

STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF ADMINISTRATIVE SERVICES
July 21, 2005

ITEM 2

SUBJECT

APPROVING THE CALIFORNIA DAIRY QUALITY ASSURANCE PROGRAM AS A PROGRAM THROUGH WHICH CERTIFIED DAIRIES QUALIFY FOR A REDUCTION IN ANNUAL PERMIT FEES

DISCUSSION

In 2003, ABX1 10 (Oropeza, Ch.1, stats. 2003) amended Section 13260 of the Water Code to delete a provision that exempted dairies and other confined animal facilities (CAFs) from annual fees. In establishing fees for these types of operations, the bill required the State Water Board to consider seven factors. One of these factors is whether the operation participates in a quality assurance program certified by a regional water board, the State Water Board, or a federal water quality control agency.

To implement the new provisions, the State Water Board adopted Resolution 2003-0064 establishing a new fee schedule for CAFs in the California Code of Regulations at Title 23, Division 3, Chapter 9, Article 1, Section 2200(c). The State Water Board considered the seven factors listed in Section 13260 of the Water Code when establishing the fee, including whether the operation participates in a quality assurance program. Section 2200(c)(1) states “Facilities that are certified under a quality assurance program approved by the State Board or under a County regulatory program approved by the appropriate Regional Board, will receive a 50 percent fee reduction.”

Developed in 1997, the California Dairy Quality Assurance Program (CDQAP) is a voluntary program that provides dairy operators with information and assistance to ensure that their dairies operate under principles and procedures designed to assure sustained environmental protection. The program is a collaborative effort by the dairy industry, the University of California, and state and federal regulatory agencies. CAFs that participate in a certified quality assurance program require substantially lower permitting and regulatory efforts. The State Water Board has supported the CDQAP since its inception and continues to cooperate with other State agencies, federal agencies, and the University of California to maintain the CDQAP as an effective program for environmental compliance. Approximately 10 percent of the dairies in the State are currently certified under the CDQAP.

POLICY ISSUE

Should the State Water Board certify the CDQAP as a quality assurance program that meets the intent of Section 13260 of the Water Code and Section 2200(c)(1) of Title 23? The annual permit fee for any dairy certified by the CDQAP will be reduced by 50 percent as long as the dairy remains certified and this resolution remains in effect. The ambient monitoring program surcharge is likewise reduced.

FISCAL IMPACT

The fiscal impact of this program is not expected to be significant. The fee schedules were developed with the assumption that a portion of CAF permit holders would qualify for a quality assurance program and were adjusted to offset expected revenue losses due to the fee reductions. In addition, revenue losses from the fee reductions are at least partially offset by lower permitting and regulatory costs. As of FY 2004-05, fifty-eight dairies had been certified and were receiving the 50 percent discount for a \$41,700 reduction in fee revenue; actual savings attributable to the substantially lower permitting and regulatory costs for these 58 dairies is not known.

RWQCB IMPACT

None.

STAFF RECOMMENDATION

That the State Water Board approves the CDQAP as a quality assurance program that meets the intent of Section 13260 of the California Water Code and Section 2200(c)(1) of Title 23. The annual permit fee for any dairy certified by the CDQAP will be reduced by 50 percent as long as the dairy remains certified and this resolution remains in effect. The ambient monitoring program surcharge is likewise reduced.

Policy Review: _____

Fiscal Review: _____

Legal Review: _____

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**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2005-XXXX**

**APPROVING THE CALIFORNIA DAIRY QUALITY ASSURANCE PROGRAM
AS A PROGRAM THROUGH WHICH CERTIFIED DAIRIES QUALIFY FOR
A REDUCTION IN ANNUAL PERMIT FEES**

WHEREAS:

1. In its 2003 special session, the Legislature amended Water Code Section 13260(d)(1) to authorize the imposition of fees on Confined Animal Feeding Operations.
2. The State Water Board adopted Resolution 2003-0064 establishing a new fee schedule in the California Code of Regulations, Title 23, Division 3, Chapter 9, Article 1 adding Section 2200(c): Confined Animal Facilities fees.
3. An ambient monitoring program surcharge is added to each individual fee that is billed pursuant to the fee schedule. The surcharge for CAFs is nine percent of the calculated fee.
4. The State Water Board considered the seven factors listed in Section 13260 of the California Water Code in establishing fees for CAFs. Factor seven is "Whether the operation participates in a quality assurance program certified by a regional board, the state board, or a federal water quality control agency."
5. CAFs that participate in a certified quality assurance program require substantially lower permitting and regulatory efforts.
6. Section 2200(c)(1) states "Facilities that are certified under a quality assurance program approved by the State Board or under a County regulatory program approved by the appropriate Regional Board, will receive a 50 percent fee reduction."
7. The California Dairy Quality Assurance Program (CDQAP) was developed in 1997 to provide dairy operators with information and assistance to ensure that their dairies operate under principles and procedures designed to assure sustained environmental protection.
8. The State Water Board has supported the CDQAP since its inception and continues to cooperate with other State agencies, federal agencies, and the University of California to maintain the CDQAP as an effective program for environmental compliance. About 10 percent of the dairies in the State are currently certified under the CDQAP.

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THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board approves the CDQAP as a quality assurance program that meets the intent of Section 13260 of the California Water Code and Section 2200(c)(1) of Title 23. The annual permit fee for any dairy certified by the CDQAP will be reduced by 50 percent as long as the dairy remains certified and this resolution remains in effect. The ambient monitoring program surcharge is likewise reduced.

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on July 21, 2005.

Debbie Irvin
Clerk to the Board