



Water Quality Fees Stakeholder Meeting

Thursday, March 9, 2023 at 9:00 – 11:00 am

Webcast and Zoom Meeting Only

NO PHYSICAL MEETING LOCATION

Live Webcast: <https://video.calepa.ca.gov>

Fee Branch Email: FeeBranch@waterboards.ca.gov

AGENDA

1. Welcome and Introductions
2. Waste Discharge Permit Fund (WDPF) Fund Condition Statement (Attachment 1)
3. WDPF Budget Cost Drivers (Attachment 2)
 - a. [Budget Change Proposal for Water Supply Strategy Implementation](#)
4. WDPF Program Budget Detail (Attachment 3)
5. Potential Fee Changes
 - a. NPDES Stormwater Industrial – Tiered Fee Schedule
6. Open Discussion
7. Update on Agricultural Lands Working Group
8. Next Steps
 - a. June 12 – Next Stakeholder Meeting

**WDPF Fund Condition
(\$000)**

FEE PROGRAM	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23 (Forecast)	FY 23-24 No Fee Changes (Forecast)	FY 23-24 With Fee Changes (Forecast)
Beginning Balance	\$13,702	\$3,320	\$5,129	(\$9,151)	(\$3,254)	\$6,019	\$7,863	\$7,863
Prior Year Adjustments ¹	\$33	(\$1,013)	(\$5,123)	\$2,040	\$2,687			
Adjusted Beginning Balance	\$13,735	\$2,307	\$5	(\$7,111)	(\$567)	\$6,019	\$7,863	\$7,863
Revenue								
Regulatory Fees	\$127,491	\$144,655	\$145,753	\$153,232	\$176,572	\$180,524	\$180,524	\$189,600
Other ²	\$686	\$1,509	\$1,253	\$284	\$330	\$330	\$330	\$330
Operating Transfers from Coronavirus Relief Fund				\$49	\$12			
Transfer from WDPF to General Fund AB 84 per GC Section 20825.1(c).					(\$498)			
Total Fee Program Revenue	\$128,177	\$146,164	\$147,006	\$153,565	\$176,416	\$180,854	\$180,854	\$189,930
Expenditures								
Water Board State Operations	\$130,058	\$140,538	\$146,183	\$138,236	\$154,907	\$164,118	\$173,502	\$173,502
Local Assistance ³	\$2,800	\$2,173	\$2,041	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Other State Operations ⁴	\$5,734	\$631	\$7,939	\$9,672	\$13,123	\$13,092	\$13,092	\$13,092
Total Fee Program Expenditures	\$138,592	\$143,343	\$156,163	\$149,708	\$169,830	\$179,010	\$188,394	\$188,394
GAIN/ (LOSS)	(\$10,415)	\$2,821	(\$9,157)	\$3,857	\$6,586	\$1,844	(\$7,540)	\$1,536
Fee Program Ending Balance	\$3,320	\$5,129	(\$9,151)	(\$3,254)	\$6,019	\$7,863	\$323	\$9,399
FUND RESERVE	2.4%	3.6%	-5.9%	-2.2%	3.5%	4.4%	0.2%	5.0%

FINES & PENALTIES	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23 (Forecast)	FY 23-24 No Fee Changes (Forecast)	FY 23-24 With Fee Changes (Forecast)
Beginning Balance	\$941	\$4,143	\$4,165	\$3,858	\$3,546	\$3,458	\$3,346	\$3,346
Revenue								
Penalty Assessments ⁵	\$3,994	\$860	\$377	\$439	\$645	\$900	\$900	\$900
Total F&P Revenue	\$3,994	\$860	\$377	\$439	\$645	\$900	\$900	\$900
Expenditures								
Water Recycling ⁶	\$271	\$476	\$282	\$219	\$194	\$472	\$472	\$472
Regional Water Planning ⁶	\$521	\$362	\$402	\$532	\$539	\$540	\$539	\$539
Total F&P Expenditures	\$792	\$838	\$684	\$751	\$733	\$1,012	\$1,011	\$1,011
GAIN/ (LOSS)	\$3,202	\$22	(\$307)	(\$312)	(\$88)	(\$112)	(\$111)	(\$111)
Fines & Penalties Ending Balance	\$4,143	\$4,165	\$3,858	\$3,546	\$3,458	\$3,346	\$3,235	\$3,235
WDPF FUND BALANCE	\$7,463	\$9,294	(\$5,293)	\$292	\$9,477	\$11,209	\$3,559	\$12,634

¹ Most adjustments represent unspent contract dollars that revert to the Fund.

² Other revenue includes interest from the state’s pooled money investment fund and escheat from unclaimed checks.

³ Local Assistance for Beach Monitoring

⁴ Other state operations includes appropriations for Cal/EPA, FI\$CAL, Pro Rata, and the State Controller’s Office.

⁵ Restricted revenue is revenue received from fines and penalties that must be expended on cleanup and abatement activities.

⁶ Legislative Augmentation. Funded by revenue received from fines and penalties.

**WDPF Budget Cost Drivers
FY 2023-24
(\$000)**

Waste Discharge Permit Fund	FY 2022-23 Fee Setting Budget	FY 2023-24 Governor's January Proposed Fee Setting Budget	Net Difference	Percent Change
Budget Allocation	\$172,623	\$188,394	\$15,771	9.1%

FY 2023-24 Budget Cost Drivers	Increase Amount	Percent Change
State Operations ¹	\$9,674	5.6%
Pro Rata	\$1,367	0.8%
FY 2023-24 BCP – Water Supply Strategy Implementation ²	\$4,730	2.7%
Totals	\$15,771	9.1%

¹ Control Section Item 9800 Employee Compensation, 3.60 Retirement, Healthcare Cost, and Cannabis Continuation BCP.

² Allocated to WDR and NPDES Wastewater

**WDPF Program Budget Detail
FY 2023-24
(\$000)**

A	B	C	D (B-C)	E (C+D)	F	G (F-C)	H
WDPF Program	FY 23-24 Fee Setting Budget ¹	FY 23-24 Revenue Forecast	Forecasted Revenue Increase / (Decrease)	FY 23-24 Total Adjusted Revenue	Revenue Adjusted for 5% Fund Reserve ²	Forecasted Revenue Increase / (Decrease)	Average Program Percent Change
WDR	\$46,803	\$43,814	\$2,989	\$46,803	\$47,103	\$3,289	7.5%
Land Disposal	\$15,205	\$15,293	(\$88)	\$15,205	\$15,302	\$9	0.1%
WQC (401 Cert)	\$17,643	\$16,040	\$1,603	\$17,643	\$17,756	\$1,716	10.7%
NPDES Stormwater	\$41,530	\$43,332	(\$1,802)	\$41,530	\$41,795	(\$1,536)	-3.5%
NPDES Wastewater	\$45,623	\$42,188	\$3,435	\$45,623	\$45,915	\$3,727	8.8%
CAF	\$6,609	\$6,329	\$280	\$6,609	\$6,651	\$322	5.1%
Ag Lands (ILRP)	\$9,665	\$8,941	\$723	\$9,665	\$9,727	\$785	8.8%
Cannabis	\$5,317	\$4,588	\$729	\$5,317	\$5,351	\$763	16.6%
TOTAL:	\$188,394	\$180,524	\$7,870	\$188,394	\$189,600	\$9,076	

¹ Includes redirected expenditures for foundational programs like Basin Planning, TMDL, monitoring, enforcement, employee compensation, retirement, health care costs and pro rata.

² Adjusted to achieve the targeted 5% fund reserve. If necessary, percentage will be adjusted upon confirmation of final FY 2022-23 fund balance.