

Water Rights Fees Stakeholder Meeting

Thursday, August 5, 2021 at 1:00 pm – 3:00 pm

Webcast and Zoom Meeting Only



NO PHYSICAL MEETING LOCATION

Live Webcast [Here](#)

[Water Rights Email](#)

AGENDA

1. Welcome and Introductions
2. Water Rights Fund Condition (Attachment 1)
3. Water Rights Fund Budget Cost Drivers (Attachment 2)
4. Fee Changes
 - a. Cannabis Fully Contained Spring (FCS) Report Filing Fee
 - b. FERC Per Kilowatt (Attachment 3)
 - c. Permit, License, & Pending Application Per Acre-Foot (Attachment 3)
5. Data Modernization Funding
6. Cost of Compliance
7. Open Discussion
8. Next Steps
 - a. September 21 – Board Meeting

**Water Rights Fund (WRF)
Fund Condition Projection (\$000)**

Fiscal Year					Current Year Projected	BY No Fee Increase	BY Fee Increase 9.6%	BY+1 Fee Increase 9.6%	BY+2 Fee Increase 4.1%
	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 21-22	FY 22-23	FY 23-24
BEGINNING BALANCE	\$4,807	\$3,253	\$3,551	\$2,042	\$1,595	\$976	\$976	\$1,569	\$1,633
Prior year adjustments	\$51	\$1,041	\$138	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	\$4,858	\$4,294	\$3,689	\$2,042	\$1,595	\$976	\$976	\$1,569	\$1,633
Revenue									
Regulatory Fees ¹	\$17,799	\$18,541	\$20,955	\$25,623	\$25,123	\$26,831	\$29,407	\$32,230	\$33,551
Cannabis Cultivation Regulation	-	-	-	-	\$432	\$432	\$432	\$432	\$432
Cost Recovery ²	-	-	-	-	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
SGMA Fees	-	-	-	-	\$750	\$750	\$750	\$750	\$750
Other Revenue ³	\$280	\$216	\$409	\$419	\$419	\$419	\$419	\$419	\$419
Loan from the USTCF(SGMA) ⁴	-	\$2,250	-	(\$2,250)	-	-	-	-	-
Total Revenue	\$18,079	\$21,007	\$21,364	\$23,792	\$27,724	\$29,432	\$32,008	\$34,831	\$36,152
Expenditures									
Water Board State Operations ⁵	\$18,497	\$20,412	\$22,248	\$22,428	\$23,283	\$26,077	\$26,077	\$29,620	\$30,805
Cannabis Cultivation Regulation	-	-	-	-	\$740	\$740	\$740	\$740	\$740
Cost Recovery Expenditures ²	-	-	-	-	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
SGMA Fees	-	-	-	-	\$750	\$750	\$750	\$750	\$750
Supplemental Pension Payments	-	-	\$188	\$406	\$406	\$406	\$406	\$406	\$406
Other State Operations ⁶	\$1,187	\$1,338	\$575	\$1,405	\$2,164	\$2,442	\$2,442	\$2,251	\$2,341
Total Expenditures	\$19,684	\$21,750	\$23,011	\$24,239	\$28,343	\$31,415	\$31,415	\$34,767	\$36,041
Surplus(Deficit)	(\$1,605)	(\$743)	(\$1,647)	(\$447)	(\$619)	(\$1,983)	\$593	\$64	\$111
ENDING BALANCE	\$3,253	\$3,551	\$2,042	\$1,595	\$976	(\$1,007)	\$1,569	\$1,633	\$1,744
Fund Reserve⁷	16.5%	16.3%	8.9%	6.6%	3.7%	-3.4%	5.3%	4.9%	5.1%

¹ Forecasted revenue is based on estimated billing amounts for applications, annual fees for license/permit/pending applications and estimated revenue from petitions and one time applications.

² Ongoing cost recovery for the California Environmental Quality Act (CEQA) Consultation.

³ Includes miscellaneous services to the public, Suplus Money Investment Fund (SMIF) & Enforcement.

⁴ For FY 17-18, a loan from the USTCF (0439) to the WRF (3058) per Budget Act of 2017. For FY 18-19, Loan repayment from the WRF (3058) to the USTCF (0439) per Budget Act of 2017.

⁵ FY 19-20 is based off of projected expenditures. BY reflects estimated salary savings reductions. BY+1 reflect a 3.5% increase from BY. BY+2 returns to the BY enacted allocation.

⁶ Includes expenditures to CDTFA, CalEPA, and Pro Rata.

⁷ Fund reserve calculation excludes expenditure items for SGMA and Cannabis Cultivation.

**Water Rights Fund (WRF)
Budget Cost Drivers
FY 2021-22
(\$000)**

Water Rights Fund (3058)	FY 2020-21 Fee Setting Budget	FY 2021-22 Adopted Budget	Net Difference	Percent Change
Budget Allocation	\$29,343	\$31,563	\$2,220	7.6%

FY 2021-22 Budget Cost Drivers	Increase Amount	Percent Change
State Operations	\$169	0.6%
Payletter	\$772	2.6%
Removal of Furlough Salary Savings	\$1,061	3.6%
Pro Rata	\$218	0.7%
Totals:	\$2,220	7.6%

	FY 2021-22	FY 2022-23	FY 2023-24
	(BY)	(BY+1)	(BY+2)
Projected Fee Increase	9.6%	9.6%	4.1%

**Water Rights Fund (WRF)
Fee Changes FY 2021-22**

Fee Category	Current	Proposed* (9.6%)
FERC Licensed	0.300 per kw	0.329 per kw
FERC Undergoing Licensing	0.610 per kw	0.669 per kw
Permits, Licenses, & Pending Applications	\$0.090 per af >10 af	\$0.099 per af >10 af
*No change in the base fee or other Annual/One-Time fee categories.		