
BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: Z-ROUGH DRAFT

ATTY/TYPIST:

BRIEF DESCRIPTION: Modifying the Columbia river management program.

AN ACT Relating to modifying the Columbia river management program to prospectively maximize investment tools; amending RCW 90.90.010, and 90.90.020; adding new sections to chapter 90.90 RCW; and providing an effective date.

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

Sec. 1. RCW 90.90.010 and 2006 c 6 s 2 are each amended to read as follows:

(1) The Columbia river basin water supply development account is created in the state treasury. The account may receive direct appropriations from the legislature, receipts of any funds pursuant to RCW 90.90.020 and 90.90.030, or funds from any other sources.

(a) The department of ecology is authorized to make loans or grants or combination of loans and grants from funds under this section. Loan principal and interest repayment must be deposited into the Columbia river basin water supply development account to be used for future projects that benefit the Columbia river basin water supply program with the entity receiving the loan or other projects within the Columbia river basin.

(b) The department of ecology may by rule establish charges for water developed under the Columbia river basin water supply program. The department of ecology may enter into water service contracts with applicants receiving water from the program to recover all or a portion of the cost of developing the water supply. Charges may include costs incurred by the department of ecology to study, construct, operate, and maintain the project. The department of ecology may recapture hydro power revenue generated by the water supply developed by the department of ecology through water service contracts. Revenue collected from water service contracts must be deposited into the Columbia river basin water supply development account. Water services contracts with federal agencies under RCW 90.42.150 are not required to be established by rule.

(2)(a) Expenditures from the Columbia river basin water supply development account may be used to assess, plan, and develop new storage, improve or alter operations of existing storage facilities, implement conservation projects, or any other actions designed to provide access to new water supplies within the Columbia river basin for both instream and out-of-stream uses. Except for the development of new storage projects, there shall be no expenditures from this account for water acquisition or transfers from one water resource inventory area to another without specific legislative authority.

(b) Two-thirds of the funds placed in the account shall be used to support the development of new storage facilities and pump exchanges; the remaining one-third shall be used for the other purposes listed in this section.

(3)(a) Funds may not be expended from this account for the construction of a new storage facility until the department of ecology evaluates the following:

- (i) Water uses to be served by the facility;
- (ii) The quantity of water necessary to meet those uses;
- (iii) The benefits and costs to the state of meeting those uses, including short-term and long-term economic, cultural, and environmental effects; and

(iv) Alternative means of supplying water to meet those uses, including the costs of those alternatives and an analysis of the extent to which long-term water supply needs can be met using these alternatives.

(b) The department of ecology may rely on studies and information developed through compliance with other state and federal permit requirements and other sources. The department shall compile its findings and conclusions, and provide a summary of the information it reviewed.

(c) Before finalizing its evaluation under the provisions of this section, the department of ecology shall make the preliminary evaluation available to the public. Public comment may be made to the department within thirty days of the date the preliminary evaluation is made public.

(4) Net water savings achieved through conservation measures funded by the account shall be placed in trust in proportion to the state funding provided to implement a project.

(5) Net water savings achieved through conservation measures funded by the account developed within the boundaries of the federal Columbia river reclamation project and directed to the Odessa subarea to reduce the use of groundwater for existing irrigation is exempt from the provisions of subsection (4) of this section.

(6) Moneys in the Columbia river basin water supply development account created in this section may be spent only after appropriation.

(7) Interest earned by deposits in the account will be retained in the account.

Sec. 2. RCW 90.90.020 and 2006 c 6 s 3 are each amended to read as follows:

(1)(a) Water supplies secured through the development of new storage facilities made possible with funding from the Columbia river basin water supply development account shall be allocated as follows:

(i) Two-thirds of aggregate active storage shall be available for appropriation for out-of-stream uses; and

(ii) One-third of aggregate active storage shall be available to augment instream flows and shall be managed by the department of ecology. The timing of releases of this water shall be determined by the department of ecology, in cooperation with the department of fish and wildlife and fisheries comanagers, to maximize benefits to salmon and steelhead populations.

(b) Water available for appropriation under (a)(i) of this subsection but not yet appropriated shall be temporarily available to augment instream flows to the extent that it does not impair existing water rights.

(2) Water developed under the provisions of this section to offset out-of-stream uses and for instream flows is deemed adequate mitigation for the issuance of new water rights provided for in subsection (1)(a) of this section and satisfies all consultation requirements under state law related to the issuance of new water rights.

(3) The department of ecology shall focus its efforts to develop water supplies for the Columbia river basin on the following needs:

(a) Alternatives to groundwater for agricultural users in the Odessa subarea aquifer;

(b) Sources of water supply for pending water right applications;

(c) A new uninterruptible supply of water for the holders of interruptible water rights on the Columbia river mainstem that are subject to instream flows or other mitigation conditions to protect stream flows; and

(d) New municipal, domestic, industrial, and irrigation water needs within the Columbia river basin.

(4) The one-third/two-thirds allocation of water resources between instream and out-of-stream uses established in this section does not apply to applications for changes or transfers of existing water rights in the Columbia river basin.

NEW SECTION. **Sec. 3.** A new section is added to chapter 90.90 RCW to read as follows:

Two-thirds of the water made available through reoperation of Sullivan lake funded from the Columbia river water supply development account created in RCW 90.90.010 must be used to offset out-of-stream uses in Pend Oreille, Stevens, Ferry, Douglas, Lincoln, and Okanogan counties. At least one-half of this quantity must be made available for municipal, domestic, and industrial uses.

NEW SECTION. **Sec. 4.** Section 3 of this act takes effect June 30, 2011.