



Drinking Water Fees Stakeholder Meeting

DATE:	Monday, June 17, 2019
TIME:	9:00-11:00 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

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

	FY 19-20 May Revise Budget Totals
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 May Revise	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	FY 19-20 changes
19-20 Baseline Budget Adjustment to reduce fund 7500's authority to better reflect its grant amount	(\$530)
Totals	(\$530)

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 carryover to the next fiscal year.

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

Fiscal Year					No Fee Increase	10% 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 ⁵	\$7,621	\$6,209	\$4,238	\$4,238
Prior year adjustments	(\$23)	(\$117)	(\$764)	\$0	\$0	\$0
Adjusted Beginning Balance	\$6,780	\$6,752	\$6,857	\$6,209	\$4,238	\$4,238
Revenue						
Regulatory Fees ¹	\$16,106	\$25,800	\$24,959	\$24,885	\$24,885	\$27,374
Other Revenue ²	\$7	\$23	\$89	\$0	\$0	\$0
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	\$24,885	\$24,885	\$27,374
Expenditures						
Water Board State Operations ³	\$16,029	\$24,543	\$24,751	\$25,615	\$27,180	\$27,180
Other State Operations ⁴	\$38	\$419	\$1,039	\$1,241	\$1,601	\$1,601
Total Expenditures	\$16,067	\$24,962	\$25,790	\$26,856	\$28,781	\$28,781
Surplus(Deficit)	\$79	\$869	(\$648)	(\$1,971)	(\$3,896)	(\$1,408)
ENDING BALANCE	\$6,859	\$7,621	\$6,209	\$4,238	\$342	\$2,831
Fund Reserve	42.7%	30.5%	24.1%	15.8%	1.2%	9.83%
						\$2,489
						= Revenue Increase for a 10% Reserve

Footnotes:

¹ 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.

² Other revenue includes investment income-surplus money investments.

³ For FY 18-19 and FY 19-20, based off the budget authority in the Governor's May Revised Budget.

⁴ 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 \$4 to Fi\$CAL, \$546 to Supplemental Pension Payments and \$1059 to Statewide General Administration Expenditures (Pro Rata).

⁵ 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.

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

Rank	Type/Name	Service Connections	Current Fees	With 10% Increase	Net Increase
Minimum	Disadvantaged Community Water System	<100	\$100	\$110.00	\$10
Minimum	Community Water System	<41	\$250	\$275.00	\$25
Median	Community Water System	233	\$1,398	\$1,537.80	\$140
Average	Community Water System	5,017	\$19,982	\$21,980.20	\$1,998
Fifth Largest	SFPUC CITY DISTRIBUTION DIVISION	170,509	\$249,937	\$274,930.87	\$24,994
Fourth Largest	SAN JOSE WATER	225,800	\$324,580	\$357,038.00	\$32,458
Third Largest	SAN DIEGO, CITY OF	280,418	\$398,314	\$438,145.73	\$39,831
Second Largest	EAST BAY MUD	387,846	\$543,342	\$597,676.31	\$54,334
Largest	LOS ANGELES-CITY, DEPT. OF WATER & POWER	676,153	\$932,557	\$1,025,812.21	\$93,256