

HB 3364 A STAFF MEASURE SUMMARY

Senate Committee On Natural Resources and Wildfire

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Meeting Dates: 4/24

WHAT THE MEASURE DOES:

The measure modifies the Water Conservation, Reuse, and Storage Program and the Water Supply Development Account.

Fiscal impact: Has minimal fiscal impact.

Revenue impact: No revenue impact.

HOUSE VOTE: Ayes, 52; Nays, 2; Excused, 6

Detailed Summary:

Water Conservation, Reuse, and Storage Grant Program

1. Renames the Water Conservation, Reuse and Storage Investment Fund to the Water Project Feasibility Fund.
2. Expands eligible projects to include those involving aquifer recharge, water storage and recovery, and streamflow protection or restoration, along with any additional project types defined by the Water Resources Commission (WRC) through rulemaking. Allows grants to be awarded to individuals, public bodies, or nonprofit organizations.
3. Removes \$500,000 cap per project. Adds that a grant amount must be matched by at least 25 percent of the grant amount through either cash or in-kind contributions. Authorizes the Water Resources Commission to establish a new maximum allocation per project amount.
4. Modifies planning studies eligible for grants or direct service cost payments to include activities necessary to assess the type, location, design, cost or other factors affecting the feasibility of a project. Includes the following specific activities:
 - Analyses of potential, social, cultural or economic benefits.
 - Analyses of potential public benefits.
 - The development of water management and conservation plans and associated analyses that assess alternatives to achieve water conservation.
 - Data collection and analyses related to the preparation of seasonally varying flow.
 - Analyses associated with evaluating safety of existing dams and evaluating actions to address safety.
 - Analyses of impacts of a project on environmental justice or disproportionately impacted communities and ways to minimize impacts.

Water Supply Development Account (WSDA):

1. Modifies the Water Supply Development Account to include disbursement to projects providing equipment for long term monitoring of and compliance with project outcomes established by seasonally varying flows (SVF) in connection to newly developed water.
2. Requires funding recipients to provide any information requested by the Water Resources Department (OWRD) and requires the recipient and department to enter into a grant or loan agreement prior to the disbursement of funds. Requires applicants with a Water Management Conservation Plan to obtain OWRD approval prior to applying for a loan or grant from the WSDA.
3. Modifies the form and contents of WSDA loan or grant applications to be filed with OWRD and provide any requested information to OWRD.
4. Adds additional criteria as determined by OWRD and OWRC to project application evaluations.

5. Specifies that loan and grant funding decisions are based on funding availability.
6. Reduces public comment period on new funding applications from 60 days to 30 days.
7. Modifies the award process by requiring OWRD's Technical Review Team (TRT) to submit funding recommendations to OWRD, which then considers those, along with applicant and public comments, to make final recommendations to WRC.
8. Requires WRC to periodically review the loan and grant program to assess how it is achieving desired outcomes and providing public benefits.
9. Authorizes OWRD to apply seasonally varying flow conditions to a water right underlying aquifer recharge, or storage and recovery permits. Specifies that the measure does not change other standards for determining water availability and applies SVF conditions only to the portion of water use connected to the funded project.

Reporting Requirements:

Requires OWRD to evaluate and identify any improvements to the following funding programs and report to an interim legislative committee and WRC every eight years:

- Place-Based Planning
- Feasibility Investment Fund Grants
- Water Project Grants and Loans
- Well Abandonment, Repair, and Replacement Fund

Requires OWRD to submit the first report no later than eight years after the effective date of the Act.

Takes effect the 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Water Conservation, Reuse, and Storage Grant Program (commonly known as Feasibility Study Grants) was established through Senate Bill 1069 (2008) to fund studies that evaluate the viability of water conservation, reuse, and storage projects. It supports local governments, Tribes, and individuals, with grants awarded annually—typically in the spring. Recipients must provide a 50% cost match, and funding is capped at \$500,000.

The Water Supply Development Account was established through Senate Bill 839 (2013) to provide grants and loans for water projects that have economic, environmental, and social or cultural benefits.