

Multiple Agency Fiscal Note Summary

Bill Number: 1322 2S HB	Title: Walla Walla water 2050 plan
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Ecology	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Ecology	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Department of Ecology	Non-zero but indeterminate cost and/or savings. Please see discussion.
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Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Final 3/16/2023
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Individual State Agency Fiscal Note

Bill Number: 1322 2S HB	Title: Walla Walla water 2050 plan	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Karen Epps	Phone: 360-786-7424	Date: 03/12/2023
Agency Preparation: Jim Skalski	Phone: 360-584-3805	Date: 03/15/2023
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 03/15/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/16/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Compared to HB 1322, 2SHB 1322 has the following changes:

Section 2(2) is modified to clarify that Ecology “will provide” concurrent water supply benefits rather than “will seek to provide”.

Section 2(3) is modified to clarify that Ecology shall consider any increase in water supply under this section after the effective date to be water supply developed under this section.

Section 2(7) is modified to allow Ecology to fund projects located outside the state “subject to availability of amounts appropriated for this purpose”.

Section 2(11) adds legislative intent that Ecology obtain at least one-half of the costs to implement the Walla Walla 2050 plan from non-state sources including federal and private sources.

The modifications to 2SHB 1322 would clarify existing practices and do not change the fiscal impact to Ecology.

Background: In 2019, the legislature tasked the Walla Walla Management Partnership and the Department of Ecology to collaboratively develop a 30-year strategic plan for water management in the Walla Walla Basin. Together with the Confederated Tribes of the Umatilla Indian Reservation, the State of Oregon and stakeholders on both sides of the state border, the partners began this process, dubbed Walla Walla Water 2050, later that year. The final Walla Walla Water 2050 Strategic Plan was released in June 2021 and is being implemented by the partners with the assistance of the Walla Walla Basin Advisory Committee. The Walla Walla Water 2050 initiative has been authorized by the legislature as an effort to improve streamflows and water supplies in the Walla Walla River Basin over the next 30 years.

Under current law, the Department of Ecology implements water supply solutions through the Office of Columbia River under chapter 90.90 RCW as part of the Columbia Basin Water Supply Initiative.

This bill would codify existing practice and approach to implementing the Walla Walla 2050 Strategic Plan through the Department of Ecology’s Office of Columbia River. The bill would provide additional options to implement individual water supply projects and elements of the Walla Walla 2050 Plan.

Section 1 of the bill would amend RCW 90.90.020 by clarifying that the one-third instream and two-thirds out-of-stream water supply allocation required under chapter 90.90 RCW for applications for water rights in the Walla Walla 2050 Plan adopted June 30, 2021, does not apply.

Section 2 of the bill would add a new section to chapter 90.90 RCW declaring that:

- (1) The Walla Walla Water 2050 Plan must be used as an integrated water resource strategy between Oregon, Washington and affected entities;
- (2) Ecology will provide concurrent benefits to both instream and out-of-stream uses consistent with the 2050 Plan;
- (3) Ecology shall consider any increase in water supply due to a project implement under Walla Walla Water 2050 would need to be considered water supply developed under this section;
- (4) Ecology will be advised by the Walla Walla Basin Advisory Committee and a broad range of interests;
- (5) Ecology will consult with federally recognized affected tribes and evaluate the development of a bi-state legal regulatory framework for new water resources;
- (6) Ecology shall submit a report to the legislature by June 30, 2025, with recommendations for the bi-state legal framework.

- (7) Subject to the availability of amounts appropriated, Ecology is authorized to fund projects to implement the Walla Walla 2050 Plan that may be located outside the state;
- (8) New water supplies developed under this section must be allocated consistent with written agreements entered into with the State of Oregon and the Confederated Tribes of the Umatilla Indian reservation;
- (9) Ecology is authorized to designate water supplies developed under this section for instream flow purposes and placed into the trust water rights program;
- (10) Water supplies developed under this section need to be managed consistent with the intent of the specific project;
- (11) It is the intent of the Legislature that Ecology obtain at least 50% of the funding to implement projects from the Walla Walla 2050 Plan from non-state funding sources including federal and private.
- (12) Nothing in this section prevents Ecology from regulating water users consistent with existing adjudications to ensure there is no impairment of water rights in the basin.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

This bill would have no fiscal impact on the operating budget for Ecology.

This bill would further define how the Walla Walla 2050 Strategic Plan would be implemented, but the bill would not require any operating expenditures to implement. Section 1 would provide clarification in statute for existing practice. Section 2 would require a legislative report due by June 30, 2025. Ecology already produces legislative reports related to the Columbia Basin, including the Walla Walla Basin so there is no change in current workload to provide this report. Other elements included in section 2 is work already included in the workplan of the Office of Columbia River.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

This bill would have an indeterminate fiscal impact on the capital budget for Ecology.

This bill would codify existing practice and approach to implementing the Walla Walla 2050 Strategic Plan through the Department of Ecology's Office of Columbia River (OCR). The bill would provide additional options to implement individual water supply projects and elements of the plan.

Implementing projects to achieve the goals of the Walla Walla 2050 Strategic Plan would require future capital appropriations. However, funding plan implementation, and decisions on which projects to implement, are independent of the bill, and are currently indeterminate.

Ecology submits capital project requests to OFM, the Governor, and the Legislature for consideration each biennium that include a comprehensive listing of all specific projects within OCR for the Columbia Basin and Walla Walla Basin. For the 2023-25 biennium, the Governor's proposed capital budget includes funding for the 2023-25 Columbia River Water Supply Development Program (project 40000583) within the OCR, which includes Walla Walla 2050 Plan implementation subprojects.

Regardless of this bill, Ecology would continue existing practice to include proposed projects for the Walla Walla 2050 Plan as part of the OCR biennial Columbia River Water Supply Development Program capital project request. With the changes in this bill, the selected projects each biennium may be different than without this bill, given the additional options that would be made available.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1322 2S HB

Title: Walla Walla water 2050 plan

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Angie Hong	Phone: 360-725-5041	Date: 03/15/2023
Leg. Committee Contact: Karen Epps	Phone: 360-786-7424	Date: 03/12/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/15/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/16/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

CHANGES FROM PREVIOUS BILL VERSION

This second substitute bill:

- adds clarification as to parties involved
- adds clarification as to the funding plans for the Walla Walla water 2050 plan, and
- adds "subject to availability of appropriations" language.

These changes do not alter the previous analysis of local government impacts.

SUMMARY OF CURRENT BILL VERSION

This bill will not impact local government revenues or expenditures.

Section 1 amends RCW 90.90.020 [Columbia River Basin Water Supply - Allocation and development of water supplies] to specify the “application for water rights in the Walla Walla river basin implementing the Walla Walla water 2050 plan adopted June 30, 2021” is not subject to the one-third/two-thirds allocation of water resources between instream and out-of-stream uses.

Section 2 adds a new section to chapter 90.90 RCW [Columbia River Basin Water Supply] to describe how the Walla Walla water 2050 plan will be implemented by the Dept. of Ecology. Section 2, subsection 4, describes “the Dept. will be advised by an advisory committee, including representatives from... local governments” among others.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

CHANGES FROM PREVIOUS BILL VERSION

These changes do not alter the previous analysis of local government expenditure impacts.

SUMMARY OF CURRENT BILL EXPENDITURE IMPACTS

This bill will require a local government representative to serve on an advisory committee. As of September 2022, there were four local government representatives on the Walla Walla Advisory Committee. Therefore, this requirement will not be a new cost and this bill will not impact local government expenditures.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

CHANGES FROM PREVIOUS BILL VERSION

These changes do not alter the previous analysis of local government revenue impacts.

SUMMARY OF CURRENT BILL REVENUE IMPACTS

This bill will not impact local government revenues.

SOURCES

Association of Washington Cities
Dept. of Ecology