

Drinking Water & ELAP Fees Stakeholder Meeting



Friday, August 1, 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. Safe Drinking Water Account Budget 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. Safe Drinking Water Account Budget Fund Condition (Attachment 2)
4. Potential Drinking Water Fee Changes
5. Environmental Laboratory Improvement Fund Budget Cost Drivers (Attachment 3)
6. Environmental Laboratory Improvement Fund Budget Fund Condition (Attachment 4)
7. Open Discussion
8. Next Steps:
 - a. September 16 – Board 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 Enacted Fee Setting Budget	Net Difference	Percent Change
Budget Allocation	\$47,979	\$51,186	\$3,207	6.7%

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 BCP	\$200	0.4%
25-26 Monterey County Primacy Delegation Agreement BCP	\$2,720	5.7%
25-26 Technical, Managerial, and Financial Standards (SB 1188)	\$925	1.9%
Pro Rata	(\$281)	-0.6%
Totals	\$3,207	6.7%

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	\$50,400
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	\$51,129
Expenditures				
Water Board State Operations	\$37,138	\$42,661	\$48,374	\$48,374
Other State Operations ³	\$3,108	\$3,093	\$2,812	\$2,812
Total Expenditures	\$40,246	\$45,754	\$51,186	\$51,186
Surplus (Deficit)	\$2,500	\$2,975	(\$2,457)	(\$57)
ENDING BALANCE	\$5,365	\$8,340	\$5,883	\$8,283
Fund Reserve	13.3%	18.2%	11.5%	16.2%

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 Enacted Fee Setting Budget	Net Difference	Percent Change
Budget Allocation	\$4,677	\$4,615	(\$62)	-1.3%

FY 2025-26 Budget Cost Drivers	Increase Amount	Percent Change
State Operations ¹	(\$46)	-1.0%
Pro Rata	(\$16)	-0.3%
Totals	(\$62)	-1.3%

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	\$0	\$0
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	\$4,413
Other State Operations ³	\$297	\$218	\$202
Total Expenditures	\$3,034	\$4,605	\$4,615
Surplus (Deficit)	\$1,558	\$328	\$249
ENDING BALANCE	\$3,480	\$3,808	\$4,057

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.