

**STATE WATER RESOURCES CONTROL BOARD MEETING
SACRAMENTO, CALIFORNIA**

December 15, 2003

ITEM 3

SUBJECT:

CONSIDERATION OF PROPOSED RESOLUTION ADOPTING EMERGENCY REGULATIONS REVISING AND ESTABLISHING STATE WATER RESOURCES CONTROL BOARD'S WATER RIGHT AND WATER QUALITY CERTIFICATION FEE SCHEDULES IN TITLE 23, DIVISION 3, OF THE CALIFORNIA CODE OF REGULATIONS

DISCUSSION:

In Fiscal Year 2003-04, the Budget Act requires the State Water Resources Control Board's (SWRCB's) Division of Water Rights program to be supported by fee revenues amounting to \$4.4 million, replacing a General Fund reduction of \$3.6 million. Legislation recently passed by the Legislature and signed by the Governor (Senate Bill 1049 (Stats. 2003, ch. 741)) amends the Water Code to require the SWRCB to adopt emergency regulations revising and establishing fees to be deposited in the Water Rights Fund in the State Treasury and to allow the SWRCB to revise fees for water quality certification. Under Senate Bill 1049, the emergency regulations may include provisions concerning the administration and collection of the fees. Historically, water right fees collected by the SWRCB have been deposited in the State's General Fund.

The SWRCB must set a fee schedule that will generate revenues in the amount the Budget Act sets for water right fee revenues. Accordingly, the SWRCB will collect fees for the 2003-2004 fiscal year, but the fees will support only half of the Division's program costs this fiscal year. The SWRCB will review and revise the fees each fiscal year as necessary to conform to the revenue levels set forth in the annual Budget Act.

The proposed regulations would set fees for water right and water quality certification programs to collect \$4.4 million in fee revenue to cover the cost of these programs, pursuant to the final Budget Act as signed by the Governor. In general, the SWRCB will increase filing fees for applications, petitions, registrations, and other filings and will adopt annual fees for permits, licenses, water leases, and projects subject to water quality certification. The water right and water quality certification fee regulations and schedules will be contained in division 3 of title 23 of the California Code of Regulations.

POLICY:

Should the SWRCB adopt emergency regulations, which would take effect on January 1, 2004, to implement the Budget Act and the amendments to the Water Code subject to Senate Bill 1049?

FISCAL IMPACT:

The Budget act for Fiscal Year 2003-2004 requires the SWRCB Water Right program to be supported by fee revenues amounting to \$4.4 million. The SWRCB must set a fee schedule that will generate the fee revenue authorized by the State Budget Act. If the SWRCB does not adopt these regulations, the SWRCB would not be able to fund its Water Right program.

RWQCB IMPACT:

None.

STAFF RECOMMENDATION:

Staff recommends that SWRCB adopt the resolution adopting emergency regulations and approving the revisions to division 3 of title 23 of the California Code of Regulations, as proposed by staff.

Legal Review EXLM

Policy Review VAW

Fiscal Review BO