S-2818.1			
0 4010.1			

## SENATE BILL 5934

\_\_\_\_\_

State of Washington 62nd Legislature 2011 Regular Session

By Senators Rockefeller, Ranker, Chase, Fraser, and Nelson

Read first time 04/13/11. Referred to Committee on Environment, Water & Energy.

AN ACT Relating to funding and administering the processing of water rights permits and applications including limiting the review period in making tentative determinations and modifying relinquishment; amending RCW 90.03.260, 90.03.470, 90.03.650, 90.03.380, 90.03.380, 90.44.100, 90.44.100, and 90.14.140; reenacting and amending RCW 90.14.140; adding new sections to chapter 90.03 RCW; creating a new section; providing effective dates; and providing an expiration date.

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

11

12 13

1415

16

1718

- 9 **Sec. 1.** RCW 90.03.260 and 2003 1st sp.s. c 5 s 4 are each amended to read as follows:
  - (1) Each application for permit to appropriate water or to change, transfer, or amend an existing water right shall set forth the name and post office address of the applicant, the source of water supply, the nature and amount of the proposed use, the time during which water will be required each year, the location and description of the proposed ditch, canal, or other work, the time within which the completion of the construction and the time for the complete application of the water to the proposed use. The department shall post on its web site a

p. 1 SB 5934

checklist of the information required in the application under this subsection and subsections (2) through (8) of this section.

- (2) If for agricultural purposes, the application shall give the legal subdivision of the land and the acreage to be irrigated((, as near as may be,)) and the amount of water expressed in acre feet to be supplied per season. If for power purposes, it shall give the nature of the works by means of which the power is to be developed, the head and amount of water to be utilized, and the uses to which the power is to be applied.
- (3) If for construction of a reservoir, the application shall give the height of the dam, the capacity of the reservoir, and the uses to be made of the impounded waters.
- (4) If for community or multiple domestic water supply, the application shall give the projected number of service connections sought to be served. However, for a municipal water supplier that has an approved water system plan under chapter 43.20 RCW or an approval from the department of health to serve a specified number of service connections, the service connection figure in the application or any subsequent water right document is not an attribute limiting exercise of the water right as long as the number of service connections to be served under the right is consistent with the approved water system plan or specified number.
- (5) If for municipal water supply, the application shall give the present population to be served, and, as near as may be estimated, the future requirement of the municipality. However, for a municipal water supplier that has an approved water system plan under chapter 43.20 RCW or an approval from the department of health to serve a specified number of service connections, the population figures in the application or any subsequent water right document are not an attribute limiting exercise of the water right as long as the population to be provided water under the right is consistent with the approved water system plan or specified number.
- (6) If for mining purposes, the application shall give the nature of the mines to be served and the method of supplying and utilizing the water; also their location by legal subdivisions.
- (7) ((<del>All</del>)) <u>If for industrial or commercial purposes, the</u> application shall describe how water is proposed to be used in the

production process and in ancillary uses including but not limited to heat exchange, washing and cleaning, and domestic potable use.

- (8) An application to change, transfer, or amend an existing water right or claimed water right must also include the following information:
- (a) Identification of the water right or claim proposed to be changed, including a legible copy of the right or claim proposed to be changed;
- (b) The existing and proposed points of diversion, withdrawal, or storage of water as applicable if proposed to be changed;
- 11 (c) The location of the existing place where water is used and the 12 proposed place of use if the place is proposed to be changed;
- 13 <u>(d) The existing purpose or purposes of use and the proposed</u>
  14 <u>purpose or purposes of use if the purpose is proposed to be amended or</u>
  15 added to; and
- 16 <u>(e) Any other information required by the department on the</u> 17 application form prescribed by the department.
  - (9) Upon receipt of an application containing the basic information required in subsections (1) through (8) of this section, the application must be time and date stamped by the department to establish a priority date.
  - (10)(a) After an application to appropriate or store water or to change, transfer, or amend a water right or claim is filed and prior to the department initiating its investigation of the application under this chapter or chapter 90.44 RCW, the department must provide in writing to the applicant an initial assessment that estimates the probable costs that the applicant will incur for processing the application. The department shall also convey to the applicant the scope of issues likely to be encountered in processing the application as identified under RCW 90.03.380. To the extent possible, the department shall perform this duty for groups of applications from the same source or geographic area.
  - (b) The purpose of this initial assessment is to assist the applicant in making a decision as to whether to proceed with having the department make a formal determination on their water right application. Such an assessment must be made with the department's best professional judgment based on information available to the department at that time. If additional information needs to be

p. 3 SB 5934

collected or studies need to be conducted to answer the applicable tests for rendering a decision on the application, the department must disclose to the applicant the estimated time required to collect the information or to conduct the studies and the estimated cost that the applicant will incur. The department must establish a deadline by which the information or studies must be submitted to the department. If this deadline is not met, the department shall reject or cancel the application. An applicant may withdraw an application after receiving the initial assessment by providing written notice to the department. Upon receiving such a notice, the department shall cancel the application. The department's initial assessment is not an appealable action or a final decision by the department and is not a guarantee of a particular outcome on the application.

(11) Upon receipt of an application containing the basic information required in subsections (1) through (8) of this section and after the initial assessment required in subsection (9) of this section, the department must schedule a conference with the applicant to review any particular challenges involved in the proposed appropriation of water from the proposed source. In the conference, the department shall also discuss the nature and extent of any additional information to be required from the applicant. The conference may be held in person or by telephone. The department is encouraged to hold conferences with groups of applicants with applications from the same source and shall encourage the applicants to coordinate information gathering to the extent practicable. An applicant may withdraw an application after the conference by providing written notice to the department. Upon receiving such a notice, the department shall cancel the application.

(12) Applications shall be ((accompanied)) supplemented by such surveys, investigations, and studies, including maps and drawings, in duplicate, and such other data, as may be required by the department to make the determination whether to approve an application for a permit or a change under this chapter or chapter 90.44 RCW, and such accompanying ((data)) information shall be considered as a part of the application. The department shall reject or cancel an application for failure to submit such accompanying information by the deadline established in the initial assessment required in subsection (8) of this section.

SB 5934 p. 4

- (13) An applicant may elect, or the department may require an 1 applicant, to submit a draft report of examination to the department 2 that includes findings and conclusions regarding the applicable 3 statutory tests in this chapter and in chapter 90.44 RCW for issuance 4 of a new water right or a change, transfer, or amendment of an existing 5 6 water right. The draft report of examination must be prepared by or reviewed and approved by a pregualified consultant from the 7 department's list of consultants under RCW 90.03.265. 8
- 9 <u>NEW SECTION.</u> **Sec. 2.** A new section is added to chapter 90.03 RCW to read as follows:

1112

13 14

15

16

1718

19 20

21

22

23

2425

26

27

28

- (1) The department shall establish streamlined processing of certain applications for permits and change, transfer, and amendment applications under this chapter and chapter 90.44 RCW. The types of applications appropriate for the use of streamlined permits include but are not limited to those for use of waters reserved for future use, withdrawal of small quantities of domestic water from lakes, beneficial use of storm water, change of purpose of use with no increase in quantity or change in the seasonal pattern of use, and minor changes in the place of use and the point of diversion or withdrawal.
- (2) The establishment of streamlined permits does not require the adoption of rules under chapter 34.05 RCW. Instead, the department shall publish and publicize its proposal for a streamlined permit program. The department shall seek public comments for no less than sixty days before finalizing and implementing the streamlined permit program. A streamlined permit must include criteria for qualifications for coverage by the streamlined permit. The streamlined permit program must include streamlined consideration of applications for qualifying water rights and changes.
- 29 <u>NEW SECTION.</u> **Sec. 3.** (1) The department of ecology shall conduct 30 comprehensive review of its water rights application review procedures, with the objective of simplifying the 31 procedures, eliminating unnecessary steps, and decreasing the time required to 32 33 fully process an application from filing through a final decision. The 34 department of ecology shall seek the recommendations from all 35 stakeholder interests in water resource management and provide

p. 5 SB 5934

1 stakeholders an opportunity to comment upon proposals for 2 administrative or legislative changes to simplify procedures.

- (2) The department of ecology shall implement changes for which it has current administrative authority by January 1, 2012.
- (3) The department of ecology shall provide a report to the water resource policy and fiscal committees of the senate and house of representatives by January 1, 2012. The report must summarize the review conducted, the proposals considered by the department of ecology, including those forwarded by stakeholders, the changes implemented, and recommendations for legislation necessary to implement additional changes.
- **Sec. 4.** RCW 90.03.470 and 2005 c 412 s 2 are each amended to read 13 as follows:
- The fees specified in this section shall be collected by the department in advance of the requested action.
  - (1) For the ((examination)) filing of an application for a permit to appropriate water for a single domestic use that has a single purpose, a ((minimum)) filing fee of ((fifty)) one hundred twenty-five dollars must be remitted with the application. For ((an amount of water exceeding one half cubic foot per second, the examination fee shall be assessed at the rate of one dollar per one hundredth cubic foot per second. In no case will the examination fee be less than fifty dollars or more than twenty-five thousand dollars)) the filing of an application for a permit to appropriate water other than for a single domestic use that has a single purpose, a filing fee of two hundred fifty dollars for each purpose of use proposed must be remitted with the application. No fee is required under this subsection (1) for an application filed by a party to a cost-reimbursement agreement made under RCW 90.03.265.
  - (2) For the ((examination)) filing of an application to store water, a fee of two hundred fifty dollars ((for each acre foot of storage proposed shall be charged, but a minimum fee of fifty dollars)) must be remitted with the application. ((In no case will the examination fee for a storage project be less than fifty dollars or more than twenty-five thousand dollars.)) No fee is required under this subsection (2) for an application filed by a party to a cost-reimbursement agreement made under RCW 90.03.265.

(3)(a) For the ((examination)) filing of an application to transfer, change, or amend a water right or storage certificate, permit, or claim as authorized by RCW 90.44.100, 90.44.105, or 90.03.380, a ((minimum)) filing fee of ((fifty)) two hundred fifty dollars for each type of change, transfer, or amendment must be remitted with the application. ((For an application for change involving an amount of water exceeding one cubic foot per second, the total examination fee shall be assessed at the rate of fifty cents per one hundredth cubic foot per second. For an application for change of a storage water right, the total examination fee shall be assessed at the rate of one dollar for each acre foot of water involved in the change. The fee shall be based on the amount of water subject to change as proposed in the application, not on the total amount of water reflected in the water right certificate, permit, or claim. In no case will the examination fee charged for a change application be less than fifty dollars or more than twelve thousand five hundred dollars.))

1 2

> 3 4

5 6

7

9

10 11

12

13

1415

16

17

18

19 20

21

22

23

24

2526

27

2829

30

31

32

33

3435

36

37

- (b) The <u>filing and</u> examination fee for a temporary or seasonal change under RCW 90.03.390 <u>or a drought-related change or emergency water approval under RCW 43.83B.410</u> is ((fifty)) <u>one hundred twenty-five</u> dollars and must be remitted with the application.
- $((\frac{(c)}{(c)}))$  (4) No <u>filing</u> fee is required under  $((\frac{c}{c}))$  subsection (3) of this <u>section</u> for:
- $((\frac{1}{2}))$  (a) An application to process a change relating to donation of a trust water right to the state;
  - (((ii) An)) (b) That portion of an application ((to process)) for
    a change ((when)), transfer, or amendment under which the department
    ((otherwise)) acquires a trust water right for purposes of improving
    instream flows or for other public purposes;
  - $((\frac{\text{(iii)}}{\text{)}}))$  (c) An application filed with a water conservancy board according to chapter 90.80 RCW ((or for the review of a water conservancy board's record of decision submitted to the department according to chapter 90.80 RCW)); or
  - $((\frac{(iv)}{)})$  <u>(d)</u> An application filed by a party to a cost-reimbursement agreement made under RCW 90.03.265.
  - $((\frac{d}{d}))$  (5) For a change, transfer, or amendment involving a single project operating under more than one water right, including related secondary diversion rights, or involving the consolidation of multiple

p. 7 SB 5934

water rights, only one ((examination)) filing fee and one certificate fee are required to be paid.

- ((4) The fifty-dollar minimum fee payable with the application shall be a credit to the total amount whenever the examination fee totals more than fifty dollars under the schedule specified in subsections (1) through (3) of this section and in such case the further fee due shall be the total computed amount, less the amount previously paid. Within five working days from receipt of an application, the department shall notify the applicant by registered mail of any additional fees due under subsections (1) through (3) of this section.
- (5) The fees specified in subsections (1) through (3) of this section do not apply to any filings for emergency withdrawal authorizations or temporary drought-related water right changes authorized under RCW 43.83B.410 that are received by the department while a drought condition order issued under RCW 43.83B.405 is in effect.))
- (6) The following fees must be paid in advance of the department's examination and determination on an application:
- (a) For an application to permanently appropriate surface or groundwater or for a permanent change, transfer, or amendment of an existing surface or groundwater right or claimed right, a fee of twelve dollars per one-hundredth cubic foot per second, but not less than one thousand dollars and not more than thirty-five thousand dollars is required. For the department's review and determination on a draft report of examination submitted under RCW 90.03.260(13), a fee of four dollars per one-hundredth cubic foot per second, but not less than three hundred dollars and not more than twelve thousand dollars.
- (b) For reviewing an application to store water for beneficial use in a surface reservoir, an underground vault, or an underground geological formation where the storage capacity would exceed ten acre feet in volume, a fee of five dollars per acre foot of active storage, but not less than one thousand dollars and not more than thirty-five thousand dollars is required. For the department's review and determination on a draft report of examination submitted under RCW 90.03.260(13), a fee of two dollars per acre foot of water, but not less than three hundred dollars and not more than twelve thousand dollars.

(c) For reviewing and making a final decision on an application to change, transfer, or amend an existing water right or claim that was filed with and processed by a conservancy board, a fee of four dollars per one-hundredth cubic foot per second, but not less than three hundred dollars and not more than four thousand dollars is required.

- (d) No fee for examination and determination is required under this subsection for:
- (i) An application to process a change relating to donation of a trust water right to the state;
- (ii) That portion of an application for a change, transfer, or amendment under which the department acquires a trust water right for purposes of improving instream flows or for other public purposes;
- (iii) An application filed by a party to a cost-reimbursement agreement made under RCW 90.03.265; or
  - (iv) An application for a secondary use permit for the use of stored water if it is filed jointly with the application to store water.
  - (7) For applying for each extension of time for beginning construction work under a permit to appropriate water, for completion of construction work, or for completing application of water to a beneficial use, a fee of ((fifty)) one hundred twenty-five dollars is required. These fees also apply to similar extensions of time requested under a change or transfer authorization.
  - ensure safety to life and property, a fee based on the actual cost of the inspection, including the expense incident thereto, is required except as follows: (a) For any hydraulic works less than ten years old, that the department examined and approved the construction plans and specifications as to its safety when required under RCW 90.03.350, there shall be no fee charged; or (b) for any hydraulic works more than ten years old, but less than twenty years old, that the department examined and approved the construction plans and specifications as to its safety when required under RCW 90.03.350, the fee charged shall not exceed the fee for a significant hazard dam.
  - ((+8)) (9) For the examination of plans and specifications as to safety of controlling works for storage of ten acre feet or more of water, a minimum fee of ((+en)) one hundred dollars, or a fee equal to the actual cost, is required.

p. 9 SB 5934

((+9))) (10) For recording an assignment either of a permit to appropriate water or of an application for such a permit, a fee of fifty dollars is required.

1

3

4

5

7

8

9

11

1213

14

15

16

17

18 19

2021

22

23

24

25

26

27

28

2930

3132

33

3435

3637

38

 $((\frac{10}{10}))$  <u>(11)</u> For preparing and issuing all water right certificates, a fee of  $(\frac{fifty}{10})$  one hundred twenty-five dollars is required.

 $((\frac{11}{11}))$  (12) For filing and recording a formal protest against granting any application, a fee of  $(\frac{11}{11})$  one hundred dollars is required. No fee is required to submit a comment, by mail or otherwise, regarding an application.

 $((\frac{12}{12}))$  (13) For filing an application to amend a water right claim filed under chapter 90.14 RCW, a fee of  $(\frac{11}{12})$  one hundred twenty-five dollars is required.

(((13))) (14) An application or request for an action as provided for under this section is incomplete unless accompanied by the fee ((or If no fee or an amount less than the ((minimum)) the minimum fee)). prescribed fee accompanies an application or other request for an action as provided under this section, the department shall return the application or request to the applicant with advice as to the fee that must be remitted with the application or request for it to be accepted for processing. If additional fees are due, the department shall provide timely notification by certified mail with return receipt requested to the applicant. No action may be taken by the department until the fee is paid in full. Failure to remit fees within sixty days of the department's notification is grounds for rejecting the application or request or canceling the permit. Cash shall not be Fees must be paid by check or money order and are nonrefundable.

 $((\frac{14}{1}))$  <u>(15)</u> For purposes of calculating fees for groundwater filings, one cubic foot per second shall be regarded as equivalent to four hundred fifty gallons per minute.

(((15) Eighty percent of the fees collected by the department under this section shall be deposited in the state general fund. Twenty percent of the fees collected by the department under this section shall be deposited in the water rights tracking system account established in RCW 90.14.240.))

(16) Except for the fees relating to the inspection of hydraulic works and the examination of plans and specifications of controlling

works provided for in subsections (8) and (9) of this section, fees collected by the department under this section must be deposited in the water rights processing account established in RCW 90.03.650. Fees collected under subsections (8) and (9) of this section must be deposited in the state general fund.

1 2

3

4

5

7

8

9

10

11

- (17) Except for the fees relating to the inspection of hydraulic works and the examination of plans and specifications of controlling works provided for in subsections ((7) and) (8) and (9) of this section, nothing in this section is intended to grant authority to the department to amend the fees in this section by adoption of rules or otherwise.
- (18) The fees required in subsection (6) of this section apply to all examinations and determinations on applications that are initiated by the department after January 1, 2012, and are intended to apply to water right appropriation and storage applications and change, transfer, and amendment applications pending on that date for which the department has not initiated its examination and determination.
- 18 **Sec. 5.** RCW 90.03.650 and 2010 c 285 s 4 are each amended to read 19 as follows:

20 The water rights processing account is created in the state 21 treasury. All receipts from the fees collected under RCW 90.03.655, 22 90.03.665, ((and)) 90.44.540, and 90.03.470, except the dam safety fees 23 collected under RCW 90.03.470 (8) and (9), must be deposited into the 24 account. Money in the account may be spent only after appropriation. 25 Expenditures from the account may only be used to support the 26 processing of water right applications for a new appropriation, change, 27 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, 28 29 certification, ((and)) renewal of certification of water right 30 examiners as provided in RCW 90.03.665.

- NEW SECTION. Sec. 6. A new section is added to chapter 90.03 RCW to read as follows:
- 33 (1) By January 1, 2012, the department must prepare preliminary 34 assessments for each water resource inventory area as established in 35 chapter 173-500 WAC with pending applications for new water rights and 36 for changes, transfers, and amendments. Upon completion of this work,

p. 11 SB 5934

the department must publish available information on its web site, including maps, regarding the location of those applications and the factors affecting water availability and the potential impairment of senior water rights.

- (2) Upon completion of the work required in subsection (1) of this section, the department must gather and inventory existing information related to water availability for those subbasins and aquifer units within water resource inventory areas where there are more than fifty applications pending. The department must identify any information gaps that effectively block the department's ability to make decisions on the pending applications in those areas. The department must make this information available on its web site and bring the information to the attention of local governments and stakeholders within each water resource inventory area.
- (3) The department must develop and make public a proposed strategy for addressing the pending applications in each of the water resource inventory areas assessed in subsection (2) of this section. The department must solicit public comments on a proposed strategy before implementing the strategy. The strategies developed under this subsection are the basis for filling any information gaps and for making decisions on pending and future applications.
- (4) The department must publish on its web site the schedule for its future assessment and strategy development work and its intended timing for addressing pending applications in water resource inventory areas and discrete water sources. Development and implementation of the assessments and strategies and the scheduling of work by geographic areas under this section do not require the adoption of rules under chapter 34.05 RCW or RCW 90.54.050.
- (5) For water sources for which the department determines that no water remains available for further appropriation, the department shall issue denials of applications to appropriate water unless the applicants propose a feasible mitigation plan, a storage or augmentation plan for the source, or other resource management technique under RCW 90.03.255 or 90.44.055.
- NEW SECTION. Sec. 7. A new section is added to chapter 90.03 RCW to read as follows:
  - (1) In making a tentative determination of the extent and validity

of a water right under this chapter and chapters 90.14, 90.38, 90.42, and 90.44 RCW, the department shall only evaluate the exercise of the water right during the most recent twenty-year period prior to the commencement of the department's tentative determination at issue.

1

3

4

5

6 7

8

9

10

1112

17

18

1920

21

22

23

2425

26

27

2829

3031

32

33

3435

36

37

- (2) For the purposes of appeal, the department's tentative determination under this section does not alone constitute an agency action. Aggrieved parties must appeal the primary action of the department under which the evaluation under this section applies.
- (3) Notwithstanding subsection (1) of this section, water right determinations during a general adjudication, under RCW 90.03.110 through 90.03.245 and 90.03.620 through 90.03.645, are not limited to a twenty-year period of review.
- 13 (4) Nothing in this section limits a superior court's authority in 14 determining the extent and validity of a water right.

## 15 **Sec. 8.** RCW 90.03.380 and 2009 c 183 s 15 are each amended to read 16 as follows:

(1) The right to the use of water which has been applied to a beneficial use in the state shall be and remain appurtenant to the land or place upon which the same is used: PROVIDED, HOWEVER, That the right may be transferred to another or to others and become appurtenant to any other land or place of use without loss of priority of right theretofore established if such change can be made without detriment or injury to existing rights. The point of diversion of water for beneficial use or the purpose of use may be changed, if such change can be made without detriment or injury to existing rights. A change in the place of use, point of diversion, and/or purpose of use of a water right to enable irrigation of additional acreage or the addition of new uses may be permitted if such change results in no increase in the annual consumptive quantity of water used under the water right. purposes of this section, "annual consumptive quantity" means the estimated or actual annual amount of water diverted pursuant to the water right, reduced by the estimated annual amount of return flows, averaged over the two years of greatest use within the most recent five-year period of continuous beneficial use of the water right. Before any transfer of such right to use water or change of the point of diversion of water or change of purpose of use can be made, any person having an interest in the transfer or change, shall file a

p. 13 SB 5934

written application therefor with the department, and the application 1 2 shall not be granted until notice of the application is published as provided in RCW 90.03.280. If it shall appear that such transfer or 3 4 such change may be made without injury or detriment to existing rights, the department shall issue to the applicant a certificate in duplicate 5 granting the right for such transfer or for such change of point of 6 diversion or of use. The certificate so issued shall be filed and be 7 8 made a record with the department and the duplicate certificate issued to the applicant may be filed with the county auditor in like manner 9 10 and with the same effect as provided in the original certificate or permit to divert water. The time period that the water right was 11 banked under RCW 90.92.070, in an approved local water plan created 12 13 under RCW 90.92.090, or the water right was subject to an agreement to not divert under RCW 90.92.050 will not be included in the most recent 14 five-year period of continuous beneficial use for the purpose of 15 determining the annual consumptive quantity under this section. If the 16 17 water right has not been used during the previous five years but the 18 nonuse of which qualifies for one or more of the statutory good causes 19 or exceptions to relinquishment in RCW 90.14.140 and 90.44.520, the period of nonuse is not included in the most recent five-year period of 20 21 continuous beneficial use for purposes of determining the annual 22 consumptive quantity of water under this section.

- (2) The department's determination of the extent and validity of water rights under this section shall be consistent with section 7 of this act.
- (3) If an application for change proposes to transfer water rights from one irrigation district to another, the department shall, before publication of notice, receive concurrence from each of the irrigation districts that such transfer or change will not adversely affect the ability to deliver water to other landowners or impair the financial integrity of either of the districts.
- $((\frac{3}{2}))$   $(\frac{4}{2})$  A change in place of use by an individual water user or users of water provided by an irrigation district need only receive approval for the change from the board of directors of the district if the use of water continues within the irrigation district, and when water is provided by an irrigation entity that is a member of a board of joint control created under chapter 87.80 RCW, approval need only be

SB 5934 p. 14

23

24

25

26

27

28

29

30

31

32

33

3435

36

37

received from the board of joint control if the use of water continues within the area of jurisdiction of the joint board and the change can be made without detriment or injury to existing rights.

- ((4))) (5) This section shall not apply to trust water rights acquired by the state through the funding of water conservation projects under chapter 90.38 RCW or RCW 90.42.010 through 90.42.070.
- ((+5))) (6)(a) Pending applications for new water rights are not entitled to protection from impairment, injury, or detriment when an application relating to an existing surface or ground water right is considered.
- (b) Applications relating to existing surface or ground water rights may be processed and decisions on them rendered independently of processing and rendering decisions on pending applications for new water rights within the same source of supply without regard to the date of filing of the pending applications for new water rights.
- (c) Notwithstanding any other existing authority to process applications, including but not limited to the authority to process applications under WAC 173-152-050 as it existed on January 1, 2001, an application relating to an existing surface or ground water right may be processed ahead of a previously filed application relating to an existing right when sufficient information for a decision on the previously filed application is not available and the applicant for the previously filed application is sent written notice that explains what information is not available and informs the applicant that processing of the next application will begin. The previously filed application does not lose its priority date and if the information is provided by the applicant within sixty days, the previously filed application shall be processed at that time. This subsection ((+5)) (6) (c) does not affect any other existing authority to process applications.
- (d) Nothing in this subsection (((5))) is intended to stop the processing of applications for new water rights.
- ((+6))) (7) No applicant for a change, transfer, or amendment of a water right may be required to give up any part of the applicant's valid water right or claim to a state agency, the trust water rights program, or to other persons as a condition of processing the application.
- $((\frac{7}{}))$  (8) In revising the provisions of this section and adding provisions to this section by chapter 237, Laws of 2001, the

p. 15 SB 5934

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.

1 2

3 4

5

6 7

8

9

10

1112

13

14

17

18

19 20

21

22

23

2425

2627

28

29

30

31

32

3334

35

36

37

(((8))) <u>(9)</u> The development and use of a small irrigation impoundment, as defined in RCW 90.03.370(8), does not constitute a change or amendment for the purposes of this section. The exemption expressly provided by this subsection shall not be construed as requiring a change or transfer of any existing water right to enable the holder of the right to store water governed by the right.

 $((\frac{(9)}{)})$  (10) This section does not apply to a water right involved in an approved local water plan created under RCW 90.92.090, a water right that is subject to an agreement not to divert under RCW 90.92.050, or a banked water right under RCW 90.92.070.

## 15 **Sec. 9.** RCW 90.03.380 and 2003 c 329 s 2 are each amended to read 16 as follows:

(1) The right to the use of water which has been applied to a beneficial use in the state shall be and remain appurtenant to the land or place upon which the same is used: PROVIDED, HOWEVER, That the right may be transferred to another or to others and become appurtenant to any other land or place of use without loss of priority of right theretofore established if such change can be made without detriment or injury to existing rights. The point of diversion of water for beneficial use or the purpose of use may be changed, if such change can be made without detriment or injury to existing rights. A change in the place of use, point of diversion, and/or purpose of use of a water right to enable irrigation of additional acreage or the addition of new uses may be permitted if such change results in no increase in the annual consumptive quantity of water used under the water right. purposes of this section, "annual consumptive quantity" means the estimated or actual annual amount of water diverted pursuant to the water right, reduced by the estimated annual amount of return flows, averaged over the two years of greatest use within the most recent five-year period of continuous beneficial use of the water right. Before any transfer of such right to use water or change of the point of diversion of water or change of purpose of use can be made, any person having an interest in the transfer or change, shall file a

written application therefor with the department, and the application shall not be granted until notice of the application is published as provided in RCW 90.03.280. If it shall appear that such transfer or such change may be made without injury or detriment to existing rights, the department shall issue to the applicant a certificate in duplicate granting the right for such transfer or for such change of point of diversion or of use. The certificate so issued shall be filed and be made a record with the department and the duplicate certificate issued to the applicant may be filed with the county auditor in like manner and with the same effect as provided in the original certificate or permit to divert water.

- (2) The department's determination of the extent and validity of water rights under this section shall be consistent with section 7 of this act.
- (3) If an application for change proposes to transfer water rights from one irrigation district to another, the department shall, before publication of notice, receive concurrence from each of the irrigation districts that such transfer or change will not adversely affect the ability to deliver water to other landowners or impair the financial integrity of either of the districts.
- $((\frac{3}{2}))$  (4) A change in place of use by an individual water user or users of water provided by an irrigation district need only receive approval for the change from the board of directors of the district if the use of water continues within the irrigation district, and when water is provided by an irrigation entity that is a member of a board of joint control created under chapter 87.80 RCW, approval need only be received from the board of joint control if the use of water continues within the area of jurisdiction of the joint board and the change can be made without detriment or injury to existing rights.
- $((\frac{4}{1}))$  (5) This section shall not apply to trust water rights acquired by the state through the funding of water conservation projects under chapter 90.38 RCW or RCW 90.42.010 through 90.42.070.
- (((5))) (6)(a) Pending applications for new water rights are not entitled to protection from impairment, injury, or detriment when an application relating to an existing surface or ground water right is considered.
- (b) Applications relating to existing surface or ground water rights may be processed and decisions on them rendered independently of

p. 17 SB 5934

processing and rendering decisions on pending applications for new water rights within the same source of supply without regard to the date of filing of the pending applications for new water rights.

- (c) Notwithstanding any other existing authority to process applications, including but not limited to the authority to process applications under WAC 173-152-050 as it existed on January 1, 2001, an application relating to an existing surface or ground water right may be processed ahead of a previously filed application relating to an existing right when sufficient information for a decision on the previously filed application is not available and the applicant for the previously filed application is sent written notice that explains what information is not available and informs the applicant that processing of the next application will begin. The previously filed application does not lose its priority date and if the information is provided by the applicant within sixty days, the previously filed application shall be processed at that time. This subsection ((+5)) (6)(c) does not affect any other existing authority to process applications.
- (d) Nothing in this subsection (((5))) is intended to stop the processing of applications for new water rights.
- ((+6))) (7) No applicant for a change, transfer, or amendment of a water right may be required to give up any part of the applicant's valid water right or claim to a state agency, the trust water rights program, or to other persons as a condition of processing the application.
- ((+7)) (8) In revising the provisions of this section and 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.
- ((+8)) (9) The development and use of a small irrigation impoundment, as defined in RCW 90.03.370(8), does not constitute a change or amendment for the purposes of this section. The exemption expressly provided by this subsection shall not be construed as requiring a change or transfer of any existing water right to enable the holder of the right to store water governed by the right.

1 **Sec. 10.** RCW 90.44.100 and 2009 c 183 s 16 are each amended to 2 read as follows:

3

4

5 6

7

9

10

11

12

13

1415

16

17

18

19 20

21

22

23

24

25

26

27

28

2930

3132

33

3435

36

37

38

- (1) After an application to, and upon the issuance by the department of an amendment to the appropriate permit or certificate of groundwater right, the holder of a valid right to withdraw public groundwaters may, without losing the holder's priority of right, construct wells or other means of withdrawal at a new location in substitution for or in addition to those at the original location, or the holder may change the manner or the place of use of the water.
- (2) An amendment to construct replacement or a new additional well or wells at a location outside of the location of the original well or wells or to change the manner or place of use of the water shall be issued only after publication of notice of the application and findings as prescribed in the case of an original application. Such amendment shall be issued by the department only on the conditions that: (a) The additional or replacement well or wells shall tap the same body of public groundwater as the original well or wells; (b) where a replacement well or wells is approved, the use of the original well or wells shall be discontinued and the original well or wells shall be properly decommissioned as required under chapter 18.104 RCW; (c) where an additional well or wells is constructed, the original well or wells may continue to be used, but the combined total withdrawal from the original and additional well or wells shall not enlarge the right conveyed by the original permit or certificate; and (d) other existing rights shall not be impaired. The department may specify an approved manner of construction and shall require a showing of compliance with the terms of the amendment, as provided in RCW 90.44.080 in the case of an original permit.
- (3) The construction of a replacement or new additional well or wells at the location of the original well or wells shall be allowed without application to the department for an amendment. However, the following apply to such a replacement or new additional well: (a) The well shall tap the same body of public groundwater as the original well or wells; (b) if a replacement well is constructed, the use of the original well or wells shall be discontinued and the original well or wells shall be properly decommissioned as required under chapter 18.104 RCW; (c) if a new additional well is constructed, the original well or wells may continue to be used, but the combined total withdrawal from

p. 19 SB 5934

- the original and additional well or wells shall not enlarge the right 1 2 conveyed by the original water use permit or certificate; (d) the construction and use of the well shall not interfere with or impair 3 4 water rights with an earlier date of priority than the water right or rights for the original well or wells; (e) the replacement or 5 additional well shall be located no closer than the original well to a 6 7 well it might interfere with; (f) the department may specify an 8 approved manner of construction of the well; and (g) the department 9 shall require a showing of compliance with the conditions of this 10 subsection (3).
- 11 (4) As used in this section, the "location of the original well or 12 wells" is the area described as the point of withdrawal in the original 13 public notice published for the application for the water right for the 14 well.
  - (5) The development and use of a small irrigation impoundment, as defined in RCW 90.03.370(8), does not constitute a change or amendment for the purposes of this section. The exemption expressly provided by this subsection shall not be construed as requiring an amendment of any existing water right to enable the holder of the right to store water governed by the right.
  - (6) This section does not apply to a water right involved in an approved local water plan created under RCW 90.92.090 or a banked water right under RCW 90.92.070.
- 24 <u>(7) The department's tentative determination of the extent and</u> 25 <u>validity of water rights under this section must be consistent with</u> 26 section 7 of this act.
- 27 **Sec. 11.** RCW 90.44.100 and 2003 c 329 s 3 are each amended to read as follows:
  - (1) After an application to, and upon the issuance by the department of an amendment to the appropriate permit or certificate of groundwater right, the holder of a valid right to withdraw public groundwaters may, without losing the holder's priority of right, construct wells or other means of withdrawal at a new location in substitution for or in addition to those at the original location, or the holder may change the manner or the place of use of the water.
- 36 (2) An amendment to construct replacement or a new additional well 37 or wells at a location outside of the location of the original well or

SB 5934 p. 20

15

16 17

18

19

20

21

22

23

29

3031

32

3334

35

wells or to change the manner or place of use of the water shall be issued only after publication of notice of the application and findings as prescribed in the case of an original application. Such amendment shall be issued by the department only on the conditions that: (a) The additional or replacement well or wells shall tap the same body of public groundwater as the original well or wells; (b) where a replacement well or wells is approved, the use of the original well or wells shall be discontinued and the original well or wells shall be properly decommissioned as required under chapter 18.104 RCW; (c) where an additional well or wells is constructed, the original well or wells may continue to be used, but the combined total withdrawal from the original and additional well or wells shall not enlarge the right conveyed by the original permit or certificate; and (d) other existing rights shall not be impaired. The department may specify an approved manner of construction and shall require a showing of compliance with the terms of the amendment, as provided in RCW 90.44.080 in the case of an original permit.

1 2

3 4

5

6

7

8

10 11

1213

1415

16

17

18 19

20

21

22

23

24

2526

27

2829

30

3132

33

3435

36

37

(3) The construction of a replacement or new additional well or wells at the location of the original well or wells shall be allowed without application to the department for an amendment. However, the following apply to such a replacement or new additional well: (a) The well shall tap the same body of public groundwater as the original well or wells; (b) if a replacement well is constructed, the use of the original well or wells shall be discontinued and the original well or wells shall be properly decommissioned as required under chapter 18.104 RCW; (c) if a new additional well is constructed, the original well or wells may continue to be used, but the combined total withdrawal from the original and additional well or wells shall not enlarge the right conveyed by the original water use permit or certificate; (d) the construction and use of the well shall not interfere with or impair water rights with an earlier date of priority than the water right or rights for the original well or wells; (e) the replacement or additional well shall be located no closer than the original well to a well it might interfere with; (f) the department may specify an approved manner of construction of the well; and (g) the department shall require a showing of compliance with the conditions of this subsection (3).

p. 21 SB 5934

- 1 (4) As used in this section, the "location of the original well or 2 wells" is the area described as the point of withdrawal in the original 3 public notice published for the application for the water right for the 4 well.
  - (5) The development and use of a small irrigation impoundment, as defined in RCW 90.03.370(8), does not constitute a change or amendment for the purposes of this section. The exemption expressly provided by this subsection shall not be construed as requiring an amendment of any existing water right to enable the holder of the right to store water governed by the right.
- 11 (6) The department's tentative determination of the extent and 12 validity of water rights under this section must be consistent with 13 section 7 of this act.
- 14 **Sec. 12.** 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;

5

6 7

8

9

10

16

17

18 19

20

21

2425

2627

2829

30

31

32

- 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;
  - (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;

p. 23 SB 5934

(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;
- (h) If such right is a trust water right under chapter 90.38 or 90.42 RCW;
  - (i) If such a right is involved in an approved local water plan 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 such a right or portion of a right is included in a change or transfer application awaiting final determination from the department of ecology, provided that during the waiting period relinquishment is tolled and the nonuse of water is not included in calculating whether five or more years of nonuse has occurred.
- (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. 13.** 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;
- 34 (b) Active service in the armed forces of the United States during 35 military crisis;
  - (c) Nonvoluntary service in the armed forces of the United States;
- 37 (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 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:
- 36 (a) If such right is claimed for power development purposes under 37 chapter 90.16 RCW and annual license fees are paid in accordance with 38 chapter 90.16 RCW;

p. 25 SB 5934

(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;
- (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))
- 21 (h) If such right is a trust water right under chapter 90.38 or 22 90.42 RCW; or
  - (i) If such a right or portion of a right is included in a change or transfer application awaiting final determination from the department of ecology, provided that during the waiting period relinquishment is tolled and the nonuse of water is not included in calculating whether five or more years of nonuse has occurred.
  - (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.
- NEW SECTION. Sec. 14. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

- NEW SECTION. Sec. 15. Sections 8, 10, and 12 of this act expire June 30, 2019.
- NEW SECTION. Sec. 16. (1) Section 4 of this act takes effect 4 January 1, 2012.
- 5 (2) Sections 9, 11, and 13 of this act take effect June 30, 2019.

--- END ---

p. 27 SB 5934