9

10

11

1213

14

15

SENATE BILL 5136

State of Washington 66th Legislature 2019 Regular Session

By Senators Honeyford, Warnick, Braun, Hawkins, Wagoner, and Fortunato

Prefiled 01/11/19.

- 1 AN ACT Relating to establishing the water infrastructure program;
- 2 adding a new chapter to Title 90 RCW; and creating a new section.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- MEW SECTION. Sec. 1. The water infrastructure program is established and must be administered in accordance with this chapter.
- NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Department" means the department of ecology.
 - (2) "Preference" means, when referring to a project, that the project should be ranked more favorably than other projects that lack preferred characteristics, but "preference" does not mean that the department must reject projects that lack preferred characteristics.
 - (3) "Priority" means, when referring to a project, that the project must be ranked more favorably than other projects.
- 16 (4) "Project" means infrastructure that meets the criteria for funding established in this chapter.
- 18 (5) "Sponsor" means a Washington state agency, a local government 19 or other public entity in Washington, an agency of the United States 20 government engaged in water supply or flood control activities in

p. 1 SB 5136

- 1 Washington, or a federally recognized Indian tribe with a reservation
- 2 in Washington.

11

16

17

1819

20

21

22

24

2526

27

2829

30

31

3233

- NEW SECTION. Sec. 3. The water infrastructure program must be administered for the purpose of funding projects that promote the following objectives:
- 6 (1) Increasing the availability of water for out-of-stream 7 beneficial uses;
- 8 (2) Reducing the risk of flooding, protecting against damage that 9 may be caused by flooding, and restoring areas where flooding has 10 occurred;
 - (3) Improving fish passage; or
- 12 (4) Reducing stormwater pollution from existing development.
- NEW SECTION. Sec. 4. (1) The water infrastructure program must be administered as a competitive grant program to evaluate and rank projects proposed by sponsors.
 - (2) The department shall begin accepting applications from sponsors on April 1st in each even-numbered year. The application submission period must remain open until October 1st of the same year.
 - (3) After the application submission period closes, the department shall distribute applications to the office of Columbia river, office of Chehalis basin, or fish passage barrier removal board, as appropriate, which must evaluate the applications and create ranked lists of projects for the objectives under section 3 of this act. The ranked lists must be provided by the department to the appropriate standing committees of the legislature before the commencement of the regular session of the legislature in each odd-numbered year.
 - (4) The department shall publish a list of approved projects based on appropriations made by the legislature and shall notify sponsors of approved projects after the adjournment sine die of the regular or special sessions of the legislature in each odd-numbered year.
- 34 (5) The department shall publish a list of approved projects 35 after the adjournment sine die of the regular or special sessions of 36 the legislature in an even-numbered year if the legislature makes an 37 appropriation resulting in the funding of projects in an even-38 numbered year.

p. 2 SB 5136

(6) Subject to the availability of amounts appropriated for this specific purpose, the department is authorized to provide funding to sponsors for projects that were approved. The department may not obligate funds from the water infrastructure program account, water infrastructure program bond account, or water infrastructure program taxable bond account before the legislature has appropriated funds from such accounts for the purpose of funding projects under this chapter.

1

2

3

4

5

7

8

- 9 (7) A sponsor that is not approved may reapply during a 10 subsequent application submission period in accordance with this 11 section.
- NEW SECTION. Sec. 5. The office of Columbia river shall review proposed projects designed to increase the availability of water for out-of-stream beneficial uses. The following criteria apply to these projects:
- 16 (1) A project must increase the availability of water for out-of-17 stream beneficial uses;
- 18 (2) The highest priority projects are those projects that 19 implement the integrated plan, as defined under RCW 90.38.010, or 20 satisfy the water supply needs identified under RCW 90.90.020;
- 21 (3) Preference must be given to projects that provide multiple 22 benefits;
- 23 (4) Preference must be given to projects that mitigate impacts to 24 fish and wildlife caused by the project;
- 25 (5) Preference must be given to projects that include practicable conservation measures to ensure that water is used efficiently; and
- 27 (6) The office of Columbia river may consider whether a project 28 helps the state prepare for the effects of climate change.
- NEW SECTION. Sec. 6. The office of Chehalis basin shall review proposed projects designed to reduce the risk of flooding, protect against damage that may be caused by flooding, and restore areas where flooding has occurred. The following criteria apply to these projects:
- 34 (1) A project must reduce the risk of flooding, protect against 35 damage that may be caused by flooding, or restore areas where 36 flooding has occurred;
- 37 (2) The highest priority projects are those that implement the 38 Chehalis basin strategy under RCW 43.21A.732;

p. 3 SB 5136

- 1 (3) Preference must be given to projects that provide multiple 2 benefits;
- 3 (4) Preference must be given to projects located in areas that 4 historically have been at the greatest risk and most vulnerable to 5 flooding;
- 6 (5) Preference must be given to projects that eliminate or 7 minimize the risk of future damage or disruption to critical 8 infrastructure, such as centers of commerce, emergency response 9 systems, hospitals, and transportation corridors; and
- 10 (6) The office of Chehalis basin may consider whether a project 11 helps the state prepare for the effects of climate change.
- NEW SECTION. Sec. 7. The fish passage barrier removal board shall review proposed projects designed to improve fish passage. The following criteria apply to these projects:
 - (1) A project must improve fish passage;

15

- 16 (2) The highest priority projects are those that satisfy the 17 state's obligations under a court order; and
- 18 (3) Preference must be given to projects sponsored by a city or 19 county.
- NEW SECTION. Sec. 8. The department shall review proposed projects designed to reduce stormwater pollution from existing development. The following criteria apply to these projects:
- 23 (1) A project must reduce stormwater pollution from existing 24 development;
- 25 (2) Preference must be given to projects that rely on low-impact 26 development retrofit techniques; and
- 27 (3) Preference must be given to projects that have a high water 28 quality benefit and address stormwater pollution from existing 29 infrastructure.
- 30 <u>NEW SECTION.</u> **Sec. 9.** (1) Projects may be consistent with more than one objective under section 3 of this act, but a sponsor is 31 required to identify which objective is the primary objective for a 32 33 project. The reviewing authorities shall, to the greatest extent practicable, rank projects so that approximately equal amounts will 34 have been allocated among each of the project objective categories 35 36 under section 3 of this act over the first twenty years of the water infrastructure program. 37

p. 4 SB 5136

- 1 (2) The reviewing authorities shall rank projects in a manner 2 designed to provide funding for as many projects as practicable, 3 while attempting to ensure that each project will receive sufficient 4 funding to facilitate successful completion of the project.
- 5 (3) The reviewing authorities shall consider whether each project 6 is consistent with the action agenda as defined under RCW 90.71.010, 7 if applicable.
- 8 (4) Moneys made available under this chapter may not be used to acquire property through condemnation.
- 10 <u>NEW SECTION.</u> **Sec. 10.** Sponsors that apply for funding through the water infrastructure program are required to provide a minimum of 11 twenty-five percent of project costs in sponsor funding. The 12 reviewing authorities shall give preference to projects that provide 13 a higher level of sponsor funding. Sponsor funding may include funds, 14 15 commitments, or contributions dedicated to the accomplishment of the 16 project, such as cash on hand, the value of real property when acquired solely for the purpose of the project, the proceeds of a 17 letter of credit or other binding loan commitment, or similar 18 commitments. Sponsors may receive credit for properly documented 19 20 funding that was contributed no earlier than ten years prior to the 21 effective date of this section and that was dedicated to the 22 accomplishment of the project.
- NEW SECTION. Sec. 11. The department may establish advisory committees to ensure that the water infrastructure program is administered with due consideration for the views of individuals and organizations that have demonstrated their interest in water management in Washington.
- NEW SECTION. Sec. 12. The department shall monitor progress in completing projects and achieving desired outcomes for projects funded under the water infrastructure program. Beginning July 1, 2021, the department shall submit biennial reports to the legislature describing the use of funds under this chapter.
- NEW SECTION. Sec. 13. The water infrastructure program account is created in the state treasury. All receipts of money directed to the account must be deposited in the account. Expenditures from the account may be used only for purposes relating to the water

p. 5 SB 5136

- 1 infrastructure program established in this chapter. Moneys in the
- 2 account may be spent only after appropriation.
- NEW SECTION. Sec. 14. The water infrastructure program bond account is created in the state treasury. All receipts of money directed to the account must be deposited in the account. The account is intended to fund projects for purposes relating to the water infrastructure program established in this chapter using tax exempt
- hands Manage in the assessment may be spent only after appropriation
- 8 bonds. Moneys in the account may be spent only after appropriation.
- 9 <u>NEW SECTION.</u> **Sec. 15.** The water infrastructure program taxable bond account is created in the state treasury. All receipts of money directed to the account must be deposited in the account. The account is intended to fund projects for purposes relating to the water infrastructure program established in this chapter using taxable bonds. Moneys in the account may be spent only after appropriation.
- NEW SECTION. Sec. 16. The legislature intends to appropriate five hundred million dollars each biennium for projects under this chapter, up to a total of five billion dollars.
- NEW SECTION. Sec. 17. Sections 1 through 15 of this act constitute a new chapter in Title 90 RCW.

--- END ---

p. 6 SB 5136