SENATE BILL REPORT
ESSB 5303

As Amended by House, April 10, 2025

Title: An act relating to extending the water supply milestone for the Yakima river basin integrated plan to 2035.

Brief Description: Extending the water supply milestone for the Yakima river basin integrated plan to 2035.

Sponsors: Senate Committee on Agriculture & Natural Resources (originally sponsored by Senators Warnick, Chapman, Dozier, Nobles and Torres).

Brief History:

Committee Activity: Agriculture & Natural Resources: 1/23/25, 1/30/25 [DPS].

Floor Activity: Passed Senate: 2/12/25, 49-0.
Passed House: 4/10/25, 94-1.

Brief Summary of Engrossed First Substitute Bill

- Extends water supply milestones to implement the Yakima River Basin Integrated Water Resource Management Plan from July 1, 2025 to July 1, 2035.

SENATE COMMITTEE ON AGRICULTURE & NATURAL RESOURCES

Majority Report: That Substitute Senate Bill No. 5303 be substituted therefor, and the substitute bill do pass.

Signed by Senators Chapman, Chair; Krishnadasan, Vice Chair; Short, Ranking Member; Liias, Muzzall, Saldaña, Schoesler, Shewmake and Wagoner.

Staff: Jeff Olsen (786-7428)

Background: The Yakima River Basin Integrated Water Resource Management Plan

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

(Integrated Plan) was developed by the United States Bureau of Reclamation in collaboration with the Washington Department of Ecology (Ecology) and other interested entities in the Yakima River Basin. The Integrated Plan offers an approach to improving water management in the Yakima River Basin. The stated goals of the Integrated Plan are to protect, mitigate, and enhance fish and wildlife habitat; provide increased operational flexibility to manage instream flows to meet ecological objectives; and improve the reliability of the water supply for irrigation, municipal supply, and domestic uses.

With legislation enacted in 2013, Ecology was directed to develop water supply solutions consistent with the Integrated Plan that provide concurrent benefits to both in and out-of-stream uses. The goals include to enhance fish and wildlife resources, improve water viability and reliability, establish more efficient water markets, manage the variability of water supplies, and prepare for the uncertainties of climate change through operational and structural changes.

Ecology must prepare and periodically update a financing plan for the Integrated Plan in which at least half of the cost comes from nonstate sources with a significant portion coming from local beneficiaries of the projects. For any component of the plan that costs more than $100 million the Washington Water Resource Center (Center) must review the cost benefit analysis for the project. The requirements for the Center to perform this work expires July 1, 2025.

In the Integrated Plan, the Department of Natural Resources (DNR) was authorized to purchase land in the Yakima River Basin to be held in the Community Forest Trust under state law. In 2013 DNR purchased 50,241 acres of land to establish the Teanaway Community Forest. DNR was directed to develop a transitional plan for managing the land in cooperation with the Department of Fish and Wildlife and in consultation with local stakeholders. If by June 30, 2025 permits and financing is in place for construction of facilities that produce at least 214,000 acre-feet of water for out of stream and in-stream uses the land will remain in the Community Forest Trust. If not, the Board of Natural Resource is authorized to place the land in the Common School Trust and manage it for the beneficiaries of that trust.

Summary of Engrossed First Substitute Bill: Milestones in the Integrated Plan to secure required permits and related analysis of projects for one or more water supply facilities designed to provide at least 214,000-acre feet of water are extended from July 1, 2025 to July 1, 2035. Any investment in land purchased for a community forest with a loan from the Common School Trust Fund is subject to an annual interest rate payment until June 30, 2025.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect on June 30, 2025.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: A broad coalition of stakeholders developed the Yakima Basin Integrated Plan and it has been looked at as a national and international model. The Plan is working and a number of milestones have been implemented. There has been a significant amount of salmon restoration work that has occurred in the basin. Water storage projects are important for a number of reasons including drought impacts, instream flow for fish, irrigation, and conservation. The stakeholders are staying together and are still working on implementing the Plan. An important component of the plan is water storage to meet all of the goals, and to have the ability to have water later in the season when it is needed. Permitting and planning takes time, and more time is needed to achieve all of the pillars or the Plan. The bill would allow ten more years to work on these issues. There is a technical amendment needed to clarify how the state treasurer assists the Department of Ecology.

CON: The legislation created the Teanaway Community forest, but contains a poison pill that should be removed. If the deadline to permit additional storage by June 30, 2025 is not met, the Teanaway Community forest would be returned to the trust.

OTHER: The Office of the Columbia River has documented previously that the milestone deadlines would not be met. However, currently there are water storage projects that are progressing.

Persons Testifying: PRO: Senator Judy Warnick, Prime Sponsor; Urban Eberhart, Kittitas Reclamation District; Phil Rigdon, Yakama Nation; Brandon Parsons, American Rivers; Pat Sullivan, Department of Natural Resources; Amanda McKinney, Yakima County; Matt Zuvich, Office of the State Treasurer.

CON: Rick McGuire, Alpine Lakes Protection Society.

OTHER: Tom Tebb, Department of Ecology - Office of Columbia River.

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

EFFECT OF HOUSE AMENDMENT(S):

- Removes the expiration date of June 30, 2025 on interest payments for a loan from the Common School Trust Fund, restoring the annual interest payment requirement for the life of the loan.