

Finance Working Group Members

Our next meeting is Tuesday, November 22 from 1-3 pm in the Metropolitan Water District Conference Room at 1121 L Street. Revised notes from the last meeting are attached.

We will have a presentation by the California Urban Water Agencies regarding their policy on water fees. These fees could be a source of the public funding required by BDCP. Please note that the Brown Administration does not have a policy on the concept of water fees.

We should first discuss whether the concept of a water fee benefitting BDCP in part or whole is worth considering as a possible element of BDCP funding. The wider implications of a water fee should also be considered.

Some questions which we can consider.

1. What classes of water rights would a Delta oriented fee apply to:
 - Pre-1914
 - appropriators (cap below which no fee would apply?)
 - out of basin diversions (SFPUC, EBMUD, other?)
 - riparians
 - CVP
 - SWP
 - Kings and Kern Rivers: rare tributaries of San Joaquin River
 - Delta island agricultural water diverters
 - Holders of water rights on tributaries which flow into the Bay Delta downstream of Chipps Island
 - CCWD, City of Stockton, other Delta diverters

 2. a) How should the fee be assessed
 - Net ET
 - gross diversions
 - net diversions
 - amount of water right
 - other?
 - b) How often should the fee be recalculated?
 - annual basis according to ET or diversions (requires reporting)
 - permanent fee based on long term average ET, diversions or water right, with recalculation every 10 years.
 - CPI inflator? Fixed fee?

 - c) Should storage be considered, since it changes the timing of flows into the Delta. This would imply applying the fee to reservoir owners, including PG&E and other storage water rights holders.
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3. Should the fee be statewide, regardless of the source of the water. How would it be applied? How would it be spent or allocated?
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4. Fee purposes. Depends on source of funds. If fee applies only in Central Valley:
 - Purchase of water, (with possible cap on purchase price, increasing with inflation)

for Delta water quality control and outflow
for instream flows upstream of Delta
Restoration of riparian, wetlands, and other habitat
Projects to improve the status of listed species
Should Trinity River watershed be eligible?
River parkway projects
Watershed restoration, especially in Sierra Nevada
IRWMP programs (return to source)

5. Should fees paid to CVPIA count as fees for purposes of this program?
6. How to insulate fees from legislative or DOF reappropriation?
7. Should the fee be used solely to finance the existing or altered water bond, to avoid the general fund impacts? Should the fee sunset after the bonds are amortized?

We will also consider a water fee matrix developed by Spreck Rosekrans of EDF, which is attached.