

SENATE BILL REPORT

HB 2856

As Reported by Senate Committee On:
Ways & Means, February 29, 2016

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

Committee Activity: Ways & Means: 2/23/16, 2/29/16 [DPA, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Braun, Vice Chair; Dammeier, Vice Chair; Honeyford, Vice Chair, Capital Budget Chair; Hargrove, Ranking Member; Ranker, Ranking Minority Member, Operating; Bailey, Becker, Billig, Brown, Conway, Darneille, Hasegawa, Hewitt, Nelson, O'Ban, Padden, Parlette, Pedersen, Rolfes and Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator Keiser, Assistant Ranking Member on the Capital Budget.

Staff: Sherry McNamara (786-7402)

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, 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.

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.

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 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 (Recommended Amendments): The Office of Chehalis Basin (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 Board (Board) is created with seven members. Four members must be voting members who are appointed by the governor, subject to confirmation by the senate. One member must represent the Chehalis Indian tribe and one member must represent the Quinault Indian nation. Three members must be selected by the Chehalis basin flood authority. The governor must appoint one of the flood authority appointees as the chair. The voting members of the Board are required to be appointed for four years.

In addition to the seven voting members of the Board, five state officials must serve as ex officio nonvoting members of the Board: The director of the Department of Fish and Wildlife, the executive director of the Washington State Conservation Commission, the secretary of the Department of Transportation, the director of the Department of Ecology, and the Commissioner of Public Lands. Staff support to the Board must be provided by Ecology.

The Chehalis Basin Strategy is required to include a detailed set of actions to reduce flood damage and improve aquatic species habitat, an implementation schedule and quantified measures for evaluating the success of implementation.

The Chehalis Basin 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. Monies 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 CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Amendments): The striking amendment:

- Changes the name to the Office of Chehalis Basin;
- Creates the Chehalis Board with seven members, four appointed by the Governor and confirmed by the Senate;
- Specifies the terms for the Chehalis Board members;
- Requires the Department of Ecology to staff the Chehalis Basin Strategy; and
- Specifies that the Chehalis Basin Strategy include detailed actions, an implementation schedule, and quantified measures for evaluating the success of implementation.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created:

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

Staff Summary of Public Testimony: None.

Persons Testifying: No one.

Persons Signed In To Testify But Not Testifying: No one.