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April 1, 2004

To the Honorable Speaker and Members,
The House of Representatives of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to the following appropriation items and sections: 114(8); 117; 118; 122(5); 136; 137; 203; 216(2); 245; and 917, Engrossed Substitute House Bill No. 2573 entitled:

"AN ACT Relating to the capital budget;

Engrossed Substitute House Bill No. 2573 is the state supplemental capital budget for the 2003-2005 Biennium. I have vetoed several provisions as described below:

Section 114(8), Page 9, Department of Ecology
This subsection would have provided $1 million from the Water Quality Account to assist the City of Enumclaw with upgrades to their wastewater treatment plant to address phosphorus loading in the White River. Although, I support funding assistance to upgrade wastewater treatment plants to address specific water quality problems, this project did not go through the competitive grant and loan process. Nor did the City of Enumclaw apply for "hardship" funding. A specific grant for this project would be unfair to other communities that applied for assistance and are waiting in line for hardship funding from the Water Quality Account. The City of Enumclaw may apply for additional assistance during the next competitive grant and loan funding cycle beginning in September 2004.

Section 117, Page 12, Department of Ecology
This section for water rights purchase and lease is tied to section 118 which states that if Engrossed Substitute House Bill No. 1317 is not enacted by April 15, 2004, section 117 is null and void. Since Engrossed Substitute House Bill No. 1317 did not pass, I have vetoed this section to ensure that section 309, Chapter 26, Laws of 2003, First Special Session remains operative.

Section 118, Page 12, Department of Ecology
This section ties section 117 to Engrossed Substitute House Bill No. 1317 and states that if the bill is not enacted by April 15, 2004, section 117 is null and void. Since the bill did

not pass, I am have vetoed this section to ensure that section 309, Chapter 26, Laws of 2003, First Special Session remains operative.

Section 122(5), Page 15, Interagency Committee for Outdoor Recreation
Subsection 122(5) would have required the Interagency Committee for Outdoor Recreation to develop or revise project evaluation criteria for the Washington Wildlife and Recreation Program based on the provisions of Engrossed Substitute House Bill No. 2275 or Second Substitute Senate Bill No 6082. Since neither bill passed, this subsection is unnecessary.

Section 136, Page 22, Community and Technical College System
This section would have placed overly restrictive conditions on the replacement of the North Plaza Building at Seattle Central Community College. Subsection 136(1) would have mandated construction limits that should, in part, be determined as part of the design phase of the project. Sections 136(2) and (3) would have required submission of major project reports and final budget reconciliation in excess of normal requirements, requirements that can be handled administratively. Although I have vetoed this section, I am directing the Office of Financial Management to consider this project a major capital project for purposes of review and oversight.

Section 137, Page 23, Community and Technical College System
This section would have placed overly restrictive conditions on the renovation of Building 7 at Tacoma Community College. Subsection 137(1) would have mandated construction limits that should, in part, be determined as part of the design phase of the project. Sections 137(2) and (3) would have required submission of major project reports and final budget reconciliation in excess of normal requirements, requirements that can be handled administratively. Although I have vetoed this section, I am directing the Office of Financial Management to consider this project a major capital project for the purposes of review and oversight.

Section 203, Page 27, Department of Community, Trade, and Economic Development
This section provided that if Second Substitute House Bill No. 1840 is not enacted by April 15, 2004, section 202 is null and void. Section 202 authorizes up to $1,000,000 to help capitalize a self-insurance risk pool for non-profit corporations in Washington that develop housing units for the low-income. Since the bill did not pass, I have vetoed this section. However, I am retaining section 202 since the companion measure, Senate Bill No. 5869, did pass.

Section 216(2), Page 34, Department of Ecology
This subsection would have appropriated $1.8 million of Local Toxics Control Account grants to Klickitat County for removal, disposal or recycling of vehicle tires. This effort is not an eligible project under the Local Toxics Control Account, Remedial Action Cleanup Program. To be eligible for such funding, a site must be under an agreed-upon order or consent decree, have completed a site assessment and cleanup plan, and be a declared toxic waste site.

Section 245, Page 51, Washington State University
The section would have appropriated $3,400,000 for the start of a wastewater reclamation project at Washington State University and the City of Pullman. The proviso required a study that summarizes a strategy for completion of future phases of this project, identifies all funding sources, and identifies water conservation measures to be enacted. I originally recommended a proviso limiting the amount of state funding for this project until these serious questions have been answered; that proviso has been removed. It is inappropriate to commit funding without knowing the sources of future funding, phasing, costs, and conservation efforts. The university should explore and attempt to secure alternative funding that is consistent with a completed comprehensive project plan.

Section 917, Page 90, Washington State University
This section would have required Washington State University to retain ownership of 22 acres of the Puyallup research campus, and maintain its use for agricultural research. This section duplicates section 310(2) of the bill and is unnecessary.

In addition to vetoes above, I am directing the Department of General Administration to work with stakeholders to develop cancellation language for operating and capital leases. This language will provide the state flexibility to respond to funding changes that necessitate termination of leases. This will properly protect the Legislature and state agencies and is a complement section 906, which amends RCW 43.82.010, requiring all leases with a term of ten years or less not to contain a nonappropriation clause.

For these reasons, I have vetoed appropriation items and sections 114(8); 117; 118; 122(5); 136; 137; 203; 216(2); 245; and 917, of Engrossed Substitute House Bill No. 2573.

With the exception of appropriation items and sections 114(8); 117; 118; 122(5); 136; 137; 203; 216(2); 245; and 917, Engrossed Substitute House Bill No. 2573 is approved.

Respectfully submitted,

Gary Locke
Governor