



Water Quality Fees Stakeholder Meeting

Monday, June 12, 2023 at 9:00 – 11:00 am

Webcast and Zoom Meeting Only

NO PHYSICAL MEETING LOCATION

Live Webcast: <https://video.calepa.ca.gov>

Fee Branch Email: FeeBranch@waterboards.ca.gov

AGENDA

1. Welcome and Introductions
2. Waste Discharge Permit Fund (WDPF) Fund Condition Statement (Attachment 1)
3. WDPF Budget Cost Drivers (Attachment 2)
 - a. Budget Change Proposals:
 - i. [Water Supply Strategy Implementation](#)
 - ii. [Division of Administrative Services Support](#)
4. WDPF Program Budget Detail (Attachment 3)
5. Potential Fee Changes
 - a. NPDES Stormwater Industrial – Tiered Fee Schedule
6. Open Discussion
7. Next Steps
 - a. August 3 – Next Stakeholder Meeting

**WDPF Fund Condition
(\$000)**

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23 (Forecast)	FY 23-24 No Fee Changes (Forecast)	FY 23-24 With Fee Changes (Forecast)
FEE PROGRAM								
Beginning Balance	\$13,702	\$3,320	\$5,129	(\$9,151)	(\$3,254)	\$6,019	\$9,332	\$9,332
Prior Year Adjustments ¹	\$33	(\$1,013)	(\$5,123)	\$2,040	\$2,687			
Adjusted Beginning Balance	\$13,735	\$2,307	\$5	(\$7,111)	(\$567)	\$6,019	\$9,332	\$9,332
Revenue								
Regulatory Fees	\$127,491	\$144,655	\$145,753	\$153,232	\$176,572	\$177,985	\$177,985	\$187,950
Other ²	\$686	\$1,509	\$1,253	\$284	\$330	\$221	\$221	\$221
Operating Transfers from Coronavirus Relief Fund				\$49	\$12			
Revenue Transfer from WDPF to General Fund AB 84 per GC Section 20825.1 (c).						(\$498)		
Total Fee Program Revenue	\$128,177	\$146,164	\$147,006	\$153,565	\$176,416	\$178,206	\$178,206	\$188,171
Expenditures								
Water Board State Operations	\$130,058	\$140,538	\$146,183	\$138,236	\$154,907	\$160,000	\$171,793	\$171,793
Local Assistance ³	\$2,800	\$2,173	\$2,041	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Other State Operations ⁴	\$5,734	\$631	\$7,939	\$9,672	\$13,123	\$13,092	\$14,460	\$14,460
Total Fee Program Expenditures	\$138,592	\$143,343	\$156,163	\$149,708	\$169,830	\$174,892	\$188,053	\$188,053
GAIN/ (LOSS)	(\$10,415)	\$2,821	(\$9,157)	\$3,857	\$6,586	\$3,314	(\$9,847)	\$118
Fee Program Ending Balance	\$3,320	\$5,129	(\$9,151)	(\$3,254)	\$6,019	\$9,332	(\$515)	\$9,450
FUND RESERVE	2.4%	3.6%	-5.9%	-2.2%	3.5%	5.3%	-0.3%	5.0%

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23 (Forecast)	FY 23-24 No Fee Changes (Forecast)	FY 23-24 With Fee Changes (Forecast)
FINES & PENALTIES								
Beginning Balance	\$941	\$4,143	\$4,165	\$3,858	\$3,546	\$3,458	\$3,346	\$3,346
Revenue								
Penalty Assessments	\$3,994	\$860	\$377	\$439	\$645	\$900	\$900	\$900
 Total F&P Revenue	\$3,994	\$860	\$377	\$439	\$645	\$900	\$900	\$900
Expenditures								
Water Recycling ⁵	\$271	\$476	\$282	\$219	\$194	\$472	\$474	\$474
Regional Water Planning ⁵	\$521	\$362	\$402	\$532	\$539	\$540	\$541	\$541
 Total F&P Expenditures	\$792	\$838	\$684	\$751	\$733	\$1,012	\$1,015	\$1,015
GAIN/ (LOSS)	\$3,202	\$22	(\$307)	(\$312)	(\$88)	(\$112)	(\$115)	(\$115)
Fines & Penalties Ending Balance	\$4,143	\$4,165	\$3,858	\$3,546	\$3,458	\$3,346	\$3,231	\$3,231
WDPF FUND BALANCE	\$7,463	\$9,294	(\$5,293)	\$292	\$9,477	\$12,678	\$2,716	\$12,681

¹ Most adjustments represent unspent contract dollars that revert to the Fund.

² Other revenue includes interest from the state's pooled money investment fund and escheat from unclaimed checks.

³ Local Assistance for Beach Monitoring

⁴ Other state operations includes appropriations for Cal/EPA, FISCAL, Pro Rata, and the State Controller's Office.

⁵ Legislative Augmentation. Funded by revenue received from fines and penalties.

**WDPF Budget Cost Drivers
FY 2023-24
(\$000)**

Waste Discharge Permit Fund	FY 2022-23 Fee Setting Budget	FY 2023-24 Governor's May Revise Fee Setting Budget	Net Difference	Percent Change
Budget Allocation	\$172,623	\$188,053	\$15,430	8.9%

FY 2023-24 Budget Cost Drivers	Increase Amount	Percent Change
State Operations ¹	\$8,484	4.9%
Pro Rata	\$1,367	0.8%
FY 2023-24 BCP – Water Supply Strategy Implementation ²	\$4,730	2.7%
FY 2023-24 BCP – Division of Administrative Support Services ³	\$849	0.5%
Totals	\$15,430	8.9%

¹ Control Section Item 9800 Employee Compensation, 3.60 Retirement, Healthcare Cost, and Cannabis Continuation BCP.

² Allocated to WDR and NPDES Wastewater. For FY 2024-25 there will be an allocation to the Stormwater program.

³ Allocated to all WDPF programs

**WDPF Program Budget Detail
FY 2023-24
(\$000)**

A	B	C	D (B-C)	E (C+D)	F	G (F-C)	H
WDPF Program	FY 23-24 Fee Setting Budget ¹	FY 23-24 Revenue Forecast	Forecasted Revenue Increase / (Decrease)	FY 23-24 Total Adjusted Revenue	Revenue Adjusted for 5% Fund Reserve ²	Forecasted Revenue Increase / (Decrease)	Average Program Percent Change
WDR	\$47,180	\$43,450	\$3,730	\$47,180	\$47,154	\$3,704	9%
Land Disposal	\$15,326	\$15,314	\$11	\$15,326	\$15,317	\$3	0%
WQC (401 Cert)	\$17,810	\$15,858	\$1,952	\$17,810	\$17,800	\$1,942	12%
NPDES Stormwater	\$41,880	\$42,765	(\$885)	\$41,880	\$41,857	(\$908)	-2%
NPDES Wastewater	\$46,005	\$42,114	\$3,891	\$46,005	\$45,980	\$3,866	9%
CAF	\$6,666	\$6,273	\$393	\$6,666	\$6,663	\$390	6%
Ag Lands (ILRP)	\$9,747	\$9,210	\$536	\$9,747	\$9,741	\$531	6%
Cannabis	\$3,440	\$3,000	\$440	\$3,440	\$3,438	\$438	15%
TOTAL:	\$188,053	\$177,985	\$10,068	\$188,053	\$187,950	\$9,965	

¹ Includes redirected expenditures for foundational programs like Basin Planning, TMDL, monitoring, enforcement, employee compensation, retirement, health care costs and pro rata.

² Adjusted to achieve the targeted 5% fund reserve. If necessary, percentage will be adjusted upon confirmation of final FY 2022-23 fund balance.