

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5303

69th Legislature
2025 Regular Session

Passed by the Senate April 17, 2025
Yeas 49 Nays 0

President of the Senate

Passed by the House April 10, 2025
Yeas 94 Nays 1

**Speaker of the House of
Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5303** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5303

AS AMENDED BY THE HOUSE

Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

By Senate Agriculture & Natural Resources (originally sponsored by Senators Warnick, Chapman, Dozier, Nobles, and Torres)

READ FIRST TIME 02/03/25.

1 AN ACT Relating to extending the water supply milestone for the
2 Yakima river basin integrated plan to 2035; amending RCW 90.38.010,
3 90.38.110, 90.38.120, and 90.38.130; providing an effective date;
4 providing an expiration date; and declaring an emergency.

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

6 **Sec. 1.** RCW 90.38.010 and 2013 2nd sp.s. c 11 s 2 are each
7 amended to read as follows:

8 The definitions in this section apply throughout this chapter
9 unless the context clearly requires otherwise.

10 (1) "Department" means the department of ecology.

11 (2) "Integrated plan" means the Yakima river basin integrated
12 water resource management plan developed through a consensus-based
13 approach by a diverse work group of representatives of the Yakama
14 Nation, federal, state, county, and city governments, environmental
15 organizations, and irrigation districts, which is to be implemented
16 consistent with congressional Yakima river basin water enhancement
17 project enactments and for which the final programmatic environmental
18 impact statement was made available for review through public notice
19 published in the federal register (77 FR 12076 (2012)).

20 (3) "Net water savings" means the amount of water that through
21 hydrological analysis is determined to be conserved and usable for

1 other purposes without impairing existing water rights, reducing the
2 ability to deliver water, or reducing the supply of water that
3 otherwise would have been available to other water users.

4 (4) "Trust water right" means that portion of an existing water
5 right, constituting net water savings, that is no longer required to
6 be diverted for beneficial use due to the installation of a water
7 conservation project that improves an existing system. The term
8 "trust water right" also applies to any other water right acquired by
9 the department under this chapter for management in the Yakima river
10 basin trust water rights program.

11 (5) "Water conservation project" means any project funded to
12 further the purposes of this chapter and that achieves physical or
13 operational improvements of efficiency in existing systems for
14 diversion, conveyance, or application of water under existing water
15 rights.

16 (6) "Water supply facility permit and funding milestone" means a
17 date prior to June 30, (~~(2025)~~) 2035, when required permits have been
18 approved, and funding has been secured to begin construction on one
19 or more water supply facilities designed to provide at least (~~two~~
20 ~~hundred fourteen thousand~~) 214,000 acre feet of water to be used for
21 instream and out-of-stream uses.

22 (7) "Yakima river basin water enhancement project" means a series
23 of congressional enactments, originally initiated by the United
24 States congress in 1979 under P.L. 96-162, with subsequent federal
25 implementing legislation being passed in 1984 under section 109 of
26 P.L. 98-381 to promote fish passage improvements, and in 1994 under
27 P.L. 103-434, as amended by P.L. 105-62 in 1997 and P.L. 106-372 in
28 2000, to promote water conservation, water supply, habitat, and
29 stream enhancement improvements in the Yakima river basin.

30 **Sec. 2.** RCW 90.38.110 and 2013 2nd sp.s. c 11 s 10 are each
31 amended to read as follows:

32 (1) Prior to the appropriation of funding for the construction of
33 a water supply project proposed in the integrated plan with a cost of
34 greater than (~~one hundred million dollars~~) \$100,000,000, the state
35 of Washington water research center shall review, evaluate, and
36 prepare comments on the cost-benefit analysis prepared for the
37 project by the department and the United States bureau of
38 reclamation.

1 (2) To the greatest extent possible, the center must use
2 information from existing studies, supplemented by primary research,
3 to measure and evaluate each project's benefits and costs.

4 (3) The center must measure and report the economic benefits of
5 each project subject to subsection (1) of this section, so that it is
6 clear the extent to which an individual project is expected to result
7 in increases in fish populations, increases in the reliability of
8 irrigation water during severe drought years, and improvements in
9 municipal and domestic water supply.

10 (4) The center may enter into agreements with other state
11 universities and with private consultants as needed to accomplish the
12 scope of work.

13 (5) The center may consult, as necessary, with the department of
14 ecology and the Yakima river basin water enhancement project work
15 group.

16 (6) No more than (~~twelve~~) 12 percent of any appropriations
17 provided for the implementation of this section may be retained for
18 administrative overhead expenses.

19 (7) This section expires July 1, (~~2025~~) 2035.

20 **Sec. 3.** RCW 90.38.120 and 2013 2nd sp.s. c 11 s 11 are each
21 amended to read as follows:

22 (1)(a) It is the intent of the legislature for the state to pay
23 its fair share of the cost to implement the integrated plan. At least
24 one-half of the total costs to finance the implementation of the
25 integrated plan must be funded through federal, private, and other
26 nonstate sources, including a significant contribution of funding
27 from local project beneficiaries. This section applies to the total
28 costs of the integrated plan and not to individual projects within
29 the plan.

30 (b) The state's continuing support for the integrated plan shall
31 be formally reevaluated independently by the governor and the
32 legislature if, after December 31, 2021, and periodically thereafter,
33 the actual funding provided through nonstate sources is less than
34 one-half of all costs and if funding from local project beneficiaries
35 does not comprise a significant portion of the nonstate sources.

36 (2) The department shall deliver, consistent with the intent of
37 this section, a cost estimate and financing plan that addresses the
38 total estimated cost to implement the integrated plan and analyzes
39 various financing options. The cost estimate and financing plan must

1 include a description of state expenditures as of September 28, 2013,
2 incurred implementing the integrated plan and proposed state
3 expenditures in the 2015-2017 biennium and beyond with proposed
4 financing sources for each project.

5 (3) In addition, the department, with assistance from the office
6 of the state treasurer, shall prepare supplementary chapters to the
7 cost estimate and financing plan for the department that:

8 (a) Identifies and evaluates potential new state financing
9 sources to pay for the state's contribution towards the overall costs
10 of the Yakima integrated plan's implementation;

11 (b) Identifies and evaluates potential new local financing
12 sources to pay for a significant local contribution towards the
13 overall costs of the Yakima integrated plan's implementation;

14 (c) Considers the viability, and evaluates the advantages and
15 disadvantages of various financing mechanisms such as revenue bonds,
16 general obligation bonds, and other financing models;

17 (d) Identifies past, current, and anticipated future costs that
18 will be, or are anticipated to be, paid by nonstate sources such as
19 federal sources, private sources, and local sources; and

20 (e) Considers how cost overruns of projects associated with the
21 integrated plan could affect long-term financing of the overall
22 integrated plan and provides options for how cost overruns can be
23 addressed.

24 (4) The department may, in the sole discretion of the department,
25 contract with state universities or private consultants for any part
26 of the cost estimate and financing plan required under this section.

27 (5) The initial cost estimate and financing plan required by this
28 section must be provided to the governor and the legislature,
29 consistent with RCW 43.01.036, by no later than December 15, 2014,
30 for consideration in preparing the 2015-2017 biennial budget and
31 future budgets. The cost estimate and financing plan must be updated
32 by September 1st of each successive even-numbered year.

33 **Sec. 4.** RCW 90.38.130 and 2013 2nd sp.s. c 11 s 12 are each
34 amended to read as follows:

35 (1) Subject to the availability of amounts appropriated for this
36 specific purpose, the department of natural resources is authorized
37 to purchase land to be held in the community forest trust under RCW
38 79.155.040 to serve the purposes of the community forest trust
39 including the protection of Yakima river basin functioning, without

1 complying with the requirements of RCW 79.155.030(1), 79.155.060, or
2 79.155.070, relating to the identification, prioritization, local
3 commitment, and financial contribution normally prerequisite to
4 nominating and acquiring community forest trust lands. The purchase
5 must be reviewed and approved by the board of natural resources. In
6 its evaluation of this acquisition pursuant to RCW 79.155.040(3), the
7 board is relieved from considering the criteria for identifying and
8 prioritizing land set forth in RCW 79.155.050. Once purchased, the
9 land must be managed by the department of natural resources in
10 consultation with the department of fish and wildlife. Any investment
11 in the land purchase with funds belonging to the common school trust
12 constitutes a loan from the irreducible principal of the common
13 school trust and may only be made if first determined to be a prudent
14 investment by the board of natural resources. An annual interest
15 payment on the loan of nine percent must be paid, with six percent
16 deposited into the common school construction account and three
17 percent deposited into the real property replacement account.
18 Interest begins to accrue on the date the land purchase is completed
19 and is due and payable July 1st following the completion of the state
20 fiscal year. The principal of the loan must be repaid in accordance
21 with the provisions of subsection (3) of this section.

22 (2) The land purchased under this authority must be managed under
23 a transitional postacquisition management plan during the period
24 between the date of purchase and the water supply facility permit and
25 funding milestone or until June 30, (~~(2025)~~) 2035, whichever is
26 sooner. The plan must be consistent with RCW 79.155.080(1), provided
27 that the lands acquired as community forest trust lands are not
28 required to generate financial support for their management as would
29 otherwise be required by RCW 79.155.020(2), 79.155.030(2)(d), and
30 79.155.080(3), and provided further that the authority granted to the
31 department to divest of the property under RCW 79.155.080(4) does not
32 apply to these lands. The department of natural resources must
33 develop the transitional postacquisition management plan in
34 consultation with the department of fish and wildlife.

35 (a) The plan must ensure that the land is managed in a manner
36 that is consistent with the Yakima basin integrated plan principles
37 for forestland acquisitions, including the following:

38 (i) To protect and enhance the water supply and protect the
39 watershed;

1 (ii) To maintain working lands for forestry and grazing while
2 protecting key watershed functions and aquatic habitat;

3 (iii) To maintain and where possible expand recreational
4 opportunities consistent with watershed protection, for activities
5 such as hiking, fishing, hunting, horseback riding, camping, birding,
6 and snowmobiling;

7 (iv) To conserve and restore vital habitat for fish, including
8 steelhead, spring chinook, and bull trout, and wildlife, including
9 deer, elk, large predators, and spotted owls; and

10 (v) To support a strong community partnership, in which the
11 Yakama Nation, residents, business owners, local governments,
12 conservation groups, and others provide advice about ongoing land
13 management.

14 (b) The department of natural resources, in consultation with the
15 department of fish and wildlife, must establish the Teanaway
16 community forest advisory committee that includes representatives
17 from the department of ecology, the local community, land
18 conservation organizations, the Yakama Nation, the Kittitas county
19 commission, and local agricultural interests.

20 (c) By June 30, 2015, the department of natural resources must
21 complete the transitional postacquisition management plan with a
22 public process that involves interested stakeholders, particularly
23 residents from Kittitas county, friends of the Teanaway, back country
24 horsemen, off-road vehicle and snowmobile users, a representative
25 from Kittitas field and stream, hikers and wildlife watchers, and
26 ranchers who graze cattle.

27 (3) After the water supply facility permit and funding milestone
28 or June 30, (~~2025~~) 2035, whichever is sooner, the land must be
29 disposed of in the following manner:

30 (a) If the water supply facility permit and funding milestone
31 conditions have been met, the land remains in the community forest
32 trust and the transitional postacquisition management plan must be
33 converted to a permanent postacquisition management plan with
34 whatever updates and amendments are periodically adopted. Under these
35 conditions, the remaining principal of any investment in the land
36 purchased with funds belonging to the common school trust must be
37 repaid to the real property replacement account.

38 (b) If the water supply facility permit and funding milestone
39 conditions have not been met, the board of natural resources must
40 decide between the following dispositions of the land:

1 (i) Deposit of the entire amount of land purchased into the
2 ownership of the common school trust for management or disposition
3 for the benefit of the common schools; or

4 (ii) Disposition under the terms of (a) of this subsection.

5 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of
7 the state government and its existing public institutions, and takes
8 effect June 30, 2025.

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