

Item 5 – Proposed Water Productions Fee Rates for FY2022

Committee Members:

Pete Brien – Chair
Stephen Cast
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The Budget/Financial Committee met on September 16, 2021 to consider water production fee rates for FY2022. After compiling a draft proposed budget, the committee makes the following recommendations for water production fees for FY2022.

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, our enabling act provides that fees may be increased at a cumulative rate not to exceed three percent for each year.

Fourteen (14) years have passed since all categories reached the cap. This amounts to a possible 42% cumulative cap increase.

Maximum FY2022 fee (capped) rates are:

- a. Municipal/RPWS/Industrial/Commercial - \$0.06035/1000 gallons produced
- b. Agricultural - \$0.355/acre foot produced
- c. Steam Electric - \$0.355/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 FY2022 rate - \$0.04625/1000 gallons
(Remains at the current rate)
2. Agricultural proposed rate proposed FY2022 - \$0.1875/ac-ft
(Remains at the current rate)
3. Steam Electric proposed rate proposed FY2022 - \$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