

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION - DIVISION OF ADMINISTRATIVE SERVICES
SEPTEMBER 19, 2023**

ITEM 10

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION ADOPTING AN EMERGENCY REGULATION AMENDING WATER RIGHTS FEE SCHEDULES IN TITLE 23, SECTIONS 1030, 1042, 1044, 1062, 1063, 1064 AND 1066 OF THE CALIFORNIA CODE OF REGULATIONS.

DISCUSSION

Water Code section 1525 requires the State Water Resources Control Board (State Water Board) to adopt, by emergency regulation, a schedule of fees to recover the costs incurred in connection with the State Water Board's Water Rights Program. Water Code section 1525 further requires the State Water Board to adjust the fees annually to conform to the amounts appropriated by the Legislature. Water Code section 1551 requires that all water rights fee revenue be deposited in the Water Rights Fund (WRF). Similar provisions in Water Code section 13160.1 govern water quality certification fees, and section 1529.5 governs fees related to certain work for implementation the Sustainable Groundwater Management Act. The current fee schedules were adopted on September 20, 2022.

Financial Condition of the Water Rights Fund

Total budgetary expenditures for FY 2023-24 are \$34.9 million. To cover expenditures and ensure a prudent fund reserve for FY 2023-24, staff is projecting an approximate 3 percent increase to most WRF fee categories for revenue to match expenditures.

Proposed Changes

For FY 2023-24, staff is proposing to increase the annual per acre-foot charge for Permits, Licenses and Pending Applications from \$0.106 to \$0.109 per each acre-foot greater than 10 acre-feet, with no change in the base fee. Staff is proposing no changes to annual fees for Clean Water Act section 401 Certifications for Federal Energy Regulatory Commission (FERC) projects.

Staff is proposing to increase the caps on fees for water right applications and change petitions involving a transfer of water pursuant to Water Code section 382, 1435, 1701, 1725, or 1735 fees by 7.35 percent based on the California Consumer Price Index, from \$604,484 to \$648,914.

Staff is also proposing certain minor modifications related to fees for Sustainable Groundwater Management Act implementation work, including expansion of the

definition of a “qualified individual” for purposes of metering requirements, expansion of who can be eligible for a fee waiver, and additional criteria for meters.

POLICY ISSUE

Should the State Water Board approve a resolution to adopt an emergency regulation to change the current water right fee schedules as proposed by staff?

FISCAL IMPACT

The FY 2023-24 Budget Act includes expenditure authority for the WRF of \$34.9 million. The proposed fee schedule changes will ensure the projected revenue for the WRF, when added to the projected fund balance from FY 2022-23, meets the FY 2023-24 budget expenditures and ensures a prudent fund reserve.

REGIONAL BOARD IMPACT

None.

STAFF RECOMMENDATION

That the State Water Board approves the proposed resolution to adopt an emergency regulation to change the current water right fee schedules as proposed by staff.