

HOUSE BILL REPORT

HB 2856

As Amended by the Senate

Title: An act relating to establishing the office of Chehalis river basin flood risk reduction.

Brief Description: Establishing the office of Chehalis river basin flood risk reduction.

Sponsors: Representatives DeBolt, Tharinger, Van De Wege and Stanford.

Brief History:

Committee Activity:

Capital Budget: 1/26/16, 2/2/16 [DP].

Floor Activity:

Passed House: 2/16/16, 95-2.

Senate Amended.

Passed Senate: 3/3/16, 46-2.

Brief Summary of Bill

- Establishes the Office of Chehalis River Basin Flood Risk Reduction in the Department of Ecology.
- Creates the Chehalis River Basin Flood Risk Reduction Account in the State Treasury.

HOUSE COMMITTEE ON CAPITAL BUDGET

Majority Report: Do pass. Signed by 9 members: Representatives Tharinger, Chair; Stanford, Vice Chair; DeBolt, Ranking Minority Member; Smith, Assistant Ranking Minority Member; Kilduff, Kochmar, Peterson, Riccelli and Walsh.

Staff: Meg VanSchoorl (786-7105).

Background:

Chehalis River Basin Catastrophic Floods and State Capital Funding.

In December 2007 a series of storms caused flood damage in southwest Washington. On December 8, 2007, the President declared a major disaster in the counties of Grays Harbor,

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Kitsap, Lewis, Mason, Pacific, and Thurston. Federal funding assistance was made available following this declaration.

In 2008 the Legislature authorized \$50 million in state general obligation bonds for flood hazard mitigation and related projects throughout the Chehalis River Basin. Beginning with the 2007-09 biennium through the 2015-17 biennium, a total of \$92.7 million has been appropriated in capital budgets from state general obligation bonds to the Office of Financial Management (OFM) for catastrophic flood relief and Chehalis River Basin flood relief projects.

Department of Ecology.

The Department of Ecology (Ecology) is the lead state agency for floodplain management, which includes flood risk reduction and protection of floodplain environmental functions. Ecology also provides technical assistance to local governments in implementing local floodplain management plans as well as the National Flood Insurance Program. When flooding occurs, Ecology works with other agencies to conduct damage assessments and to prepare disaster assistance requests.

In the 2013-15 and 2015-17 capital budgets, Ecology received appropriations, respectively, of \$50 million in state general obligation bond proceeds for flood management and control grants and \$35.6 million in state general obligation bond proceeds for floodplain management grants. In both cases, funding is passed through to local entities and federally recognized tribes for eligible projects.

The Governor's Chehalis Basin Work Group and Its Reports.

The 2011-13 Capital Budget (Section 1033, Chapter 49, Laws of 2011) directed the OFM to collaborate with state and federal agencies, tribal governments, and local governments to identify recommended priority flood hazard mitigation projects in the Chehalis River Basin for continued feasibility and design work. To help carry out this directive, former Governor Christine Gregoire convened a Chehalis Basin Work Group (Work Group) to recommend investments and actions that would reduce flood damages and enhance natural floodplain function and fisheries. The Work Group includes representatives of the Chehalis Tribe, the City of Cosmopolis, Thurston County, the Chehalis River Basin Flood Authority, a Basin dairy farmer, and a Governor's policy advisor.

Facilitated by the William D. Ruckelshaus Center and in consultation with state and local agencies, the Work Group presented its recommendations to the Governor and the Legislature in a 2012 report entitled "Chehalis Basin Flood Hazard Mitigation Alternatives" and, as subsequently requested by Governor Jay Inslee, in a 2014 report entitled "Chehalis Basin Strategy 2014 Recommendations." The 2014 report recommends an integrated program of long-term flood damage reduction and aquatic species restoration in the Chehalis Basin. The 2014 report estimates the costs of its recommendations to be approximately \$500 to \$600 million and the benefits over 100 years to be \$720 million, resulting in a net benefit of \$100 to \$200 million.

Summary of Bill:

The Office of Chehalis River Basin Flood Risk Reduction (Office) is established in Ecology. Its purpose is to administer funds for a long-term integrated strategy of flood damage reduction and aquatic species restoration in the Chehalis River Basin. The Office must work collaboratively with the Work Group and, as much as possible, follow the Columbia River Basin Water Supply Program administrative model.

The Chehalis River Basin Flood Risk Reduction Account (Account) is created in the State Treasury. Receipts from legislative appropriations or money directed from other sources must be deposited in the Account. Interest earnings must be retained in the Account. Moneys in the Account may be spent only after appropriation and may be used only for the purposes of the act and for expenses related to bond issuance and sales.

EFFECT OF SENATE AMENDMENT(S):

The Senate amendment:

- changes the name of the Office to the "Office of Chehalis Basin", rather than the "Office of Chehalis Basin Flood Risk Reduction;"
- requires that the Office be funded from specific appropriations for Basin-related flood hazard reduction and habitat recovery activities;
- creates a Chehalis Board including seven voting members: four appointed by the Governor, subject to Senate confirmation, including one member representing the Quinault Indian Nation and one member representing the Chehalis Indian Tribe; and three selected by the Chehalis Basin Flood Authority. Board also includes five nonvoting ex officio members. Describes the Chehalis Board responsibilities, terms, and staff support; and
- requires the Chehalis Basin strategy to include a detailed set of actions, an implementation schedule, and quantified measures to evaluate success.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on March 4, 2016.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Flood mitigation is moving forward in the Chehalis River Basin. The purpose of this simple bill is to set up a single state office to provide a more unified, efficient, and consistent structure for policies and projects, especially for larger projects as they advance.

(Opposed) None.

(Other) Ecology supports multibenefit floodplain management as envisioned in the bill. This year, Ecology is involved with the Work Group and other stakeholders to pull together a programmatic environmental impact statement, for use in developing and implementing the Chehalis River Basin strategy.

Persons Testifying: (In support) Representative DeBolt, prime sponsor.

(Other) Tom Clingman, Department of Ecology.

Persons Signed In To Testify But Not Testifying: None.