

# SENATE BILL REPORT

## SB 5628

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As of March 17, 2015

**Title:** An act relating to providing for storm water, flood control, and water supply infrastructure in the state.

**Brief Description:** Providing for storm water, flood control, and water supply infrastructure in the state.

**Sponsors:** Senators Honeyford, Hatfield, Braun, Hobbs, Warnick and Chase.

**Brief History:**

**Committee Activity:** Ways & Means: 1/26/15.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Brian Sims (786-7431)

**Background:** In the past ten years, \$780 million have been appropriated in the State Capital Budget for water supply, flood control, and storm water management projects. Three-quarters of these appropriations have been state bonds, 6 percent of all bond capacity. Over the ten-year period:

- about one-third of the \$383 million in appropriations for water supply projects have been to address the water supply problems in the Yakima River basin, including money for design and engineering of major projects to expand water storage and improve fish passage around existing dams;
- about one-third of the \$133 million in appropriations for flood control projects have been the flooding problems in the Chehalis basin, including money to address options for major flood control facilities; and
- about three-quarters of the \$264 million in appropriations for storm water management projects has come from model toxic control accounts which are also used for toxic waste remediation and prevention.

Future costs for the major water supply and flood control projects that are under consideration exceed the historic pattern of State Capital Budget funding.

Estimates for mitigating the pollution caused by untreated storm water also exceed historical patterns of State Capital Budget funding.

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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 a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:** Three grant programs are created in the Department of Ecology to:

- reduce storm water pollution from existing infrastructure and development;
- reduce the risk of flooding, protect against damage caused by flooding, and protect and restore naturally functioning areas where floods occur; and
- improve the availability and reliability of water supplies for in-stream and out-of-stream uses.

Criteria are specified for the prioritization of proposed projects.

A special benefit assessment is imposed to finance projects funded through the grant programs, with revenues generated from the assessment deposited into the Water Infrastructure Account. The special benefit assessment imposes a fee based on the size and use of the property. About two-thirds of all property parcels would pay \$35 per year. The highest fee is \$500 for parcels larger than ten acres with improvements on the property other than residential structures with four or fewer units. Property exempt from the assessment include parcels designated as timber land under chapters 84.33 RCW and 84.34 RCW, and parcels designated as agriculture land under chapter 84.34 RCW in counties in which the services of irrigation districts are not provided.

A progress report must be submitted every two years by the Department of Ecology. The Joint Legislative Audit and Review Committee must conduct at least one performance audit every ten years and must determine if appropriate and reliable cost-benefit methodologies exist for use in prioritizing projects.

The bill includes a referendum clause.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill takes effect only if ratified by the voters.

**Staff Summary of Public Testimony:** PRO: We cannot maintain our quality of life without taking care of our water infrastructure. The projects funded by this bill would still have to meet all environmental permit requirements. The bill provides an important tool to deal with increasing severity and frequency of droughts and floods. Our streams and fish runs are threatened by climate change. The water supply projects provide water for fish as well as out-of-stream uses. A declining snow pack threatens important fish runs that are important to tribes within these water basins. Billions of dollars of agricultural exports depend on irrigation water. This bill will fund important storm water retrofit projects. Our permit requirements for new development will not by themselves solve our storm water pollution problem. The competitive grant program will spur innovations and positive outcomes. Every community in the state will benefit from some aspect of this bill. There is not enough capacity within our capital budget to solve these important water infrastructure problems. The history of major floods in the Chehalis basin show that flood control is not just a local issue – when I-5 is shuts down it affects the entire state.

CON: We are opposed to the parcel fee because not everyone who pays it will benefit from it. The Bumping Lake project will destroy ancient forests. We are opposed to the water supply portions of the bill because these project do not show a positive benefit-cost ratio. There should be an audit of the Department of Ecology's Office of Columbia River. The science does not support these water projects. The projects will damage property values and habitat. This is a property tax.

OTHER: Water issues affect the entire state, and it is positive that the bill provides a source of money to address these problems without resorting to additional state debt. The parcel fee should apply to all lands including timber and agriculture. The competitive grant programs should specify added criteria regarding financial feasibility, readiness, and project management. The language about nonsupplantation of current funding levels will be difficult to prove. The magnitude of our storm water, flood control, and water supply problems are enormous. Each category will require many billions of dollars to make the progress we need to make to protect the state's environment, the safety of our people, and our economy. These costs are growing every year. We support dealing with these major problems, but have concerns about the fee. It would be helpful to include funding for county culvert replacement. The counties will need administrative funding to collect the parcel fee. It will be important to involve treaty tribes in discussions about these projects.

**Persons Testifying:** PRO: Steve Gano, Suncadia Resort; Peter Dykstra, American Rivers; Urban Eberhart, Kittitas Reclamation District; Jim Halstrom, WA State Tree Fruit Assn.; Scott Revell, Roza Irrigation District; Mo Mcbroom, The Nature Conservancy; Patty Buchanan, SVR Design Company; Darcy Nonemacher, WA Environmental Council.

CON: Grant Learned, Friends of Lake Kachess; David Ortman, North Cascades Conservation Council, Alpine Lakes Protection Society; Elaine Packard, Sierra Club; Naydene Maykut, Friends of Bumping Lake; Patrick Boss, Columbia-Snake River Irrigators Assn.; Jack Field, WA Cattlemen's Assn.

OTHER: James McIntire, State Treasurer; Maia Bellon, Director, Dept. of Ecology; Sheida Sahandy, Executive Director, Puget Sound Partnership; Carl Schroeder, Assn. of WA Cities; Josh Weiss, WA State Assn. of Counties; Monty Cobb, WA Assn. of County Officials; Evan Sheffels, WA Farm Bureau.