

Chairman Schwartz and members of this committee, my name is Greg Graff and I thank you for the opportunity for GMD 1 to provide testimony as a proponent on HB2491 while noting a few concerns.

There are two separate groups of violators being addressed by the penalty structure in HB 2491. The first consists of the people that never file a water use report, and the second are those that fail to file in a timely manner.

The group that never file their water use report are the reason we are a strong proponent of this bill. State agency staff report there are approximately 60 individuals that don't file each year and 8-10 of these are repeat offenders year after year. Nonetheless these need to be addressed aggressively. The current maximum fine of \$250 is obviously not enough to get this group to report their water use. They should have their water right suspended and should not be allowed to use their well until such information is reported. The penalties should happen quickly so they are not using their well in the year the information is not reported.

The second group, which consists of over 2,000 folks, are the ones that fail to report in a timely manner. Until this year, these folks were notified after March 1 that they had failed to report on time and were assessed a \$50 fine. If the report was not submitted by June 1 an additional \$200 fine was assessed for a total maximum fine of \$250. There are many reasons why users do not submit on time, some valid and some very silly, but unfortunately we are human and things don't always get done on time. I am sure this is frustrating to DWR staff but to this point they have shown patience, and assessing the \$50 fee has resulted in almost all of the reports being submitted. This year, based on the water use report card we just received, they are assessing their current maximum allowed penalty of \$250 rather than the \$50 fine that appears to be working. The past few months the state staff attended numerous meetings discussing possible increases in many different penalties including failure to file. However, there was never any indication they had already raised the penalty to \$250 for this year's reports until they mailed the water use reports and the \$50 fine had been increased to \$250. By current rule and reg \$200 will be refunded if the report is submitted by June 1, but this is not mentioned anywhere on the card.

There is a serious issue here as to the lack of communication related to how they are assessing the fines. Based on their regulation they are technically correct in the initial fine and the subsequent refund, but they should have given some indication to stakeholders that they were making a significant change on the water use report cards. We are fortunate that we have a great group of state folks working on management of our water resources. Overall the communication between staff, the local GMD's, and the individual water users is very good but a communication lapse like this puts water users on edge. We are at a point in time when we are on the verge of greatly improved management of our water resources. This change won't happen overnight but with the current staff on board there is the potential for significant positive change over the next few years. Trust, respect and open communications will be essential to accomplish these important goals.

Over the next few years both DWR and the GMD's will be writing new rules and regs to address new laws and changing water conditions. DWR is tasked with developing statewide rules and regs while the GMD's develop rules and regs that address issues specific to their local area. Locally developed GMD rules and regs do not have to be the same as the state's rules and regs but must follow state laws and must be approved by DWR. Currently every GMD has rules and regs that apply only to their specific areas and conditions. Locally controlled and managed GMD's have been, and will continue to be, the best chance we have for water management over a large area. None of this can happen without continued good interactions with the state agencies especially DWR.

GMD 1 strongly supports raising the maximum penalties to the levels presented in HB2491, especially granting DWR the ability to suspend the water right until the water use information is submitted.