

Drinking Water & ELAP Fees Stakeholder Meeting



Tuesday, June 10, 2025 at 9:00 – 11:00am

Webcast and Zoom Meeting Only

NO PHYSICAL MEETING LOCATION

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

Drinking Water E-mail: DAS-DrinkingWaterFees@waterboards.ca.gov

AGENDA

1. Welcome and Introductions
2. DW Cost Drivers (Attachment 1)
 - a. [FY 25-26 Budget Proposal - Legal Resources to Respond to Federal Actions](#)
 - b. [FY 25-26 Budget Proposal - Monterey County Primacy Delegation Agreement](#)
 - c. [FY 25-26 Budget Proposal – Technical, Managerial, and Financial Standards \(SB 1188\)](#)
3. DW Fund Condition (Attachment 2)
4. Potential Drinking Water Fee Changes
 - a. Disadvantaged Communities (DAC)
5. ELAP Cost Drivers (Attachment 3)
6. ELAP Fund Condition (Attachment 4)
7. Open Discussion
8. Next Steps
 - a. August 1 – Drinking Water & ELAP Stakeholder Meeting

**Safe Drinking Water Account
Budget Cost Drivers
FY 2025-26 (\$000)**

Safe Drinking Water Account (0306)	FY 2024-25 Fee Setting Budget	FY 2025-26 Governor's May Revise Proposed Fee Setting Budget	Net Difference	Percent Change
Budget Allocation	\$47,979	\$49,179	\$1,200	2.5%

FY 2025-26 Budget Cost Drivers	Increase Amount	Percent Change
State Operations ¹	(\$107)	-0.2%
23-24 SB 3 Water Shut Off Protection Act	(\$250)	-0.5%
25-26 Legal Resources to Respond to Federal Actions	\$200	0.4%
25-26 Monterey County Primacy Delegation Agreement	\$2,720	5.7%
25-26 Technical, Managerial, and Financial Standards (SB 1188)	\$925	1.9%
Section 4.05 Government Efficiencies Reductions	(\$2,007)	-4.2%
Pro Rata	(\$281)	-0.6%
Totals	\$1,200	2.5%

¹ Control Section Item 9800 Employee Compensation, 3.60 Retirement and Healthcare cost.

Safe Drinking Water Account
Fund Condition
FY 2025-26 (\$000)

Fee Program	Actual FY 2023-24	FY 2024-25 (Forecast)	FY 2025-26 No Fee Changes (Forecast)	FY 2025-26 With Fee Changes (Forecast)
BEGINNING BALANCE	\$2,600	\$5,365	\$8,340	\$8,340
Prior year adjustments	\$265	\$0	\$0	\$0
Adjusted Beginning Balance	\$2,865	\$5,365	\$8,340	\$8,340
Revenue				
Regulatory Fees ¹	\$41,976	\$48,000	\$48,000	\$48,720
Other Revenue ²	\$639	\$729	\$729	\$729
Delinquent Fees	\$99	\$0	\$0	\$0
Penalty Assessments - Citations	\$32	\$0	\$0	\$0
Adjustments:				
Total Revenue	\$42,746	\$48,729	\$48,729	\$49,449
Expenditures				
Water Board State Operations	\$37,138	\$42,661	\$46,367	\$46,367
Other State Operations ³	\$3,108	\$3,093	\$2,812	\$2,812
Total Expenditures	\$40,246	\$45,754	\$49,179	\$49,179
Surplus (Deficit)	\$2,500	\$2,975	(\$450)	\$270
ENDING BALANCE	\$5,365	\$8,340	\$7,890	\$8,610
Fund Reserve	13.3%	18.2%	16.0%	17.5%

¹ Forecasted revenue is based on the estimated billing amounts for annual water fees/recycle water/enforcement fees.

² Other revenue includes investment income-surplus money investments.

³ Includes expenditures to Pro Rata and Supplemental Pension expenditures.

Environmental Laboratory Improvement Fund
Budget Cost Drivers
FY 2025-26 (\$000)

Environmental Laboratory Improvement Fund (0179)	FY 2024-25 Fee Setting Budget	FY 2025-26 Governor's May Revise Proposed Fee Setting Budget	Net Difference	Percent Change
Budget Allocation	\$4,677	\$4,597	(\$80)	-1.7%

FY 2025-26 Budget Cost Drivers	Increase Amount	Percent Change
State Operations ¹	(\$46)	-1.0%
Section 4.05 Government Efficiencies Reductions	(\$18)	-0.4%
Pro Rata	(\$16)	-0.3%
Totals	(\$80)	-1.7%

¹ Control Section Item 9800 Employee Compensation, 3.60 Retirement and Healthcare cost.

Environmental Laboratory Improvement Fund
Fund Condition
FY 2025-26 (\$000)

Fee Program	Actual FY 2023-24	FY 2024-25 (Forecast)	FY 2025-26 No Fee Changes (Forecast)
BEGINNING BALANCE	\$1,470	\$3,480	\$3,808
Prior year adjustments	\$452		
Adjusted Beginning Balance	\$1,922	\$3,480	\$3,808
Revenue			
Regulatory Fees ¹	\$4,477	\$4,647	\$4,647
Other Revenue ²	\$115	\$286	\$217
Total Revenue	\$4,592	\$4,933	\$4,864
Expenditures			
Water Board State Operations	\$2,737	\$4,387	\$4,395
Other State Operations ³	\$297	\$218	\$202
Total Expenditures	\$3,034	\$4,605	\$4,597
Surplus (Deficit)	\$1,558	\$328	\$267
ENDING BALANCE	\$3,480	\$3,808	\$4,075

¹ Forecasted revenue is based on the estimated annual and renewal billings and out-of-state lab payments.

² Other revenue includes investment income-surplus money investments and fines & penalties.

³ Includes expenditures to Pro Rata and Supplemental Pension expenditure.