## CERTIFICATION OF ENROLLMENT

## ENGROSSED SUBSTITUTE SENATE BILL 5555

Chapter 112, Laws of 2011

62nd Legislature 2011 Regular Session

INTERBASIN WATER RIGHT TRANSFERS--NOTICE

EFFECTIVE DATE: 07/22/11 - Except section 3, which becomes effective 06/30/19.

Passed by the Senate March 4, 2011 YEAS 48 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House April 6, 2011 YEAS 93 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

Approved April 18, 2011, 2:43 p.m.

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5555** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

April 19, 2011

CHRISTINE GREGOIRE

Governor of the State of Washington

Secretary of State State of Washington

## ENGROSSED SUBSTITUTE SENATE BILL 5555

Passed Legislature - 2011 Regular Session

## State of Washington 62nd Legislature 2011 Regular Session

**By** Senate Environment, Water & Energy (originally sponsored by Senators Parlette, Hatfield, Morton, Honeyford, and Hewitt)

READ FIRST TIME 02/16/11.

1 AN ACT Relating to interbasin transfers of water rights; amending 2 RCW 90.03.380 and 90.03.380; creating a new section; providing an 3 effective date; and providing an expiration date.

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

5 NEW SECTION. Sec. 1. The legislature finds that because it is increasingly difficult for water users to acquire new water rights, 6 transfers are a valuable and necessary water management tool. 7 The 8 legislature further finds that interbasin water right transfers may economic and social welfare of rural communities. 9 impact the 10 Therefore, the legislature intends for the department of ecology to 11 provide notice electronically of a proposed interbasin water rights 12 transfer to the board of commissioners in the county of origin before 13 issuing a change authorization.

14 **Sec. 2.** RCW 90.03.380 and 2009 c 183 s 15 are each amended to read 15 as follows:

(1) The right to the use of water which has been applied to a
beneficial use in the state shall be and remain appurtenant to the land
or place upon which the same is used: PROVIDED, HOWEVER, That the

right may be transferred to another or to others and become appurtenant 1 2 to any other land or place of use without loss of priority of right theretofore established if such change can be made without detriment or 3 injury to existing rights. The point of diversion of water for 4 beneficial use or the purpose of use may be changed, if such change can 5 be made without detriment or injury to existing rights. A change in 6 7 the place of use, point of diversion, and/or purpose of use of a water right to enable irrigation of additional acreage or the addition of new 8 uses may be permitted if such change results in no increase in the 9 10 annual consumptive quantity of water used under the water right. For purposes of this section, "annual consumptive quantity" means the 11 12 estimated or actual annual amount of water diverted pursuant to the 13 water right, reduced by the estimated annual amount of return flows, 14 averaged over the two years of greatest use within the most recent five-year period of continuous beneficial use of the water right. 15 Before any transfer of such right to use water or change of the point 16 17 of diversion of water or change of purpose of use can be made, any person having an interest in the transfer or change, shall file a 18 written application therefor with the department, and the application 19 shall not be granted until notice of the application is published as 20 21 provided in RCW 90.03.280. If it shall appear that such transfer or 22 such change may be made without injury or detriment to existing rights, the department shall issue to the applicant a certificate in duplicate 23 24 granting the right for such transfer or for such change of point of 25 diversion or of use. The certificate so issued shall be filed and be made a record with the department and the duplicate certificate issued 26 27 to the applicant may be filed with the county auditor in like manner and with the same effect as provided in the original certificate or 28 permit to divert water. The time period that the water right was 29 banked under RCW 90.92.070, in an approved local water plan created 30 under RCW 90.92.090, or the water right was subject to an agreement to 31 not divert under RCW 90.92.050 will not be included in the most recent 32 five-year period of continuous beneficial use for the purpose of 33 determining the annual consumptive quantity under this section. 34 If the 35 water right has not been used during the previous five years but the 36 nonuse of which qualifies for one or more of the statutory good causes 37 or exceptions to relinquishment in RCW 90.14.140 and 90.44.520, the

1 period of nonuse is not included in the most recent five-year period of 2 continuous beneficial use for purposes of determining the annual 3 consumptive quantity of water under this section.

4 (2) If an application for change proposes to transfer water rights 5 from one irrigation district to another, the department shall, before 6 publication of notice, receive concurrence from each of the irrigation 7 districts that such transfer or change will not adversely affect the 8 ability to deliver water to other landowners or impair the financial 9 integrity of either of the districts.

10 (3) A change in place of use by an individual water user or users of water provided by an irrigation district need only receive approval 11 12 for the change from the board of directors of the district if the use 13 of water continues within the irrigation district, and when water is 14 provided by an irrigation entity that is a member of a board of joint control created under chapter 87.80 RCW, approval need only be received 15 from the board of joint control if the use of water continues within 16 17 the area of jurisdiction of the joint board and the change can be made without detriment or injury to existing rights. 18

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

(5)(a) Pending applications for new water rights are not entitled
 to protection from impairment, injury, or detriment when an application
 relating to an existing surface or ground water right is considered.

(b) Applications relating to existing surface or ground water rights may be processed and decisions on them rendered independently of processing and rendering decisions on pending applications for new water rights within the same source of supply without regard to the date of filing of the pending applications for new water rights.

(c) Notwithstanding any other existing authority to process 30 applications, including but not limited to the authority to process 31 32 applications under WAC 173-152-050 as it existed on January 1, 2001, an application relating to an existing surface or ground water right may 33 be processed ahead of a previously filed application relating to an 34 35 existing right when sufficient information for a decision on the previously filed application is not available and the applicant for the 36 37 previously filed application is sent written notice that explains what 38 information is not available and informs the applicant that processing

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of the next application will begin. The previously filed application does not lose its priority date and if the information is provided by the applicant within sixty days, the previously filed application shall be processed at that time. This subsection (5)(c) does not affect any other existing authority to process applications.

6 (d) Nothing in this subsection (5) is intended to stop the 7 processing of applications for new water rights.

8 (6) No applicant for a change, transfer, or amendment of a water 9 right may be required to give up any part of the applicant's valid 10 water right or claim to a state agency, the trust water rights program, 11 or to other persons as a condition of processing the application.

12 (7) In revising the provisions of this section and adding 13 provisions to this section by chapter 237, Laws of 2001, the 14 legislature does not intend to imply legislative approval or 15 disapproval of any existing administrative policy regarding, or any 16 existing administrative or judicial interpretation of, the provisions 17 of this section not expressly added or revised.

18 (8) The development and use of a small irrigation impoundment, as 19 defined in RCW 90.03.370(8), does not constitute a change or amendment 20 for the purposes of this section. The exemption expressly provided by 21 this subsection shall not be construed as requiring a change or 22 transfer of any existing water right to enable the holder of the right 23 to store water governed by the right.

(9) This section does not apply to a water right involved in an
approved local water plan created under RCW 90.92.090, a water right
that is subject to an agreement not to divert under RCW 90.92.050, or
a banked water right under RCW 90.92.070.

28 (10)(a) The department may only approve an application submitted 29 after the effective date of this section for an interbasin water rights 30 transfer after providing notice electronically to the board of county 31 commissioners in the county of origin upon receipt of an application.

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- (b) For the purposes of this subsection:

(i) "Interbasin water rights transfer" means a transfer of a water
 right for which the proposed point of diversion is in a different basin
 than the proposed place of beneficial use.

36 (ii) "County of origin" means the county from which a water right 37 is transferred or proposed to be transferred. (c) This subsection applies to counties located east of the crest

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2 <u>of the Cascade mountains.</u>

3 Sec. 3. RCW 90.03.380 and 2003 c 329 s 2 are each amended to read 4 as follows:

(1) The right to the use of water which has been applied to a 5 6 beneficial use in the state shall be and remain appurtenant to the land 7 or place upon which the same is used: PROVIDED, HOWEVER, That the right may be transferred to another or to others and become appurtenant 8 to any other land or place of use without loss of priority of right 9 theretofore established if such change can be made without detriment or 10 injury to existing rights. The point of diversion of water for 11 12 beneficial use or the purpose of use may be changed, if such change can be made without detriment or injury to existing rights. A change in 13 the place of use, point of diversion, and/or purpose of use of a water 14 right to enable irrigation of additional acreage or the addition of new 15 16 uses may be permitted if such change results in no increase in the 17 annual consumptive quantity of water used under the water right. For purposes of this section, "annual consumptive quantity" means the 18 estimated or actual annual amount of water diverted pursuant to the 19 20 water right, reduced by the estimated annual amount of return flows, 21 averaged over the two years of greatest use within the most recent five-year period of continuous beneficial use of the water right. 22 23 Before any transfer of such right to use water or change of the point 24 of diversion of water or change of purpose of use can be made, any person having an interest in the transfer or change, shall file a 25 26 written application therefor with the department, and the application 27 shall not be granted until notice of the application is published as provided in RCW 90.03.280. If it shall appear that such transfer or 28 such change may be made without injury or detriment to existing rights, 29 30 the department shall issue to the applicant a certificate in duplicate 31 granting the right for such transfer or for such change of point of diversion or of use. The certificate so issued shall be filed and be 32 made a record with the department and the duplicate certificate issued 33 to the applicant may be filed with the county auditor in like manner 34 35 and with the same effect as provided in the original certificate or 36 permit to divert water.

1 (2) If an application for change proposes to transfer water rights 2 from one irrigation district to another, the department shall, before 3 publication of notice, receive concurrence from each of the irrigation 4 districts that such transfer or change will not adversely affect the 5 ability to deliver water to other landowners or impair the financial 6 integrity of either of the districts.

7 (3) A change in place of use by an individual water user or users of water provided by an irrigation district need only receive approval 8 for the change from the board of directors of the district if the use 9 of water continues within the irrigation district, and when water is 10 provided by an irrigation entity that is a member of a board of joint 11 12 control created under chapter 87.80 RCW, approval need only be received 13 from the board of joint control if the use of water continues within 14 the area of jurisdiction of the joint board and the change can be made without detriment or injury to existing rights. 15

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

(5)(a) Pending applications for new water rights are not entitled to protection from impairment, injury, or detriment when an application relating to an existing surface or ground water right is considered.

(b) Applications relating to existing surface or ground water rights may be processed and decisions on them rendered independently of processing and rendering decisions on pending applications for new water rights within the same source of supply without regard to the date of filing of the pending applications for new water rights.

27 (c) Notwithstanding any other existing authority to process applications, including but not limited to the authority to process 28 applications under WAC 173-152-050 as it existed on January 1, 2001, an 29 application relating to an existing surface or ground water right may 30 be processed ahead of a previously filed application relating to an 31 32 existing right when sufficient information for a decision on the previously filed application is not available and the applicant for the 33 previously filed application is sent written notice that explains what 34 information is not available and informs the applicant that processing 35 of the next application will begin. The previously filed application 36 37 does not lose its priority date and if the information is provided by

the applicant within sixty days, the previously filed application shall be processed at that time. This subsection (5)(c) does not affect any other existing authority to process applications.

4 (d) Nothing in this subsection (5) is intended to stop the 5 processing of applications for new water rights.

(6) No applicant for a change, transfer, or amendment of a water
right may be required to give up any part of the applicant's valid
water right or claim to a state agency, the trust water rights program,
or to other persons as a condition of processing the application.

10 (7) In revising the provisions of this section and adding 11 provisions to this section by chapter 237, Laws of 2001, the 12 legislature does not intend to imply legislative approval or 13 disapproval of any existing administrative policy regarding, or any 14 existing administrative or judicial interpretation of, the provisions 15 of this section not expressly added or revised.

16 (8) The development and use of a small irrigation impoundment, as 17 defined in RCW 90.03.370(8), does not constitute a change or amendment 18 for the purposes of this section. The exemption expressly provided by 19 this subsection shall not be construed as requiring a change or 20 transfer of any existing water right to enable the holder of the right 21 to store water governed by the right.

22 (9)(a) The department may only approve an application submitted 23 after the effective date of this section for an interbasin water rights 24 transfer after providing notice electronically to the board of county 25 commissioners in the county of origin upon receipt of an application.

(b) For the purposes of this subsection:

(i) "Interbasin water rights transfer" means a transfer of a water
 right for which the proposed point of diversion is in a different basin
 than the proposed place of beneficial use.

30 (ii) "County of origin" means the county from which a water right 31 is transferred or proposed to be transferred.

32 (c) This subsection applies to counties located east of the crest
 33 of the Cascade mountains.

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NEW SECTION. Sec. 4. Section 2 of this act expires June 30, 2019.

1 <u>NEW SECTION.</u> Sec. 5. Section 3 of this act takes effect June 30,

2 2019.

Passed by the Senate March 4, 2011. Passed by the House April 6, 2011. Approved by the Governor April 18, 2011. Filed in Office of Secretary of State April 19, 2011.