

Background

The Department's current fee schedule supports staff involved in the processing of water rights. It also supports staff and engineering contracts in the Dam Safety Section.

In 2009, the legislature restructured many of the Department's water right fees and since then the Department has brought forward modifications to the water right transactions fee schedule every four years, based on Department of Administrative Services projected inflationary cost increases and with a 50/50 split between fees and General Fund. The fee schedule was last modified in 2017.

Despite the water rights fee increase in 2017, in recent years the Department has kept seven positions, three funded by general fund and four funded by water right fees, unfilled as natural vacancies have occurred in an effort to administratively manage the budget. The shortfalls are in part due to the number of water right applications and other transactions being less than anticipated, leading to reduced revenues to support positions. Looking to the future, the Department of Administrative Services projects inflationary costs to increase by 17.39 percent for 2021-2025. As a result of these factors, package 070 in the Governor's Budget eliminates 8.83 FTE funded by water rights fees.

With the reductions in staff, it will take longer to process water right transactions as backlogs build, causing farmers, water providers, and others to wait longer to receive decisions on water supply proposals. This will also reduce the Department's ability to provide quality customer service and timely processing (Key Performance Measures #9, 10, 11, and 14), as well as to work towards modernization of its water right transactions programs.

What the bill does

This bill proposes a 2021-2025 fee schedule to support water right processing and dam safety by increasing fees by approximately 17.39 percent averaged over the four-year period. The legislation would be effective July 1, 2021 – the start of the fiscal year.

The fee increase for water rights is based on past practice of a 50/50 split between General Fund and fees, and recent practices to increase the fees by the cost inflation estimates provided by the Department of Administrative Services. However, the fee increase as proposed will only allow the Department to retain 2.5 FTE of the 8.83 FTE reduced in package 070 due to revenue shortfalls. These increased revenues and staff retained are included in package 104 of the Governor's Recommended Budget. The increase will also provide services and supplies to support the Dam Safety Program.

The Department is also proposing to add a fee for transfer applications that want to make a change for more than one well for parity with how fees are calculated for new water right applications. This proposal is consistent with Integrated Water Resources Strategy recommended action 13.B to fund water resources management activities at state agencies.

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