

# Water Rights Fees Stakeholder Meeting

Tuesday, June 9, 2020 at 10:30 – 11:30 am

Webcast and Teleconference Meeting Only

Teleconference Number: (888) 273-3658

Participant Code: 300828

***NO PHYSICAL MEETING LOCATION***

Live Webcast [Here](#)

[Fee Branch Email](#)



## **AGENDA**

1. Welcome and Introductions
2. Water Rights Fund Budget Cost Drivers (Attachment 1)
3. AB 658 – Application for 5-Year Underground Storage Temporary Permit Filing Fee (Attachment 2)
4. Other Items on the Horizon
5. Open Discussion
6. Next Steps

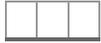
**Water Rights Fund  
Budget Cost Drivers  
FY 2020-21  
(\$000)**

	<b>FY 2019-20 Budget</b>	<b>FY 2020-21 May Revise Budget</b>	<b>Net Difference</b>	<b>Percent Change</b>
<b>Water Rights Fund (3058)</b>				
<b>Budget Allocation</b>	<b>\$27,739</b>	<b>\$30,202</b>	<b>\$2,463</b>	<b>8.9%</b>

<b>FY 2020-21 Budget Cost Drivers</b>	<b>Increase Amount</b>	<b>Percent Change</b>
<b>State Operations<sup>1</sup></b>	<b>\$1,117</b>	<b>4.0%</b>
<b>Pro Rata</b>	<b>\$763</b>	<b>2.8%</b>
<b>DOJ Legal Services</b>	<b>\$586</b>	<b>2.1%</b>
<b>Control Sections<sup>2</sup></b>	<b>-\$3</b>	<b>0.0%</b>
<b>Totals:</b>	<b>\$2,463</b>	<b>8.9%</b>

<sup>1</sup> Includes employee compensation and retirement.

<sup>2</sup> Includes CDTFA, CalEPA, Fi\$Cal and pension payments.



## Staff Proposal for Fiscal Year 2020-2021

### Fee Structure Options for Division of Water Rights Application for 5-Year Underground Storage Temporary Permit Filing Fee

Assembly Bill 658 went into effect January 1, 2020. The Water Code now allows for parties to pursue a 5-year temporary permit for diversion to underground storage. The Division of Water Rights anticipates that most parties will use a 5-year temporary authorization as a first step in pursuing a long term project and permanent authorization for diversion to augment local supplies to help achieve basin sustainability. There may also be cases where parties seek a one-time 5-year temporary authorization to meet an urgent need situation. The current fee for a 5-year temporary permit is the standard application fee. Below staff outline options to modify this fee, including staff preferred option 3 to match the fee to the cost of a party pursuing five 180 day temporary permits for a project. The 5-year temporary permit is expected to offer several advantages to applicants over pursuing five 180 day permits, including collection of information to assist with protest resolution of their standard application and year to year consistency of permit terms. The Board has not yet received any filings for a 5-year temporary permit to date.

**Option 1:** Option 1 represents no change to the current application filing fee for 5 year temporary permits. Option 1 is equivalent to the standard application fee pursuant to Water Code section 1062(a)(1)(A).

**Option 2:** Option 2 is equivalent to the application filing fee for temporary (180 Day) non-underground storage permits pursuant to Water Code section 1062(a)(1)(C).

**Option 3:** Option 3 is intended to replicate the experience of filing a temporary (180 Day) underground storage permit application and 4 subsequent renewals. Option 3 consists of two parts (Parts A and B). Part A is an initial filing fee equivalent to the application filing fee for temporary (180 Day) underground storage permits plus four renewal fees assuming no diversion in years 2 through 5 pursuant to Water Code section 1062(a)(1)(E). Part B is a supplemental fee due 30 days after the close of the diversion seasons for years 2 through 5 (there is no supplemental fee for year 1). Part B is calculated as \$0.20 per acre foot of water actually diverted.

**Feedback:** The State Water Board welcomes and encourages feedback. Please send any comments regarding these options to: [WaterRightsFees@waterboards.ca.gov](mailto:WaterRightsFees@waterboards.ca.gov).



Options	Minimum Fee	Fee Structure	Example Fee for: 1,000 af 10,000 af 100,000 af	Maximum Fee
<b>Option 1.</b> Maintain current Standard Application Fee	\$1,000	(§1062(a)(1)(A): \$1,000 plus \$15 per each acre-foot greater than 10 acre-feet based on the total annual amount of diversion sought by the application or \$553,919, whichever is less	\$15,850 \$150,850 \$553,919	\$553,919.00
<b>Option 2.</b> Align AB 658 Applications with Fees for Temporary (180 Day) Non-Underground Storage Application Fee	\$2,000	§1062(a)(1)(C): \$2,000 or 50% of the fee calculated under §1062(a)(1)(A), whichever is greater	\$7,925 \$75,425 \$276,959.50	\$276,959.50
<b>Option 3.</b> Align AB 658 Applications to match cost of 5 consecutive years of Temporary (180 Day) Underground Storage Application Fees under §1062(a)(1)(E): 1-year Application Fee and 4 years of Renewals	\$5,000	<p><u>Initial Fee:</u> Temporary (180 Day) Underground Storage Application Permit Fee (§1062(a)(1)(E)) (variable amount based on acre-feet requested) plus four renewals assuming no diversion (\$6,000).</p> <p><u>Supplemental Fee:</u> \$0.20 per acre foot for actual flows diverted under years 2 through 5 of the temporary permit. Supplemental fees are due within 30 days of the close of each diversion season for years 2 through 5 of the temporary permit.</p>	<p>Min - Max \$11,100 - \$11,900 \$12,000 - \$20,000 \$21,000 - \$101,000</p> <p>Example 10,000 af: At filing, paid \$12,000. Under maximum diversion scenario, paid \$2,000 each subsequent year. Under minimum (no) diversion scenario, paid \$0 each subsequent year.</p>	N/A

- Note: The proposed fees do not include costs associated with proposed Trailer Bill Legislation (<https://esd.dof.ca.gov/dofpublic/public/trailerBill/pdf/126>) for collecting fees for California Department of Fish and Wildlife (CDFW) review of AB 658 permits. Cost estimates associated with this proposal will be developed pending passage and coordination with CDFW.