Water Rights Fees Stakeholder Meeting

Thursday, June 11, 2025, at 1:00 pm – 3:00 pm

Webcast and Zoom Meeting Only

NO PHYSICAL MEETING LOCATION

Live Webcast Here

Water Rights Email

DIVISION OF ADMINISTRATIVE SERVICES – WATER RIGHTS AGENDA

1. Welcome and Introductions
2. WRF Budget Cost Drivers (Attachment 1)
    a. FY 25-26 Budget Proposal - Legal Resources to Respond to Federal Actions
3. WRF Fund Condition (Attachment 2)
4. Potential Fee Change Proposal
    a. Federal Energy Regulatory Commission (FERC)
5. Sustainable Groundwater Management Act (SGMA)
6. Open Discussion
7. Next Steps
    a. July 31, Stakeholder Meeting

Water Rights Fund Budget Cost Drivers FY 2025-26
($000)

Water Rights Fund (3058)	FY 2024-25 Fee-Setting Budget	FY 2025-26 Governor's May Revise Fee-Setting Budget[1]	Net Difference	Percent Change
Budget Allocation	$38,811	$37,707	($1,104)	**-2.8%**

FY 2025-26 Budget Cost Drivers	Increase Amount	Percent Change
State Operations[2]	($835)	-2.2%
Pro Rata	($473)	-1.2%
CDTFA	$4	0.0%
25-26 Legal Resources to Respond to Federal Actions	$200	0.5%
Section 4.05 Government Efficiencies Reduction	($110)	-0.3%
Totals	**($1,104)**	**-2.8%**

[1]The 25-26 May Revise included a $5,472 loan from USTCF to the WRF to support the implementation of the Sustainable Groundwater Management Act. This amount is not included in the May Revise Fee Setting Budget.

[2]Control Section Item 9800 Employee Compensation, 3.60 Retirement and Healthcare Cost.

Water Rights Fund
Fund Condition ($000)

	Actual FY 23-24	FY 24-25 (Forecast)	FY 25-26 No Fee Changes (Forecast)	FY 25-26 With Fee Changes (Forecast)
BEGINNING BALANCE	$5,889	$12,926	$10,821	$10,821
Prior year adjustments	$2,287	$0	$0	$0
Adjusted Beginning Balance	**$8,176**	**$12,926**	**$10,821**	**$10,821**
Revenue				
Regulatory Fees[1]	$31,211	$33,487	$33,487	$35,161
Cost Recovery[2]	$30	$1,000	$1,000	$1,000
Other Revenue[3]	$960	$1,316	$1,316	$,1316
Operating Transfers from Fund 0439 per EO E 23/24-85	$15,000	$0	$0	$0
Operating Transfers to Fund 0439 per EO E 23/24-183R	($15,000)	$0	$0	$0
Total Revenue	**$32,201**	**$35,803**	**$35,803**	**$37,477**
Expenditures				
Water Board State Operations	$24,198	$33,769	$34,032	$34,032
Cannabis Cultivation Regulation Cost Recovery Expenditures[2]	$0	$1,000	$1,000	$0 $1,000
Other State Operations[4]	$3,253	$3,193	$2,675	$2,675
Total Expenditures	**$27,451**	**$37,908**	**$37,707**	**$37,707**
Surplus/(Deficit)	$4,750	($2,105)	($1,904)	($230)
ENDING BALANCE	**$12,926**	**$10,821**	**$8,917**	**$10,591**
Fund Reserve	**47.1%**	**29.3%**	**24.3%**	**28.9%**
SGMA Revenue and Expenditures[5]				
Loan from the Underground Storage Tank Cleanup Fund (0439) to the Water Rights Fund (3058) per Item 3940-011-0439, Budget Act of 2025	$0	$0	$5,472	$5,472
Expenditures	$0	$0	$5,472	$5,472

[1] Forecasted revenue is based on estimated billing amounts for applications, annual fees for license/permit/pending.
[2] Ongoing cost recovery for the California Environmental Quality Act (CEQA) Consultation.
[3] Includes miscellaneous services to the public, Surplus Money Investment Fund (SMIF) & Enforcement, and F&P revenue.
[4] Includes expenditures to CDTFA, CalEPA, Supplemental Pension and Pro Rata.
[5] The SGMA revenues and expenditures are not part of the WRF fee setting process.