



# Water Quality Fees Stakeholder Meeting

Thursday, June 13, 2024 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](mailto: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. [Gualala River TMDL Stipulated Settlement Agreement](#)
    - ii. [Information Security and Privacy Office Staffing](#)
    - iii. [Resource Needs to Address Impacts on Project Permitting Resulting from Recent Supreme Court Decisions](#)
    - iv. [Pajaro River Flood Risk Management Project \(AB 876\)](#)
4. WDPF Program Budget Detail (Attachment 3)
5. Potential Fee Changes
  - a. Recycled Water Permits
6. Open Discussion
7. Next Steps
  - a. August 1 Stakeholder Meeting

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

	FY 22-23	FY 23-24 (Forecast)	FY 24-25 No Fee Changes (Forecast)	FY 24-25 With Fee Changes (Forecast)
<b>FEE PROGRAM</b>				
<b>Beginning Balance</b>	\$9,477	\$10,675	\$9,675	\$9,675
Prior Year Adjustments <sup>1</sup>	(\$1,539)	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$7,938</b>	<b>\$10,675</b>	<b>\$9,675</b>	<b>\$9,675</b>
<b>Revenue</b>				
Regulatory Fees	\$177,454	\$188,488	\$188,488	\$201,873
Other <sup>2</sup>	\$931	\$790	\$221	\$221
Operating Transfers from Coronavirus Relief Fund	\$0	\$0	\$0	\$0
Revenue Transfer from WDPF to General Fund AB 84 per GC Section 20825.1 (c).	\$155	\$0	\$0	\$0
<b>Total Fee Program Revenue</b>	<b>\$178,540</b>	<b>\$189,278</b>	<b>\$188,709</b>	<b>\$202,094</b>
<b>Expenditures</b>				
Water Board State Operations	\$160,986	\$174,000	\$185,992	\$185,992
Local Assistance <sup>3</sup>	\$1,800	\$1,800	\$1,800	\$1,800
Other State Operations <sup>4</sup>	\$13,017	\$14,478	\$14,081	\$14,081
<b>Total Fee Program Expenditures</b>	<b>\$175,803</b>	<b>\$190,278</b>	<b>\$201,873</b>	<b>\$201,873</b>
GAIN/ (LOSS)	\$2,737	(\$1,000)	(\$13,164)	\$221
<b>Fee Program Ending Balance</b>	<b>\$10,675</b>	<b>\$9,675</b>	<b>(\$3,490)</b>	<b>\$9,896</b>
General Fund Impact				
WDPF Expenditures				
General Fund Revenue				
Total Revenue				
<b>FUND RESERVE</b>	6.1%	5.1%	-1.7%	4.9%

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

	FY 22-23	FY 23-24 (Forecast)	FY 24-25 No Fee Changes (Forecast)	FY 24-25 With Fee Changes (Forecast)
<b>FINES &amp; PENALTIES</b>				
<b>Beginning Balance</b>	\$3,458	\$4,327	\$4,204	\$4,204
<b>Revenue</b>				
Penalty Assessments	\$1,146	\$900	\$900	\$900
<b>Total F&amp;P Revenue</b>	<b>\$1,146</b>	<b>\$900</b>	<b>\$900</b>	<b>\$900</b>
<b>Expenditures</b>				
Water Recycling <sup>5</sup>	\$165	\$481	\$481	\$481
Regional Water Planning <sup>5</sup>	\$112	\$542	\$541	\$541
<b>Total F&amp;P Expenditures</b>	<b>\$277</b>	<b>\$1,023</b>	<b>\$1,022</b>	<b>\$1,022</b>
<b>GAIN/ (LOSS)</b>	\$869	(\$123)	(\$122)	(\$122)
<b>Fines &amp; Penalties Ending Balance</b>	<b>\$4,327</b>	<b>\$4,204</b>	<b>\$4,082</b>	<b>\$4,082</b>
<b>WDPF FUND BALANCE</b>	<b>\$15,002</b>	<b>\$13,879</b>	<b>\$593</b>	<b>\$13,978</b>

<sup>1</sup> Most adjustments represent unspent contract dollars that revert to the Fund.

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

<sup>3</sup> Local Assistance for Beach Monitoring

<sup>4</sup> Other state operations includes appropriations for Cal/EPA, FISCAL, Pro Rata, and Supplemental Pension Payments.

<sup>5</sup> Legislative Augmentation. Funded by revenue received from fines and penalties.

**WDPF Budget Cost Drivers  
FY 2024-25  
(\$000)**

	<b>FY 2023-24 Fee-Setting Budget</b>	<b>FY 2024-25 Governor's May Revise Fee-Setting Budget</b>	<b>Net Difference</b>	<b>Percent Change</b>
<b>Waste Discharge Permit Fund</b>				
Governor's Proposed Budget	\$187,763	\$201,873	\$14,110	7.5%

<b>FY 2024-25 Budget Cost Drivers</b>	<b>Amounts</b>	<b>Percent Change</b>
State Operations <sup>1</sup>	\$6,986	3.7%
Pro Rata	(\$1,140)	-0.6%
24-25 Gualala River TMDL Stipulated Settlement Agreement <sup>2</sup>	\$1,706	0.9%
24-25 Information Security and Privacy Office Staffing <sup>2</sup>	\$215	0.1%
24-25 Resource Needs to Address Impacts on Project Permitting Resulting from Recent Supreme Court Decisions <sup>3</sup>	\$6,118	3.3%
24-25 Pajaro River Flood Risk Management Project (AB 876) <sup>4</sup>	\$225	0.1%
<b>Totals</b>	<b>\$14,110</b>	<b>7.5%</b>

<sup>1</sup> Control Section Item 9800 Employee Compensation, 3.60 Retirement and Healthcare Cost.

<sup>2</sup> Allocated to all WDPF programs.

<sup>3</sup> Allocated to the Water Quality Certification (401) program. In FY 25-26 there will be an allocation to the Stormwater program.

<sup>4</sup> Allocated to the Water Quality Certification (401) program.

**WDPF Program Budget Detail  
FY 2024-25  
(\$000)**

A	B	C	D (B-C)	E (C+D)	F
WDPF Program	FY 24-25 Fee Setting Budget <sup>1</sup>	FY 24-25 Revenue Forecast	Forecasted Revenue Increase / (Decrease)	FY 24-25 Total Adjusted Revenue	Average Program Percent Change
WDR	\$48,851	\$46,398	\$2,453	\$48,851	5.3%
Land Disposal	\$15,518	\$15,170	\$348	\$15,518	2.3%
WQC (401 Cert)	\$25,849	\$18,324	\$7,524	\$25,849	41.1%
NPDES Stormwater	\$43,826	\$42,566	\$1,260	\$43,826	3.0%
NPDES Wastewater	\$46,810	\$46,133	\$676	\$46,810	1.5%
CAF	\$6,801	\$6,447	\$354	\$6,801	5.5%
Ag Lands (ILRP)	\$10,004	\$9,463	\$540	\$10,004	5.7%
Cannabis	\$4,215	\$3,986	\$229	\$4,215	5.7%
<b>TOTAL:</b>	<b>\$201,873</b>	<b>\$188,488</b>	<b>\$13,385</b>	<b>\$201,873</b>	

<sup>1</sup> Includes redirected expenditures for foundational programs like Basin Planning, TMDL, monitoring, enforcement, employee compensation, retirement, healthcare costs and pro rata.

# Recycled Water Permits – Proposed Concept: Fee by Production Type and Distribution/Use

The costs of the 15 recycled water permitting positions would be distributed across all NPDES-Wastewater and WDR Fee Payers, consistent with the FY 2023-24 Fee Schedule.

Annual fees for issuing and maintaining recycled water permits would focus on incentivizing recycled water use.

<b>Recycled Water Production</b>	<b>Potable Fee</b>	<b>Non-Potable Fee</b>
Permits issued for recycled water production	\$TBD	\$TBD

<b>Recycled Water Distribution and/or Use</b>	<b>Fee</b>
Permits issued for recycled water distribution and/or use only	\$TBD