, Pacific Northwest electric 12 power and conservation planning council, parks and recreation 13 14 commission, ((personnel appeals board,)) board of commissioners, pollution control hearings board, public disclosure 15 commission, public pension commission, shorelines hearing board, public 16 17 employees' benefits board, salmon recovery funding board, board of tax appeals, transportation commission, University of Washington board of 18 regents, utilities and transportation commission, Washington state 19 20 maritime commission, Washington personnel resources board, Washington 21 public power supply system executive board, Washington State University 22 board of regents, Western Washington University board of trustees, and fish and wildlife commission. 23

24 **Sec. 49.** RCW 77.85.090 and 2005 c 309 s 7 are each amended to read 25 as follows:

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- (1) The southwest Washington salmon recovery region, whose boundaries are provided in chapter 60, Laws of 1998, is created.
- (2) Lead entities within a salmon recovery region that agree to form a regional salmon recovery organization may be recognized by the salmon recovery office as a regional recovery organization. The regional recovery organization may plan, coordinate, and monitor the implementation of a regional recovery plan in accordance with RCW 77.85.150. Regional recovery organizations existing as of July 24, 2005, that have developed draft recovery plans approved by the governor's salmon recovery office by July 1, 2005, may continue to plan, coordinate, and monitor the implementation of regional recovery plans.

- 1 (3) Beginning January 1, 2008, the leadership council, created
  2 under chapter 90.71 RCW, shall serve as the regional salmon recovery
  3 organization for Puget Sound salmon species, except for the program
  4 known as the Hood Canal summer chum evolutionarily significant unit
  5 area, which the Hood Canal coordinating council shall continue to
  6 administer under chapter 90.88 RCW.
- **Sec. 50.** RCW 90.88.005 and 2005 c 478 s 1 are each amended to read 8 as follows:
  - (1) The legislature finds that Hood Canal is a precious aquatic resource of our state. The legislature finds that Hood Canal is a rich source of recreation, fishing, aquaculture, and aesthetic enjoyment for the citizens of this state. The legislature also finds that Hood Canal has great cultural significance for the tribes in the Hood Canal area. The legislature therefore recognizes Hood Canal's substantial environmental, cultural, economic, recreational, and aesthetic importance in this state.
  - (2) The legislature finds that Hood Canal is a marine water of the state at significant risk. The legislature finds that Hood Canal has a "dead zone" related to low-dissolved oxygen concentrations, a condition that has recurred for many years. The legislature also finds that this problem and various contributors to the problem were documented in the May 2004 Preliminary Assessment and Corrective Action Plan published by the state agency known as the Puget Sound action team and the Hood Canal coordinating council.
  - (3) The legislature further finds that significant research, monitoring, and study efforts are currently occurring regarding Hood Canal's low-dissolved oxygen concentrations. The legislature also finds numerous public, private, and community organizations are working to provide public education and identify potential solutions. The legislature recognizes that, while some information and research is now available and some potential solutions have been identified, more research and analysis is needed to fully develop a program to address Hood Canal's low-dissolved oxygen concentrations.
- 34 (4) The legislature finds a need exists for the state to take 35 action to address Hood Canal's low-dissolved oxygen concentrations. 36 The legislature also finds establishing an aquatic rehabilitation zone

- for Hood Canal will serve as a statutory framework for future regulations and programs directed at recovery of this important aquatic resource.
- 4 (5) The legislature therefore intends to establish an aquatic 5 rehabilitation zone for Hood Canal as the framework to address Hood 6 Canal's low-dissolved oxygen concentrations. The legislature also 7 intends to incorporate provisions in the new statutory chapter creating 8 the designation as solutions are identified regarding this problem.
- 9 **Sec. 51.** RCW 90.88.020 and 2005 c 479 s 2 are each amended to read 10 as follows:
- 11 (1) The development of a program for rehabilitation of Hood Canal 12 is authorized in Jefferson, Kitsap, and Mason counties within the 13 aquatic rehabilitation zone one.
- 14 (2) The Puget Sound ((action team)) partnership, created in section 15 <u>3 of this act</u>, is designated as the state lead agency for the 16 rehabilitation program authorized in this section.

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- (3) The Hood Canal coordinating council is designated as the local management board for the rehabilitation program authorized in this section.
- 20 (4) The Puget Sound ((action team)) partnership and the Hood Canal 21 coordinating council must each approve and must comanage projects under 22 the rehabilitation program authorized in this section.
- 23 **Sec. 52.** RCW 90.88.030 and 2005 c 479 s 3 are each amended to read 24 as follows:
  - (1) The Hood Canal coordinating council shall serve as the local management board for aquatic rehabilitation zone one. The local management board shall coordinate local government efforts with respect to the program authorized according to RCW 90.88.020. In the Hood Canal area, the Hood Canal coordinating council also shall:
  - (a) Serve as the lead entity and the regional recovery organization for the purposes of chapter 77.85 RCW for Hood Canal summer chum; and
    - (b) Assist in coordinating activities under chapter 90.82 RCW.
- 33 (2) When developing and implementing the program authorized in RCW 34 90.88.020 and when establishing funding criteria according to 35 subsection (7) of this section, the Puget Sound ((action team)) 36 partnership, created in section 3 of this act, and the local management

- board shall solicit participation by federal, tribal, state, and local agencies and universities and nonprofit organizations with expertise in areas related to program activities. The local management board may include state and federal agency representatives, or additional persons, as nonvoting management board members or may receive technical assistance and advice from them in other venues. The local management board also may appoint technical advisory committees as needed.
  - (3) The local management board and the Puget Sound ((action team)) partnership shall participate in the development of the program authorized under RCW 90.88.020.
  - (4) The local management board and its participating local and tribal governments shall assess concepts for a regional governance structure and shall submit a report regarding the findings and recommendations to the appropriate committees of the legislature by December 1, 2007.
  - (5) Any of the local management board's participating counties and tribes, any federal, tribal, state, or local agencies, or any universities or nonprofit organizations may continue individual efforts and activities for rehabilitation of Hood Canal. Nothing in this section limits the authority of units of local government to enter into interlocal agreements under chapter 39.34 RCW or any other provision of law.
  - (6) The local management board may not exercise authority over land or water within the individual counties or otherwise preempt the authority of any units of local government.
  - partnership each may receive and disburse funding for projects, studies, and activities related to Hood Canal's low-dissolved oxygen concentrations. The Puget Sound ((action team)) partnership and the local management board shall jointly coordinate a process to prioritize projects, studies, and activities for which the Puget Sound ((action team)) partnership receives state funding specifically allocated for Hood Canal corrective actions to implement this section. The local management board and the Puget Sound ((action team)) partnership shall establish criteria for funding these projects, studies, and activities based upon their likely value in addressing and resolving Hood Canal's low-dissolved oxygen concentrations. Final approval for projects under this section requires the consent of both the Puget Sound ((action

team)) partnership and the local management board. Projects under this section must be comanaged by the Puget Sound ((action team)) partnership and the local management board. Nothing in this section prohibits any federal, tribal, state, or local agencies, universities, or nonprofit organizations from receiving funding for specific projects that may assist in the rehabilitation of Hood Canal.

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- (8) The local management board may hire and fire staff, including an executive director, enter into contracts, accept grants and other moneys, disburse funds, make recommendations to local governments about potential regulations and the development of programs and incentives upon request, pay all necessary expenses, and choose a fiduciary agent.
- (9) The local management board shall report its progress on a quarterly basis to the legislative bodies of the participating counties and tribes and the participating state agencies. The local management board also shall submit an annual report describing its efforts and successes in implementing the program established according to RCW 90.88.020 to the appropriate committees of the legislature.
- 18 **Sec. 53.** RCW 90.88.901 and 2005 c 479 s 5 are each amended to read 19 as follows:
- Nothing in chapter 479, Laws of 2005 provides any regulatory authority to the Puget Sound ((action team)) partnership, created in section 3 of this act, or the Hood Canal coordinating council.
- 23 **Sec. 54.** RCW 90.88.902 and 2005 c 479 s 6 are each amended to read 24 as follows:
- 25 The activities of the Puget Sound ((action team)) partnership, 26 created in section 3 of this act, and the Hood Canal coordinating 27 council required by chapter 479, Laws of 2005 are subject to the 28 availability of amounts appropriated for this specific purpose.
- 29 **Sec. 55.** RCW 90.48.260 and 2003 c 325 s 7 are each amended to read 30 as follows:
- The department of ecology is hereby designated as the State Water Pollution Control Agency for all purposes of the federal clean water act as it exists on February 4, 1987, and is hereby authorized to participate fully in the programs of the act as well as to take all action necessary to secure to the state the benefits and to meet the

requirements of that act. With regard to the national estuary program established by section 320 of that act, the department shall exercise its responsibility jointly with the Puget Sound ((water quality authority)) partnership, created in section 3 of this act. department of ecology may delegate its authority under this chapter, including its national pollutant discharge elimination permit system authority and duties regarding animal feeding operations concentrated animal feeding operations, to the department of agriculture through a memorandum of understanding. Until any such delegation receives federal approval, the department of agriculture's adoption or issuance of animal feeding operation and concentrated animal feeding operation rules, permits, programs, and directives pertaining to water quality shall be accomplished after reaching agreement with the director of the department of ecology. Adoption or issuance and implementation shall be accomplished so that compliance with such animal feeding operation and concentrated animal feeding operation rules, permits, programs, and directives will achieve compliance with all federal and state water pollution control laws. The powers granted herein include, among others, and notwithstanding any other provisions of chapter 90.48 RCW or otherwise, the following:

(1) Complete authority to establish and administer a comprehensive state point source waste discharge or pollution discharge elimination permit program which will enable the department to qualify for full participation in any national waste discharge or pollution discharge elimination permit system and will allow the department to be the sole agency issuing permits required by such national system operating in the state of Washington subject to the provisions of RCW 90.48.262(2). Program elements authorized herein may include, but are not limited to: (a) Effluent treatment and limitation requirements together with timing requirements related thereto; (b) applicable receiving water quality standards requirements; (c) requirements of standards of performance for new sources; (d) pretreatment requirements; (e) termination and modification of permits for cause; (f) requirements for public notices and opportunities for public hearings; (g) appropriate relationships with the secretary of the army in the administration of his responsibilities which relate to anchorage and navigation, with the administrator of the environmental protection agency in the performance of his duties, and with other governmental officials under the federal

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- clean water act; (h) requirements for inspection, monitoring, entry, and reporting; (i) enforcement of the program through penalties, emergency powers, and criminal sanctions; (j) a continuing planning process; and (k) user charges.
- 5 (2) The power to establish and administer state programs in a 6 manner which will insure the procurement of moneys, whether in the form 7 of grants, loans, or otherwise; to assist in the construction, 8 operation, and maintenance of various water pollution control 9 facilities and works; and the administering of various state water 10 pollution control management, regulatory, and enforcement programs.
- 11 (3) The power to develop and implement appropriate programs 12 pertaining to continuing planning processes, area-wide waste treatment 13 management plans, and basin planning.
- The governor shall have authority to perform those actions required of him or her by the federal clean water act.
- 16 **Sec. 56.** RCW 79A.60.520 and 1999 c 249 s 1507 are each amended to read as follows:
- The commission, in consultation with the departments of ecology, 18 fish and wildlife, natural resources, social and health services, and 19 20 the Puget Sound ((action team)) partnership shall conduct a literature 21 search and analyze pertinent studies to identify areas which are 22 polluted or environmentally sensitive within the state's waters. Based 23 on this review the commission shall designate appropriate areas as polluted or environmentally sensitive, for the purposes of chapter 393, 24 Laws of 1989 only. 25
- 26 **Sec. 57.** RCW 79A.60.510 and 1999 c 249 s 1506 are each amended to read as follows:

The legislature finds that the waters of Washington state provide 28 29 a unique and valuable recreational resource to large and growing 30 numbers of boaters. Proper stewardship of, and respect for, these waters requires that, while enjoying them for their scenic and 31 recreational benefits, boaters must exercise care to assure that such 32 activities do not contribute to the despoliation of these waters, and 33 34 that watercraft be operated in a safe and responsible manner. 35 legislature has specifically addressed the topic of access to clean and safe waterways by requiring the 1987 boating safety study and by establishing the Puget Sound ((action team)) partnership.

The legislature finds that there is a need to educate Washington's boating community about safe and responsible actions on our waters and to increase the level and visibility of the enforcement of boating laws. To address the incidence of fatalities and injuries due to recreational boating on our state's waters, local and state efforts directed towards safe boating must be stimulated. To provide for safe waterways and public enjoyment, portions of the watercraft excise tax and boat registration fees should be made available for boating safety and other boating recreation purposes.

In recognition of the need for clean waterways, and in keeping with the Puget Sound ((action team's)) partnership's water quality work plan, the legislature finds that adequate opportunities for responsible disposal of boat sewage must be made available. There is hereby established a five-year initiative to install sewage pumpout or sewage dump stations at appropriate marinas.

To assure the use of these sewage facilities, a boater environmental education program must accompany the five-year initiative and continue to educate boaters about boat wastes and aquatic resources.

The legislature also finds that, in light of the increasing numbers of boaters utilizing state waterways, a program to acquire and develop sufficient waterway access facilities for boaters must be undertaken.

To support boating safety, environmental protection and education, and public access to our waterways, the legislature declares that a portion of the income from boating-related activities, as specified in RCW 82.49.030 and 88.02.040, should support these efforts.

**Sec. 58.** RCW 79.105.500 and 2005 c 155 s 158 are each amended to 30 read as follows:

The legislature finds that the department provides, manages, and monitors aquatic land dredged material disposal sites on state-owned aquatic lands for materials dredged from rivers, harbors, and shipping lanes. These disposal sites are approved through a cooperative planning process by the departments of natural resources and ecology, the United States army corps of engineers, and the United States environmental protection agency in cooperation with the Puget Sound

- 1 ((action team)) partnership. These disposal sites are essential to the
- 2 commerce and well-being of the citizens of the state of Washington.
- 3 Management and environmental monitoring of these sites are necessary to
- 4 protect environmental quality and to assure appropriate use of state-
- 5 owned aquatic lands. The creation of an aquatic land dredged material
- 6 disposal site account is a reasonable means to enable and facilitate
- 7 proper management and environmental monitoring of these disposal sites.
- 8 **Sec. 59.** RCW 77.60.130 and 2000 c 149 s 1 are each amended to read 9 as follows:

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- (1) The aquatic nuisance species committee is created for the purpose of fostering state, federal, tribal, and private cooperation on aquatic nuisance species issues. The mission of the committee is to minimize the unauthorized or accidental introduction of nonnative aquatic species and give special emphasis to preventing the introduction and spread of aquatic nuisance species. The term "aquatic nuisance species" means a nonnative aquatic plant or animal species that threatens the diversity or abundance of native species, the ecological stability of infested waters, or commercial, agricultural, or recreational activities dependent on such waters.
  - (2) The committee consists of representatives from each of the following state agencies: Department of fish and wildlife, department of ecology, department of agriculture, department of health, department of natural resources, Puget Sound ((water quality action team)) partnership, state patrol, state noxious weed control board, and Washington sea grant program. The committee shall encourage and solicit participation by: Federally recognized tribes of Washington, federal agencies, Washington conservation organizations, environmental groups, and representatives from industries that may either be affected by the introduction of an aquatic nuisance species or that may serve as a pathway for their introduction.
    - (3) The committee has the following duties:
  - (a) Periodically revise the state of Washington aquatic nuisance species management plan, originally published in June 1998;
- 34 (b) Make recommendations to the legislature on statutory provisions 35 for classifying and regulating aquatic nuisance species;
  - (c) Recommend to the state noxious weed control board that a plant

- 1 be classified under the process designated by RCW 17.10.080 as an 2 aquatic noxious weed;
- 3 (d) Coordinate education, research, regulatory authorities,
  4 monitoring and control programs, and participate in regional and
  5 national efforts regarding aquatic nuisance species;
  - (e) Consult with representatives from industries and other activities that may serve as a pathway for the introduction of aquatic nuisance species to develop practical strategies that will minimize the risk of new introductions; and
- 10 (f) Prepare a biennial report to the legislature with the first 11 report due by December 1, 2001, making recommendations for better 12 accomplishing the purposes of this chapter, and listing the 13 accomplishments of this chapter to date.
  - (4) The committee shall accomplish its duties through the authority and cooperation of its member agencies. Implementation of all plans and programs developed by the committee shall be through the member agencies and other cooperating organizations.
- 18 **Sec. 60.** RCW 70.146.070 and 1999 c 164 s 603 are each amended to read as follows:
- 20 (1) When making grants or loans for water pollution control 21 facilities, the department shall consider the following:
  - (a) The protection of water quality and public health;
- 23 (b) The cost to residential ratepayers if they had to finance water 24 pollution control facilities without state assistance;
- 25 (c) Actions required under federal and state permits and compliance 26 orders;
  - (d) The level of local fiscal effort by residential ratepayers since 1972 in financing water pollution control facilities;
  - (e) The extent to which the applicant county or city, or if the applicant is another public body, the extent to which the county or city in which the applicant public body is located, has established programs to mitigate nonpoint pollution of the surface or subterranean water sought to be protected by the water pollution control facility named in the application for state assistance; and
- 35 (f) The recommendations of the Puget Sound ((action team)) 36 partnership, created in section 3 of this act, and any other board,

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council, commission, or group established by the legislature or a state agency to study water pollution control issues in the state.

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- (2) Except where necessary to address a public health need or 3 substantial environmental degradation, a county, city, or town planning 4 5 under RCW 36.70A.040 may not receive a grant or loan for water pollution control facilities unless it has adopted a comprehensive 6 7 plan, including a capital facilities plan element, and development regulations as required by RCW 36.70A.040. This subsection does not 8 require any county, city, or town planning under RCW 36.70A.040 to 9 10 adopt a comprehensive plan or development regulations before requesting or receiving a grant or loan under this chapter if such request is made 11 before the expiration of the time periods specified in RCW 36.70A.040. 12 13 A county, city, or town planning under RCW 36.70A.040 which has not 14 adopted a comprehensive plan and development regulations within the time periods specified in RCW 36.70A.040 is not prohibited from 15 16 receiving a grant or loan under this chapter if the comprehensive plan 17 and development regulations are adopted as required by RCW 36.70A.040 before submitting a request for a grant or loan. 18
- 19 (3) Whenever the department is considering awarding grants or loans 20 for public facilities to special districts requesting funding for a 21 proposed facility located in a county, city, or town planning under RCW 22 36.70A.040, it shall consider whether the county, city, or town 23 planning under RCW 36.70A.040 in whose planning jurisdiction the 24 proposed facility is located has adopted a comprehensive plan and 25 development regulations as required by RCW 36.70A.040.
- 26 **Sec. 61.** RCW 70.118.090 and 1994 c 281 s 6 are each amended to read as follows:

The department may not use funds appropriated to implement an element of the <u>action agenda developed by the Puget Sound ((water quality authority plan)) partnership under section 13 of this act to conduct any activity required under chapter 281, Laws of 1994.</u>

- 32 **Sec. 62.** RCW 43.21J.030 and 1998 c 245 s 60 are each amended to 33 read as follows:
- 34 (1) There is created the environmental enhancement and job creation 35 task force within the office of the governor. The purpose of the task 36 force is to provide a coordinated and comprehensive approach to

- implementation of chapter 516, Laws of 1993. The task force shall 1 2 consist of the commissioner of public lands, the director of the department of fish and wildlife, the director of the department of 3 ecology, the director of the parks and recreation commission, the 4 timber team coordinator, the executive director of the work force 5 training and education coordinating board, and the executive director 6 7 of the Puget Sound ((water quality authority)) partnership, or their The task force may seek the advice of the following 8 agencies and organizations: The department of community, trade, and 9 10 economic development, the conservation commission, the employment security department, the interagency committee for outdoor recreation, 11 12 appropriate federal agencies, appropriate special districts, the 13 Washington state association of counties, the association of Washington 14 cities, labor organizations, business organizations, timber-dependent communities, environmental organizations, and Indian tribes. 15 governor shall appoint the task force chair. Members of the task force 16 17 shall serve without additional pay. Participation in the work of the committee by agency members shall be considered in performance of their 18 The governor shall designate staff and administrative 19 employment. support to the task force and shall solicit the participation of agency 20 21 personnel to assist the task force.
  - (2) The task force shall have the following responsibilities:
  - (a) Soliciting and evaluating, in accordance with the criteria set forth in RCW 43.21J.040, requests for funds from the environmental and forest restoration account and making distributions from the account. The task force shall award funds for projects and training programs it approves and may allocate the funds to state agencies for disbursement and contract administration;
  - (b) Coordinating a process to assist state agencies and local governments to implement effective environmental and forest restoration projects funded under this chapter;
  - (c) Considering unemployment profile data provided by the employment security department.
- 34 (3) Beginning July 1, 1994, the task force shall have the following responsibilities:
- 36 (a) To solicit and evaluate proposals from state and local 37 agencies, private nonprofit organizations, and tribes for environmental 38 and forest restoration projects;

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- 1 (b) To rank the proposals based on criteria developed by the task 2 force in accordance with RCW 43.21J.040; and
- 3 (c) To determine funding allocations for projects to be funded from 4 the account created in RCW 43.21J.020 and for projects or programs as 5 designated in the omnibus operating and capital appropriations acts.
- 6 **Sec. 63.** RCW 43.21J.040 and 1993 c 516 s 4 are each amended to 7 read as follows:

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- (1) Subject to the limitations of RCW 43.21J.020, the task force shall award funds from the environmental and forest restoration account on a competitive basis. The task force shall evaluate and rate environmental enhancement and restoration project proposals using the following criteria:
- 13 (a) The ability of the project to produce measurable improvements 14 in water and habitat quality;
  - (b) The cost-effectiveness of the project based on: (i) Projected costs and benefits of the project; (ii) past costs and environmental benefits of similar projects; and (iii) the ability of the project to achieve cost efficiencies through its design to meet multiple policy objectives;
  - (c) The inclusion of the project as a high priority in a federal, state, tribal, or local government plan relating to environmental or forest restoration, including but not limited to a local watershed action plan, storm water management plan, capital facility plan, growth management plan, or a flood control plan; or the ranking of the project by conservation districts as a high priority for water quality and habitat improvements;
- 27 (d) The number of jobs to be created by the project for dislocated 28 forest products workers, high-risk youth, and residents of impact 29 areas;
- 30 (e) Participation in the project by environmental businesses to 31 provide training, cosponsor projects, and employ or jointly employ 32 project participants;
- 33 (f) The ease with which the project can be administered from the 34 community the project serves;
- 35 (g) The extent to which the project will either augment existing 36 efforts by organizations and governmental entities involved in

- environmental and forest restoration in the community or receive matching funds, resources, or in-kind contributions; and
  - (h) The capacity of the project to produce jobs and job-related training that will pay market rate wages and impart marketable skills to workers hired under this chapter.
    - (2) The following types of projects and programs shall be given top priority in the first fiscal year after July 1, 1993:
    - (a) Projects that are highly ranked in and implement adopted or approved watershed action plans, such as those developed pursuant to rules adopted by the agency then known as the Puget Sound water quality authority ((rules adopted)) for local planning and management of nonpoint source pollution;
- 13 (b) Conservation district projects that provide water quality and 14 habitat improvements;
- 15 (c) Indian tribe projects that provide water quality and habitat 16 improvements; or
- 17 (d) Projects that implement actions approved by a shellfish protection district under chapter 100, Laws of 1992.
  - (3) Funds shall not be awarded for the following activities:
- 20 (a) Administrative rule making;
- 21 (b) Planning; or

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- 22 (c) Public education.
- 23 **Sec. 64.** RCW 28B.30.632 and 1990 c 289 s 2 are each amended to 24 read as follows:
  - (1) The sea grant and cooperative extension shall jointly administer a program to provide field agents to work with local governments, property owners, and the general public to increase the propagation of shellfish, and to address Puget Sound water quality problems within Kitsap, Mason, and Jefferson counties that may limit shellfish propagation potential. The sea grant and cooperative extension shall each make available the services of no less than two agents within these counties for the purposes of this section.
- 33 (2) The responsibilities of the field agents shall include but not 34 be limited to the following:
- 35 (a) Provide technical assistance to property owners, marine 36 industry owners and operators, and others, regarding methods and

- 1 practices to address nonpoint and point sources of pollution of Puget 2 Sound;
- 3 (b) Provide technical assistance to address water quality problems 4 limiting opportunities for enhancing the recreational harvest of 5 shellfish;

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- (c) Provide technical assistance in the management and increased production of shellfish to facility operators or to those interested in establishing an operation;
- (d) Assist local governments to develop and implement education and public involvement activities related to Puget Sound water quality;
- 11 (e) Assist in coordinating local water quality programs with 12 region-wide and statewide programs;
- 13 (f) Provide information and assistance to local watershed 14 committees.
  - (3) The sea grant and cooperative extension shall mutually coordinate their field agent activities to avoid duplicative efforts and to ensure that the full range of responsibilities under RCW 28B.30.632 through 28B.30.636 are carried out. They shall consult with the Puget Sound ((water quality authority)) partnership, created in section 3 of this act, and ensure consistency with ((the authority's)) any of the Puget Sound partnership's water quality management plans.
- 22 (4) Recognizing the special expertise of both agencies, the sea 23 grant and cooperative extension shall cooperate to divide their 24 activities as follows:
- 25 (a) Sea grant shall have primary responsibility to address water 26 quality issues related to activities within Puget Sound, and to provide 27 assistance regarding the management and improvement of shellfish 28 production; and
- 29 (b) Cooperative extension shall have primary responsibility to 30 address upland and freshwater activities affecting Puget Sound water 31 quality and associated watersheds.
- 32 <u>NEW SECTION.</u> **Sec. 65.** RCW 90.71.902 and 90.71.903 are each 33 decodified.
- NEW SECTION. Sec. 66. RCW 90.71.100 is recodified as a new section in chapter 70.118 RCW.

- NEW SECTION. Sec. 67. The following acts or parts of acts are each repealed:
  - (1) RCW 90.71.005 (Findings) and 1998 c 246 s 13 & 1996 c 138 s 1;
- 4 (2) RCW 90.71.015 (Environmental excellence program agreements--5 Effect on chapter) and 1997 c 381 s 30;
- 6 (3) RCW 90.71.020 (Puget Sound action team) and 1998 c 246 s 14 & 7 1996 c 138 s 3;
- 8 (4) RCW 90.71.030 (Puget Sound council) and 1999 c 241 s 3 & 1996 9 c 138 s 4;
- 10 (5) RCW 90.71.040 (Chair of action team) and 1996 c 138 s 5;
- 11 (6) RCW 90.71.050 (Work plans) and 1998 c 246 s 15 & 1996 c 138 s 12 6;
- 13 (7) RCW 90.71.070 (Work plan implementation) and 1996 c 138 s 8;
- 14 (8) RCW 90.71.080 (Public participation) and 1996 c 138 s 9;
- 15 (9) RCW 90.71.900 (Short title--1996 c 138) and 1996 c 138 s 15;
- 17 (10) RCW 90.71.901 (Captions not law) and 1996 c 138 s 14.
- NEW SECTION. Sec. 68. Sections 1, 3 through 21, 23, 41, and 42 of this act are each added to chapter 90.71 RCW.
- NEW SECTION. Sec. 69. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.
- NEW SECTION. Sec. 70. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2007.

Passed by the Senate April 20, 2007. Passed by the House April 10, 2007. Approved by the Governor May 7, 2007. Filed in Office of Secretary of State May 8, 2007.

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and