STATE WATER RESOURCES CONTROL BOARD

ANNUAL FEES – WATER QUALITY

REPORT TO THE LEGISLATURE

FISCAL YEAR 2023-24

JULY 2025

CALIFORNIA
Water Boards

STATE WATER RESOURCES CONTROL BOARD

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ANNUAL FEES REPORT

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I. EXECUTIVE SUMMARY

The State Water Resources Control Board (State Water Board) is providing this report on the expenditure of annual fees to comply with Water Code Section 13260.3, which states "On or before January 1 of each year, the state board shall report to the Governor and the Legislature on the expenditure of annual fees collected pursuant to Section 13260." This report presents these expenditures and discusses the following core water quality regulatory programs and activities:

- National Pollutant Discharge Elimination System Permit Program
- National Pollutant Discharge Elimination System Storm Water Program
- Waste Discharge Requirement Program
- Land Disposal Program
- Confined Animal Facilities Program
- Water Quality (401) Certification Program
- Agricultural Lands Regulatory Program
- Cannabis Cultivation
- Water Recycling

The mission of the State Water Board is to "preserve, enhance and restore the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations." This mission is accomplished, in part, through the regulation of facilities that discharge wastewater and storm water into surface waters and ground waters of the state.

Water Code Section 13260 requires each person who discharges waste or proposes to discharge waste that could affect the quality of the waters of the state to file a report of waste discharge with the appropriate Regional Water Quality Control Board (Regional Board) and to pay an annual fee set by the State Water Board, the funds from which are to be deposited in the Waste Discharge Permit Fund (WDPF). Water Code Section 13260 requires the State Water Board to adopt, by emergency regulations, an annual schedule of fees for persons discharging waste to the waters of the state. Water Code Section 13260 further requires the State Water Board to adjust the fees annually to conform to the revenue levels set forth in the Budget Act.

II. EXPENDITURE OF ANNUAL FEES COLLECTED PURSUANT TO WATER CODE SECTION 13260

As Table 1 indicates, the fee setting budget for the WDPF for Fiscal Year 2023-24 was approximately $188.0 million, including appropriations for the State Water Board, California Environmental Protection Agency and State Controller's Office, and the adjusted beginning balance was $8 million. Total revenue was $191.7

million, including $433,000 in fines and penalty revenue and $3.2 million in other revenue and total expenditures were $177.0 million.

Table 1. WDPF Financial Summary (in thousands)

Budget	**$188,053**
Beginning Fund Balance	$11,545
Prior Year Adjustments[1]	($3,531)
Adjusted Beginning Fund Balance	**$8,014**
Revenue	
Fee Revenue	$188,049
Fines and Penalty Revenue	$433
Other Revenue[2]	$3,208
Total Revenue	**$191,690**
Expenditures	
WDR	$41,961
Land Disposal	$11,870
Water Quality (401) Certification	$19,561
Storm Water	$40,454
NPDES	$40,783
Confined Animal Facilities	$6,371
Irrigated Lands	$9,711
Cannabis	$5,455
Subtotal[3]	$176,166
Other Expenditures[4]	$821
Total Expenditures	**$176,987**
Over/(Under)	**$14,703**
Ending Fund Balance[5]	**$22,717**

[1] Prior year adjustments to align to the Fund Condition Statement

[2] Income from surplus money investments and escheat of unclaimed checks.

[3] Includes Local Assistance expenditure allocated to all core regulatory programs

[4] Includes various state operations charges for other agencies.

[5] This total includes fines and penalty revenue from both the current and previous fiscal years and may only be expended with approval from the legislature.

III. DISCUSSION OF CORE REGULATORY PROGRAMS

A. NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT PROGRAM

Water pollution degrades surface waters, making them unsafe for drinking, fishing, swimming and other activities. NPDES permits are required for all point source pollution discharges of waste into California's surface waters to prevent pollution and loss or impairment of beneficial uses of the waters, prevent damage to or loss of aquatic species and habitat, and prevent human health problems and waterborne diseases. Point sources are discrete conveyances such as pipes or man-made ditches. Industrial, municipal, and other facilities must obtain a permit if their discharges go directly to surface waters. Individual homes that are connected to a municipal sewer system, use a septic system, or do not have a surface discharge do not need a NPDES permit.

The NPDES Permit Program is mandated by the Federal Clean Water Act and administered by the state. The Clean Water Act requires the United States Environmental Protection Agency (US EPA) to set effluent limits on discharges to surface waters to ensure protection of the receiving water. The Clean Water Act requires all persons who want to discharge pollutants to first obtain a NPDES permit. Pollutant discharges without a NPDES permit are illegal.

The Clean Water Act allows the US EPA to approve State programs to issue NPDES permits in lieu of the US EPA, enabling states to perform many of the permitting, administrative, and enforcement aspects of the program. The US EPA retains oversight responsibilities in states that have been authorized to implement Clean Water Act programs. Since its introduction in 1972, the NPDES Permit Program has significantly improved the nation's water quality.

B. NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) STORM WATER PROGRAM

Storm water discharges are runoff from land and impervious areas such as paved streets, parking lots and building rooftops during rainfall and snow melt-off. These discharges often contain pollutants in quantities that could adversely affect water quality. Discharges of pollutants to storm water conveyance systems are significant sources of pollution to surface waters. Federal law designates these discharges as nonpoint source discharges subject to a NPDES permit.

- **Construction Activities.** Storm water runoff from construction activities can have a significant impact on water quality. As storm water flows over a construction site, it picks up pollutants like sediment, debris, and chemicals. Polluted storm water runoff can

harm or kill fish and other wildlife. Sedimentation can destroy aquatic habitat and high volumes of runoff can cause stream bank erosion. The NPDES Storm Water Program requires operators of construction sites one acre or larger (including smaller sites that are part of a larger common plan of development) to obtain authorization to discharge storm water under a NPDES construction storm water permit.

- **Industrial Activities.** Runoff from activities that take place at industrial facilities, such as material handling and storage, often discharge industrial pollutants to nearby storm sewer systems and water bodies. This may adversely impact water quality. To limit pollutants in storm water discharges from industrial facilities, the NPDES Storm Water Program regulates these activities. Operators of industrial facilities included in one of the 11 categories of "storm water discharges associated with industrial activity" that discharge storm water to a municipal separate storm sewer system or directly to waters of the United States require authorization under a NPDES industrial storm water permit.

- **Municipal Activities.** Under the NPDES Storm Water Program, operators of large, medium and small regulated municipal separate storm sewer systems (MS4s) require authorization to discharge pollutants under a NPDES storm water permit. Medium and large MS4 operators are required to submit comprehensive permit applications and are issued individual permits while small MS4 operators are covered under a general permit.

C. WASTE DISCHARGE REQUIREMENT (WDR) PROGRAM

The Water Code requires the State Water Board to establish policies to protect the state's waters through the development of Water Quality Control Plans (Basin Plans) and the issuance of WDRs. The purpose of Basin Plans and WDRs is to ensure, to the greatest extent possible, that discharges to the state's waters do not adversely affect the quality and beneficial uses of such waters.

WDRs are issued under state authority to regulate discharges to land or surface waters of the state for specified types of discharges not covered by NPDES permits. The WDR Program regulates discharges that include percolation through disposal ponds, discharges through leach fields, and irrigation of landscapes and farmland. Regulatory requirements for wastewater discharges to land are contained in California Code of Regulations (CCR) Title 23. To comply with the effluent limitations in WDRs, wastewater usually must be treated before being discharged. These

discharges, unless waived under Water Code Section 13269, must meet WDRs. Discharges that are waived under Water Code Section 13269 also must meet water quality regulatory requirements and pay water quality fees.

D. LAND DISPOSAL PROGRAM

The Land Disposal Program regulates waste discharges to land for treatment, storage and disposal in waste management units. Waste management units include waste piles, surface impoundments, and landfills. Regulatory requirements for hazardous waste discharges are contained in CCR Title 23, Chapter 15. Regulatory requirements for non-hazardous waste discharges are contained in CCR Title 27.

E. CONFINED ANIMAL FACILITIES PROGRAM

Confined animal facilities (CAFs) are agricultural operations where animals are kept and raised in confined situations. CAFs generally congregate animals, feed, manure, dead animals, and production operations on a small land area. Feed is brought to the animals rather than the animals grazing or otherwise seeking feed in pastures. Animal waste and wastewater can enter water bodies from spills or breaks of waste storage structures (due to accidents or excessive rain), and non-agricultural application of manure to cropland. CAFs that meet the regulatory definition of a concentrated animal feeding operation have the potential of being regulated under either the NPDES or WDR permitting programs.

F. WATER QUALITY (401) CERTIFICATION PROGRAM

Section 404 of the Clean Water Act establishes a program to regulate discharges of dredge and fill material into waters of the United States, including wetlands. Activities in waters of the United States that are regulated under this program include fills for development, water resource projects (such as dams and levees), infrastructure development (such as highways and airports), and conversion of wetlands to lands that support farming and forestry activities.

A permit review process controls regulated activities. An individual permit is usually required for potentially significant impacts; however, for most discharges that will have only minimal adverse impacts as the Army Corps of Engineers often grants up-front general permits. These may be issued on a national, regional, or statewide basis for particular categories of activities (for example, minor road crossings, utility line backfill, and bedding) as a means to expedite the permitting process.

Under Section 401 of the Clean Water Act, states and tribes can approve, condition, or deny all federal permits or licenses that might result in a discharge to state or tribal waters, including wetlands. The major federal licenses and permits subject to Section 401 are Section 402 and 404 permits

(in non-delegated states), Federal Energy Regulatory Commission hydropower licenses, and Rivers and Harbors Act Section 9 and 10 permits. States and tribes may choose to waive their Section 401 certification authority. States and tribes make their decisions to approve, condition, or deny permits or licenses primarily on the basis of whether the activity will comply with state water quality standards. In addition, states and tribes look at whether the activity will violate effluent limitations, new source performance standards, toxic pollutants, and other water resource requirements of state/tribal law or regulation.

G. AGRICULTURAL LANDS REGULATORY PROGRAM

The Agricultural Lands Regulatory Program (formerly referred to as the Irrigated Lands Regulatory Program) regulates discharges from irrigated agricultural lands, which includes irrigation return flow, flows from tile drains, and storm water runoff. These discharges can affect water quality by transporting pollutants including pesticides, sediment, nutrients, salts, pathogens, and heavy metals from cultivated fields into surface waters.

Many surface water bodies are impaired due to pollutants originating from agricultural sources. According to the 2024 303(d) list, about 6,133 miles of rivers and streams (approximately 3.34 percent) and 1,136,522 acres of lakes and reservoirs (approximately 19 percent) have been identified as impaired by pesticides. For nutrients, about 21,288 miles of rivers and streams (approximately 12 percent) and 512,060 acres of lakes and reservoirs (approximately 9 percent) have been identified as impaired. Groundwater bodies have also faced contamination from pesticides, nitrates, and salts.

To control and assess the effects of discharges from irrigated agricultural lands, the Regional Water Quality Control Boards have adopted WDRs or comprehensive conditional waivers.

H. CANNABIS CULTIVATION

On October 17, 2017, the State Water Board adopted the Cannabis Cultivation Policy - Principles and Guidelines for Cannabis Cultivation (*Cannabis Policy*) and General Waste Discharge Requirements and Waiver of Waste Discharge Requirements for Discharges of Waste Associated with Cannabis Cultivation Activities (*Cannabis General Order). The State Water Board is establishing this new regulatory program to address potential water quality and quantity issues related to cannabis cultivation and to meet the directives of Senate Bill (SB) 837 (Statutes 2016, Chapter 32, Committee on Budget and Fiscal Review) and the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA; Senate Bill 94 [Statutes 2017, Chapter 27, Committee on Budget and Fiscal Review]).*The program is designed to meet the requirements of the Basin Plans, the California Water Code, and the Clean Water Act. The State and regional water boards are the

principal agencies with primary responsibility for the coordination and control of water quality. Nonpoint source (NPS) pollution, also known as polluted runoff, is the leading cause of water quality impairments. Many streams in California are impacted by erosion and sediment delivery, changes to riparian systems that may reduce shade and affect water temperatures, over allocation of water sources, and chemical/pollutant discharges from areas under cultivation or material/waste storage areas.

I. WATER RECYCLING

The Water Boards recognize the importance of recycled water as a critical water supply for California. Recycled water is a key resource for diversifying local supplies and improving the State's long-term water resilience. The Water Boards regulate the production and use of recycled water in a manner that protects public health and the environment.

Recycled water is primarily municipal sewage that has been treated in a wastewater facility and complies with recycled water regulations for a specific beneficial use, including uses related to public health. There are different levels of treatment for recycled water depending on how it will be used, specifically nonpotable reuse and potable reuse, which also includes indirect potable reuse, reservoir water augmentation and direct potable reuse.

The Water Quality Control Policy for Recycled Water (Recycled Water Policy) encourages the safe use of recycled water from wastewater sources that meets the definition in California Water Code (Water Code) section 13050(n), in a manner that implements state and federal water quality laws and protects public health and the environment. The Recycled Water Policy provides direction to the regional water boards, proponents of recycled water projects, and the public regarding the methodology and appropriate water quality control criteria for the State Water Board and the regional water boards to use when issuing permits for recycled water projects.

Additional Information

State Water Board’s Annual Performance Report:
https://www.waterboards.ca.gov/about_us/performance_report_2324/index.html.

Water Quality Fees Information:
https://waterboards.ca.gov/resources/fees/water_quality/

Fees Stakeholder Information:
https://waterboards.ca.gov/resources/fees/stakeholder/

Questions concerning the information provided in this report or requests for additional information should be sent to:

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