

Chairman Powell and members of this committee, thank you for the opportunity for GMD 1 to provide testimony as a proponent on SB337 but with some serious concerns.

There are two separate groups of violators being addressed by this penalty structure. The first consists of the people that never file a water use report and the second is the group of folks that are failing to file their water use reports in a timely matter.

The first group of people that never file their water use report are the reason we are a strong proponent of this bill. State agency staff report there are less than ten water rights annually that fail to file but nonetheless these need to be addressed aggressively. Obviously the current maximum fine of \$250 is not enough to get these folks 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. Failure to file water use reports is a violation of one of the basic requirements placed upon them when the state granted them a water right. The penalties should happen quickly so that the water right owner is not using their well the year the information is not reported.

The second group of folks are the ones that fail to report in a timely manner. Until this year, these folks were notified after the March 1 filing date that they had failed to report on time and were assessed a \$50 fine. This \$50 fine resulted in almost everyone submitting their report. 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 until this year they have shown patience, and assessing the \$50 fine has resulted in the water use reports being submitted. This year, based on the water use report card we recently received they are assessing their current maximum allowed penalty of \$250 rather than the \$50 fine that appears to be working. I assume this is to ensure quicker filing but may be a significant hardship on those with a valid reason for missing the deadline. If state staff intends to sort these out and reduce the penalty when justified this will require a lot of staff time. Due to budget cuts the last few years DWR is already understaffed and it would seem they would not want to spend a lot of extra time adjusting penalties when the current process is resulting in all but 8-10 water users filing their use reports.

The increase of fines from \$50 to \$250 was presented by state staff at multiple meetings recently. When the increase was presented to GMD 1, we recommended keeping the first penalty at the effective and not excessive \$50 because it was effective in getting users to file. When the possible increase was presented at the KWA meeting in December, the authority was not asked to take an official position but several of the KWA board members recommended keeping the initial penalty at \$50. 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 new \$250 fine per file number was printed on the card.

GMD 1 is a supporter of DWR and has a very good working relationship with them. We strongly support raising the maximum allowable penalties to the levels presented in SB337. However, we are very disappointed in the increase in the initial \$50 fine and the effect it will have on the well meaning folks that do not report in a timely manner.