

Item 5 – Proposed Water Productions Fees for 2019

Committee Members:

Stephen Cast – Chair
Pete Brien
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The Budget/Financial Committee met on September 21, 2018 to consider water production fees for FY2019. After compiling a draft proposed budget, the committee makes the following recommendations for water production fees for 2019.

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.

Eleven (11) years have past since all categories reached the cap. This amount to a 33% cumulative cap increase.

Maximum 2019 fee rates are:

- a. Municipal/RPWS/Industrial - \$0.056525/1000 gallons
- b. Agricultural - \$0.3325/acre foot
- c. Steam Electric - \$0.3325/acre foot

Recommendations from the committee:

1. All discounted rates will be removed bringing all categories back to initially capped levels
2. Fee rates for all categories are to be increased at the same rate.
3. All fees be raised to 88.46% of the maximum cumulative rate.
4. Municipal/RPWS/Industrial proposed rate - **\$0.0500/1000 gallons**
5. Agricultural proposed rate - **\$0.2941/acre-foot**
6. Steam Electric proposed rate - **\$0.2941/acre-foot**
7. Transport Fees proposed rate - **\$0.1700/1000 gallons maximum**

Recommendations for considerations following Board discussion 10-11-18

1. All discounted rates will be removed bringing all categories back to initially capped levels
2. Fee rates for all categories are to be increased at the same rate.
3. All fees (except Agricultural) be raised to 88.46% of the maximum cumulative rate.
4. Agricultural fees be raised to the former capped rate.
5. Municipal/RPWS/Industrial proposed rate - \$0.0500/1000 gallons
6. Agricultural proposed rate - \$0.25/acre-foot
7. Steam Electric proposed rate - \$0.2941/acre-foot
8. Transport Fees proposed rate - \$0.1700/1000 gallons maximum

Fee rates would be effective January 1, 2019 with a first collection date of January 1, 2020.