Meeting Date: Tuesday, July 26, 2022, 11:00 AM

Attendees: Advisory Committee Members:

Wastewater Operator Certification Program:
Steve Krai, Kody Tompkins, Louis Sun, Chris Lehman, Monte Hamamoto

Drinking Water Operator Certification Program:
John Brady, Michael Maestes, Chris Castaing, Jose Martinez, Dan DeMoss, Steve Garner, Greg Williams

State Water Resources Control Board (State Water Board)
Annette Caraway, Julie Osborn, Neal Funston, Christine Gordon, Alice Webber, Sarah Miller, Alessandra Langen, Bonnie Sutherland, Ruby Torres, Barry DelCarlo, Jaime Marotte, Cassaudra White, David Ceccarelli, Michael Rohner, Ruby Torres

Public
Sue Mosburg, Yan Zhang, Luis Garcia, Alec Mackie, Adam Ramos, Larry Lyford, Norah Duffy

Item 1 – Introductions
1) Annette Caraway, Operator Certification (OpCert) Program Manager acted as moderator for this meeting. Meeting was held via Video/Teleconference and in person at the CalEPA building. Moderator noted there will not be a quorum of the Wastewater Operator Certification Program (WWOCP) Advisory Committee at this meeting due to vacancies on the Committee. No action will be taken by the committee.

Item 2 – Agenda Review
2) There were no changes to the agenda order.

Item 3 – Public Comments
3) No public comments

Item 4 – Roles and Responsibilities of Advisory Committee members
4) Annette Caraway reiterated that members should understand their roles and the position that they have been nominated for on the committee. When providing feedback, it should be in the realm of the responsibility of the committee.
representing the good of the industry and not the nominating entity. Any questions? No.

Item 5 – Bagley Keene Open Meeting Act Requirements/Update

1) Christine Gordon spoke regarding requirements for posting public notices, meeting notices and agendas. On June 30, 2022, the Governor signed into law a bill that amended the Bagley-Keene Open Meeting Act to permit state bodies, including advisory committee meetings, to hold virtual meetings through June 30, 2023.

2) The State Water Board intends to hold hybrid meetings with at least a quorum present at a physical location that is noticed to the public. The State Water Board has the option to meet entirely remote.

3) The advisory committee meetings will be held using the hybrid meeting approach, both zoom and a physical location.

4) A link was placed in chat for access to an outline of the Bagley-Keene Open Meeting Act itself, as well an email has gone out to members.

5) Annette asked if there are any questions. No questions.

Item 6 – Wastewater and Drinking Water Operator Certification Programs

1) Issues and Recommendations – Next Steps

   a) The California Drinking Water and Wastewater Operator Certification Issues and Recommendations Whitepaper (Whitepaper) presented by California-Nevada Section American Water Works Association (CA-NV AWWA) and California Water Environment Association (CWEA) recommends sub workgroups are needed to address issues regarding

      i) Assembly Bill 1588-Military experience,
      ii) OIT requirements and experience,
      iii) guidelines for operator experience reporting,
      iv) One-Water regime

   Criteria for forming the sub workgroups was presented to the meeting attendees, which is outlined below:

      • Commitment
      • Between 7-9 individuals on each sub workgroup
      • Should include at a minimum:
        o One WW Advisory Committee member
        o One DW Advisory Committee member
        o One OpCert Staff
o One person from water associations (CA/NA AWWA and CWEA)
o Designate lead and co-lead
o Can only participate on one sub workgroup
  ▪ Select 1, 2, 3 choice of sub workgroup
o Adhere to the Open Meeting Act provisions (cannot exceed quorum)
o Meet frequently
o Monthly progress reports

• Advisory members should identify subject matter experts who are willing to participate in the sub workgroups.

• If interested, send an email to Alessandra Langen or Neal Funston no later than Friday, August 12.

• An email will be sent with the formed sub workgroups, that includes a member list with their contact information no later than August 19, 2022.

• The sub workgroups are expected to hold a kickoff meeting within 2-3 weeks of notification.

• The OpCert staff will notify the sub workgroup of available dates and time for the kickoff meeting.

• At the kickoff meeting, the sub workgroup should designate the lead and co-lead. In addition, the frequency of the meetings (weekly, bi-weekly, etc.)

• Because the sub workgroups are essential to the progress of the recommendations identified in the Whitepaper, it is expected that the sub workgroups will meet consistently and frequently.

• The OpCert staff will be providing a program update to the Board members at the November 15 meeting, an update of the sub workgroups progress is needed by September 30th.

b) Questions:

  i) John Brady – Will there be progress reports to the State Water Board and other sub workgroups or another joint meeting to voice opinions on the topic, if you are not in that subgroup? Christine said yes. There will be opportunity for that. Sub workgroups will not be making decisions but need to be small enough to focus on topic.
ii) Jose Martinez - Will there be more meetings? Joint or singular?

iii) Christine answered - Drinking Water Advisory Committee meeting is October, Wastewater is December, and we are to update the Board November 15. If additional meetings are necessary, they will be scheduled.

iv) Sue Mosburg - A big thank you to committee and staff for taking this to heart. The Whitepaper has initiated the dialog between interested parties, and we will get feedback from CWEA and CA/NV AWWA work groups to help provide information to the formed sub workgroups.

v) Christine Gordon – There will be progress reports presented to the Board and the sub workgroups. Drinking Water and Wastewater advisory committee information will be shared, and another joint advisory committee meeting will be scheduled, if needed. The OpCert staff will present an Operator Certification Program update to the Board every 6 months.

Item 7 – Emergency Regulations Process

1) Christine Gordon – Before we discuss the proposed fee changes for both drinking water and wastewater, I will provide an overview of the emergency regulations process for Operator Certification fees. We are required to review fees annually, and make recommendations, once finalized they will be posted publicly for 5 calendar days. Any comments are to be submitted to the office of Administrative Law.

2) Larry Lyford - Is the rule making process creating and adopting regs the same for certification experience?

3) Julie Osborn - No, drinking water and wastewater statutes have emergency regulations in place for fees only.

4) Annette Caraway – what is the simple difference between rulemaking and regulations?

5) Julie Osborn – Rulemaking is the process of how you make the regulations. Regulations are the law.

Item 8 – Fee Schedules for Wastewater and Drinking Water Operator Certification Programs

1) David Ceccarelli and Cassandra White with the State Water Board, Department of Administrative Services, Fee Review Branch presented a PowerPoint regarding fee Schedules for Wastewater and Drinking Water Operator Certification Program. They oversee and manage funds for Drinking Water, Wastewater, Water Quality, Water Rights and work with Department of Finance, SCO, internal budget, and finance. There is a drinking water operator certification special account. Fee adjustments are so the total cost covers expenditures. Costs are mostly covered by fees, there’s not
a lot in the general fund. BCP’s (Budget Change Proposals) are represented by a funding source. They meet in January with stakeholders, May-revised budget, and when the budget is enacted. David was brought in December 2021 to review operator certification fees. The guiding principles are sustainability, generates revenue to support program, and works with the budgetary authority. This emergency authority is not just for operator certification, it is for all programs. They presented three options for increasing fees over three fiscal years for both Drinking Water and Wastewater. David, Cassaundra, and the advisory Committee liked Option 1 the best for Drinking Water and Wastewater. There is no increase in fees for this fiscal year. They report back to Department of Finance on controlling deficit and fund balance percentage. The goal is 25-40% reduction.

2) Emergency Regulations Process – Fees
   a) We are required to review annually, make recommendations, finalize and post publicly 5 calendar days for comments. Submit comments to Office of Administrative Law.

3) Cassaundra White - Option1 is fixing structural deficit. Option 2 is drawing down the fund balance.
   a) Option 1- There will be no change the first year but a gradual raise in fees over 2-3 years. 35% 2nd year and 35% 3rd year. Reduce fund balance by 40% and deficit straightened out.
   b) Option 2- Fees will be raised with a glide down approach over 2-3 years. Each year raising fees on a sliding scale; 35%, 25%, and 15%. This is to correct the deficit and lower the fund balance. Moving slower and lower.
   c) Option 3 – An initial 70% fee increase, which will eliminate deficit but also increase fund balance. 2nd year 10% 3rd year 0%.

4) David Ceccarelli – The options presented are not set in stone. My recommendation for this coming fiscal year is that we do not change the fee structure. This will begin to bring the reserve down. There are enough resources in the fund to cover the costs of the program. We will not be taking any changes to the board in September.

5) Questions:
   a) John Brady- How did you come up with percentage of fund balance? From the spreadsheet David explained. John was concerned and gave the example of chlorine used to be $500.00, now we’re paying $2500.00 for the same. He Liked Option 1 due to fees not increasing this year.
   b) Dan DeMoss- As a non-profit he will have to explain the fund balance percentage to his board. Will there be a copy of the presentation?
i) David said yes and to reserve comparing money we’re sitting on to total expenditures.

c) Louis Sun- Can the presentation/proposals be shared with the group later?
   i) David said yes however please remember it is not set in stone.

d) Larry Lyford- Why the disparity within Drinking Water and Wastewater expenditures. Drinking Water $66 Wastewater $162 per license.
   i) David Ceccarelli – Can we have program staff to jump in on Wastewater side, there are different fee schedules and application amounts. On the Drinking Water side, based on different grades and applications they are all different.
   ii) Annette Caraway - Larry the disparity is simple. Wastewater has 6,000 operator fees that are much higher. Drinking Water has 36,000 so the cost can be disbursed within a wider range. There is always a disparity because of the number of operators that support the program.
   iii) Larry Lyford- sounds to me like we need to spend more on water and raise fees to hire more people.

e) Steve Krai- Regarding expenditures and Inflation. In the budget, are you considering staffing, pension, etc., is staffing sufficient? Or are you looking to add staff in the future?
   i) David Ceccarelli – we can go back to view the slides. When we do build in estimates, we build in about 5% (state operations cost). There is a small adjustment moving forward with Wastewater. When you look at state operations 22/23 there is a slight increase of $100k. Budget office ties down the numbers.
   ii) Christine Gordon - our approach is looking at work processes, before bringing on new staff. Looking at structure and streamlining the process.
   iii) David Ceccarelli –We must go through legislatures to approve new positions.
   iv) Christine Gordon- to get to that step to budget change proposal we must show the need. Not an easy process to receive approval.

f) Sue Mosburg- That is a significant shift in going to Budget Change Proposals. I understand waterboards staff for online staffing and technology. Are those technology changes, which seem like capital items, how do they fit in there?
   i) Christine Gordon- They are included in state operations. We can look at what in-services can be used; Internal IT staff and other state operations.

g) Sue Mosburg- should workgroups have reciprocity, could those cause an increase of operators?
   i) David Ceccarelli - there’s an opportunity to bring in more fee payers, we can then recalculate percentages. More members would ultimately be a lower increase. Anything like that would end up in normal regulation.
ii) John Brady- to follow up on Sue’s comment and Potential new revenue. Can we look at the application rate. How many are applying, will it go up/down? Has anyone thought about new or higher-level certifications- any assumptions? What about those that do not reapply or renew, has that been figured in?

iii) David Ceccarelli – Looking at the number of applications that have been received over the last few years, there is a little sway in numbers because of covid and we are looking into that. It will help us base fee revenue numbers.

iv) Annette Caraway- I don’t have exact numbers but the number of certified operators is within 33-36k in the last 8 years. There has been a consistent basis of operators and applicants. Applicants, not yet certified, trying to get their career started.

v) David Ceccarelli - Remained constant

vi) Larry Lyford- When I was on the advisory committee, we did have a statistic of the average age of the number of operators. For example, 60% of T5 are 50 years or older. Also, highest fee payers. They are the ones leaving, and they are paying the most. T1 and T2 operators are the lowest paying. Advanced treatment facilities, wastewater, or treatment, those are in addition. In San Diego 40 operators will be needed. Revenues will be going up but also there are retirees that will be exiting the industry.

vii) Annette Caraway- thank you for the comment. Most of grade 5 maintain certifications are maintained after they retire. We need to take averages and move forward with what we know.

viii) Larry Lyford- thank you for letting me comment.

h) David Ceccarelli David reiterated as requested he will send presentation with his and Cassaundra’s email addresses in case anyone has questions. They will work with program staff on 23/24 expenditures and will help facilitate a meeting if necessary. Lots of thanks all around.

i) Chris Lehman- thank you to David and Cassaundra. Last few years at the committee level it has been discussed. Nice to see the different options.

j) Annette Caraway- thank you David and Cassaundra. A lot of information has been provided.

6) Annette Caraway –sub workgroup information will be sent out to advisory committee and in attendance emails. Public can please put emails into the chat. Thank you

Meeting Concluded.