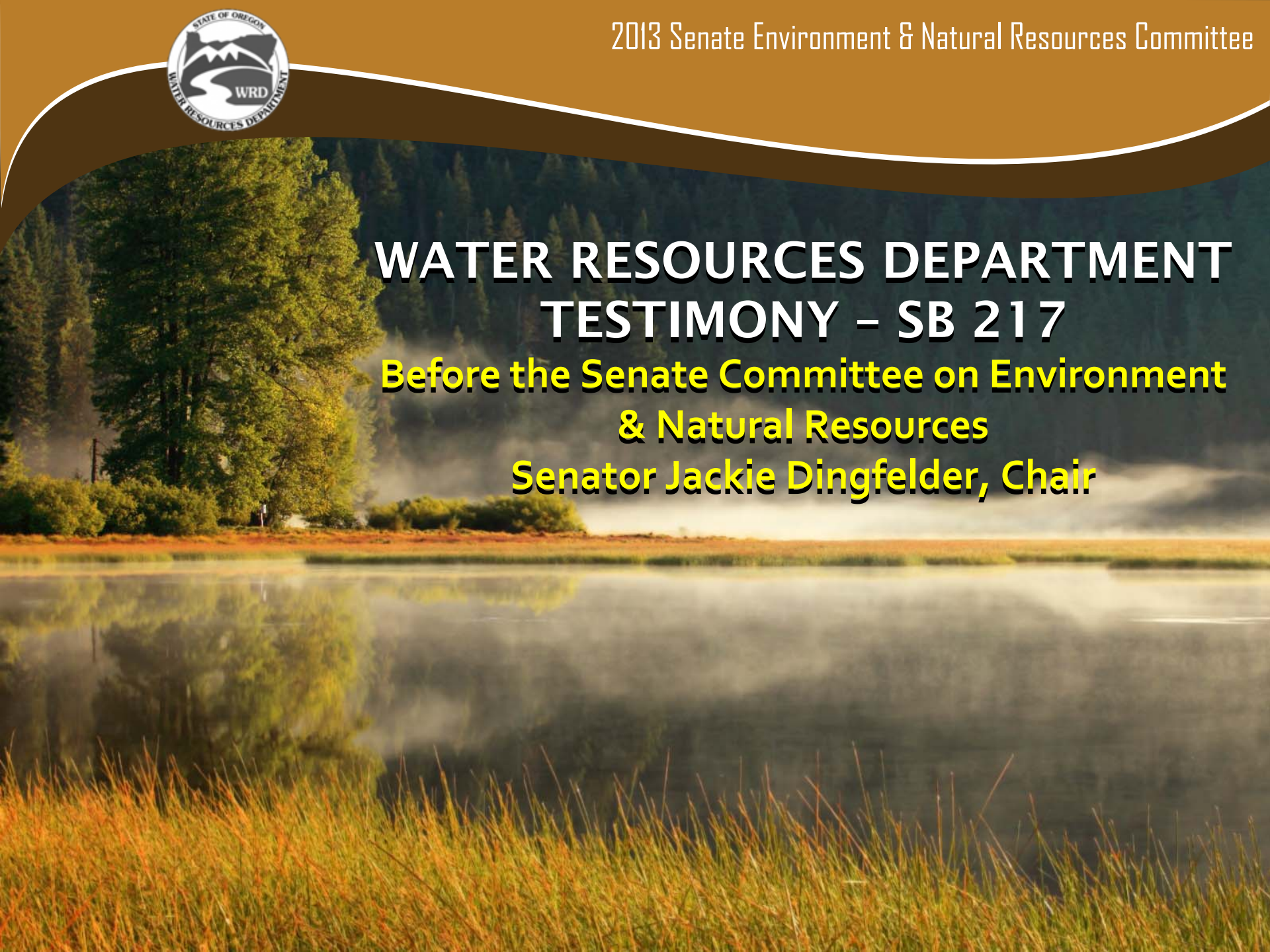


WATER RESOURCES DEPARTMENT TESTIMONY – SB 217

Before the Senate Committee on Environment & Natural Resources

Senator Jackie Dingfelder, Chair

INTRODUCTION

Water Resources Commission (WRC) deeply concerned about **declining WRD Resources**

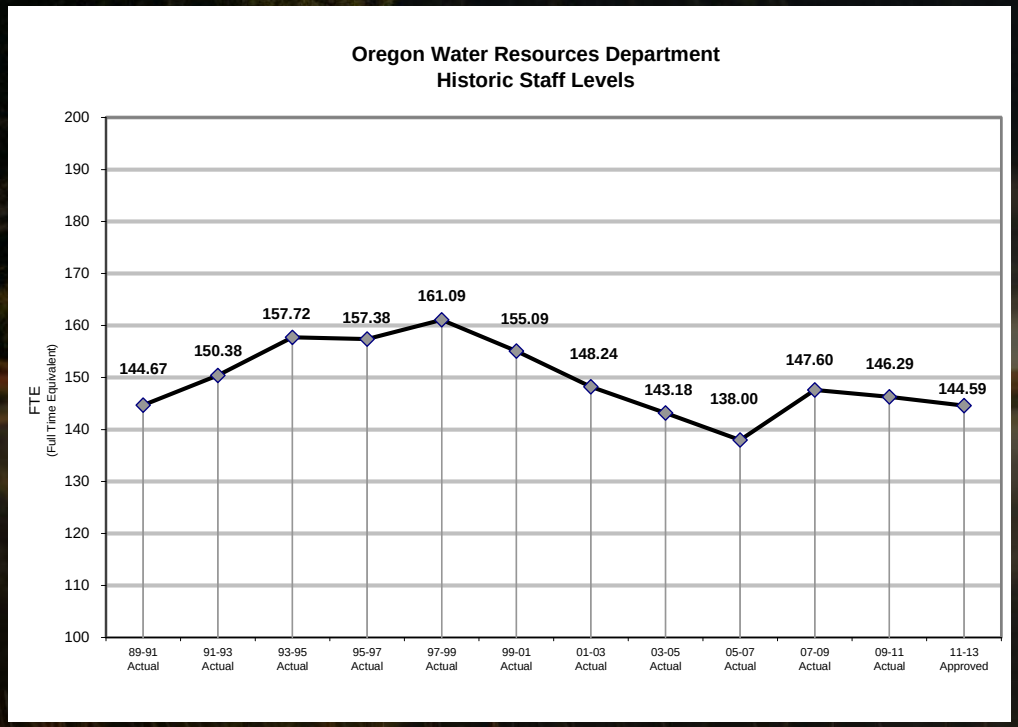
Wanted to develop a **more stable** revenue source for Water Resources Department

Began a process in 2010 to find ways to stabilize Water Resources Department Revenues

HOW DID SB 217 COME ABOUT?

- Water Resource Commission appointed a subcommittee
- Met with stakeholder organizations
- Developed an extensive list of funding options
- Evaluated options, based upon these principles:
    1) User pays
    2) Fees should be structured as equitably as possible
    3) Fees should be used for the purpose for which collected
    4) Collection of fees must be logistically possible

WATER RESOURCES DEPARTMENT GF BUDGET



Today, WRD operates at a smaller capacity than it did 20 years ago

WRD in the 1990's: 160 staff, & 40 county-funded staff

2012: 144 15

THE RESULT:

- Less Efficient Distribution of Water
- Slower Response in the Field
- Processing Backlog
- Less Ability to Develop Scientific Data for Decision Making

THE PROCESS

Water Resources Commission looked at: Models from Other States

Annual Flat Fees

ALASKA

Began in 1996, collected from more than 2,200 water users

$50 annually for all permit/ certificates holders

No fees: state agencies, instream rights, or domestic users

IOWA

$95 annually for all water user permits

No fee for water storage permits, and minor recurring water use permits

WISCONSIN

Began in 2010

$125 for any person with capacity to withdraw 100,000 gpd or more within any 30-day period, or 50 million gallons per year within Great Lakes Basin

THE PROCESS

Models from Other States

Annual Sliding Scale Fees

CALIFORNIA

Established 2003-04

$150, or 5 cents per acre-foot, whichever is greater

Calculated as permitted rate x length of season

Challenged in court, online 2011

MINNESOTA

$140 minimum, plus $3.50 for each million gallons, beyond 50 million gallons.

Dollar cap for those with multiple permits

OKLAHOMA

Annual maintenance fee based upon amount of water authorized

Payments range $10-50 per right.

THE WATER RESOURCES COMMISSION RECOMMENDATION

After Careful Review

Water Resource Commission directed staff to work with the Governor's Office and Legislature to pursue a water right management fee during 2013.

THE WATER RESOURCES COMMISSION RECOMMENDATION

Senate Bill 217 (Annual Fee)

- Annual fee charged to water right holders
  (permits, certificates, decreed rights)
- $100 per water right
- Cap of $1,000 for all but municipal water providers
- Workgroup met 2012-2013 to examine:
  - Most equitable and practical fee structure possible
  - Logistics
  - Service delivery

WHAT WOULD A FEE SUPPORT?

FIRST BIENNIUM – PROGRAM IMPLEMENTATION

1) Update water right records
2) Develop IT/Billing systems
3) Service delivery enhancement

SUBSEQUENT BIENNIA

1) Stable long-term source of revenue
2) Enhanced service delivery

- Data for decision making
- More timely field presence
- Increased emphasis on local solutions

AMENDMENTS THAT HAVE BEEN PREPARED

1) Include a $2,500 cap for Municipal Water Providers

2) Clarify that the fee would not apply to exempt use wells

3) Clarify what happens in event of non-payment

REVERSING THE DECLINE IN INVESTMENT

Conclusion

The Water Resources Commission concluded that an annual water right management fee is a reasonably equitable and practical way to stabilize funding and improve service.

Directed WRD to pursue SB 217

REVERSING THE DECLINE IN INVESTMENT

Conclusion

<u>If Enacted, SB 217 Could Provide</u>:

- **More watermasters in the field**
  - **to better protect senior rights and settle disputes**
- **Better information for decision making**
  - **Increased groundwater data**
  - **Increased surface-water data**

Thank you

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Images courtesy of: Ian Sane (Background); Damian Gadal (California Palm Trees); TimShoesUntied (Canoe at Sunset, Pikes Bay, Minnesota); MS Office (all others)