

CERTIFICATION OF ENROLLMENT

**ENGROSSED SECOND SUBSTITUTE SENATE BILL 6117**

Chapter 445, Laws of 2007

(partial veto)

60th Legislature  
2007 Regular Session

RECLAIMED WATER

EFFECTIVE DATE: 07/22/07

Passed by the Senate April 17, 2007  
YEAS 32 NAYS 15

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Passed by the House April 11, 2007  
YEAS 65 NAYS 32

FRANK CHOPP

\_\_\_\_\_  
**Speaker of the House of Representatives**

Approved May 11, 2007, 11:25 a.m., with  
the exception of section 4 which is  
vetoed.

CHRISTINE GREGOIRE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Thomas Hoemann, Secretary of  
the Senate of the State of  
Washington, do hereby certify that  
the attached is **ENGROSSED SECOND  
SUBSTITUTE SENATE BILL 6117** as  
passed by the Senate and the House  
of Representatives on the dates  
hereon set forth.

THOMAS HOEMANN

\_\_\_\_\_  
**Secretary**

FILED

May 11, 2007

**Secretary of State  
State of Washington**

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ENGROSSED SECOND SUBSTITUTE SENATE BILL 6117

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AS AMENDED BY THE HOUSE

Passed Legislature - 2007 Regular Session

**State of Washington**                      **60th Legislature**                      **2007 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Fraser, Poulsen, Rockefeller, Marr, Kohl-Welles and Kline)

READ FIRST TIME 03/05/07.

1            AN ACT Relating to reclaimed water; amending RCW 90.46.005,  
2 90.46.120, 90.46.130, 90.82.043, 90.54.020, and 90.54.180; amending  
3 2006 c 279 s 3 (uncodified); adding new sections to chapter 90.46 RCW;  
4 and creating new sections.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

13            (a) Global warming and climate change. Global warming has reduced  
14 the volume of glaciers in the North Cascade mountains to between  
15 eighteen to thirty-two percent since 1983, and up to seventy-five  
16 percent of the glaciers are at risk of disappearing under projected  
17 temperatures for this century. Mountain snow pack has declined at  
18 virtually every measurement location in the Pacific Northwest, reducing  
19 the proportion of annual river flow to Puget Sound during summer months

1 by eighteen percent since 1948. Global warming has also shifted peak  
2 stream flows earlier in the year in watersheds covering much of  
3 Washington state, including the Columbia river basin, jeopardizing the  
4 state's salmon fisheries. The state's recent report on the economic  
5 impacts of climate change indicate that water resources will be one of  
6 the areas most affected, and that many utilities may need to invest  
7 major resources in new supply and conservation measures. Developing  
8 and implementing adaptation strategies, such as water conservation that  
9 includes the use of reclaimed water, can extend existing water supply  
10 systems to help address the global warming impacts. In particular,  
11 because reclaimed water uses existing sources of supply and fairly  
12 constant base flows of wastewater, it has year-round dependability,  
13 without regard to any given year's climate variability. This is  
14 particularly important during summer months, when outdoor demands peak  
15 and stream flows are critical for fish.

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

23 (c) Salmon recovery. The federal fisheries services recently  
24 approved a salmon recovery plan for the Puget Sound, which was  
25 developed across multiple watersheds by numerous local governments,  
26 tribal governments, and other parties to achieve sustainable  
27 populations of salmon and other species. That plan includes an  
28 adaptive management component where continued efforts will be made to  
29 address issues, including problems with instream flows, identified as  
30 a limiting factor in virtually all the watersheds, through strategies  
31 that will be developed by regional and watershed implementation groups.  
32 A potentially significant strategy may be the substitution of reclaimed  
33 water for nonpotable uses where it will benefit streams and habitat.

34 (d) Water quality. Increasingly stringent federal standards for  
35 water quality are forcing a number of communities to develop strategies  
36 for wastewater treatment that, in addition to providing higher  
37 treatment levels, will reduce the quantity of discharges. For many of

1 those communities, facilities to produce reclaimed water will be a  
2 necessary approach to achieve both water quality and water supply  
3 objectives.

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

9 (f) Columbia river water management. Pursuant to legislation and  
10 funding provided in 2006, federal, state, and local governments and  
11 agencies, along with tribal governments, user groups, environmental  
12 organizations, and others are developing a comprehensive strategy for  
13 the mainstem Columbia that will ensure supplies for future growth while  
14 protecting stream flows and fish habitat. The strategy will include  
15 multiple tools that may include the potential development of new  
16 storage, conservation measures, and water use efficiency. One pathway  
17 toward conservation and efficiency is likely to be identification and  
18 implementation of reclaimed water opportunities.

19 (g) Development schedule. The time frame required to plan, design,  
20 construct, and begin use of reclaimed water can be extensive due to the  
21 public information and acceptance efforts required in addition to  
22 planning, design, and environmental assessment required for  
23 infrastructure projects. This extended time frame necessitates the  
24 initiation of reclaimed water projects as soon as possible.

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

26 (a) Effectuate and reinvigorate the original intent behind the  
27 reclaimed water act to expand the use of reclaimed water for nonpotable  
28 uses throughout the state;

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

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

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

37 (e) Facilitate achieving state, regional, and local objectives

1 through use of reclaimed water for water supply purposes in high  
2 priority areas of the state, and in regional and local watershed and  
3 water planning;

4 (f) Provide planning tools to local governments to incorporate  
5 reclaimed water and related water conservation into land use plans,  
6 consistent with water planning;

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

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

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

14 The legislature finds that by encouraging the use of reclaimed  
15 water while assuring the health and safety of all Washington citizens  
16 and the protection of its environment, the state of Washington will  
17 continue to use water in the best interests of present and future  
18 generations.

19 To facilitate the immediate use of reclaimed water (~~((as soon as is~~  
20 ~~practicable, the legislature encourages the cooperative efforts of the~~  
21 ~~public and private sectors and the use of pilot projects))~~ for uses  
22 approved by the departments of ecology and health, the state shall  
23 expand both direct financial support and financial incentives for  
24 capital investments in water reuse and reclaimed water to effectuate  
25 the goals of this chapter. The legislature further directs the  
26 department of health and the department of ecology to coordinate  
27 efforts towards developing an efficient and streamlined process for  
28 creating and implementing processes for the use of reclaimed water.

29 It is hereby declared that the people of the state of Washington  
30 have a primary interest in the development of facilities to provide  
31 reclaimed water to replace potable water in nonpotable applications, to  
32 supplement existing surface and ground water supplies, and to assist in  
33 meeting the future water requirements of the state.

34 The legislature further finds and declares that the utilization of  
35 reclaimed water by local communities for domestic, agricultural,  
36 industrial, recreational, and fish and wildlife habitat creation and  
37 enhancement purposes, including wetland enhancement, will contribute to

1 the peace, health, safety, and welfare of the people of the state of  
2 Washington. To the extent reclaimed water is appropriate for  
3 beneficial uses, it should be so used to preserve potable water for  
4 drinking purposes, contribute to the restoration and protection of  
5 instream flows that are crucial to preservation of the state's salmonid  
6 fishery resources, contribute to the restoration of Puget Sound by  
7 reducing wastewater discharge, provide a drought resistant source of  
8 water supply for nonpotable needs, or be a source of supply integrated  
9 into state, regional, and local strategies to respond to population  
10 growth and global warming. Use of reclaimed water constitutes the  
11 development of new basic water supplies needed for future generations  
12 and local and regional water management planning should consider  
13 coordination of infrastructure, development, storage, water reclamation  
14 and reuse, and source exchange as strategies to meet water demands  
15 associated with population growth and impacts of global warming.

16 The legislature further finds and declares that the use of  
17 reclaimed water is not inconsistent with the policy of antidegradation  
18 of state waters announced in other state statutes, including the water  
19 pollution control act, chapter 90.48 RCW and the water resources act,  
20 chapter 90.54 RCW.

21 The legislature finds that other states, including California,  
22 Florida, and Arizona, have successfully used reclaimed water to  
23 supplement existing water supplies without threatening existing  
24 resources or public health.

25 It is the intent of the legislature that the department of ecology  
26 and the department of health undertake the necessary steps to encourage  
27 the development of water reclamation facilities so that reclaimed water  
28 may be made available to help meet the growing water requirements of  
29 the state.

30 The legislature further finds and declares that reclaimed water  
31 facilities are water pollution control facilities as defined in chapter  
32 70.146 RCW and are eligible for financial assistance as provided in  
33 chapter 70.146 RCW. The legislature finds that funding demonstration  
34 projects will ensure the future use of reclaimed water. The  
35 demonstration projects in RCW 90.46.110 are varied in nature and will  
36 provide the experience necessary to test different facets of the  
37 standards and refine a variety of technologies so that water purveyors  
38 can begin to use reclaimed water technology in a more cost-effective

1 manner. This is especially critical in smaller cities and communities  
2 where the feasibility for such projects is great, but there are scarce  
3 resources to develop the necessary facilities.

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

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

10 (1) The owner of a wastewater treatment facility that is reclaiming  
11 water with a permit issued under this chapter has the exclusive right  
12 to any reclaimed water generated by the wastewater treatment facility.  
13 Use ~~((and))~~, distribution ~~((of the))~~, and the recovery from aquifer  
14 storage of reclaimed water by the owner of the wastewater treatment  
15 facility is exempt from the permit requirements of RCW 90.03.250 and  
16 90.44.060, provided that a permit for recovery of reclaimed water from  
17 aquifer storage and recovery shall be reviewed under the standards  
18 established under RCW 90.03.370(2). Revenues derived from the  
19 reclaimed water facility shall be used only to offset the cost of  
20 operation of the wastewater utility fund or other applicable source of  
21 system-wide funding.

22 (2) If the proposed use or uses of reclaimed water are intended to  
23 augment or replace potable water supplies or create the potential for  
24 the development of additional potable water supplies, such use or uses  
25 shall be considered in the development of ~~((the))~~ any regional water  
26 supply plan or plans addressing potable water supply service by  
27 multiple water purveyors. Such water supply plans include plans  
28 developed by multiple jurisdictions under the relevant provisions of  
29 chapters 43.20, 70.116, 90.44, and 90.82 RCW, and the water supply  
30 provisions under the utility element of chapter 36.70A RCW. The method  
31 by which such plans are approved shall remain unchanged. The owner of  
32 a wastewater treatment facility that proposes to reclaim water shall be  
33 included as a participant in the development of such regional water  
34 supply plan or plans.

35 (3) Where opportunities for the use of reclaimed water exist within  
36 the period of time addressed by a water system plan, a water supply  
37 plan, or a coordinated water system plan developed under chapters 43.20

1 ~~((or))~~, 70.116, 90.44, and 90.82 RCW, and the water supply provisions  
2 under the utility element of chapter 36.70A RCW, these plans must be  
3 developed and coordinated to ensure that opportunities for reclaimed  
4 water are evaluated. The requirements of this subsection (3) do not  
5 apply to water system plans developed under chapter 43.20 RCW for  
6 utilities serving less than one thousand service connections.

7 (4) The provisions of any plan for reclaimed water, developed under  
8 the authorities in subsections (2) and (3) of this section, should be  
9 included by a city, town, or county in reviewing provisions for water  
10 supplies in a proposed short plat, short subdivision, or subdivision  
11 under chapter 58.17 RCW, where reclaimed water supplies may be proposed  
12 for nonpotable purposes in the short plat, short subdivision, or  
13 subdivision.

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

16 **(1)(a) Except as provided in subsections (2) and (5) of this**  
17 **section, facilities that reclaim water under this chapter shall not**  
18 **impair any existing water right downstream from any freshwater**  
19 **discharge points of such facilities unless ~~((compensation or mitigation~~**  
20 **for such impairment is agreed to by the holder of the affected water**  
21 **right)) the impairment is mitigated or the holder of the water right is**  
22 **provided just compensation for the impairment. For purposes of this**  
23 **subsection, "just compensation" has the same meaning as provided in**  
24 **Title 8 RCW.**

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

28 **(2) Agricultural water use of agricultural industrial process water**  
29 **and use of industrial reuse water under this chapter shall not impair**  
30 **existing water rights within the water source that is the source of**  
31 **supply for the agricultural processing plant or the industrial**  
32 **processing and, if the water source is surface water, the existing**  
33 **water rights are downstream from the agricultural processing plant's**  
34 **discharge points existing on July 22, 2001, or from the industrial**  
35 **processing's discharge points existing on June 13, 2002.**

36 **(3) The department of ecology shall convene and staff a task force**  
37 **to review potential barriers or issues related to development of**

1 reclaimed water projects pursuant to the evaluation of water rights  
2 impairment under this section and related impairment issues and shall  
3 report the findings and any recommendations of this review to the  
4 appropriate standing committees of the legislature no later than  
5 December 31, 2007. The task force shall be cochaired by a  
6 representative from the water quality and the water resources programs  
7 at the department, and shall consist of representatives of interested  
8 groups, including the attorney general, the department of health, local  
9 governments, tribal governments, water utilities, reclaimed water  
10 utilities, wastewater utilities, environmental organizations,  
11 agricultural organizations, and businesses including golf course  
12 owners. The task force and report shall address the following topics  
13 at a minimum: (a) Internal processing of reclaimed water permits by  
14 the department, including the ability to deliver timely decisions on  
15 potential impairment of water rights; (b) compliance with state and  
16 federal water quality standards on existing and future discharges,  
17 including potential requirements on wastewater utilities to reduce  
18 discharges to water and increase upland discharges; (c) nature of water  
19 that is imported into a watershed or potentially exported from the  
20 watershed in the form of effluent or reclaimed water; (d) inequities or  
21 different treatment of processing of reclaimed water permits and  
22 wastewater permits for similar treatment and facilities; (e) ability of  
23 existing provisions of state law, such as chapter 90.48 RCW, to address  
24 possible impacts to, and mitigation for, stream flows and fish habitat;  
25 (f) technical ability to determine impacts to water sources from  
26 reclaimed water facilities; (g) approaches to these issues in other  
27 western states with significant use of reclaimed water; (h) the ability  
28 of subsection (1)(a) of this section to adequately, efficiently, and  
29 equitably address impairment compensation and mitigation.

30 (4) For purposes of determining a claim of impairment under  
31 subsection (1)(a) of this section, of a downstream water right existing  
32 as of August 18, 1997, the applicant for a reclaimed water permit shall  
33 publish notice of an application for a permit for a reclaimed water  
34 facility in the same manner as provided for in RCW 90.48.170. If the  
35 department receives a claim of impairment within thirty days of the  
36 last publication of notice, the department shall investigate the claim  
37 of impairment and issue a written decision. The decision must include  
38 any conditions the department finds necessary to mitigate any

1 impairment. The decision must be issued within one hundred eighty days  
2 and is appealable by any party under RCW 43.21B.310, regardless of  
3 whether the party submits a claim of impairment within thirty days of  
4 the last publication of notice, upon the issuance of the decision or as  
5 part of the overall reclaimed water permit upon the issuance of a  
6 reclaimed water permit. This section may not be construed as exempting  
7 a reclaimed water project from the provisions of chapter 43.21C RCW.

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

\*Sec. 4 was vetoed. See message at end of chapter.

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

12 (1) In order to identify and pursue other measures to facilitate  
13 achieving the objectives in RCW 90.46.005 for expanded, appropriate,  
14 and safe use of reclaimed water, the department of ecology and the  
15 department of health shall provide the legislature with relevant  
16 information through periodic progress reports, as provided in this  
17 section.

18 (2) The department of ecology ((~~must present~~)) shall provide  
19 interim reports to the appropriate committees of the legislature by  
20 January 1, 2008, and January 1, 2009, that summarize the steps taken to  
21 that date towards the final rule making required by ((~~section 1 of this~~  
22 act)) RCW 90.46.015. The reports ((~~must~~)) shall include, at a minimum,  
23 a summary of participation in the rule advisory ((~~group and~~))  
24 committee, the topics considered by the department, and issues  
25 identified by the rule advisory committee as barriers to expanded use  
26 of reclaimed water that may not be addressed within the rules to be  
27 adopted by the department.

28 (3) In addition to subsection (2) of this section, the department  
29 shall form a subtask force consisting of not more than ten members  
30 chosen from the existing rule advisory committee, and reclaimed water  
31 users, to further identify and recommend actions to increase the  
32 promotion of reclaimed water as a water supply and water resource  
33 management option. At a minimum, the subtask force shall consider (a)  
34 issues assigned by the rule advisory committee; (b) staffing levels,  
35 resources, and roles within both state agencies; (c) optimizing  
36 organizational structure; (d) unresolved legal issues specific to  
37 reclaimed water use; and (e) a more appropriate name to describe

1 reclaimed water. Information regarding these topics shall be appended  
2 to the required interim reports as the topics are considered by the  
3 advisory group.

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

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

11 (2) Each implementation plan must contain strategies to provide  
12 sufficient water for: (a) Production agriculture; (b) commercial,  
13 industrial, and residential use; and (c) instream flows. Each  
14 implementation plan must contain timelines to achieve these strategies  
15 and interim milestones to measure progress.

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

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

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

29 (b) Beginning with the December 1, 2007, report, and then every two  
30 years thereafter, the director shall include in each report the extent  
31 to which reclaimed water has been identified in the watershed plans as  
32 potential sources or strategies to meet future water needs, and  
33 provisions in any watershed implementation plans that discuss barriers  
34 to implementation of the water reuse elements of those plans. The  
35 department's report shall include an estimate of the potential cost of  
36 reclaimed water facilities and identification of potential sources of  
37 funding for them.

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

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

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

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

11        (2) The report shall also identify:

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

15        (b) The best information currently available regarding potential  
16 public health risks associated with reclaimed water, if any, any known  
17 occurrences of any public health incidents associated with reclaimed  
18 water use, the approaches to reclaimed water-related public health  
19 issues taken in other states, and resource needs of the department to  
20 evaluate any known public health risks; and

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

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

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

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

31        (1) Uses of water for domestic, stock watering, industrial,  
32 commercial, agricultural, irrigation, hydroelectric power production,  
33 mining, fish and wildlife maintenance and enhancement, recreational,  
34 and thermal power production purposes, and preservation of  
35 environmental and aesthetic values, and all other uses compatible with  
36 the enjoyment of the public waters of the state, are declared to be  
37 beneficial.

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

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

7 (a) Perennial rivers and streams of the state shall be retained  
8 with base flows necessary to provide for preservation of wildlife,  
9 fish, scenic, aesthetic and other environmental values, and  
10 navigational values. Lakes and ponds shall be retained substantially  
11 in their natural condition. Withdrawals of water which would conflict  
12 therewith shall be authorized only in those situations where it is  
13 clear that overriding considerations of the public interest will be  
14 served.

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

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

31 (ii) The municipality demonstrates that no violation of receiving  
32 water quality standards or appreciable environmental degradation will  
33 result.

34 (4) The development of multipurpose water storage facilities shall  
35 be a high priority for programs of water allocation, planning,  
36 management, and efficiency. The department, other state agencies,  
37 local governments, and planning units formed under section 107 or 108  
38 of this act shall evaluate the potential for the development of new

1 storage projects and the benefits and effects of storage in reducing  
2 damage to stream banks and property, increasing the use of land,  
3 providing water for municipal, industrial, agricultural, power  
4 generation, and other beneficial uses, and improving stream flow  
5 regimes for fisheries and other instream uses.

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

8 (6) Multiple-purpose impoundment structures are to be preferred  
9 over single-purpose structures. Due regard shall be given to means and  
10 methods for protection of fishery resources in the planning for and  
11 construction of water impoundment structures and other artificial  
12 obstructions.

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

27 (8) Development of water supply systems, whether publicly or  
28 privately owned, which provide water to the public generally in  
29 regional areas within the state shall be encouraged. Development of  
30 water supply systems for multiple domestic use which will not serve the  
31 public generally shall be discouraged where water supplies are  
32 available from water systems serving the public.

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

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

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

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

6 Consistent with the fundamentals of water resource policy set forth  
7 in this chapter, state and local governments, individuals,  
8 corporations, groups and other entities shall be encouraged to carry  
9 out water use efficiency and conservation programs and practices  
10 consistent with the following:

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

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

32 (3) In determining the cost-effectiveness of alternative water  
33 sources, full consideration should be given to the benefits of storage  
34 which can reduce the damage to stream banks and property, increase the  
35 utilization of land, provide water for municipal, industrial,  
36 agricultural, and other beneficial uses, provide for the generation of

1 electric power from renewable resources, and improve stream flow  
2 regimes for fishery and other instream uses.

3 (4) Entities receiving state financial assistance for construction  
4 of water source expansion or acquisition of new sources shall develop,  
5 and implement if cost-effective, a water use efficiency and  
6 conservation element of a water supply plan pursuant to RCW  
7 43.20.230(1).

8 (5) State programs to improve water use efficiency should focus on  
9 those areas of the state in which water is overappropriated; areas that  
10 experience diminished streamflows or aquifer levels; regional areas  
11 that the governor has identified as high priority for investments in  
12 improved water quality and quantity, including the Spokane river, the  
13 Columbia river basin, and the Puget Sound; areas most likely to be  
14 affected by global warming; and areas where projected water needs,  
15 including those for instream flows, exceed available supplies.

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

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

26 (1) The department of ecology shall establish a subtask force from  
27 the existing rule advisory committee, and reclaimed water users, by  
28 July 31, 2007, composed of no more than ten members including a  
29 representative from the department of ecology, who shall serve as  
30 chair, a representative from the department of health, and  
31 representatives from city, county, and water-sewer district utilities,  
32 and the environmental and business communities. By January 1, 2008,  
33 the subtask force shall submit to the appropriate legislative  
34 committees a recommendation for a long-term dedicated funding program  
35 to construct reclaimed water facilities. To minimize the  
36 administrative burden, the subtask force shall work toward a  
37 coordinated effort with the current clean water state revolving fund

1 and centennial clean water fund integrated program under which  
2 reclaimed water projects with a water quality benefit are currently  
3 eligible and shall review the "2006 Inventory of State Infrastructure  
4 Programs" produced by the joint legislative audit and review committee.  
5 The subtask force shall also review current existing conservation and  
6 water reuse plans or programs for cities, counties, and districts and  
7 provide a report to the appropriate legislative committees regarding  
8 the number, general nature, and extent that conservation and reclaimed  
9 water use is identified or incorporated into such plans. The subtask  
10 force also shall consider, and recommend, provisions on: (a) The  
11 inclusion of reclaimed water use criteria or requirements as an element  
12 of water use efficiency requirements required under RCW 70.119A.180 and  
13 for water system, public water system, and/or regional water plans as  
14 required under chapters 43.20 and 70.119 RCW; and (b) the current and  
15 potential use of water conservation plans or ordinances, water  
16 conservation measures in regional watershed plans, and water  
17 conservation programs adopted by cities, towns, or counties addressing  
18 the use of reclaimed water where potable water is not required by the  
19 department of health.

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

22 (a) Eligibility requirements: Eligible components should include  
23 the additional water reclamation components to treat wastewater  
24 effluent to reclaimed water standards, distribution pump stations,  
25 storage, trunk lines, and distribution lines, and multiple-purpose  
26 projects in proportion to the costs allocated to reclaimed water;

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

30 (c) Priorities for funding that target reclaimed water projects  
31 ready to proceed, local support for the project, projects in areas that  
32 have adopted mandatory use ordinances or letters of intent to execute  
33 user contracts, projects providing broader public benefits to  
34 environmental water quality or water resource needs such as Puget Sound  
35 restoration, Columbia river water management strategies, water quality  
36 improvements, wetlands habitat, and instream flows, projects with  
37 benefits that clearly extend to citizens other than the utility  
38 ratepayers; and

1 (d) A proposed grant program for projects in identified high  
2 priority areas.

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

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

7 (2) The department of general administration shall develop a  
8 proposal to provide a comprehensive campus-wide plan for the use of  
9 nonpotable water in lieu of the use of potable water for irrigation and  
10 related outdoor uses, to serve as a demonstration project for the use  
11 of reclaimed water. The department of general administration shall  
12 work with the city of Olympia to provide a report to the legislature by  
13 December 1, 2007, of the needed infrastructure, cost, and potential  
14 funding sources for the project.

Passed by the Senate April 17, 2007.

Passed by the House April 11, 2007.

Approved by the Governor May 11, 2007, with the exception of  
certain items that were vetoed.

Filed in Office of Secretary of State May 11, 2007.

Note: Governor's explanation of partial veto is as follows:

"I am returning, without my approval as to Section 4, Engrossed  
Second Substitute Senate Bill 6117 entitled:

"AN ACT Relating to reclaimed water."

Section 4 of this bill would establish procedures for determining  
when a water reuse project would impair existing water rights, and  
would change the standard for mitigating any such impairment. Based  
on legal advice, I believe this section could have unintended  
consequences to existing water rights. The remainder of Section 4 of  
the bill would also create a new task force to address the state's  
water reuse program, including water right impairment issues.

I have vetoed Section 4 of Engrossed Second Substitute Senate Bill  
6117 because of that portion of it that changes the standard for  
mitigating impairment of existing water rights.

Section 3 of the bill establishes new requirements for considering  
reclaimed water during watershed planning and land use decisions,  
which will eventually need to be harmonized with other statutes in  
order to ensure effective implementation. I believe this work is  
still needed and important to accomplish. Accordingly, I am  
directing the Department of Ecology to work with legislative  
leadership to address water right impairment from water reuse  
projects, reclaimed water planning and other issues raised in  
Sections 3 and 4 of the bill and to provide a report and  
recommendations to the Governor and appropriate standing committees  
of the legislature by December 31, 2007.

With the exception of Section 4, Engrossed Second Substitute Senate  
Bill 6117 is approved."