H-2850.3	
	HOUSE BILL 2121

State of Washington 62nd Legislature 2011 1st Special Session

By Representatives Chandler and Blake

AN ACT Relating to administering the state's water resources program; amending RCW 90.03.290, 90.14.130, 90.14.140, 90.14.200, and 90.03.650; reenacting and amending RCW 90.14.140; adding new sections to chapter 90.03 RCW; adding a new section to chapter 90.42 RCW; providing an effective date; and providing an expiration date.

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

7 PART 1
8 WATER RIGHT APPLICATIONS

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9 <u>NEW SECTION.</u> **Sec. 101.** A new section is added to chapter 90.03 10 RCW to read as follows:

- (1)(a) Any applicant for a new appropriation or a change, transfer, or amendment of a water right may request a preapplication meeting with the department. The preapplication meeting must be requested on a form supplied by the department, accompanied by a fee of one hundred dollars. There is no fee for a preapplication meeting with two or more applicants.
- 17 (b) The preapplication meeting must be held within fourteen days

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- following the department's receipt of the request for a preapplication meeting.
- 3 (2)(a) The purpose of the preapplication meeting is to conduct a 4 preliminary discussion of the application prior to submission to the 5 department.
 - (b) The department shall provide the following information to the applicant at the preapplication meeting:
 - (i) Requirements for application completeness;

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- 9 (ii) Available review processes, including options for expedited 10 review through cost reimbursement and coordinated cost reimbursement 11 under RCW 90.03.265, review by the department under RCW 90.03.290, 12 90.03.380, 90.03.383, 90.03.390, 90.03.397, or 90.44.100, including 13 opportunities for the applicant to submit technical reports, other 14 information, or a draft report of examination for review by the 15 department;
 - (iii) A schedule of all applicable fees;
 - (iv) The estimated time schedule for processing;
- 18 (v) Water availability, to the extent this information is known at 19 the time of the preapplication meeting;
- 20 (vi) Approaches used by other applicants whose permits have been 21 processed recently for the same or similar source of water; and
 - (vii) Any other information known at the time of the preapplication meeting that is relevant and material to the department's review of the proposed application.
 - (3) At the applicant's request, the department shall also invite representatives of other agencies to attend the preapplication meeting.
- 27 (4) Within fourteen days of the preapplication meeting, the 28 department shall provide a written summary of the discussion at the 29 meeting to the applicant.
- NEW SECTION. Sec. 102. A new section is added to chapter 90.03
 RCW to read as follows:
- (1)(a) Any applicant for a new appropriation or a change, transfer, or amendment of a water right may request a preprocessing meeting with the department. The preprocessing meeting must be requested on a form supplied by the department, accompanied by a fee of one hundred dollars. If the preprocessing meeting is held with two or more

applicants whose applications are from the same source or supply or within the basin where the department is planning to begin processing, there is no fee for the preprocessing meeting.

- (b) The preprocessing meeting must be held within thirty days following the department's receipt of the request for a preprocessing meeting.
- (2)(a) The purpose of the preprocessing meeting is to conduct a preliminary discussion of the application prior to the processing of the application by the department.
- (b) The department shall provide the following information to the applicant at the preprocessing meeting:
- 12 (i) Any additional information the applicant must provide to meet 13 the requirements of RCW 90.03.260;
 - (ii) Available review processes, including options for expedited review through cost reimbursement and coordinated cost reimbursement under RCW 90.03.265, review by the department under RCW 90.03.290, 90.03.380, 90.03.383, 90.03.390, 90.03.397, or 90.44.100, including opportunities for the applicant to submit technical reports, other information, or a draft report of examination for review by the department;
 - (iii) A schedule of all applicable fees;

- (iv) The estimated time schedule for processing;
- (v) Water availability and any other information available to the department on the hydrology of the basin and the status of current water rights in the basin, to the extent this information is known at the time of the preprocessing meeting;
- (vi) Approaches used by other applicants whose permits have been processed recently for the same or similar source of water; and
- (vii) Any other information known to the department at the time of the preprocessing meeting that is relevant and material to the department's review of the proposed application.
- (3) Within thirty days of the preprocessing meeting, the department shall provide a written summary of the discussion at the meeting to the applicant.
- (4) The department shall send a notice to all applicants at least ninety days prior to beginning processing water right applications in a water source or basin advising them of their rights to a preprocessing meeting.

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(5) In water sources or basins where the department is not planning on processing water right applications, an applicant may request a preprocessing meeting at any time and must be granted a meeting within sixty days of the request. The summary of the meeting must be sent within thirty days of the preprocessing meeting.

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- 6 **Sec. 103.** RCW 90.03.290 and 2001 c 239 s 1 are each amended to read as follows:
 - (1) When an application complying with the provisions of this chapter and with the rules of the department has been filed, the same ((shall)) must be placed on record with the department((, and it shall be its duty to investigate the application, and determine what water, if any, is available for appropriation, and find and determine to what beneficial use or uses it can be applied. If it is proposed to appropriate water for irrigation purposes, the department shall investigate, determine and find what lands are capable of irrigation by means of water found available for appropriation. If it is proposed to appropriate water for the purpose of power development, the department shall investigate, determine and find whether the proposed development is likely to prove detrimental to the public interest, having in mind the highest feasible use of the waters belonging to the public)).
 - (2)(a) If the application does not contain, and the applicant does not promptly furnish sufficient information on which to base ((such)) the findings required under subsection (3) of this section, the department may issue a preliminary permit, for a period of not to exceed three years, requiring the applicant to make such surveys, investigations, studies, and progress reports, as in the opinion of the department may be necessary. If the applicant fails to comply with the conditions of the preliminary permit, it and the application or applications on which it is based shall be automatically canceled and the applicant so notified. If the holder of a preliminary permit shall, before its expiration, file with the department a verified report of expenditures made and work done under the preliminary permit, which, in the opinion of the department, establishes the good faith, intent, and ability of the applicant to carry on the proposed development, the preliminary permit may((, with the approval of the governor,)) be extended, but not to exceed a maximum period of five years from the date of the issuance of the preliminary permit.

(b) For any application for which a preliminary permit was issued and for which the availability of water was directly affected by a moratorium on further diversions from the Columbia river during the years from 1990 to 1998, the preliminary permit is extended through June 30, 2002. If such an application and preliminary permit were canceled during the moratorium, the application and preliminary permit shall be reinstated until June 30, 2002, if the application and permit: (i) Are for providing regional water supplies in more than one urban growth area designated under chapter 36.70A RCW and in one or more areas near such urban growth areas, or the application and permit are modified for providing such supplies, and (ii) provide or are modified to provide such regional supplies through the use of existing intake or diversion structures. The authority to modify such a canceled application and permit to accomplish the objectives of (b)(i) and (ii) of this subsection is hereby granted.

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- (3) The department shall investigate all facts relevant and material to the application. The department shall make and file as part of the record in the matter, written findings of fact concerning all things investigated, and if it shall find that there is water available for appropriation for a beneficial use, and the appropriation thereof as proposed in the application will not impair existing rights or be detrimental to the public welfare, it shall issue a ((permit)) draft report of examination stating the amount of water to which the applicant shall be entitled and the beneficial use or uses to which it may be applied: PROVIDED, That where the water applied for is to be used for irrigation purposes, it shall become appurtenant only to such land as may be reclaimed thereby to the full extent of the soil for agricultural purposes. But where there is no unappropriated water in the proposed source of supply, or where the proposed use conflicts with existing rights, or threatens to prove detrimental to the public interest, having due regard to the highest feasible development of the use of the waters belonging to the public, it shall be duty of the department to ((reject such)) deny the application ((and to refuse to issue the permit asked for)).
- (4) The department shall post on its web site each draft report of examination for a period of thirty days. The department's web site must include information on how to submit a protest on a draft report of examination during the thirty-day protest period.

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(5)(a) Except for the applicant, any person may file a protest with the department within the thirty-day protest period, accompanied by the fee specified in RCW 90.03.470 and the supplementary protest fee required under section 301 of this act. The department shall promptly transmit to the applicant copies of any protests received on the draft report of examination. The applicant may submit additional information to the department in response to the draft report of examination at any time.

- (b) The department shall consider any protests received and any additional information from the applicant and issue a final report of examination within thirty days following the end of the thirty-day protest period.
- (c) The department shall post each final report of examination on its web site for a period of thirty days.
 - (6) At the option of the applicant, the applicant may submit to the department a draft report of examination or other technical report prepared by a licensed hydrogeologist, a licensed engineer, a hydrologist, a certified water rights examiner, or an attorney licensed to practice law in the state of Washington. The department shall review and consider any report provided by the applicant, and has full authority to adopt, amend, or reject any report in conjunction with the issuance of the department's draft report of examination.
 - (7) If the ((permit is refused)) application is denied because of conflict with existing rights and such applicant shall acquire same by purchase or condemnation under RCW 90.03.040, the department may thereupon grant such permit.
 - (8) Any application may be approved for a ((less)) lesser amount of water than that applied for, if there exists substantial reason therefor, and in any event shall not be approved for more water than can be applied to beneficial use for the purposes named in the application. ((In determining whether or not a permit shall issue upon any application, it shall be the duty of the department to investigate all facts relevant and material to the application.))
- (9) After the department approves ((said)) the application in whole or in part and before any permit shall be issued thereon to the applicant, such applicant shall pay the fee provided in RCW 90.03.470:

 PROVIDED FURTHER, That in the event a permit is issued by the

1 department upon any application, it shall be its duty to notify the

2 director of fish and wildlife of such issuance.

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PART 2 4 REVIEW OF WATER RIGHTS AND RELINQUISHMENT

5 **Sec. 201.** RCW 90.14.130 and 1987 c 109 s 13 are each amended to read as follows:

(1) When it appears to the department of ecology that a person entitled to the use of water has not beneficially used his water right or some portion thereof, and it appears that said right has or may have reverted to the state because of such nonuse, as provided by RCW 90.14.160, 90.14.170, or 90.14.180, the department of ecology shall notify such person by order: PROVIDED, That where a company, association, district, or the United States has filed a blanket claim under the provisions of RCW 90.14.060 for the total benefits of those served by it, the notice shall be served on such company, association, district or the United States and not upon any of its individual water users who may not have used the water or some portion thereof which they were entitled to use. The order shall contain: $((\frac{1}{1}))$ (a) A description of the water right, including the approximate location of the point of diversion, the general description of the lands or places where such waters were used, the water source, the amount involved, the purpose of use, and the apparent authority upon which the right is based; $((\frac{2}{2}))$ (b) a statement that unless sufficient cause be shown on appeal the water right will be declared relinquished; and ((+3))) (c) a statement that such order may be appealed to the pollution control hearings board. Any person aggrieved by such an order may appeal it to the pollution control hearings board pursuant to RCW 43.21B.310. order shall be served by registered or certified mail to the last known address of the person and be posted at the point of division or withdrawal. The order by itself shall not alter the recipient's right to use water, if any.

(2) Notwithstanding any other provisions of this chapter, there is no relinquishment of any water right if the end of the alleged period of nonuse of the right occurred more than fifteen years before the date upon which an order is issued under this section.

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- **Sec. 202.** RCW 90.14.140 and 2009 c 183 s 14 are each amended to read as follows:
 - (1) For the purposes of RCW 90.14.130 through 90.14.180, the following constitute "sufficient cause" ((shall be defined as)) for the nonuse of all or a portion of the water by the owner of a water right for a period of five or more consecutive years where such nonuse occurs as a result of:
 - (a) Drought, or other unavailability of water;
- 9 (b) Active service in the armed forces of the United States during 10 military crisis;
 - (c) Nonvoluntary service in the armed forces of the United States;
 - (d) The operation of legal proceedings;

- (e) Federal or state agency leases of or options to purchase lands or water rights which preclude or reduce the use of the right by the owner of the water right;
 - (f) Federal laws imposing land or water use restrictions either directly or through the voluntary enrollment of a landowner in a federal program implementing those laws, or acreage limitations, or production quotas;
 - (g) Temporarily reduced water need for irrigation use where such reduction is due to varying weather conditions, including but not limited to precipitation and temperature, that warranted the reduction in water use, so long as the water user's diversion and delivery facilities are maintained in good operating condition consistent with beneficial use of the full amount of the water right;
 - (h) Temporarily reduced diversions or withdrawals of irrigation water directly resulting from the provisions of a contract or similar agreement in which a supplier of electricity buys back electricity from the water right holder and the electricity is needed for the diversion or withdrawal or for the use of the water diverted or withdrawn for irrigation purposes;
 - (i) Water conservation measures implemented under the Yakima river basin water enhancement project, so long as the conserved water is reallocated in accordance with the provisions of P.L. 103-434;
- (j) Reliance by an irrigation water user on the transitory presence of return flows in lieu of diversion or withdrawal of water from the primary source of supply, if such return flows are measured or reliably

estimated using a scientific methodology generally accepted as reliable within the scientific community; or

- (k) The reduced use of irrigation water resulting from crop For purposes of this subsection, crop rotation means the rotation. temporary change in the type of crops grown resulting from the exercise of generally recognized sound farming practices. Unused water resulting from crop rotation will not be relinquished if the remaining portion of the water continues to be beneficially used.
- (2) Notwithstanding any other provisions of RCW 90.14.130 through 90.14.180, there shall be no relinquishment of any water right:
 - (a) If such right is claimed for power development purposes under chapter 90.16 RCW and annual license fees are paid in accordance with chapter 90.16 RCW;
 - (b) If such right is used for a standby or reserve water supply to be used in time of drought or other low flow period so long as withdrawal or diversion facilities are maintained in good operating condition for the use of such reserve or standby water supply;
 - (c) If such right is claimed for a determined future development to take place either within fifteen years of July 1, 1967, or the most recent beneficial use of the water right, whichever date is later;
- (d) If such right is claimed for municipal water supply purposes under chapter 90.03 RCW;
- (e) If such waters are not subject to appropriation under the applicable provisions of RCW 90.40.030;
- (f) If such right or portion of the right is leased to another person for use on land other than the land to which the right is appurtenant as long as the lessee makes beneficial use of the right in accordance with this chapter and a transfer or change of the right has been approved by the department in accordance with RCW 90.03.380, 90.03.383, 90.03.390, or 90.44.100;
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- (g) If such a right or portion of the right is authorized for a 31 32 purpose that is satisfied by the use of agricultural industrial process water as authorized under RCW 90.46.150; 33
- (h) If such right is a trust water right under chapter 90.38 or 34 35 90.42 RCW;
- 36 (i) If such a right is involved in an approved local water plan 37 created under RCW 90.92.090, provided the right is subject to an

agreement not to divert under RCW 90.92.050, or provided the right is banked under RCW 90.92.070; or

- (j) If the end of the period of nonuse of such a right occurred more than fifteen years before the date upon which an order is issued under RCW 90.14.130, the date of filing of the department's report of findings under RCW 90.03.640, or the date of a final decision by the department or a water conservancy board on an application for change or transfer of a water right under RCW 90.03.380 or 90.44.100.
- 9 (3) In adding provisions to this section by chapter 237, Laws of 2001, the legislature does not intend to imply legislative approval or disapproval of any existing administrative policy regarding, or any existing administrative or judicial interpretation of, the provisions of this section not expressly added or revised.
- 14 Sec. 203. RCW 90.14.140 and 2001 c 240 s 1, 2001 c 237 s 27, and 2001 c 69 s 5 are each reenacted and amended to read as follows:
- (1) For the purposes of RCW 90.14.130 through 90.14.180, the following constitute "sufficient cause" ((shall be defined as)) for the nonuse of all or a portion of the water by the owner of a water right for a period of five or more consecutive years where such nonuse occurs as a result of:
 - (a) Drought, or other unavailability of water;
- 22 (b) Active service in the armed forces of the United States during 23 military crisis;
 - (c) Nonvoluntary service in the armed forces of the United States;
 - (d) The operation of legal proceedings;

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- (e) Federal or state agency leases of or options to purchase lands or water rights which preclude or reduce the use of the right by the owner of the water right;
- (f) Federal laws imposing land or water use restrictions either directly or through the voluntary enrollment of a landowner in a federal program implementing those laws, or acreage limitations, or production quotas;
- 33 (g) Temporarily reduced water need for irrigation use where such 34 reduction is due to varying weather conditions, including but not 35 limited to precipitation and temperature, that warranted the reduction 36 in water use, so long as the water user's diversion and delivery

facilities are maintained in good operating condition consistent with beneficial use of the full amount of the water right;

- (h) Temporarily reduced diversions or withdrawals of irrigation water directly resulting from the provisions of a contract or similar agreement in which a supplier of electricity buys back electricity from the water right holder and the electricity is needed for the diversion or withdrawal or for the use of the water diverted or withdrawn for irrigation purposes;
- (i) Water conservation measures implemented under the Yakima river basin water enhancement project, so long as the conserved water is reallocated in accordance with the provisions of P.L. 103-434;
- (j) Reliance by an irrigation water user on the transitory presence of return flows in lieu of diversion or withdrawal of water from the primary source of supply, if such return flows are measured or reliably estimated using a scientific methodology generally accepted as reliable within the scientific community; or
- (k) The reduced use of irrigation water resulting from crop rotation. For purposes of this subsection, crop rotation means the temporary change in the type of crops grown resulting from the exercise of generally recognized sound farming practices. Unused water resulting from crop rotation will not be relinquished if the remaining portion of the water continues to be beneficially used.
- (2) Notwithstanding any other provisions of RCW 90.14.130 through 90.14.180, there shall be no relinquishment of any water right:
- (a) If such right is claimed for power development purposes under chapter 90.16 RCW and annual license fees are paid in accordance with chapter 90.16 RCW;
- (b) If such right is used for a standby or reserve water supply to be used in time of drought or other low flow period so long as withdrawal or diversion facilities are maintained in good operating condition for the use of such reserve or standby water supply;
- (c) If such right is claimed for a determined future development to take place either within fifteen years of July 1, 1967, or the most recent beneficial use of the water right, whichever date is later;
- (d) If such right is claimed for municipal water supply purposes under chapter 90.03 RCW;
- 37 (e) If such waters are not subject to appropriation under the applicable provisions of RCW 90.40.030;

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(f) If such right or portion of the right is leased to another person for use on land other than the land to which the right is appurtenant as long as the lessee makes beneficial use of the right in accordance with this chapter and a transfer or change of the right has been approved by the department in accordance with RCW 90.03.380, 90.03.383, 90.03.390, or 90.44.100;

- (g) If such a right or portion of the right is authorized for a purpose that is satisfied by the use of agricultural industrial process water as authorized under RCW 90.46.150; ((or))
- (h) If such right is a trust water right under chapter 90.38 or 90.42 RCW; or
- (i) If the end of the period of nonuse of such a right occurred
 more than fifteen years before the date upon which an order is issued
 under RCW 90.14.130, the date of filing of the department's report of
 findings under RCW 90.03.640, or the date of a final decision by the
 department or a water conservancy board on an application for change or
 transfer of a water right under RCW 90.03.380 or 90.44.100.
 - (3) In adding provisions to this section by chapter 237, Laws of 2001, the legislature does not intend to imply legislative approval or disapproval of any existing administrative policy regarding, or any existing administrative or judicial interpretation of, the provisions of this section not expressly added or revised.
- **Sec. 204.** RCW 90.14.200 and 1989 c 175 s 180 are each amended to 24 read as follows:
 - (1) All matters relating to the implementation and enforcement of this chapter by the department of ecology shall be carried out in accordance with chapter 34.05 RCW, the Administrative Procedure Act, except where the provisions of this chapter expressly conflict with chapter 34.05 RCW. Proceedings held pursuant to RCW 90.14.130 are adjudicative proceedings within the meaning of chapter 34.05 RCW. Final decisions of the department of ecology in these proceedings are subject to review in accordance with chapter 43.21B RCW.
- 33 (2)(a) RCW 90.14.130 provides nonexclusive procedures for determining a relinquishment of water rights under RCW 90.14.160, 90.14.170, and 90.14.180. RCW 90.14.160, 90.14.170, and 90.14.180 may be applied in, among other proceedings, general adjudication proceedings initiated under RCW 90.03.110 or 90.44.220((: PROVIDED,

- That)). However, there is no relinquishment of any water right if the end of the alleged period of nonuse of the right occurred more than fifteen years before: (i) The date of filing of the department of ecology's report of finding under RCW 90.03.640; or (ii) the date of a final decision by the department of ecology or a water conservancy board on an application for a change or transfer of a water right under RCW 90.03.380 or 90.44.100.
- 8 (b) Nothing ((herein shall apply)) in this subsection applies to
 9 litigation involving determinations of the department of ecology under
 10 RCW 90.03.290 relating to the impairment of existing rights.
- NEW SECTION. Sec. 205. A new section is added to chapter 90.03
 RCW to read as follows:

- (1) Nothing in sections 201 through 204 of this act may be construed to affect or modify the doctrine of common law abandonment.
- (2)(a) Except as provided in (b) of this subsection, sections 201 through 204 of this act apply to water rights subject to a general adjudication that is pending as of the effective date of this section if the superior court conducting the adjudication issues a conditional final order relating to the water right.
- (b) If a superior court determines that a conditional final order issued by the court in a general adjudication must be modified for the purposes of issuing the final decree, the superior court may not apply sections 201 through 204 of this act to the water rights when modifying the conditional final order for the purposes of issuing the final decree.
- (3)(a) Sections 201 through 204 of this act do not apply to: (i) Relinquishment orders under RCW 90.14.130 entered prior to the effective date of this section; or (ii) final decisions made by the department on applications for changes, transfers, or amendments to water rights under RCW 90.03.380 or 90.44.100, if the decision is made prior to the effective date of this section.
- (b) Sections 201 through 204 of this act do not apply to orders of the pollution control hearings board entered prior to the effective date of this section on appeals of: (i) Relinquishment orders issued under RCW 90.14.130; or (ii) decisions on applications for changes, transfers, or amendments to water rights under RCW 90.03.380 or 90.44.100.

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1 PART 3

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ASSESSMENT AND COLLECTION OF FEES

3 <u>NEW SECTION.</u> **Sec. 301.** A new section is added to chapter 90.03 4 RCW to read as follows:

- (1) Notwithstanding any other provision of law, a person other than the permit applicant who wishes to protest a decision of the department must pay a protest fee of five hundred dollars in addition to the appropriate fee required under RCW 90.03.470(11).
- 9 (2) Except for the applicant, for any party who appeals a decision 10 made by the department by filing an appeal with the pollution control 11 hearings board under chapter 43.21B RCW, a fee of one thousand dollars 12 is required.
- 13 (3) All fees collected under this section must be paid to the 14 department and deposited into the water rights processing account under 15 RCW 90.03.650.
- 16 **Sec. 302.** RCW 90.03.650 and 2010 c 285 s 4 are each amended to read as follows:

The water rights processing account is created in the state treasury. All receipts from the fees collected under RCW 90.03.655, 90.03.665, ((and)) 90.44.540, and sections 101, 102, and 301 of this act, must be deposited into the account. Money in the account may be spent only after appropriation. Expenditures from the account may only be used to support the processing of water right applications for a new appropriation, change, transfer, or amendment of a water right or claim as provided in this chapter and chapters 90.42 and 90.44 RCW or for the examination, certification, and renewal of certification of water right examiners as provided in RCW 90.03.665.

28 **PART 4**

29 TRUST WATER RIGHTS PROGRAM

- NEW SECTION. Sec. 401. A new section is added to chapter 90.42 RCW to read as follows:
- 32 (1) Upon permanently acquiring a water right under a permit, 33 certificate, or claim in the trust water rights program for instream 34 flow purposes, the department may file suit in superior court to 35 protect its water right from impairment. In such an action by the

- department, the court may join only those parties holding water rights with priority dates junior in time to the trust water right whose diversion or withdrawal of water is alleged by the department to be impairing the trust water right. Prior to filing such an action, the department shall comply with the procedures of RCW 90.03.605.
- (2)(a) If the court concludes that any permit, certificate, or claim is causing impairment of the department's trust water right, the court shall issue an order enabling the department to regulate the permits, certificates, or claims to prevent impairment of the trust water right.
- (b) After the court has issued an order under (a) of this subsection, and after all appeals have been exhausted, the department may issue a notice and order, consistent with its authority under RCW 43.27A.190, to protect a permanent instream flow trust water right from impairment. The department may serve a notice and order claiming impairment upon the holder of a permit, certificate, or claim that is subject to the court's order.
- (c) Any water right holder may appeal the notice and order issued by the department under (b) of this subsection to the pollution control hearings board under chapter 43.21B RCW.

PART 5

PROGRAM EFFICIENCIES AND ACCOUNTABILITY

- NEW SECTION. Sec. 501. A new section is added to chapter 90.03
 RCW to read as follows:
 - (1)(a) Except as provided in subsection (3) of this section, the department shall process all water right applications pending as of the effective date of this section by July 1, 2021.
 - (b) As used in this subsection, water right applications include:
 (i) Applications for new appropriation; (ii) transfers, changes, or amendments to existing permits, water right or storage certificates, or claimed rights; and (iii) applications for water use mitigation credits issued as a result of water banking.
- 33 (2) By December 31, 2011, the department shall provide the 34 legislature with a schedule by water resource inventory area or source 35 of water showing when and where it will process water right

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applications between the effective date of this section and July 1, 2021.

- (3) By July 1, 2017, the department shall provide all applicants with permit applications pending as of the effective date of this section the opportunity to be processed by the department either individually or pursuant to a coordinated cost-reimbursement agreement. If an applicant is offered the opportunity to be processed by the department prior to July 1, 2017, but declines, the department may limit future processing of that application to either the cost-reimbursement process pursuant to RCW 90.03.265 or require the applicant to submit its own draft report of examination at the time when the applicant is prepared to have the application processed.
- (4) The department shall conduct a comprehensive review of its water rights application review procedures, with the objective of simplifying the procedures, eliminating unnecessary steps, and decreasing the time required to fully process an application from filing through a final decision. The department shall seek recommendations from a diverse group of stakeholders and government representatives familiar with the department's water rights processing and water resource management activities and provide stakeholders an opportunity to comment upon proposals for administrative or legislative changes to simplify procedures.
- 23 (5) The department shall implement changes to improve water rights 24 processing for which it has current administrative authority by January 25 1, 2012.
 - (6)(a) The department shall provide a report to the legislature, consistent with RCW 43.01.036, by December 31, 2011, and shall supplement and update the report every even-numbered year thereafter to document continuing process improvements.
 - (b) The report must summarize:
 - (i) The review conducted;

- (ii) The proposals considered by the department, including those forwarded by stakeholders;
 - (iii) The changes implemented; and
- 35 (iv) Recommendations for any legislation necessary to implement 36 additional changes.

1	PART 6
2	ADMINISTRATIVE PROVISIONS
3 4	<pre>NEW SECTION. Sec. 601. Section 202 of this act expires June 30, 2019.</pre>
5 6	NEW SECTION. Sec. 602. Section 203 of this act takes effect June 30, 2019.
	END

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