



## Drinking Water Fees Stakeholder Meeting

<b>DATE:</b>	Tuesday, March 26, 2019
<b>TIME:</b>	9:00-11:00 am
<b>LOCATION:</b>	CalEPA Headquarters Building Sierra Hearing Room, 2 <sup>nd</sup> Floor 1001 I Street Sacramento, CA 95814
<b>WEBCAST LINK:</b>	<a href="https://video.calepa.ca.gov/">https://video.calepa.ca.gov/</a>
<b>QUESTIONS:</b>	<a href="mailto:DAS-DrinkingWaterFees@waterboards.ca.gov">DAS-DrinkingWaterFees@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 (**David Ceccarelli**)
2. Drinking Water Program Budget and Drinking Water Fund Budget Cost Drivers (Attachment 1) (**John Weir**)
  - a. Budget Change Proposal for [Drinking Water System Sanitary Survey](#)
  - b. Budget Change Proposal for [Increased Drinking Water Laboratory Services](#)
3. \*Safe Drinking Water Fund Condition (Attachment 2) (**John Weir**)
4. Open Discussion

\*For discussion and projected changes to the Safe Drinking Water Fund, Water Board Staff has prepared several fee options for Fiscal Year 2019-20 and the impacts each of these fee options would have on the Safe Drinking Water Fund.

**State Water Resources Control Board  
Drinking Water Budget Budget Cost Drivers (\$000)**

	FY 19-20 Governor's Proposed Budget
0306- Safe Drinking Water Account	\$26,794
7500- Public Water Systems Safe Drinking Water State Revolving Fund	\$7,121
0890-Federal Trust Fund	\$7,230
<b>Totals</b>	<b>\$41,145</b>

	FY 18-19 Budget Act	FY 19-20 Governor's Proposed Budget	Net Difference
0306- Safe Drinking Water Account	\$25,290	\$26,794	\$1,504
7500- Public Water Systems Safe Drinking Water State Revolving Fund	\$7,651	\$7,121	(\$530)
0890-Federal Trust Fund	\$7,230	\$7,230	\$0
<b>Totals</b>	<b>\$40,171</b>	<b>\$41,145</b>	<b>\$974</b>

**FY 18-19 Budget Cost Drivers**

0306- Safe Drinking Water Account	FY 19-20 changes
FY 18-19 Control Section Adjustment <sup>1</sup>	\$327
CalEPA Sacramento Headquarters Space Optimization BCP <sup>2</sup>	(\$764)
19-20 BCP Drinking Water System Sanitary Survey	\$1,104
19-20 BCP Increased Drinking Water Laboratory Services	\$837
<b>Totals</b>	<b>\$1,504</b>

<sup>1</sup> Control Section Item 9800 Employee Compensation and 3.60 Employer Retirement Contributions.

<sup>2</sup> The appropriation is available for encumbrance until 6/30/22. For the purpose of the report the amount is a negative, but the balance will carryover to the next fiscal year.

**State Water Resources Control Board  
Safe Drinking Water Fund Condition (\$000)**

Fiscal Year					No Fee Increase	3% Increase	9% Increase
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 19-20	FY 19-20
<b>BEGINNING BALANCE</b>	\$6,803	\$6,869 <sup>5</sup>	\$7,621	\$6,209	\$4,238	\$4,238	\$4,238
Prior year adjustments	(\$23)	(\$117)	(\$764)	\$0	\$0	\$0	\$0
Adjusted Beginning Balance	<b>\$6,780</b>	<b>\$6,752</b>	<b>\$6,857</b>	<b>\$6,209</b>	<b>\$4,238</b>	<b>\$4,238</b>	<b>\$4,238</b>
Revenue							
Regulatory Fees <sup>1</sup>	\$16,106	\$25,800	\$24,959	\$24,885	\$24,885	\$25,632	\$27,125
Other Revenue <sup>2</sup>	\$7	\$23	\$89	\$0	\$0	\$0	\$0
Penalty Assessments - Citations	\$30	\$8	\$24	\$0	\$0	\$0	\$0
Delinquent Fees	\$3	\$0	\$70	\$0	\$0	\$0	\$0
Total Revenue	\$16,146	\$25,831	\$25,142	\$24,885	\$24,885	\$25,632	\$27,125
Expenditures							
Water Board State Operations <sup>3</sup>	\$16,029	\$24,543	\$24,751	\$25,615	\$26,794	\$26,794	\$26,794
Other State Operations <sup>4</sup>	\$38	\$419	\$1,039	\$1,241	\$1,601	\$1,601	\$1,601
Total Expenditures	\$16,067	\$24,962	\$25,790	\$26,856	\$28,395	\$28,395	\$28,395
Surplus(Deficit)	\$79	\$869	(\$648)	(\$1,971)	(\$3,510)	(\$2,763)	(\$1,270)
<b>ENDING BALANCE</b>	<b>\$6,859</b>	<b>\$7,621</b>	<b>\$6,209</b>	<b>\$4,238</b>	<b>\$728</b>	<b>\$1,475</b>	<b>\$2,968</b>
<b>Fund Reserve</b>	42.7%	30.5%	24.1%	15.8%	2.6%	5.2%	10.5%
						<b>\$747</b>	<b>\$2,240</b>
						= Revenue Increase for a 5% Reserve	= Revenue Increase for a 10% Reserve

**Footnotes:**

<sup>1</sup> For FY 18-19 and FY 19-20, forecasted revenue is based on the estimated billing amounts for annual water fees/late fees/enforcement fees and estimated revenue from citations.

<sup>2</sup> Other revenue includes investment income-surplus money investments.

<sup>3</sup> For FY 18-19 and FY 19-20, based off the budget authority in the Governor's Proposed Budget.

<sup>4</sup> For FY 18-19 Other State Operations projected expenditures include \$3 to FISCAL, \$243 for Supplemental Pension Payments and \$995 to Statewide General Administration Expenditures (Pro Rata). For FY 19-20, Other State Operations projected expenditures include a credit of \$4 to FISCAL, \$546 to Supplemental Pension Payments and \$1059 to Statewide General Administration Expenditures (Pro Rata).

<sup>5</sup> Per FY 18-19 proposed budget, the FY 16-17 actual beginning balance is \$10 greater than the ending balance listed in FY 15-16.