

# SENATE BILL REPORT

## SB 5441

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As of February 20, 2013

**Title:** An act relating to prioritizing state investments in storm water control.

**Brief Description:** Prioritizing state investments in storm water control.

**Sponsors:** Senator Rivers.

**Brief History:**

**Committee Activity:** Energy, Environment & Telecommunications: 2/19/13.

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### SENATE COMMITTEE ON ENERGY, ENVIRONMENT & TELECOMMUNICATIONS

**Staff:** Jan Odano (786-7486)

**Background:** The Federal Clean Water Act (CWA) establishes the National Pollutant Discharge Elimination System (NPDES) permit system to regulate wastewater discharges from point sources to surface waters. NPDES permits are required for stormwater discharges from certain industries, construction sites of specified sizes, and municipalities operating municipal separate storm sewer systems that meet specified criteria. The Department of Ecology (DOE) administers permits, including municipal stormwater general permits, under the CWA.

Under the CWA, the Clean Water State Revolving Fund (CWSRF) was established to provide financial assistance for water quality projects including constructing and repairing municipal wastewater facilities, installing nonpoint source pollution controls, and implementing estuary protection projects. Each state has a CWSRF program to provide low interest rate loans for water quality projects. CWSRF is a self-perpetuating loan assistance program where the principal repayment and interest earnings accrue to the state account and become available for financing new projects. CWSRF is capitalized in part by federal and state contributions. The state contributes \$0.20 for every federal \$1. CWSRF funds must be used as loans; they can not be used for grant purposes.

The State Centennial Clean Water Grant Program (Centennial Account) is funded through the State Building Construction Account and the State Toxics Control Account. It is used to provide loans and grants to local governments and tribes for water quality infrastructure and nonpoint pollution projects to improve water quality. These projects include repairing and upgrading municipal waste water treatment plants; restoring stream buffers; and repairing or

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replacing onsite sewage systems. Funding also may be provided to distressed communities for wastewater treatment construction projects.

DOE administers the Centennial Account and CWSRF. DOE developed an integrated application and funding process of these grant and loan funds for water quality projects. In 2013, through the Centennial Account, CWSRF, and the grant program to address nonpoint pollution sources, DOE will distribute approximately \$82 million in loans and grants for water quality projects. These projects include upgrades to sewer plants, on-site sewage system improvements, stormwater and groundwater projects, and non-point source pollution projects.

Additionally, certain stormwater mitigation activities are also funded through the Model Toxics Control Act (MTCA) hazardous substance tax.

**Summary of Bill:** DOE must give priority funding to activities or projects that are required by NPDES permits when providing financial assistance to local governments for stormwater management, treatment or control. After all requirements for the municipal stormwater permits have been funded, DOE may provide funding to other stormwater-related projects.

Prioritization of funding to mandatory municipal stormwater permit projects and activities applies to financial aid to local governments for water pollution control projects and MTCA funding to address stormwater runoff.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: The goal is to drive resources to where they are needed. This will assist local governments to pay for mandatory obligations. There needs to be a change in philosophy about funding state-mandated permit requirements. The most important thing to do is to manage stormwater. The new permits have increased requirements. The unemployment rate in Clark County is high and is due to the challenges and high costs of dealing with stormwater.

CON: The funding for grants and loans is prioritized to projects with the greatest impact. This would focus funding on permit requirements. There would be fewer funds available for cleanup related and remedial actions; retrofits would not be eligible. There are federal requirements that limit the use of funds for permit requirements. There needs to be a balanced approach to an integrated and comprehensive loan and grant funding mechanism.

OTHER: The focus of funding needs to be changed. The funds should go to getting the most impact.

**Persons Testifying:** PRO: Senator Rivers, prime sponsor; Laura Merrill, WA State Assn. of Counties; Axel Swanson, Ron Wierenga, Clark County; Paul Montague, Identity Clark County; James Howsley, Lisa Nisenfeld, Columbia River Economic Development Council.

CON: Don Seeberger, DOE; Bruce Wishart, Puget Soundkeeper; Darcy Nonemaker, WA Environmental Council.

OTHER: Carl Schroeder, Assn. of WA Cities.