

Item 5 – Proposed Water Productions Fee Rates for 2021

Committee Members:

Pete Brien – Chair
Jayson Barfknecht
Stephen Cast - Absent

The Budget/Financial Committee met on October 5, 2020 to consider water production fee rates for FY 2021. After compiling a draft proposed budget, the committee makes the following recommendations for water production fees for FY 2021.

District enabling legislation capped the initial water production fees at the following rates:

- Agricultural Use - \$0.25/acre foot
- Steam Electric Use - \$0.25/acre foot
- Municipal/RPWS/Industrial - \$0.0425/1000 gallons

Rates for all categories of water users reached the capped rate beginning the 2008 water production year. Once fee rates have reached the cap, the District's enabling act provides that fees may be increased at a cumulative rate not to exceed three percent for each year.

Thirteen (13) years have passed since all categories reached the cap. This amounts to a possible 39% cumulative cap increase.

Maximum FY2021 fee (capped) rates are:

- a. Municipal/RPWS/Industrial/Commercial - \$0.059075/1000 gallons produced
- b. Agricultural - \$0.3475/acre foot produced
- c. Steam Electric - \$0.3475/acre foot produced
- d. Transport – Combination of applicable production fee + transport fee not to exceed \$0.17/1000 gallons produced

Recommendations from the committee:

1. Municipal/RPWS/Industrial proposed FY 2021 rate - \$0.04625/1000 gallons
(Remains at the current rate)
2. Agricultural proposed rate FY 2021 - \$0.1875/ac-ft
(Remains at the current rate)
3. Steam Electric proposed rate FY 2021 - \$0.2941/ac-ft
(Remains at the current rate)
4. Transport Fees proposed rate - Combination of applicable production fee + transport fee not to exceed \$0.17/1000 gallons produced