



Drinking Water Fees Stakeholder Meeting

DATE:	Wednesday, August 7, 2019
TIME:	9:00 am to 11:00 am
LOCATION:	CalEPA Headquarters Building Sierra Hearing Room, 2 nd Floor 1001 I Street Sacramento, CA 95814
WEBCAST LINK:	https://video.calepa.ca.gov/
QUESTIONS:	DAS-DrinkingWaterFees@waterboards.ca.gov – 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 Revised 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](#)
 - c. Budget Change Proposal for [Inyo County Primacy Delegation Revocation](#)
3. Safe Drinking Water Fund Condition (Attachment 2) (**John Weir**)
4. Impact of Proposed Fees on Various Public Water Systems (Attachment 3) (**John Weir**)
5. Open Discussion

**Attachment 1 – State Water Resources Control Board
Drinking Water Budget Cost Drivers (\$000)**

	FY 19-20 Budget Act
0306 - Safe Drinking Water Account	\$27,180
7500 - Public Water Systems Safe Drinking Water State Revolving Fund	\$7,121
0890 - Federal Trust Fund	\$7,230
Totals	\$41,531

	FY 18-19 Budget Act	FY 19-20 Budget Act	Net Difference
0306 - Safe Drinking Water Account	\$25,290	\$27,180	\$1,890
7500 - Public Water Systems Safe Drinking Water State Revolving Fund	\$7,651	\$7,121	(\$530)
0890 - Federal Trust Fund	\$7,230	\$7,230	\$0
Totals	\$40,171	\$41,531	\$1,360

FY 19-20 Budget Cost Drivers

0306 - Safe Drinking Water Account	FY 19-20 changes
FY 18-19 Control Section Adjustment ¹	\$327
CalEPA Sacramento Headquarters Space Optimization BCP ²	(\$764)
19-20 BCP Drinking Water System Sanitary Survey	\$1,104
19-20 BCP Increased Drinking Water Laboratory Services	\$837
19-20 BCP (May Revise) Inyo County Primacy Delegation Revocation	\$386
Totals	\$1,890

7500 - Public Water Systems Safe Drinking Water State Revolving Fund		
19-20 Baseline Budget Adjustment to reduce fund 7500's authority to better reflect its grant amount		(\$530)
Totals		(\$530)

Footnotes:

¹ Control Section Item 9800 Employee Compensation and 3.60 Employer Retirement Contributions.

² 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 carry over to the next fiscal year.

**Attachment 2 – State Water Resources Control Board
Safe Drinking Water Fund Condition (\$000)**

Fiscal Year					No Fee Increase	10% Fee Increase
	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 19-20
BEGINNING BALANCE	\$6,803	\$6,869 ¹	\$7,621	\$6,209	\$4,429	\$4,429
Prior year adjustments	(\$23)	(\$117)	(\$764)	\$0	\$0	\$0
Adjusted Beginning Balance	\$6,780	\$6,752	\$6,857	\$6,209	\$4,429	\$4,429
Revenue						
Regulatory Fees ²	\$16,106	\$25,800	\$24,959	\$24,885	\$24,885	\$27,374
Other Revenue ³	\$7	\$23	\$89	\$191	\$100	\$100
Penalty Assessments - Citations	\$30	\$8	\$24	\$0	\$0	\$0
Delinquent Fees	\$3	\$0	\$70	\$0	\$0	\$0
Total Revenue	\$16,146	\$25,831	\$25,142	\$25,076	\$24,985	\$27,474
Expenditures						
Water Board State Operations ⁴	\$16,029	\$24,543	\$24,751	\$25,615	\$27,180	\$27,180
Other State Operations ⁵	\$38	\$419	\$1,039	\$1,241	\$1,603	\$1,603
Total Expenditures	\$16,067	\$24,962	\$25,790	\$26,856	\$28,783	\$28,783
Surplus (Deficit)	\$79	\$869	(\$648)	(\$1,780)	(\$3,798)	(\$1,310)
ENDING BALANCE	\$6,859	\$7,621	\$6,209	\$4,429	\$631	\$3,120
Fund Reserve	42.7%	30.5%	24.1%	16.5%	2.2%	10.8%

Footnotes:

¹ 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.

² 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.

³ Other revenue includes investment income-surplus money investments.

⁴ For FY 18-19 and FY 19-20, based off the budget authority in the FY 19-20 Budget Act.

⁵ For FY 18-19 Other State Operations projected expenditures include \$3 to Fi\$CAL, \$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 \$2 to Fi\$CAL, \$546 to Supplemental Pension Payments and \$1059 to Statewide General Administration Expenditures (Pro Rata).

Attachment 3
Division of Drinking Water
Impact of Proposed Fees on Various Public Water Systems

Community Water System Fees

Rank	Water System Type	Service Connections	Current Fees	With 10% Increase	Net Increase
Minimum	Disadvantaged Community Water System	Less than or equal to 100	\$100	\$110	\$10
Minimum	Community Water System	Less than or equal to 41	\$250	\$275	\$25
Average	Community Water System	5,571	\$12,634	\$13,897	\$1,263
Fifth Largest	SFPUC City Distribution Division	170,509	\$249,937	\$274,931	\$24,994
Fourth Largest	San Jose Water	225,800	\$324,580	\$357,038	\$32,458
Third Largest	San Diego, City Of	280,418	\$398,314	\$438,146	\$39,831
Second Largest	East Bay Mud	387,846	\$543,342	\$597,676	\$54,334
Largest	Los Angeles-City, Dept. Of Water & Power	676,153	\$932,557	\$1,025,812	\$93,255

Other Water System Fees

Water System Type	Current Fee	With 10% Increase
Non-transient Noncommunity Water System	\$2.00 per person served, but not less than \$456.00	\$2.20 per person served, but not less than \$502.00
Transient Noncommunity Water System	\$800.00	\$880.00
Wholesaler	\$6,000.00 plus \$1.36 per each MG	\$6,600.00 plus \$1.50 per each MG