

State Water Resources Control Board

On March 18, 2019, the Division Water Rights held a Fee Stakeholder meeting to discuss topic related to fees for the upcoming fiscal year (FY) 2019-2020. The items below provide a summary of the major topics discussed and presents options for which we would like feedback from the stakeholder community.

Fund Condition and Cost Drivers

Total expenditures for FY 2019-20 are projected to be approximately \$27 million. As shown in Attachment 1, expenditures for FY 2019-20, include: (1) CalEPA Sacramento Headquarters Space Optimization which is shown with a \$1.66 million decrease, however, as noted the balance will carry-over to the next fiscal year, (2) Control Section Adjustment for Employee Compensation Cost of \$1.02 million, and (3) Administrative Hearings Office (AB 747) costs of \$1.72 million. The cost drivers represent a combination of one-time and on-going costs.

Attachment 2 shows an analysis of the fund condition for the Water Rights Fund (WRF). The beginning balance for FY 2018-19 was \$3.6 million. Total estimated revenue is \$21.2 million and total estimated expenditures are \$23.7 million, resulting in an \$2.6 million decrease in the fund with an ending balance of \$1 million and a fund reserve of approximately 4.5 percent.

A prudent fund reserve of approximately 10 percent is typically targeted in order to absorb economic uncertainty and other contingencies. However, with the increased costs detailed above, this year the State Water Board is targeting a 5 percent fund reserve with the expectation to build it back to 10 percent in the coming years. To cover expenditures and ensure an approximate 5 percent reserve for FY 2019-20, staff currently anticipates needing to generate approximately \$3.6 million of additional revenue or the fund will be operating in a deficit. This amount assumes the new Onstream Reservoir Fee for Cannabis Water Rights will increase revenue by approximately \$425,000 from \$500,000 to \$925,000. Please see the Cannabis Onstream Reservoir Fee section below for more details regarding this proposed fee.

Staff is currently considering increasing fees in the following areas for FY 2019-20 to meet this objective: Permits, License, and Applications, and Federal Energy Regulatory Commission (FERC) licensing. Fees for Petitions are also being considered for increases, however, the purpose of these fee increases would not be to cover the fund deficit, but rather to more closely align the fees with the staff time required to process them. Additionally, while staff have received comments from stakeholders about the possibility of establishing a "participation fee" to cover AB 747 costs, the State Water Board does not have the authority to impose such a fee without a legislative change.

Permits, License, and Applications

Based on data available, there are approximately 14,300 water rights permits of which 5,341 (37 percent) are paying solely the base fee. The following are options under consideration to generate the additional revenue to establish a 5 percent fund reserve:

Option 1 increases fees for Permits, License, and Applications from \$0.073 to \$0.090 (23 percent) on the per acre foot charge (greater than 10 acre-feet) with no increase to the permit or license base fee, resulting in total revenue of approximately \$27.4 million, with an ending balance of approximately \$1.4 million and a fund reserve of 5.5 percent.

Option 2 increases fees for Permits, License, and Applications from \$0.073 to \$0.089 (22 percent) on the per acre foot charge (greater than 10 acre-feet) and raises the permit or license base fee from \$225 to \$250 (11 percent), resulting in total revenue of approximately \$27.5 million, with an ending balance of approximately \$1.5 million and a fund reserve of 5.9 percent.

Option 3 increases fees for Permits, License, and Applications from \$0.073 to \$0.087 (19 percent) on the per acre foot charge (greater than 10 acre-feet) and raises the permit or license base fee from \$225 to \$275 (22 percent), resulting in total revenue of approximately \$27.4 million, with an ending balance of approximately \$1.4 million and a fund reserve of 5.6 percent.

Option 4 increases fees for Permits, License, and Applications from \$0.073 to \$0.085 (16 percent) on the per acre foot charge (greater than 10 acre-feet) and raises the permit or license base fee from \$225 to \$300 (33 percent), resulting in total revenue of approximately \$27.3 million, with an ending balance of approximately \$1.3 million and a fund reserve of 5.2 percent.

401 Certification for Federal Energy Regulatory Commission (FERC)

The above options presented for Permits, License, and Applications presume an increase in the overall FERC fees of approximately \$675,000 (22 percent increase). FY 2018-19 FERC revenues are currently projected to be approximately \$3.1 million with expenditures of \$3.6 million leaving a deficit of nearly \$500,000. The \$675,000 increase would help the FERC program cover expenditures and maintain a prudent reserve of approximately 5 percent. Please see Attachment 3 for more information regarding the options presented below.

Staff is considering three options to generate the revenue needed to accomplish this goal: Options 1 and 2 keep the current structure of different base and per kilowatt (kw)/hour fees depending on whether the project is licensed or undergoing licensing, while Option 3 proposes the same fees regardless of status.

Option 1 keeps the base fee for both licensed and undergoing licensing at the current fee of \$100 and \$1,000 respectively, while increasing the licensed per kw/hour fee from \$0.125/kw to \$0.154/kw (23 percent) and the undergoing license per kw/hour fee from \$0.43 to \$0.529/kw (23 percent).

Option 2 increases both the base fee and cost per kilowatt. Under this option, the base fee for licensed projects would increase from the current fee of \$100 to \$5,000 and the per kw/hour fee from \$0.125/kw to \$0.128/kw (2.4 percent). The undergoing licensing fee would increase from the current base fee of \$1,000 to \$5,000 and increases the per kw/hour fee from \$0.43 to \$0.492/kw (14.4 percent). To some degree, this option addresses small kilowatt projects and water quality certification amendments, which require a significant amount of staff time.

Option 3 consists of creating equal base fees and cost per kilowatt for all hydroelectric projects, whether pursuing a water quality certification or operating under a FERC license with certification conditions. This option addresses the ongoing and often significant workload associated with implementing provisions of the FERC license following water quality certification issuance. Under

this scenario, the base fee for undergoing licensed and licensed projects is set to \$1,000 and the cost per kw/hour for both pre and post-licensing fee would increase to \$0.452.

Petitions

Staff is proposing to adjust petition filing fees and annual fees for change petitions, time extension petitions, wastewater change petitions, and temporary change petitions. Staff's proposed fee structure options associated with these filings can be found in Attachment 4. The primary reasons for adjusting fees for this group are as follows:

- Annual fees for change petitions and time extension petitions have not been adjusted since these fees were established in 2004.
- The fee structures for filing change petitions, time extension petitions, and temporary change petitions have not been adjusted since Fiscal Year 2004-2005 except for the maximum fees being adjusted for inflation each year.
- The current fee only covers approximately 5 percent to 20 percent of actual cost.
- Even with the proposed adjustments, the increases do not keep up with the rate of inflation and increased operational costs over more than 15 years since the fees were initiated.
- Petitions have become significantly more complex, requiring increased staff review.
- The new fee schedule includes a reduced filing fee for a time extension petition filed in conjunction with a change petition to reflect potential reduction in staff cost and streamlining of the process.
- Filing fees for wastewater change petitions (WWCPs) have not been adjusted since the WWCP fees were initiated in 2004. Currently, the State Water Board only charges a one-time fee for WWCP filings and charges no annual fees. The filing fees for WWCPs are minimal comparing to the economic benefits to the petitioners through the reuse or recycle of treated wastewater resulting from the WWCP program.
- There is a proposed reduction in annual fees for petitioners that have met all timelines and requirements for the Division to proceed but are experiencing extended processing timelines due to limitations in staff resources.

Cannabis Onstream Reservoir Fees

Staff also propose additional fees for processing Cannabis Small Irrigation Use Registration (SIUR) filings for onstream reservoirs (see Attachment 5). The additional fees for Cannabis SIUR filings for onstream reservoirs are primarily based on an increase of staff cost associated with field inspection, development of site-specific terms and conditions, and review and oversight of compliance plans for the onstream reservoirs. The site inspection will include a Doppler based reservoir survey, results of which will be provided to the cultivator. The cost of this service and documentation through a private vendor would far exceed the proposed fee. The initial filing fees and incremental increase in annual fees are reasonable when compared to other agency fee structures and do not cover the entire cost of resources needed to process the filings.

Applications Filing Fee Initial Review

Filing Fee Non-Refundable Portion. Staff propose to raise the non-refundable portion of the initial application fee from \$250 to \$500 as a base fee plus 10 percent of the actual application filing fee (see Attachment 6). This fee would be raised for the five types of applications (applications and temporary permit applications, small hydropower applications and temporary permit applications, temporary permit applications to divert to underground storage during high flow events). The higher base fee would more accurately reflect resources expended for initial review of a small

simple application, whereas the addition of an acre-foot charge will better reflect resources needed to review larger more complex filings. The fee will also define the initial review period.

Underground Storage Streamlined Permitting Process Proposed Fees

State Water Board staff are in the process of developing a proposed approach for the streamlined processing of “standard” applications to appropriate high flows for diversions to underground storage. No changes to the temporary permit fees are proposed. The proposed approach under development will not change any existing laws or regulations and will be focused primarily on the water availability analysis aspect of application processing. The types of projects intended to be covered would focus on an applicant who is a Groundwater Sustainability Agency or local agency as defined by Sustainable Groundwater Management Act (SGMA), for a project consisting of diversions during periods of high flows, as defined in the guidance, between December 1 and March 31 to underground storage basin identified in Bulletin 118.

Staff are proposing fee structure options associated with the application fee for new applications filed and the permit and license annual fee for water rights issued pursuant to the proposed approach (see Attachment 7). Staff are considering the following options:

“Standard” Application Filing Fee

Option 1 retains for eligible projects, the current standard application filing fee for these types of applications. The current fee is \$1,000 plus \$15 per each acre-foot greater than 10 acre-feet or the maximum cap currently \$534,155, whichever is less.

Option 2 reduces the current standard application fee by 25 percent for eligible projects. Though these projects will go through all the same processing milestones as other applications, there is expected to be savings in staff time due to the applicant’s election to use streamlined water availability analysis and to accept related conditioning.

Annual Water Right Fee for Permittee/Licensee based in part on Actual Diversions

Option 1 would continue to apply for eligible projects, the “standard” permit and license annual fee* for these types of projects. See **Permits, License, and Applications** above for options.

Option 2 reduces the annual fee for eligible projects based in part on actual diversions. The permit or license annual fee (based on amount of water diverted) or 75 percent of the “standard” annual fee (based on face value), whichever is greater. This reduction would recognize that these projects target diversions only during periods of high flows during a limited season.

Feedback

The State Water Board welcomes and encourages feedback. Please send any questions or comments regarding the information and options outlined above to: WaterRightsFees@waterboards.ca.gov.

Attachment 1
State Water Resources Control Board
Water Rights Program Budget and Water Rights Fund Budget Cost Drivers
(\$000)

	FY 2019-20 Governor's Proposed Budget	FY 2019-20 Governor's May Revise Budget	Net Difference
Water Rights Fund ¹	\$24,785	\$24,785	
General Fund	\$18,384	\$18,384	
Public Resources Account, Cigarette and Tobacco Products Surtax Fund	\$92	\$99	\$7
Federal Trust Fund	\$223	\$223	
California Cannabis Tax Fund	\$5,845	\$5,845	
Totals	\$49,329	\$49,336	\$7

¹For FY 19-20, does not include \$450,000 in Water Rights Funding appropriated for Department of Justice Legal Services.

Water Rights Fund	FY 2018-19 Budget Act	FY 2019-20 Governor's May Revise Budget	Net Difference
Governor's May Revise Budget ²	\$24,159	\$25,235	\$1,076
Totals	\$24,159	\$25,235	\$1,076

²The Budget Act includes \$1 million in ongoing cost recovery for CEQA Consultation

FY 2019-20 Budget Cost Drivers

Water Rights Fund	Amounts
CalEPA Sacramento Headquarters Space Optimization ⁴	(\$1,660)
Control Section ³	\$1,020
Administrative Hearings Office (AB 747)	\$1,716
Totals	\$1,076
Adj Total	\$1,076

³ Control Section Item 9800 Employee Compensation, 3.60 Retirement, and Pro Rata

⁴ The appropriation is available for encumbrance until 6/30/22. For the purpose of the report the amount is a negative, but the balance will carryover to the next fiscal year.

**Attachment 2
FY 2019-20 Water Rights Fund Condition (\$000) Projection with Increased Fees**

	4.6%	5.8%	No Change 0.0%	Option 1: 23.29%	Option 2: 21.92%	Option 3: 19.18%	Option 4: 16.44%
Percent Increase on Per/Acre Amount from Previous FY	4.6%	5.8%	0.0%	23.29%	21.92%	19.18%	16.44%
Per Acre-Foot Charge	\$0.069	\$0.073	\$0.073	\$0.090	\$0.089	\$0.087	\$0.085
Percent Change on Base Fee Amount from Previous FY	0.0%	50.0%	0.0%	0.00%	11.10%	22.22%	33.33%
Base Fee/Percent Increase	\$150.00	\$225.00	\$225.00	\$225.00	\$250.00	\$275.00	\$300.00
Fiscal Year	FY 17-18	FY 18-19	FY 19-20	FY 19-20	FY 19-20	FY 19-20	FY 19-20
BEGINNING BALANCE	\$3,253	\$3,551	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Prior year adjustments	\$1,041	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	\$4,294	\$3,551	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Revenue							
Regulatory Fees ¹	\$17,541	\$20,843	\$20,843	\$24,426	\$24,532	\$24,446	\$24,360
Cost Recovery ²	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Other Revenue ³	\$215	\$310	\$310	\$310	\$310	\$310	\$310
Loan from the USTCF(SGMA) ⁴	\$2,250	(\$2,250)	\$0	\$0	\$0	\$0	\$0
SGMA Fees ⁷	-	\$750	\$750	\$750	\$750	\$750	\$750
Cannabis Cultivation Regulation ⁷	-	\$500	\$500	\$925	\$925	\$925	\$925
Total Revenue	\$21,006	\$21,153	\$23,403	\$27,411	\$27,517	\$27,431	\$27,345
Expenditures							
Water Board State Operations ⁵	\$18,671	\$20,447	\$22,745	\$22,745	\$22,745	\$22,745	\$22,745
Cannabis Cultivation Regulation	\$740	\$740	\$740	\$740	\$740	\$740	\$740
SGMA Fees ⁴	\$750	\$750	\$750	\$750	\$750	\$750	\$750
Cost Recovery Expenditures	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Supplemental Pension Payments	-	\$188	\$406	\$406	\$406	\$406	\$406
Other State Operations ⁶	\$1,338	\$579	\$1,371	\$1,371	\$1,371	\$1,371	\$1,371
Total Expenditures	\$21,749	\$23,704	\$27,012	\$27,012	\$27,012	\$27,012	\$27,012
Surplus(Deficit)	(\$743)	(\$2,551)	(\$3,609)	\$399	\$505	\$419	\$333
ENDING BALANCE	\$3,551	\$1,000	(\$2,609)	\$1,399	\$1,505	\$1,419	\$1,333
Fund Reserve	16.9%	4.5%	-10.2%	5.5%	5.9%	5.6%	5.2%

1 For FY 18-19 and FY 19-20, forecasted revenue is based on the estimated billing amounts for license/permit/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, Suptus Money Investment Fund (SMIF) & Enforcement.

4 For FY 17-18, a loan from the Underground Storage Tank Cleanup Fund (0439) to the Water Rights Fund (3058) per Budget Act of 2017. For FY 18-19, Loan repayment from the Water Rights Fund (3058) to the Underground Storage Tank Cleanup Fund (0439) per Budget Act of 2017.

5 FY 18-19 and FY 19-20, are based off of the budget authority in the May Revision to the Governor's Budget (January 2019).

6 For FY 18-19, Other State Operations projected expenditures include \$539,000 to CDTFA, \$37,000 to CalEPA, and \$3,000 to FiSCAL. For FY 19-20, Other State Operations projected expenditures include \$535,000 to the California Department of Tax and Fee Administration (CDTFA), \$37,000 to CalEPA, a credit of \$5,000 from FiSCAL, and \$804,00 for Statewide General Administrative Expenditures (Pro Rata).

7 Fund reserve calculation excludes expenditure items for SGMA and Cannabis Cultivation. Cannabis Revenue projections for FY 19-20 includes estimated revenue being received from the Cannabis Onstream Reservoir Fee.

Attachment 3

Projected FERC Revenue and Expenditures FY 19-20

	Current Fees	Option 1	Option 2	Option 3
Licensed Project Annual Base Fee	\$100.00	\$100.00	\$5,000.00	\$1,000.00
Licensed Project per kw/hour Fee	0.125/kw	0.154/kw	0.128/kw	0.452/kw
Undergoing License Base Fee	\$1,000.00	\$1,000.00	\$5,000.00	\$1,000.00
Undergoing License per kw/hour Fee	0.43/kw	0.529/kw	0.492/kw	0.452/kw
Fiscal Year	FY 18-19	FY 19-20	FY 19-20	FY 19-20
Revenue				
401 Certified	\$190,779	\$241,707.36	\$362,431.00	\$769,436.65
401 Undergoing Licensing	\$2,952,620	\$3,585,616.55	\$3,473,950.15	\$3,050,280.75
Total Revenue	\$3,143,399	\$3,827,324	\$3,836,381	\$3,819,717
Expenditures				
Water Board State Operations	\$3,636,584	\$3,636,584	\$3,636,584	\$3,636,584
Total Expenditures	\$3,636,584	\$3,636,584	\$3,636,584	\$3,636,584
Surplus(Deficit)	-\$493,185	\$190,740	\$199,797	\$183,133
Reserves	-13.56%	5.25%	5.49%	5.04%

Attachment 3A
Staff Proposals for Fiscal Year 2019-2020
Fee Structure Options for
Division of Water Rights' Water Quality Certification Program

The three fee options proposed below address the Division of Water Rights' Water Quality Certification Program's component of the current Water Rights Fund deficit.

	Applicant seeking WQC for FERC License/Amendment		Licensee of FERC-licensed Project with WQC Issued	
	Minimum Fee	Fee Structure	Minimum Fee	Fee Structure
Current Fees	\$1,000	\$1,000 + \$0.43 per kilowatt (based on authorized or proposed installed generating capacity)	\$100	\$100 + \$0.125 per kilowatt (based on authorized installed generating capacity)
Option 1: Increase cost per kilowatt	\$1,000	\$1,000 + \$0.529 per kilowatt (based on authorized or proposed installed generating capacity)	\$100	\$100 + \$0.154 per kilowatt (based on authorized installed generating capacity)
Option 2: Increase cost per kilowatt and minimum fee	\$5,000	\$5,000 + \$0.492 per kilowatt (based on authorized or proposed installed generating capacity)	\$5,000	\$5,000 + \$0.128 per kilowatt (based on authorized installed generating capacity)
Option 3: One fee structure (pre- and post-license)	\$1,000 + \$0.452 per kilowatt (based on authorized or proposed installed generating capacity)			

Option 1:

This option consists of keeping the existing fee structure and only increasing the cost per kilowatt.

Option 2:

This option consists of increasing the minimum fee to \$5,000 and increasing the cost per kilowatt. To some degree, this option addresses small kilowatt projects and water quality certification amendments, which require a significant amount of staff time.

Option 3:

This option consists of creating one minimum fee and cost per kilowatt that applies to all hydroelectric projects, whether pursuing a water quality certification or operating under a Federal Energy Regulatory Commission license with certification conditions. This option addresses the ongoing often significant workload associated with implementing provisions of the FERC license following water quality certification issuance.

Attachment 4
Fee Structure Options: FY 19/20
Water Right Petition Fee Proposal

	Minimum Fee	Fee Structure	Example Fee for: 100 af 1,000 af 10,000 af	Maximum Fee
Petition Annual Fee				
Current fee	\$1,000	Conditions when fee is applied: ^[3] Due under specific circumstances such as: petitioner diverts water prior to the State Water Board approving the requested change; petitioner requests a delay in processing petition; petitioner is lead agency under CEQA and has not adopted or certified a final environmental document for the project within two years after the petition is noticed; or petitioner fails to provide requested supplemental information.	\$1,000	\$1,000
Proposal: Increase fees to a per acre-foot charge	\$1,000 + \$0.40 per acre-foot up to \$10,000	Due under specific circumstances such as: petitioner diverts water prior to the State Water Board approving the requested change; petitioner requests a delay in processing petition; petitioner is lead agency under CEQA and has not adopted or certified a final environmental document for the project within two years after the petition is noticed; Petitioner has entered into a CEQA MOU with the Division but has not complete the administrative draft CEQA document within two years after the petition is noticed; or petitioner fails to provide requested supplemental information. An annual petition fee may be temporarily reduced to \$500 in cases where the Division finds that the petitioner has timely provided all information required to process the petition, however the Division has determined it has insufficient resources to complete the petition processing. This would be assessed on an annual basis.	100 af: \$1,036 1,000 af: \$1,432 10,000 af: \$5,000	\$10,000

	Minimum Fee	Fee Structure	Example Fee for: 100 af 1,000 af 10,000 af	Maximum Fee
Change Petition Fee				
Current fee	\$1,000	\$1,000 plus \$0.30 per each acre-foot greater than 10 acre feet based on the total annual amount of diversion covered by permit or license, or \$6,518 whichever is less.	\$1,000	\$6,518
Proposal: Increase per acre-foot charge and maximum	\$1,000	\$1,000 plus \$0.40 per each acre-foot greater than 10 acre feet based on the total annual amount of diversion covered by permit or license, or \$20,000 whichever is less.	100 af \$1,036 1,000 af \$1,432 10,000 af \$5,428	\$20,000

	Minimum Fee	Fee Structure	Example Fee for: 100 af 1,000 af 10,000 af	Maximum Fee
Time Extension Fee				
Current fee	\$1,000	Flat	\$1,000	\$1,000
Proposal: Change to match change petition fees, with reduction for simultaneous filing	\$1000	Fees would match proposal for change petitions above with a per-acre foot charge. Time Extension Petitions filed in conjunction with a change petition for the same project will receive a 50% reduction in filing fees.	100 af \$1,036 1,000 af \$1,432 10,000 af \$5,428	\$20,000

	Minimum Fee	Fee Structure	Example Fee for: 100 af 1,000 af 10,000 af	Maximum Fee
Wastewater Petitions				
Current fee	\$1,000	flat	\$1,000	\$1,000
Proposal: Fixed tiered fees based on project size	\$5,000	\$5,000 plus \$3.00 per acre-foot based on the total annual amount of the reduced flow to the watercourse, or \$75,000 whichever is less.	100 af: \$5,300 1,000 af: \$8,000 10,000 af: \$35,000	\$75,000

	Minimum Fee	Fee Structure	Example Fee for: 100 af 1,000 af 10,000 af	Maximum Fee
Temporary Change or Urgency Change Petitions				
Current fee structure	\$2,000	\$2,000 plus \$0.30 per each acre-foot greater than 10 acre-feet based on the total annual amount of water sought to be transferred annually or \$534,155, whichever is less.	100 af: \$2,027 1,000 af: \$2,324 10,000 af: \$5,321	\$534,155
Proposal: Increase to account for increased resource costs	\$2,000	\$2,000 plus \$0.50 per each acre-foot greater than 10 acre-feet based on the total annual amount of water sought to be transferred annually or \$534,155, whichever is less.	100 af: \$2,045 1,000 af: \$2,945 10,000 af: \$6,995	\$534,155

Attachment 5
Staff Proposal for FY 2019-20 Fee Schedule for
Cannabis Small Irrigation Use Registration Program

Cannabis Small Irrigation Use Registration (SIUR) Proposed Fee Schedule		
	Fee Examples for First 3 Years	Fee Structure
Cannabis SIUR (No Onstream Reservoir)	\$750 \$750 \$750	Same Initial Fee and Annual Renewal Fee \$750
Cannabis SIUR (with Onstream Reservoir)	\$4,750 \$1,000 \$1,000	Initial Fee ¹ : \$750 + \$4,000 = \$4,750 Annual Renewal Fee ² : \$750 + \$250 = \$1,000

1. The additional filing fee is based on an increase of staff cost for field inspections and site-specific analysis for onstream reservoir(s).
2. The annual renewal fee includes the \$750 ongoing SIUR annual fee and an additional \$250 fee for increased staff costs for review and oversight of compliance plans for onstream reservoir(s).

Attachment 6

Fee Structure Options: FY 2019-20

Water Right Application Fee Proposal

Application Filing Fee (Non-Refundable Portion of Fee). Applicable categories:

- 1) Application
- 2) Application for Small Hydroelectric
- 3) Application for Temporary Permit filed pursuant to Water Code §1425 other than for diversion to underground storage during high flow events
- 4) Application for Temporary permit filed pursuant to Water Code §1425 to Divert to Underground Storage During High Flow Events
- 5) Application for Temporary Permit for Small Hydroelectric that meets criteria established in CCR, title 14, §15328

	Minimum Fee	Fee Structure	Example Fee	Maximum Fee
Current fees	\$250	Application Fee structure not shown – no changes proposed. The filing fees for these categories is inclusive of a non-refundable \$250 fee for an initial review.	\$250	\$250
Proposal: Increase non-refundable portion, define initial review period.	1): \$600 2): \$600 3): \$700 4): \$700 Initial \$650 Renewal 5): \$600	Application Fee structure not shown – no changes proposed. Filing fees to be inclusive of a non-refundable fee of: \$500+10% of the application filing fee for an initial review. For the purposes of this fee, the initial review period is defined as the period of time ending when the application is either 1) accepted, 2) rejected or 3) the date the board communicates to the applicant that the applicant made a bona fide attempt to conform to the rules and regulations, but that the application is defective in some manner. This time period also includes 4) withdrawal by the applicant within 30 days after receipt. No portion of the fee is refundable after the initial review period.	Example for 1) Application: 1 af \$600 10 af \$600 100 af \$735 1,000 af \$ 2,085 10,000 af \$15,585 ~35,553 af or more: \$53,915	1) \$53,915 2) \$600 3) \$26,958 4) \$26,958 5) \$600

*All examples based on current fees. No change is proposed to base fee or acre-feet charge of applicable fees. The maximum cap amount, where one exists, is routinely increased as part of annual fee modifications.

Attachment 7
Groundwater Storage Streamlined
Water Rights Permitting Process Fees Proposal

	Minimum Fee	Fee Structure	Example Fee for: 1,000 af 10,000 af 100,000 af	Maximum Fee
Application Fee				
Option (1) Retain Standard Application Fee for all	\$1,000	Standard Application Fee (\$1,000 plus \$15 per each acre-foot greater than 10 acre-feet or \$534,155, whichever is less)*	1,000 af \$15,850* 10,000 af \$150,850* 100,000 af \$534,155*	\$534,155*
Option (2) 75% of Application Fee (25% reduction) for eligible projects [1]	\$1,000	75% of the fee calculated under the standard Application Fee (25% reduction)	1,000 af \$11,888* 10,000 af \$113,138* 36,000 af 400,617* 100,000 af \$400,617*	\$400,617*

* Based on current fee. The maximum cap amount is routinely increased as part of annual fee modifications. No changes are proposed to base fee or acre-feet charge.

- [1] Applications meeting the following requirements may be eligible for the proposed application fee:
- a. The application proposes to divert water to underground storage in a groundwater basin identified in Bulletin 118.
 - b. The application is submitted by a Groundwater Sustainability Agency or local agency as defined by Sustainable Groundwater Management Act (SGMA).
 - c. The primary method of diversion proposed in the application is diversion to underground storage. Any other methods of diversion must be incidental to the primary method.
 - d. The application proposes to divert water only during periods of high flows between December 1 and March 31, as articulated in streamlined permitting process guidance published by the State Water Board and as documented in written concurrence from State Water Board staff as part of the application submittal package.

	Fee Structure	100% of authorized diversion amount achieved	90% of authorized diversion amount achieved ^[2]	<=75% of authorized diversion amount achieved ^[1]
Annual Fee (based in part on actual diversions - eligible projects only)				
Option (1) Retain Standard Annual Fee	Permit and License Annual Fee* (based on face value)	All diversion: 10,000 af \$955 100,000 af \$7,525*		
Option (2) Annual Fee based on amount diverted ^[3] ^[4]	Annual Fee based on amount diverted or 75% of "standard" Annual Fee*, whichever is greater	10,000 af \$955* (Fee based on amount diverted)	10,000 af \$881* (Fee based on amount diverted)	10,000 af \$716* (Fee based on 75% of Standard fee)
		100,000 af \$7,525* (Fee based on amount diverted)	100,000 af \$6,794* (Fee based on amount diverted)	100,000 af \$5,644* (Fee based on 75% of Standard fee)

* These examples are based on the current annual fee: \$225 plus \$0.073 per each acre-foot greater than 10 acre-feet. These numbers will be adjusted if the permit and license fees are raised.

^[1] Benefit in year party diverts between zero to 75% of face value: 25% reduction in what they would have paid based on current face value based fee.

^[2] A party that diverts 90% of a 10,000 af face value, will only pay for 9,000 af. The closer a party diverts to full face value, the less the discount.

^[3] Permits and Licenses meeting the following requirements may be eligible for the proposed annual fee:

- The water right is conditioned to divert water to underground storage in a groundwater basin identified in Bulletin 118.
- The right holder is a Groundwater Sustainability Agency or local agency as defined by Sustainable Groundwater Management Act (SGMA).
- The water right is conditioned to be subject to this annual fee. This includes but not limited to 1) The water right is conditioned to limit diversions to periods of high flows between December 1 and March 31; and 2) The right holder has installed and is maintaining a stream gage with telemetry capabilities to provide publicly available real-time streamflow conditions via the California Data Exchange Center website and, when available, a future website developed by the State Water Board.

^[4] The annual fee will be assessed based on activity in the preceding permit or license reporting year. In the initial year of issuance, the fee will be charged based on the face value, and a onetime credit will be provided to the subsequent year if necessary, based on amount diverted.