

# Drinking Water & ELAP Fees Stakeholder Meeting



Friday, August 2, 2024 at 9:00 – 11:00am

Webcast and Zoom Meeting Only

**NO PHYSICAL MEETING LOCATION**

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

Drinking Water E-mail: [DAS-DrinkingWaterFees@waterboards.ca.gov](mailto:DAS-DrinkingWaterFees@waterboards.ca.gov)

## AGENDA

1. Welcome and Introductions
2. Safe Drinking Water Account Fund Condition (Attachment 1)
3. Safe Drinking Water Account Budget Cost Drivers (Attachment 2)
  - a. [FY 24-25 Budget Proposal-Information Security and Privacy Office Staffing](#)
  - b. [FY 24-25 Budget Proposal-Enforcement Support for Permanent and Sustainable Drinking Water Solutions](#)
  - c. [FY 24-25 Budget Proposal-California Environmental Protection Agency Chaptered Legislation Proposals-Water Shut Off Protection Expansion \(SB3\)](#)
  - d. [FY 24-25 Budget Proposal-Enforcement Support for At-Risk Domestic Well Compliance \(AB 664\)](#)
  - e. [FY 24-25 Budget Proposal-Los Angeles County Primacy Delegation Agreement Termination](#)
4. Potential Drinking Water Fee Changes (Attachment 3)
  - a. Group Quarters
5. Environmental Laboratory Improvement Fund Budget Fund Condition (Attachment 4)
6. Environmental Laboratory Improvement Fund Budget Cost Drivers (Attachment 5)
7. Proposed ELAP Fee Change
  - a. FOA Tier Adjustment (Attachment 6)
8. Open Discussion
9. Next Steps
  - a. September 18 - Board Meeting

**Safe Drinking Water Account  
Fund Condition  
FY 2024-25 (\$000)**

Fee Program	FY 2022-23	FY 2023-24 (Forecast)	FY 2024-25 No Fee Changes (Forecast)	FY 2024-25 With Fee Changes (Forecast)
<b>BEGINNING BALANCE</b>	\$1,062	\$2,600	\$2,821	\$2,821
Prior year adjustments	\$18	\$0	\$0	\$0
<b>Adjusted Beginning Balance</b>	<b>\$1,080</b>	<b>\$2,600</b>	<b>\$2,821</b>	<b>\$2,821</b>
<b>Revenue</b>				
Regulatory Fees <sup>1</sup>	\$39,567	\$42,734	\$42,593	\$48,002
Other Revenue <sup>2</sup>	\$228	\$96	\$13	\$13
Delinquent Fees	\$13	\$0	\$0	\$0
Penalty Assessments - Citations	\$214	\$0	\$0	\$0
Adjustments:				
<b>Total Revenue</b>	<b>\$40,022</b>	<b>\$42,830</b>	<b>\$42,606</b>	<b>\$48,015</b>
<b>Expenditures</b>				
Water Board State Operations <sup>3</sup>	\$36,123	\$39,500	\$44,886	\$44,886
Other State Operations <sup>4</sup>	\$2,379	\$3,109	\$3,093	\$3,093
<b>Total Expenditures</b>	<b>\$38,502</b>	<b>\$42,609</b>	<b>\$47,979</b>	<b>\$47,979</b>
Surplus (Deficit)	\$1,520	\$221	(\$5,373)	\$36
<b>ENDING BALANCE</b>	<b>\$2,600</b>	<b>\$2,821</b>	<b>(\$2,552)</b>	<b>\$2,857</b>
<b>Fund Reserve</b>	<b>6.8%</b>	<b>6.6%</b>	<b>-5.3%</b>	<b>6.0%</b>

<sup>1</sup> Forecasted revenue is based on the estimated billing amounts for annual water fees/recycled water/enforcement fees.

<sup>2</sup> Other revenue includes investment income-surplus money investments.

<sup>3</sup> \$39,500 is the projected Water Board State Operation expenditures and the budgeted amount was \$40,625.

<sup>4</sup> Includes Pro Rata and Supplemental Pension expenditures.

**Safe Drinking Water Account  
Budget Cost Drivers  
FY 2024-25 (\$000)**

	<b>FY 2023-24 Fee Setting Budget</b>	<b>FY 2024-25 Governor's Enacted Fee Setting Budget</b>	<b>Net Difference</b>	<b>Percent Change</b>
<b>Safe Drinking Water Account (0306)</b>				
Budget Allocation	\$42,915	\$47,979	\$5,064	11.8%

<b>FY 2024-25 Budget Cost Drivers</b>	<b>Increase Amount</b>	<b>Percent Change</b>
State Operations <sup>1</sup>	\$1,713	4.0%
24-25 Enforcement Support for Permanent and Sustainable Drinking Water Solutions	\$250	0.6%
24-25 Information Security and Privacy Office Staffing BCP	\$46	0.1%
24-25 SB 3 Water Shut Off Protection Act	\$1,625	3.8%
24-25 Los Angeles County Primacy Delegation Agreement Termination	\$881	2.1%
24-25 AB 664 Enforcement Support for At-Risk Domestic Well Compliance	\$450	1.0%
Pro Rata	\$99	0.2%
<b>Totals</b>	<b>\$5,064</b>	<b>11.8%</b>

<sup>1</sup> Control Section Item 9800 Employee Compensation, 3.60 Retirement and Healthcare cost. Also include FY 24-25 costs from FY 23-24 Water Supply Strategy BCP.

**Proposed Drinking Water Fee Changes  
Group Quarters Fee Structure**

<b>Residential Population</b>	<b>Fee</b>
3,300 or fewer persons served	\$672 or \$3.40 per person served, whichever is greater
3,301 to 16,500 persons served	\$3.40 per each of first 3,300 persons served plus \$1.99 per each person served greater than 3,300
16,501 to 49,500 persons served	\$3.40 per each of first 3,300 persons served plus \$1.99 per each person served greater than 3,300 but less than 16,501 plus \$1.13 per each person served greater than 16,500
49,501 or more persons served	\$3.40 per each of first 3,300 persons served plus \$1.99 per each person served greater than 3,300 but less than 16,501 plus \$1.13 per each person served greater than 16,500 but less than 49,501 plus \$0.77 per each person served greater than 49,500

**Environmental Laboratory Improvement Fund  
Fund Condition  
FY 2024-25 (\$000)**

Environmental Laboratory Improvement Fund (0179)	FY 2022-23	FY 2023-24 (Forecast)	FY 2024-25 No Fee Changes (Forecast)	FY 2024-25 With Fee Changes (Forecast)
<b>BEGINNING BALANCE</b>	\$175	\$1,470	\$1,092	\$1,092
Prior Year Adjustments	\$284			
<b>Adjusted Beginning Balance</b>	<b>\$459</b>	<b>\$1,470</b>	<b>\$1,092</b>	<b>\$1,092</b>
<b>Revenue</b>				
Regulatory Fees <sup>1</sup>	\$3,641	\$4,000	\$4,000	\$4,677
Other Revenue <sup>2</sup>	\$292	\$68	\$3	\$3
<b>Total Revenue</b>	<b>\$3,933</b>	<b>\$4,068</b>	<b>\$4,003</b>	<b>\$4,680</b>
<b>Expenditures</b>				
Water Board State Operations	\$2,529	\$4,149	\$4,459	\$4,459
Other State Operations <sup>3</sup>	\$393	\$297	\$218	\$218
<b>Total Expenditures</b>	<b>\$2,922</b>	<b>\$4,446</b>	<b>\$4,677</b>	<b>\$4,677</b>
Surplus (Deficit)	\$1,011	(\$378)	(\$674)	\$3
<b>ENDING BALANCE</b>	<b>\$1,470</b>	<b>\$1,092</b>	<b>\$418</b>	<b>\$1,095</b>
<b>Fund Reserve</b>	26.8%	24.6%	8.9%	23.4%

<sup>1</sup> Forecasted revenue is based on the estimated annual and renewal billings and out-of-state lab payments.

<sup>2</sup> Other revenue includes investment income-surplus money investments and fines & penalties.

<sup>3</sup> Includes Pro Rata and Supplemental Pension expenditures.

**Environmental Laboratory Improvement Fund**  
**Budget Cost Drivers**  
**FY 2024-25 (\$000)**

<b>Environmental Laboratory Improvement Fund (0179)</b>	<b>FY 2023-24 Fee Setting Budget</b>	<b>FY 2024-25 Governor's Enacted Fee Setting Budget</b>	<b>Net Difference</b>	<b>Percent Change</b>
Budget Allocation	\$4,657	\$4,677	\$20	0.4%

<b>FY 2024-25 Budget Cost Drivers</b>	<b>Increase Amount</b>	<b>Percent Change</b>
State Operations <sup>1</sup>	\$73	1.6%
Pro Rata	(\$53)	-1.1%
<b>Totals</b>	<b>\$20</b>	<b>0.4%</b>

<sup>1</sup> Control Section Item 9800 Employee Compensation, 3.60 Retirement and Healthcare cost.

**Proposed ELAP Fee Changes  
FOA Tier Adjustment**

**Current FOA Tier Structure**

# of FOAs	Fee
1-10	\$585
11-49	\$1,495
50-99	\$4,485
100-149	\$7,475
150-249	\$10,465
250-349	\$13,455
350+	\$16,455

**Proposed FOA Tier Structure**

# of FOAs	Fee
1-10	\$585
11-49	\$1,495
50-99	\$4,485
100-149	\$7,475
150-249	\$10,465
250-349	\$13,455
350-499	\$16,455
500-999	\$19,500
1,000-1,999	\$24,500
2,000+	\$29,500