

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF ADMINISTRATIVE SERVICES
MARCH 19, 2024**

ITEM 4

SUBJECT

CONSIDERATION OF A PROPOSED RESOLUTION ADOPTING AN EMERGENCY REGULATION AMENDING SUSTAINABLE GROUNDWATER MANAGEMENT ACT FEE SCHEDULES IN TITLE 23, DIVISION 3, CHAPTER 4.5, SECTION 1040 OF THE CALIFORNIA CODE OF REGULATIONS.

DISCUSSION

Water Code section 1529.5 requires the State Water Resources Control Board (State Water Board) to adopt, by emergency regulation, a schedule of fees to recover certain costs incurred in connection with the Sustainable Groundwater Management Act (SGMA) program. Water Code section 1551 requires these fees to be deposited in the Water Rights Fund (WRF). The current fee schedule was adopted on June 29, 2017.

To ensure groundwater resources are sustainably managed, SMGA gives the State Water Board the authority to protect groundwater resources through “state intervention” when local agencies are unable or unwilling to sustainably manage their groundwater basins. The State Water Board only collects extraction reports and fees when either: 1) there are areas of SGMA basins that are not managed by a groundwater sustainability agency, or 2) the State Water Board finds that a basin’s management is deficient and designates the basin as probationary at a hearing. There have not yet been any basins designated as probationary.

The current fee schedule has included an annual base fee and volumetric fee since the SGMA regulations were first adopted in 2017. The current volumetric component of the fee is \$40 per acre-foot extracted. Staff proposes reducing the volumetric component of the annual fee from \$40 per acre-foot extracted to \$20 per acre-foot. This adjustment balances revenue stability for the program with the uncertainty about whether the State Water Board will place any specific basin on probation, how long a basin might remain on probation, how much revenue would be collected from the basin(s), and other factors. No changes are being proposed for any other element of the SGMA extraction reporting fees.

POLICY ISSUE

Should the State Water Board approve a resolution to adopt an emergency regulation to change the current SGMA fee schedule as proposed by staff?

FISCAL IMPACT

Any impact to the Water Rights Fund is contingent on subsequent Water Board action to put one or more basins on probation. If the Water Board puts a basin on probation in FY 2024-25, fee revenue would be collected and deposited into the Water Rights fund in FY 2025-26.

REGIONAL BOARD IMPACT

None.

STAFF RECOMMENDATION

That the State Water Board approve the resolution to adopt an emergency regulation to change the current SGMA fee schedule as proposed by staff.