



**Fiscal Year 2015-16  
Confined Animal Facilities (CAF)  
Fees Stakeholder Meetings  
held in  
Humboldt, Petaluma, Tulare, and Merced**

**AGENDA**

1. Welcome and Introductions
2. Overview of FY 2015-16 Waste Discharge Permit Fund
  - Overview of Waste Discharge Permit Fund (Attachment 1)
  - FY 2015-16 Budget Cost Drivers (Attachment 2)
  - CAF Budgeted Expenditure Allocations for FY 2014-15 (Attachment 3)
3. CAF Fee Methodology and Alternatives (Attachment 4)
4. Attendee Presentations
5. Open Discussion

# Overview of Waste Discharge Permit Fund

## BACKGROUND

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Section 13260 of the Water Code requires:

- Any person who discharges waste *or* proposes to discharge waste to the State's waters to file a report of waste discharge with the appropriate Regional Board and to pay an annual fee set by the State Water Board.
- The fees paid are deposited into the Waste Discharge Permit Fund (WDPF), from which the water quality programs listed below are funded.
- The State Water Board to adopt and adjust annually the schedule of fees to match the revenue level specified in the State's annual budget.

## WASTE DISCHARGE PERMIT FUND (WDPF) BUDGET

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- Funds the water quality programs listed below.
- Total budget for FY 2014-15 is approximately \$120 million:
  - \$66 million for the Water Quality Fee-Paying Programs
  - \$54 million for the Redirected Programs

## WATER QUALITY PROGRAMS

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### Fee-Paying Programs

- Waste Discharge Requirements (WDR) – Non-Confined Animal Facility (CAF)
- Landfill
- NPDES
- Storm Water
- CAF
- Irrigated Lands Regulatory Program (Ag Waiver)
- 401 Certification

### Redirected Programs

- Basin Planning
- Total Maximum Daily Load (TMDL)
- Enforcement
- Monitoring Programs
  - Surface Water Ambient Monitoring Program (SWAMP) – Cost shared by Storm Water, NPDES and 401 Certification fee payers.
  - Groundwater Ambient Monitoring Program (GAMA) – Cost shared by WDR, Landfill and CAF fee payers.

**Waste Discharge Permit Fund (WDPF)  
Budget Cost Drivers  
Fiscal Year (FY) 2015-16**

WDPF Program	FY 14-15 Base Budget <sup>1</sup>	Staff Cost Adjustments <sup>2</sup>	Budget Change Proposal (BCP)	FY 15-16 Budget <sup>3</sup>	FY 15-16 Revenue Forecast	FY 15-16 Forecasted Revenue Increase / (Decrease)	FY 15-16 Total Revenue	Average Program Percent Change
Waste Discharge Requirement (WDR)	\$26,887	\$528	\$0	\$27,416	\$27,147	\$268	\$27,416	1.0%
Land Disposal - No Tipping Fee	\$11,058	\$217	\$0	\$11,275	\$11,288	(\$13)	\$11,275	-0.1%
Land Disposal - Tipping Fee	\$3,707	\$73	\$0	\$3,780	\$3,688	\$91	\$3,780	2.5%
401 Certification	\$7,106	\$131	\$0	\$7,236	\$7,169	\$67	\$7,236	0.9%
National Pollutant Discharge Elimination System (NPDES)	\$29,626	\$544	\$0	\$30,171	\$30,022	\$149	\$30,171	0.5%
Storm Water	\$29,559	\$857	\$381	\$30,797	\$31,998	(\$1,201)	\$30,797	-3.8%
Confined Animal Facility (CAF)	\$4,490	\$88	\$0	\$4,579	\$4,484	\$95	\$4,579	2.1%
Irrigated Lands Regulatory Program (Ag Waiver)	\$4,312	\$94	\$0	\$4,405	\$4,380	\$25	\$4,405	0.6%
<b>TOTAL</b>	<b>\$116,745</b>	<b>\$2,532</b>	<b>\$381</b>	<b>\$119,658</b>	<b>\$120,176</b>	<b>(\$518)</b>	<b>\$119,658</b>	<b>-0.4%</b>

**Footnotes:**

<sup>1</sup> Includes redirected expenditures for programs like Basin Planning, Total Maximum Daily Load, monitoring and enforcement.

<sup>2</sup> Includes employee compensation, retirement, health care costs and pro rata.

<sup>3</sup> Base budget plus staff cost adjustments and program adjustments.

**FY 15-16 Primary Expense Changes:**

Pro Rata/Health Care/Retirement

BCP: Storm Water Resource Planning

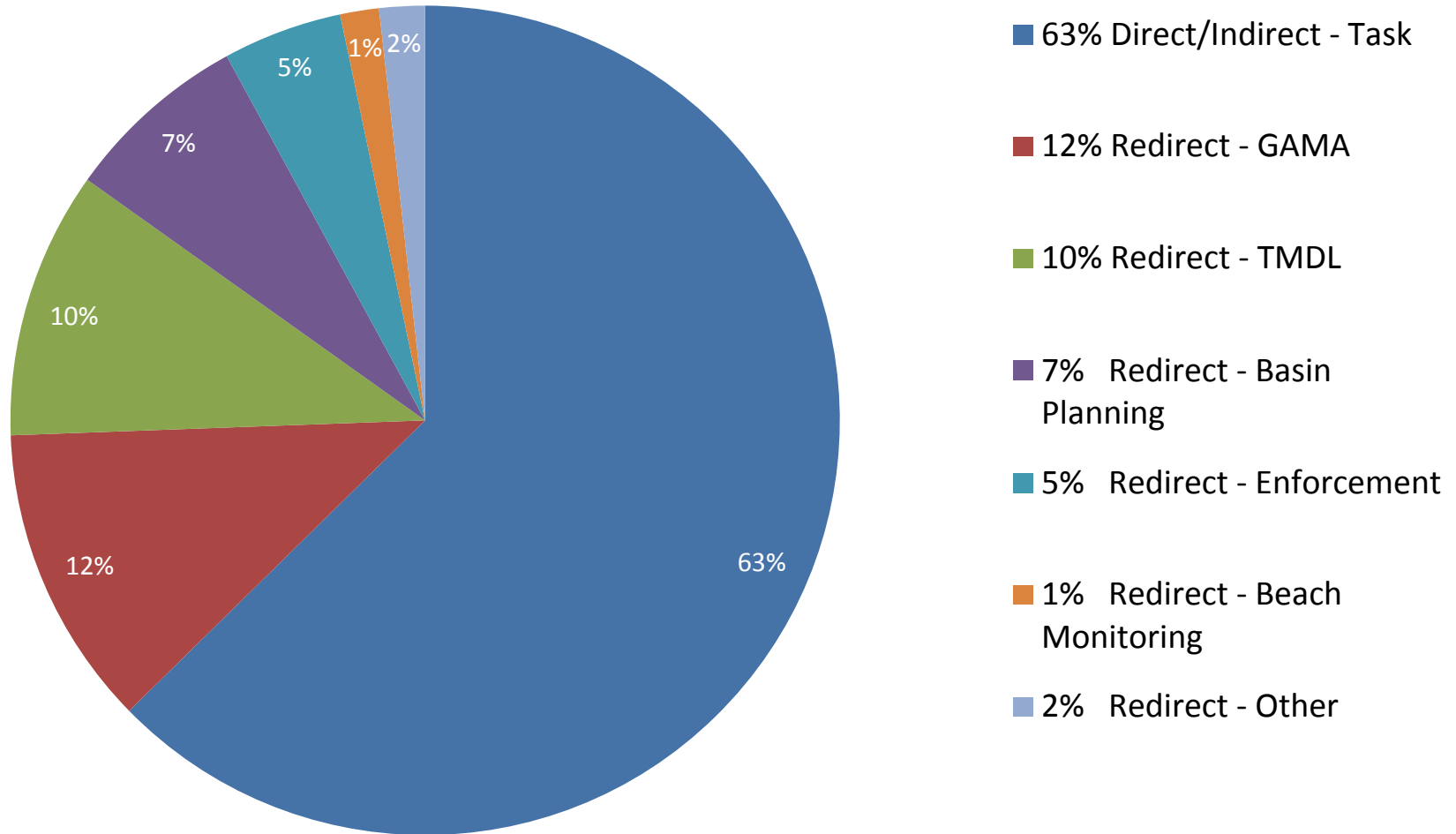
**Changes:**

\$2,532,000

\$381,000

\$2,913,000

### Confined Animal Facility Budgeted Expenditure Allocations for FY 2014-15



## Confined Animal Facilities (CAF) Fee Methodology and Alternatives

**Fiscal Year (FY) 2014-15 CAF Dairy facilities (Section 2200(C)):**

<b>Mature Dairy Cattle</b>		
<b>Number of Animals</b>	<b>Fee without QAP*</b>	<b>Fee with QAP* (50% discount)</b>
Less than 300	\$994	\$497
300 to 699	\$1,987	\$994
700 to 1,499	\$3,974	\$1,987
1,500 to 2,999	\$8,279	\$4,140
3,000 or more	\$13,248	\$6,624
<b>Goat Dairies</b>		
Less than 1,000	\$663	\$332
1,000 or more	\$1,324	\$662

\*Quality Assurance Program certification

### **Alternative Fee Methodologies:**

- a) Add additional tiers to the existing structure for number of animals
- b) Add other discounts besides QAP
- c) Develop a fee structure based on combined animal weight
- d) Add in a component for threat to the environment/water
- e) Develop a fee structure based on Threat to Water Quality (TTWQ)/Complexity (CPLX) similar to what is used with the Waste Discharge Requirement (WDR) and Land Disposal programs

### **Requirements for any fee methodology:**

1. Revenue neutral - Any change usually results in dischargers that will pay less and dischargers that will pay more than the existing structure
2. Fee structure must be applicable across all regions (statewide)
3. Needs to have a mechanism to capture and record basis for fee on an annual basis – examples from various programs:
  - a. Confined Animal Facilities currently based on animal count
  - b. Irrigated Lands and Storm Water Construction based on acres
  - c. Storm Water Municipal based on population
  - d. NPDES based on daily flow
  - e. WDR and Land Disposal based on TTWQ/CPLX

### **FY 2014-15 Waste Discharge Requirement Fee Schedule (Section 2200(a)):**

<b>Threat to Water Quality (TTWQ)</b>	<b>Complexity (CPLX)</b>	<b>Discharge to Land or Surface Waters</b>
1	A	\$109,095
1	B	\$68,901
1	C	\$37,178
2	A	\$24,833
2	B	\$14,929
2	C	\$11,195
3	A	\$8,823
3	B	\$4,699
3	C	\$2,088