

House Bill 2856 – Creating the Office of Chehalis Basin

Overview for Chehalis River Basin Flood Authority 5/19/16

Purpose of Office of Chehalis as described by HB 2856 prime sponsor Rep. DeBolt (from House Capital Budget Committee hearing staff report):

“...set up a single state office to provide a more unified, efficient, and consistent structure for policies and projects, especially for larger projects as they advance.”

Passed Senate 46 – 2 and House 91 – 5. Signed April 1, 2016. Effective date is June 9, 2016.

Key features of the legislation:

- A new **Office of Chehalis Basin** is established to “aggressively pursue implementation of an integrated strategy and administer funding for long-term flood damage reduction and aquatic species restoration in the Chehalis river basin.”
 - The Office is established in Department of Ecology.
 - Model on the Office of Columbia River to greatest extent practicable.
- A new **Chehalis Board** is created. Four members are appointed by the Governor, including positions for both Tribes; and three positions are appointed by the Chehalis River Basin Flood Authority. The Board is responsible for:
 - Overseeing implementation of the Chehalis Basin Strategy.
 - Developing biennial and supplemental budget recommendations to the governor.
- An integrated **Chehalis Basin Strategy** will be established that:
 - Results from the Department's Programmatic Environmental Impact Statement.
 - Includes a detailed set of actions; an implementation schedule; and quantified measures for evaluating the success of implementation.
 - Will be amended by the Chehalis Board as necessary to “include new scientific information and needed changes to the actions to achieve the overall purpose of the strategy.”

Ecology's assumptions and proposed approach to launching the new Office:

- The Office should be operational by July 2017 (the start of the new biennium.)
- The new Director should be in place to hire remaining staff; i.e. Spring 2017.
- The Board should be in place in time to engage with Ecology in confirming the new Director and issuing the Final Programmatic Impact Statement; i.e. appointment action the Governor and Flood Authority by March/April 2017.
- The 17 – 19 Chehalis work plan and budget will reflect the Governor's Chehalis Basin Work Group recommendations and detailed agency work plans; the Governor's proposed budget; the legislative process; the Final PEIS; and direction from the Chehalis Board on implementation priorities.

CERTIFICATION OF ENROLLMENT

HOUSE BILL 2856

Chapter 194, Laws of 2016

64th Legislature
2016 Regular Session

OFFICE OF CHEHALIS BASIN--CREATION AND ACCOUNT

EFFECTIVE DATE: 6/9/2016

Passed by the House March 8, 2016
Yeas 91 Nays 5

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 3, 2016
Yeas 46 Nays 2

BRAD OWEN

President of the Senate

Approved April 1, 2016 3:53 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 2856** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

April 4, 2016

**Secretary of State
State of Washington**

HOUSE BILL 2856

AS AMENDED BY THE SENATE

Passed Legislature - 2016 Regular Session

State of Washington 64th Legislature 2016 Regular Session

By Representatives DeBolt, Tharinger, Van De Wege, and Stanford

Read first time 01/22/16. Referred to Committee on Capital Budget.

1 AN ACT Relating to establishing the office of Chehalis basin;
2 reenacting and amending RCW 43.84.092; and adding new sections to
3 chapter 43.21A RCW.

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

5 NEW SECTION. **Sec. 1.** (1) The office of Chehalis basin is
6 established in the department. The primary purpose of the office is
7 to aggressively pursue implementation of an integrated strategy and
8 administer funding for long-term flood damage reduction and aquatic
9 species restoration in the Chehalis river basin.

10 (2) The office of Chehalis basin must be funded from
11 appropriations specified for Chehalis river basin-related flood
12 hazard reduction and habitat recovery activities.

13 (3) In operating the office, the department must follow, to the
14 greatest extent practicable, the model being used to administer the
15 Columbia river basin water supply program established in chapter 6,
16 Laws of 2006.

17 NEW SECTION. **Sec. 2.** (1) The Chehalis board is created
18 consisting of seven members.

19 (2)(a) Four members of the board must be voting members who are
20 appointed by the governor, subject to confirmation by the senate. One

1 member must represent the Chehalis Indian tribe and one member must
2 represent the Quinault Indian nation. Three board members must be
3 selected by the Chehalis basin flood authority. No member may have a
4 financial or regulatory interest in the work of the board. The
5 governor shall appoint one of the flood authority appointees as the
6 chair. The voting members of the board must be appointed for terms of
7 four years, except that two members initially must be appointed for
8 terms of two years and three members must initially be appointed for
9 terms of three years. In making the appointments, the governor shall
10 seek a board membership that collectively provides the expertise
11 necessary to provide strong oversight for implementation of the
12 Chehalis basin strategy, that provides extensive knowledge of local
13 government processes and functions, and that has an understanding of
14 issues relevant to reducing flood damages and restoring aquatic
15 species.

16 (b) In addition to the seven voting members of the board, the
17 following five state officials must serve as ex officio nonvoting
18 members of the board: The director of the department of fish and
19 wildlife, the executive director of the Washington state conservation
20 commission, the secretary of the department of transportation, the
21 director of the department of ecology, and the commissioner of public
22 lands. The state officials serving in an ex officio capacity may
23 designate a representative of their respective agencies to serve on
24 the board in their behalf. These designations must be made in writing
25 and in such a manner as is specified by the board.

26 (3) Staff support to the board must be provided by the
27 department. For administrative purposes, the board is located within
28 the department.

29 (4) Members of the board who do not represent state agencies must
30 be compensated as provided by RCW 43.03.250. Members of the board
31 shall be reimbursed for travel expenses as provided by RCW 43.03.050
32 and 43.03.060.

33 (5) The board is responsible for oversight of a long-term
34 strategy resulting from the department's programmatic environmental
35 impact statement for the Chehalis river basin to reduce flood damages
36 and restore aquatic species habitat.

37 (6) The board is responsible for overseeing the implementation of
38 the strategy and developing biennial and supplemental budget
39 recommendations to the governor.

1 NEW SECTION. **Sec. 3.** The Chehalis basin strategy must include a
2 detailed set of actions to reduce flood damage and improve aquatic
3 species habitat. The strategy must be amended by the Chehalis board
4 as necessary to include new scientific information and needed changes
5 to the actions to achieve the overall purpose of the strategy. The
6 strategy must include an implementation schedule and quantified
7 measures for evaluating the success of implementation.

8 NEW SECTION. **Sec. 4.** The Chehalis basin account is created in
9 the state treasury. All receipts from direct appropriations from the
10 legislature, including the proceeds of tax exempt bonds, or moneys
11 directed to the account from any other sources must be deposited in
12 the account. Interest earned by deposits in the account will be
13 retained in the account. Moneys in the account may be spent only
14 after appropriation. Expenditures from the account may be used only
15 for the purposes set out in section 1 of this act and for the payment
16 of expenses incurred in the issuance and sale of bonds.

17 **Sec. 5.** RCW 43.84.092 and 2015 3rd sp.s. c 44 s 107 and 2015 3rd
18 sp.s. c 12 s 3 are each reenacted and amended to read as follows:

19 (1) All earnings of investments of surplus balances in the state
20 treasury shall be deposited to the treasury income account, which
21 account is hereby established in the state treasury.

22 (2) The treasury income account shall be utilized to pay or
23 receive funds associated with federal programs as required by the
24 federal cash management improvement act of 1990. The treasury income
25 account is subject in all respects to chapter 43.88 RCW, but no
26 appropriation is required for refunds or allocations of interest
27 earnings required by the cash management improvement act. Refunds of
28 interest to the federal treasury required under the cash management
29 improvement act fall under RCW 43.88.180 and shall not require
30 appropriation. The office of financial management shall determine the
31 amounts due to or from the federal government pursuant to the cash
32 management improvement act. The office of financial management may
33 direct transfers of funds between accounts as deemed necessary to
34 implement the provisions of the cash management improvement act, and
35 this subsection. Refunds or allocations shall occur prior to the
36 distributions of earnings set forth in subsection (4) of this
37 section.

1 (3) Except for the provisions of RCW 43.84.160, the treasury
2 income account may be utilized for the payment of purchased banking
3 services on behalf of treasury funds including, but not limited to,
4 depository, safekeeping, and disbursement functions for the state
5 treasury and affected state agencies. The treasury income account is
6 subject in all respects to chapter 43.88 RCW, but no appropriation is
7 required for payments to financial institutions. Payments shall occur
8 prior to distribution of earnings set forth in subsection (4) of this
9 section.

10 (4) Monthly, the state treasurer shall distribute the earnings
11 credited to the treasury income account. The state treasurer shall
12 credit the general fund with all the earnings credited to the
13 treasury income account except:

14 (a) The following accounts and funds shall receive their
15 proportionate share of earnings based upon each account's and fund's
16 average daily balance for the period: The aeronautics account, the
17 aircraft search and rescue account, the Alaskan Way viaduct
18 replacement project account, the brownfield redevelopment trust fund
19 account, the budget stabilization account, the capital vessel
20 replacement account, the capitol building construction account, the
21 Cedar River channel construction and operation account, the Central
22 Washington University capital projects account, the charitable,
23 educational, penal and reformatory institutions account, the Chehalis
24 basin account, the cleanup settlement account, the Columbia river
25 basin water supply development account, the Columbia river basin
26 taxable bond water supply development account, the Columbia river
27 basin water supply revenue recovery account, the common school
28 construction fund, the community forest trust account, the connecting
29 Washington account, the county arterial preservation account, the
30 county criminal justice assistance account, the deferred compensation
31 administrative account, the deferred compensation principal account,
32 the department of licensing services account, the department of
33 retirement systems expense account, the developmental disabilities
34 community trust account, the diesel idle reduction account, the
35 drinking water assistance account, the drinking water assistance
36 administrative account, the drinking water assistance repayment
37 account, the Eastern Washington University capital projects account,
38 the Interstate 405 express toll lanes operations account, the
39 education construction fund, the education legacy trust account, the
40 election account, the electric vehicle charging infrastructure

1 account, the energy freedom account, the energy recovery act account,
2 the essential rail assistance account, The Evergreen State College
3 capital projects account, the federal forest revolving account, the
4 ferry bond retirement fund, the freight mobility investment account,
5 the freight mobility multimodal account, the grade crossing
6 protective fund, the public health services account, the high
7 capacity transportation account, the state higher education
8 construction account, the higher education construction account, the
9 highway bond retirement fund, the highway infrastructure account, the
10 highway safety fund, the high occupancy toll lanes operations
11 account, the hospital safety net assessment fund, the industrial
12 insurance premium refund account, the judges' retirement account, the
13 judicial retirement administrative account, the judicial retirement
14 principal account, the local leasehold excise tax account, the local
15 real estate excise tax account, the local sales and use tax account,
16 the marine resources stewardship trust account, the medical aid
17 account, the mobile home park relocation fund, the motor vehicle
18 fund, the motorcycle safety education account, the multimodal
19 transportation account, the multiuse roadway safety account, the
20 municipal criminal justice assistance account, the natural resources
21 deposit account, the oyster reserve land account, the pension funding
22 stabilization account, the perpetual surveillance and maintenance
23 account, the public employees' retirement system plan 1 account, the
24 public employees' retirement system combined plan 2 and plan 3
25 account, the public facilities construction loan revolving account
26 beginning July 1, 2004, the public health supplemental account, the
27 public works assistance account, the Puget Sound capital construction
28 account, the Puget Sound ferry operations account, the Puget Sound
29 taxpayer accountability account, the real estate appraiser commission
30 account, the recreational vehicle account, the regional mobility
31 grant program account, the resource management cost account, the
32 rural arterial trust account, the rural mobility grant program
33 account, the rural Washington loan fund, the site closure account,
34 the skilled nursing facility safety net trust fund, the small city
35 pavement and sidewalk account, the special category C account, the
36 special wildlife account, the state employees' insurance account, the
37 state employees' insurance reserve account, the state investment
38 board expense account, the state investment board commingled trust
39 fund accounts, the state patrol highway account, the state route
40 number 520 civil penalties account, the state route number 520

1 corridor account, the state wildlife account, the supplemental
2 pension account, the Tacoma Narrows toll bridge account, the
3 teachers' retirement system plan 1 account, the teachers' retirement
4 system combined plan 2 and plan 3 account, the tobacco prevention and
5 control account, the tobacco settlement account, the toll facility
6 bond retirement account, the transportation 2003 account (nickel
7 account), the transportation equipment fund, the transportation fund,
8 the transportation future funding program account, the transportation
9 improvement account, the transportation improvement board bond
10 retirement account, the transportation infrastructure account, the
11 transportation partnership account, the traumatic brain injury
12 account, the tuition recovery trust fund, the University of
13 Washington bond retirement fund, the University of Washington
14 building account, the volunteer firefighters' and reserve officers'
15 relief and pension principal fund, the volunteer firefighters' and
16 reserve officers' administrative fund, the Washington judicial
17 retirement system account, the Washington law enforcement officers'
18 and firefighters' system plan 1 retirement account, the Washington
19 law enforcement officers' and firefighters' system plan 2 retirement
20 account, the Washington public safety employees' plan 2 retirement
21 account, the Washington school employees' retirement system combined
22 plan 2 and 3 account, the Washington state health insurance pool
23 account, the Washington state patrol retirement account, the
24 Washington State University building account, the Washington State
25 University bond retirement fund, the water pollution control
26 revolving administration account, the water pollution control
27 revolving fund, the Western Washington University capital projects
28 account, the Yakima integrated plan implementation account, the
29 Yakima integrated plan implementation revenue recovery account, and
30 the Yakima integrated plan implementation taxable bond account.
31 Earnings derived from investing balances of the agricultural
32 permanent fund, the normal school permanent fund, the permanent
33 common school fund, the scientific permanent fund, the state
34 university permanent fund, and the state reclamation revolving
35 account shall be allocated to their respective beneficiary accounts.

36 (b) Any state agency that has independent authority over accounts
37 or funds not statutorily required to be held in the state treasury
38 that deposits funds into a fund or account in the state treasury
39 pursuant to an agreement with the office of the state treasurer shall

1 receive its proportionate share of earnings based upon each account's
2 or fund's average daily balance for the period.

3 (5) In conformance with Article II, section 37 of the state
4 Constitution, no treasury accounts or funds shall be allocated
5 earnings without the specific affirmative directive of this section.

6 NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act are each
7 added to chapter 43.21A RCW.

Passed by the House March 8, 2016.

Passed by the Senate March 3, 2016.

Approved by the Governor April 1, 2016.

Filed in Office of Secretary of State April 4, 2016.

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