

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5445

60th Legislature
2007 Regular Session

Passed by the Senate March 13, 2007
YEAS 46 NAYS 0

President of the Senate

Passed by the House April 10, 2007
YEAS 98 NAYS 0

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5445** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5445

Passed Legislature - 2007 Regular Session

State of Washington 60th Legislature 2007 Regular Session

By Senate Committee on Water, Energy & Telecommunications (originally sponsored by Senators Jacobsen, Morton and Rasmussen)

READ FIRST TIME 02/28/07.

1 AN ACT Relating to cost-reimbursement agreements; and amending RCW
2 43.30.490.

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

4 **Sec. 1.** RCW 43.30.490 and 2003 c 70 s 2 are each amended to read
5 as follows:

6 (1) The department may enter into a written cost-reimbursement
7 agreement with a permit or lease applicant or project proponent to
8 recover from the applicant or proponent the reasonable costs incurred
9 by the department in carrying out the requirements of this chapter, as
10 well as the requirements of other relevant laws, as they relate to
11 permit coordination, environmental review, application review,
12 technical studies, ~~((and))~~ establishment of development units and
13 approval or establishment of pooling agreements under chapter 78.52
14 RCW, including necessary technical studies, permit or lease processing,
15 and monitoring for permit compliance. The cost-reimbursement agreement
16 shall identify the specific tasks, costs, and schedule for work to be
17 conducted under the agreement. ~~((An applicant for a lease issued under~~
18 ~~chapter 79.90 RCW may not enter into a cost reimbursement agreement~~
19 ~~under this section for projects conducted under the lease.))~~

1 (2) The written cost-reimbursement agreement shall be negotiated
2 with the permit or lease applicant or project proponent. Under the
3 provisions of a cost-reimbursement agreement, funds from the applicant
4 or proponent shall be used by the department to contract with an
5 independent consultant to carry out the work covered by the cost-
6 reimbursement agreement. The department may also use funds provided
7 under a cost-reimbursement agreement to assign current staff to review
8 the work of the consultant, to provide necessary technical assistance
9 when an independent consultant with comparable technical skills is
10 unavailable, and to recover reasonable and necessary direct and
11 indirect costs that arise from processing the permit or lease. The
12 department shall, in developing the agreement, ensure that final
13 decisions that involve policy matters are made by the agency and not by
14 the consultant. The department shall make an estimate of the number of
15 permanent staff hours to process the permits or leases, and shall
16 contract with consultants to replace the time and functions committed
17 by these permanent staff to the project. The billing process shall
18 provide for accurate time and cost accounting and may include a billing
19 cycle that provides for progress payments. Use of cost-reimbursement
20 agreements shall not reduce the current level of staff available to
21 work on permits or leases not covered by cost-reimbursement agreements.
22 The department may not use any funds under a cost-reimbursement
23 agreement to replace or supplant existing funding. The restrictions of
24 chapter 42.52 RCW apply to any cost-reimbursement agreement, and to any
25 person hired as a result of a cost-reimbursement agreement.

26 ~~((3) The department may not enter into any new cost reimbursement~~
27 ~~agreements on or after July 1, 2007. The department may continue to~~
28 ~~administer any cost reimbursement agreement that was entered into~~
29 ~~before July 1, 2007, until the project is completed.))~~

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