



## Water Quality Fees Stakeholder Meeting

<b>DATE:</b>	Thursday, August 4, 2016
<b>TIME:</b>	9:00-11:30 am
<b>LOCATION:</b>	CalEPA Headquarters Sierra Hearing Room (2 <sup>nd</sup> Floor) 1001 I Street, Sacramento, CA 95814
<b>WEBCAST LINK:</b>	<a href="http://www.calepa.ca.gov/broadcast/">http://www.calepa.ca.gov/broadcast/</a>
<b>QUESTIONS:</b>	<a href="mailto:FeeBranch@waterboards.ca.gov">FeeBranch@waterboards.ca.gov</a> – Questions received prior to and during the meeting will be addressed during the meeting unless otherwise requested.

### **AGENDA**

1. Welcome and Introductions
2. Waste Discharge Permit Fund Condition (Attachment 1)
3. Waste Discharge Permit Fund Revenue and Expenditures for FY 2015-16 (Attachment 2)
4. Waste Discharge Permit Fund Budget Cost Drivers (Attachment 3)
5. Open Discussion

## WDPF Fund Condition (\$000)

										Forecast		Forecast
	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	FY 16-17	FY 16-17 With Fee Changes	
<b>BEGINNING BALANCE</b>	\$17,288	\$9,795	\$8,204	\$6,604	\$10,774	\$6,403	\$3,799	\$13,216	\$20,334	\$11,972	\$11,972	
Prior Year Adjustments <sup>1</sup>	\$1,807	(\$56)	(\$3,010)	\$2,097	(\$1,913)	(\$713)	\$1,132	\$907				
Restricted Revenue <sup>2</sup>									(\$4,635)	\$0	\$0	
<b>Adjusted Beginning Balance</b>	\$19,095	\$9,739	\$5,194	\$8,701	\$8,861	\$5,690	\$4,931	\$14,123	\$15,699	\$11,972	\$11,972	
<b>Revenue</b>												
Regulatory Fees	\$60,958	\$77,340	\$74,902	\$74,864	\$97,064	\$99,037	\$117,158	\$123,712	\$114,507	\$124,369	\$123,861	
Penalty Assessments							\$1,212	\$1,331	\$1,500	\$0	\$0	
Other <sup>3</sup>	\$3,038	\$2,027	\$900	\$630	\$2,647	\$393	\$102	\$246	\$246	\$246	\$246	
<b>Total Revenue</b>	\$63,996	\$79,367	\$75,802	\$75,494	\$99,711	\$99,430	\$118,472	\$125,289	\$116,253	\$124,615	\$124,107	
<b>Expenditures</b>												
Water Board State Operations	\$72,977	\$80,597	\$74,079	\$72,693	\$101,546	\$100,480	\$107,433	\$113,169	\$117,628	\$124,893	\$124,893	
Local Assistance <sup>4</sup>							\$1,610	\$1,700	\$1,800	\$1,800	\$1,800	
Other State Operations <sup>5</sup>	\$319	\$305	\$313	\$728	\$623	\$841	\$813	\$1,328	\$552	\$856	\$856	
Marijuana (Cannabis) <sup>6</sup>								\$1,637				
Water Recycling <sup>6</sup>						\$262	\$331	\$377	\$419	\$410	\$410	
Regional Water Planning <sup>6</sup>									\$503	\$558	\$558	
Drinking Water <sup>6</sup>								\$367				
Water Asst. Program <sup>6</sup>										\$129	\$129	
ACL Project Expenditure <sup>6</sup>								\$500				
Cal/EPA <sup>7</sup>									\$340			
<b>Total Expenditures</b>	\$73,296	\$80,902	\$74,392	\$73,421	\$102,169	\$101,583	\$110,187	\$119,078	\$121,242	\$128,646	\$128,646	
Non-Fee Expenditure Adj <sup>8</sup>						(\$262)	(\$331)	(\$2,881)	(\$1,262)	(\$1,097)	(\$1,097)	
<b>Total Fee Program Expenditures</b>	\$73,296	\$80,902	\$74,392	\$73,421	\$102,169	\$101,321	\$109,856	\$116,197	\$119,980	\$127,549	\$127,549	
<b>Gain/(Loss)</b>	(\$9,300)	(\$1,535)	\$1,410	\$2,073	(\$2,458)	(\$1,891)	\$8,285	\$6,211	(\$3,727)	(\$2,934)	(\$3,442)	
<b>ENDING BALANCE</b>	\$9,795	\$8,204	\$6,604	\$10,774	\$6,403	\$3,799	\$13,216	\$20,334	\$11,972	\$9,038	\$8,530	
<b>Fund Reserve</b>	13.4%	10.1%	8.9%	14.7%	6.3%	3.7%	12.0%	17.1%	9.9%	7.0%	6.6%	

**Footnotes:**

- <sup>1</sup> Most adjustments represent unspent contract dollars that revert to the Fund.
- <sup>2</sup> Restricted revenue is revenue received from fines and penalties that must be expended on cleanup and abatement
- <sup>3</sup> Other revenue includes fines and penalties, interest from the state's pooled money investment fund, and escheat from unclaimed checks.
- <sup>4</sup> Local Assistance for Beach Monitoring
- <sup>5</sup> Other state operations includes appropriations for Cal/EPA, FISCAL, and the State Controller's Office.
- <sup>6</sup> Legislative Augmentation. Funded by revenue received from fines and penalties.
- <sup>7</sup> Cal/EPA expenditure for Environmental Justice grants. No impact to fee programs.
- <sup>8</sup> Total budgeted expenditures that do not impact fees.

**WDPF Revenue and Expenditures  
FY 2015-16  
(\$000)**

FY 2015-16						
Program	Budgeted Expenditures <sup>1</sup>	Projected Expenditures <sup>1</sup>	Projected Revenue	Projected Over/(Under)	Budgeted Revenue	Difference
NPDES	\$29,353	\$29,623	\$29,072	(\$551)	\$29,353	(\$281)
Stormwater	\$29,864	\$28,623	\$29,054	\$431	\$25,456	\$3,598
WDR	\$29,689	\$30,840	\$28,124	(\$2,716)	\$29,457	(\$1,333)
Land Disposal	\$14,625	\$10,220	\$11,969	\$1,749	\$12,153	(\$184)
401 Cert	\$7,313	\$9,511	\$5,821	(\$3,690)	\$7,313	(\$1,492)
CAF	\$4,652	\$4,790	\$4,288	(\$502)	\$4,652	(\$364)
Ag Land	\$5,159	\$5,821	\$4,644	(\$1,177)	\$5,159	(\$515)
Cannabis	\$0	\$0	\$1,535	\$1,535	\$0	\$1,535
<b>Subtotal</b>	<b>\$120,656</b>	<b>\$119,428</b>	<b>\$114,507</b>	<b>(\$4,921)</b>	<b>\$113,544</b>	<b>\$963</b>
Other <sup>2</sup>		\$552	\$246	(\$306)		
<b>Total</b>		<b>\$119,980</b>	<b>\$114,753</b>	<b>(\$5,227)</b>		

**Footnotes:**

<sup>1</sup> Includes redirected expenditures for SWAMP/GAMA, Enforcement, Fee Unit and pro rata. Does not include any offsets against fund balance.

<sup>2</sup> Other Projected Revenue includes income from surplus money investments and escheat of unclaimed checks and Other Projected Expenditures includes various state operations charges for other agencies.

**WDPF Budget Cost Drivers  
FY 2016-17 (\$000)**

A	B	C	D	E	F	G	H	I	J	K	L
			(B+C)			(E+F)				(G+I+J)	
WDPF Program	FY 15-16 Fee Budget <sup>1</sup>	Staff Cost & Program Adjustments <sup>2</sup>	FY 16-17 Allocation Budget	FY 16-17 Revenue Forecast	Forecasted Revenue Increase / (Decrease)	FY 16-17 Total Revenue	Average Program Percent Change	Revenue Adjust for 5% Fund Reserve <sup>3</sup>	Adjusted Revenue Increase / (Decrease) <sup>4</sup>	FY 16-17 Adjusted Total Revenue <sup>5</sup>	Adjusted Average Program Percent Change <sup>6</sup>
NPDES	\$29,353	\$1,812	\$31,165	\$30,167	\$998	\$31,165	3.3%	(\$998)	\$0	\$30,168	0.0%
Storm Water	\$29,864	\$222	\$30,086	\$32,143	(\$2,057)	\$30,086	-6.4%		(\$2,057)	\$30,086	-6.4%
WDR	\$29,689	\$413	\$30,102	\$29,229	\$872	\$30,102	3.0%	(\$872)	\$0	\$29,230	0.0%
LD - No Tipping Fee	\$10,985	(\$494)	\$10,491	\$10,569	(\$78)	\$10,491	-0.7%	\$78	\$0	\$10,569	0.0%
LD - Tipping Fee	\$3,640	\$83	\$3,722	\$3,773	(\$50)	\$3,722	-1.3%	\$50	\$0	\$3,773	0.0%
401 Cert	\$7,313	\$2,958	\$10,272	\$7,757	\$2,515	\$10,272	32.4%	(\$967)	\$1,548	\$9,305	20.0%
Ag Land	\$5,159	\$719	\$5,878	\$5,704	\$174	\$5,878	3.1%	(\$174)	\$0	\$5,704	0.0%
CAF	\$4,652	(\$465)	\$4,187	\$4,238	(\$50)	\$4,187	-1.2%	\$50	\$0	\$4,238	0.0%
Cannabis		\$790	\$790	\$790		\$790				\$790	
<b>TOTAL</b>	<b>\$120,656</b>	<b>\$6,037</b>	<b>\$126,693</b>	<b>\$124,369</b>	<b>\$2,324</b>	<b>\$126,693</b>	<b>1.9%</b>	<b>(\$2,832)</b>	<b>(\$508)</b>	<b>\$123,861</b>	<b>-2.3%</b>

**Footnotes:**

- <sup>1</sup> Includes redirected expenditures for programs like Basin Planning, TMDL, monitoring and enforcement.
- <sup>2</sup> Includes employee compensation, retirement, health care costs and pro rata.
- <sup>3</sup> Adjustments to revenue levels while maintaining a prudent reserve.
- <sup>4</sup> Recommended revenue level adjustments.
- <sup>5</sup> Net revenue levels after adjustments.
- <sup>6</sup> Net percentage change impact after recommended adjustments.

Adjusted Revenue Reserve Percent:	6.6%
Adjusted Revenue Reserve Amount:	\$8,530