Water Quality Fees Stakeholder Meeting

DATE:	Friday, June 12, 2015
TIME:	10:00 am – 1:00 pm
LOCATION:	Cal/EPA Headquarters 1001 I Street, Sacramento, CA 95814 Sierra Hearing Room, 2nd Floor
WEBCAST LINK:	http://www.calepa.ca.gov/broadcast/
QUESTIONS:	Fee_Branch@waterboards.ca.gov – Questions received prior to and during the meeting will be addressed during the meeting unless otherwise requested.

AGENDA

Item	TIME	PRESENTERS	TOPIC
1.	10:00-10:10	State Water Board Staff	Welcome and Introductions
2.	10:10-10:40	Division of Administrative Services (DAS) Staff	Waste Discharge Permit Fund (WDPF) Condition and Budget Cost Drivers - Update on changes to WDPF Fund Condition and Budget Cost Drivers from February 2015 meeting reflected in the May Revision of the Governor's Proposed Budget
3.	10:40-11:10	- Roger Isom (Western Agricultural Processors Association) - Air Quality Management District Staff - DAS Fee Branch Staff	Fees Charged by Other Regulatory Agencies - Exploration of issues regarding fees charged by other agencies in relation to the fees charged by the Water Board

Item	TIME	PRESENTERS	TOPIC
4.	11:10-11:40	- Emily Rooney (Agricultural Council of CA) - J.P. Cativiela (Dairy Cares) - Roger Isom (Western Agricultural Processors Association) - Laura Brown (CA Citrus Mutual) - Paul Sousa (Western United Dairymen)	Exploration of stakeholder processes used by other agencies with respect to setting fees, including: a. What are their processes? b. How do they differ from the Water Board process? c. What specifically do the stakeholders like about those processes? d. Are there lessons learned that the Water Board can incorporate into its process to make improvements?
5.	11:40-12:10	State Water Board Staff	State Water Board's Redirected Programs a. Total Maximum Daily Loads (TMDL) b. Basin Planning c. Surface Water Ambient Monitoring Program (SWAMP) and Quality Assurance d. Groundwater Ambient Monitoring and Assessment (GAMA) e. Beach Monitoring f. Enforcement
6.	12:10-12:40	Open Discussion	Suggestions for Addressing Redirected Program Costs - Specific stakeholder suggestions for improving how redirected program costs are distributed across various fee programs or paid for by other funding sources.
7.	12:40-1:00	State Water Board Staff	Closing Discussion/Wrap Up

WDPF Fund Condition ($000)

									Forecast	
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
BEGINNING BALANCE	$19,131	$17,288	$9,795	$8,204	$6,604	$10,774	$6,403	$3,799	$8,531	$15,922
Prior Year Adjustments[1]	$1,247	$1,807	($56)	($3,010)	$2,097	($1,913)	($713)	$1,132		
Restricted Revenue[2]								($5,016)	($229)	($229)
Adjusted Beginning Balance	$20,378	$19,095	$9,739	$5,194	$8,701	$8,861	$5,690	($85)	$8,302	$15,693
Revenue										
Regulatory Fees	$62,435	$60,958	$77,340	$74,902	$74,864	$97,064	$99,037	$117,158	$122,243	$118,571
Penalty Assesments								$1,212	$229	$229
Other[3]	$2,622	$3,038	$2,027	$900	$630	$2,647	$393	$102	$75	$75
Total Revenue	$65,057	$63,996	$79,367	$75,802	$75,494	$99,711	$99,430	$118,472	$122,547	$118,875
Expenditures										
Water Board State Operations	$67,651	$72,977	$80,597	$74,079	$72,693	$101,546	$100,480	$107,433	$112,708	$118,028
Local Assistance[4]								$1,610	$1,800	$1,800
Other State Operations[5]	$496	$319	$305	$313	$728	$623	$841	$813	$419	$543
Marijuana (Cannabis)[6]									$1,800	
Water Recycling[6]							$262	$331	$406	$408
Regional Water Planning[6]									$501	$503
Drinking Water[6]										$498
CalEPA[7]									$1,500	
Total Expenditures	$68,147	$73,296	$80,902	$74,392	$73,421	$102,169	$101,583	$110,187	$119,134	$121,780
Non-Fee Expenditure Adj[8]							($262)	($331)	($4,207)	($1,409)
Total Fee Program Expenditures	$68,147	$73,296	$80,902	$74,392	$73,421	$102,169	$101,321	$109,856	$114,927	$120,371
Gain/(Loss)	($3,090)	($9,300)	($1,535)	$1,410	$2,073	($2,458)	($1,891)	$8,616	$7,620	($1,496)
ENDING BALANCE	**$17,288**	**$9,795**	**$8,204**	**$6,604**	**$10,774**	**$6,403**	**$3,799**	**$8,531**	**$15,922**	**$14,197**
Fund Reserve	25.4%	13.4%	10.1%	8.9%	14.7%	6.3%	3.7%	7.7%	13.4%	11.7%

Footnotes:

[1] Most adjustments represent unspent contract dollars that revert to the WDPF.

[2] Restricted Revenue is revenue received from fines and penalties that must be expended on cleanup and abatement activities, unless otherwise directed by the legislature.

[3] Other Revenue includes fines and penalties, interest from the state's Pooled Money Investment Fund, and escheat from unclaimed checks.

[4] Local Assistance for Beach Monitoring

[5] Other State Operations includes appropriations for Cal/EPA, FI$CAL, and the State Controller's Office.

[6] Legislative augmentation. Funded by revenue received from fines and penatlies.

[7] CalEPA expenditure for Environmental Justice grants. No impact to fee programs.

[8] Total budgeted expenditures that do not impact fees.

WDPF Budget Cost Drivers
FY 2015-16 ($000)

WDPF Program	FY 14-15 Base Budget[1]	Staff Cost Adjustments[2]	BCP & Program Adjustments	FY 15-16 Budget[3]	Revenue Forecast FY 15-16	Forecasted FY 15-16 Revenue Increase / (Decrease)	Total Revenue FY 15-16	Average Program Percent Change
WDR	$26,887	$2,015	$0	$28,903	$27,067	$1,836	$28,903	6.8%
LD - No Tipping Fee	$11,058	($26)	$0	$11,032	$11,287	($255)	$11,032	-2.3%
LD - Tipping Fee	$3,707	($38)	$0	$3,669	$3,638	$30	$3,669	0.8%
401 Cert	$7,106	($14)	$0	$7,091	$6,544	$547	$7,091	8.4%
NPDES	$29,626	$552	$0	$30,178	$29,015	$1,163	$30,178	4.0%
Storm Water	$29,559	$236	$381	$30,176	$31,206	($1,031)	$30,176	-3.3%
CAF	$4,490	($19)	$0	$4,471	$4,489	($18)	$4,471	-0.4%
ILRP	$4,312	($3)	$0	$4,308	$5,323	($1,015)	$4,308	-19.1%
TOTAL	**$116,745**	**$2,702**	**$381**	**$119,828**	**$118,571**	**$1,257**	**$119,828**	**1.1%**

Footnotes:

[1] Includes redirected expenditures for programs like Basin Planning, TMDL, monitoring and enforcement

[2] Includes employee compensation, retirement, health care costs and pro rata

[3] Base budget plus staff cost adjustments and program adjustments.

FY 15-16 Primary Expense Changes:	Change Amount:
Pro Rata/Health Care/Retirement	$2,532,000
BCP Storm Water Resource Planning	$381,000
Finance Letter - Facility Operations	$169,920
	$3,082,920

State Water Resources Control Board
Waste Discharge Permit Fund (WDPF) – Redirected Programs Fact Sheet

Program Name	FY 2014-15 Allocated Funding	Allocated PYs (Positions)	Program Description
Basin Planning & Total Maximum Daily Load (TMDL)	$18,979,481– Direct/Indirect $ 2,214,000 – Contracts $21,193,481 – Total Expenditure	95.6 PYs	**Basin Planning:** Basin Plans are the Water Boards' primary water quality control planning documents for protecting the State's waters. They are the basis for waste discharge requirements (permits) issued and cleanup requirements. They are also used by outside agencies for their permitting and resource activities. Regional Boards amend their Basin Plans as necessary during a triennial review process that involves public participation. **TMDL:** The primary tool to restore surface water quality, a TMDL: 1) specified the amount of a pollutant a water body can receive and still meet water quality standards, 2) specified the amount of the pollutant that each source may contribute, and 3) identifies actions to return the impaired water to compliance. A TMDL considers all sources and causes of impairment and allocates responsibility for taking corrective measures. Once adopted, a TMDL is incorporated into the Regional Board's Basin Plan and remediation begins.
WQ Monitoring: Surface Water Ambient Monitoring (SWAMP) Groundwater Ambient Monitoring (GAMA)	$ 4,869,963 – Direct/Indirect $ 6,853,490 – Contracts $11,723,453 – Total Expenditure	27.8 PYs	Monitoring and assessment of the State's surface and ground waters provides the data and information that is essential to determining their condition, establishing water quality standards, guiding the Regional Water Boards and their partners in taking actions that protect the waters, and evaluating the effectiveness of the Water Boards' pollution control efforts.
Enforcement	$4,539,814 – Direct/Indirect $ 153,650 – Contracts $4,693,464 – Total Expenditure	21.0 PYs	Enforcement is essential in ensuring violations are properly investigated, documented and enforced against in accordance with the Water Board's policies to promote compliance, deter future violations and protect water quality, water supply and water availability.
Beach Monitoring (Local Assistance)	$1,800,000 – Total Expenditure	N/A	The Beach Monitoring Program protects public health by regularly testing the water quality at public beaches and assists the State Water Board in complying with the Clean Water Act and several state requirements. The State Water Board determines monitoring protocols, site locations, and monitoring frequency. The program is supported by waste discharge permit fees which are then passed by the State Water Board to local health agencies to performing the beach monitoring activities.

State Water Resources Control Board
Water Quality Programs
Staff Positions (PYs)

Classification	# of Positions
Water Resource Control (WRC) Engineer	193
Environmental Scientist	145
Engineering Geologist	115
Scientific Aid	49
Senior WRC Engineer	40
Senior Engineering Geologist	29
Senior Environmental Scientist	26
Senior Environmental Scientist (Supv)	23
Supervising WRC Engineer	14
Sanitary Engineer Associate	13
Environmental Program Manager I	11
Supervising Engineering Geologist	11
Staff Services Analyst	3
Office Tech	2
Senior Engineering Geologist (Supv)	2
Associate Governmental Program Analyst	1
Sanitary Engineer Tech	1
Senior WRC Engineer (Supv)	1
Staff Chemist	1
Total:	680