

STATE WATER RESOURCES CONTROL BOARD
(3940—SWRCB)

Fiscal Year 2016-17 Budget Highlights
(Dollars in Thousands)

FUND SOURCE	Current Year 2015-16	Budget Year 2016-17	Change	
			Amount	Percentage
General Fund	\$46,850	\$47,879	+\$1,029	+ 2.2%
Special Funds	\$702,159	\$569,903	-\$132,256	-18.8%
Bond Funds	\$1,854,519	\$67,294	- \$1,787,225	-96.4%
Federal Funds	\$296,965	\$307,374	+10,409	+3.5%
Other Funds*	\$13,433	\$13,563	+ \$130	+1.0%
Total: All Funds	\$2,913,926	\$1,006,013	- \$1,907,913	-65.5%
Personnel Years	2,069.6	2,107.9	+38.3	+1.9%

*Reimbursements

The State Water Resources Control Board (State Water Board) and the nine Regional Water Quality Control Boards (Regional Boards) 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. SWRCB activities include regulatory oversight of the State’s surface, ground and coastal waters; allocation of unappropriated water; control of unauthorized water diversions; protection of water quality in watersheds and coastal waters from point source and nonpoint sources of pollution; and protection and improvement of health from water contaminants used for consumption, cooking, and sanitary purposes.

The Governor’s Budget for Fiscal Year 2016-17 provides \$1 billion and 2,107.9 positions for the State and Regional Water Boards. The major changes include:

- A decrease of \$1.8 billion from 2015-16 to 2016-17 due mainly to one-time bond allocations in the current fiscal year. The Board is currently working on distributing the current year bond resources.
- A decrease of \$132 million from 2015-16 due mainly to year-over-year decreases in the various Underground Storage Tank Funds.
- An increase of \$3,702,000 per year in expenditure authority, to a total of \$19,640,000 for the Safe Drinking Water Account, to better support the Drinking

Water Program. Approval of this proposal will allow SWRCB to shift expenditures for Large Water Systems (LWS) that are currently being subsidized by federal funds and grant money to fees paid by LWS.

- An increase of \$352,000 Safe Drinking Water Account for 2.5 positions to address workload associated with consolidating public water systems per Chapter 27, Statutes of 2015 (SB 88). These positions will consult with a number of agencies, conduct outreach to domestic well owners, conduct required public meetings and hearings, and order the consolidation or extension of service as appropriate.
- An increase of \$498,000 (\$149,000 from Waste Discharge Permit Fund and \$349,000 from the Safe Drinking Water Account) and the conversion of 3.0 limited term positions to permanent positions to address the increased water recycling work load associated with the drought and the directive in Executive Order B-29-15.
- An increase of \$547,000 Timber Regulation and Forest Restoration Fund and the conversion of 5.3 limited term positions to permanent positions to implement the requirements of Chapter 289, Statutes of 2012 (AB 1492) as they pertain to the authorities and responsibilities of the Water Boards.
- 1.0 position for the Drinking Water Operator Certification Program (DWOCP) to replace a limited term position expiring June 30, 2016, to support the coordination and administration of the Operator Certifications examinations. The position cost of \$110,000 will be offset by a \$388,000 reduction to contracts. The net result is a reduction of \$278,000 to the Drinking Water Operator Certification Special Account (0247).
- An increase of \$851,000 Water Rights Fund and 7.0 positions to process applications to appropriate water (permits and registrations), petitions to change existing rights, wastewater change petitions, and licensing of water rights.
- An increase of \$2.4 million State Water Quality Control Fund Cleanup and Abatement Account and 17.0 positions to augment the Site Cleanup Program cost recovery program. These resources will assist in processing new cases generated by SB445 Site Cleanup Subaccount implementation, and new cases that will be generated by redevelopment activities associated with the economic recovery.
- 1.0 position and \$130,000 reimbursement authority for FY 2016-17, FY 2017-18, FY 2018-19, and FY 2019-20 to provide technical assistance and policy expertise under an Interagency Agreement with the California Department of Water Resources to support the development and implementation of the California Water Commission's Proposition 1 Water Storage Investment Program (WSIP). This position is reimbursable under an Interagency Agreement administered by

the DWR on behalf of the Commission and will be funded by the part of the bond administered by the Commission for WSIP.

- 6.0 permanent positions to be funded from a shift in contract authority from the Waste Discharge Permit Fund (WDPF) to provide field sample collection and processing, data entry, and data management services to the Regional Water Boards. This proposal requests the redirection of existing contract funds currently used for water quality monitoring tasks such as field sample collection, data entry and data management services to hire state employees to conduct this work.
- Budget trailer bill language to amend the Health and Safety Code to allow the State Water Board to adopt fee regulations by emergency actions to ensure an adopted annual fee schedule will generate sufficient revenue to support the Environmental Laboratory Accreditation Program (ELAP) annual budgetary expenditures. The total revenues collected each year through fees shall be set at an amount equal to revenue levels set for the in the Budget Act for this activity, which is yet to be determined.
- Budget Trailer Bill language to make the statutory appropriation of \$3,750,000 that supports 25 Water Rights Fund enforcement positions available for encumbrance for one year, rather than the default three-year time period provided for in statutory appropriations, and add trailer bill language reverting all prior year appropriations. This technical change allow the Water Boards to better manage the Water Rights Fund, without having to continuously modify and adjust revenue needs to account for the carryover from the continuous appropriation piece currently included for each year of appropriation.
- A re-appropriation of unencumbered local assistance funds in the School District Account (SDA) from fiscal years (FYs) 2009-10, 2010-11, and 2011-12. The State Water Board requests that the re-appropriated funds be available for encumbrance until June 30, 2019. Re-appropriating the unencumbered local assistance SDA authority in FY 2016-17 enables the State Water Board to continue providing financial assistance to eligible school districts sites with leaking USTs and fully utilize the \$30 million for the cleanup of petroleum contaminated school district sites, as intended by the Legislature.
- A re-appropriation to extend the encumbering and liquidation period of the local assistance funds in the Site Cleanup Subaccount (SCS) and the Replacing, Removing, or Upgrading Underground Storage Tanks (RUST) Loan Program from the fiscal year 2015-16 Petroleum Underground Storage Tank Financing Account (PUSTFA) appropriation. The re-appropriated funds would be available for encumbrance until June 30, 2018 and liquidation until June 30, 2021.
- In a joint BCP with Resources Agency, an increase of \$138,000 (General Fund) and 1.0 Attorney I position to serve an ongoing oversight role as staff lead in the facilitation and support of the sustainable management of the Salton Sea as part

of a multi-agency request which will implement the actions directed by the Governor's Salton Sea Task Force.

- 1.0 position and \$540,000 (one-time \$400,000 Local Assistance) from the Small System Technical Assistance Account to address the increased workload associated with implementing Senate Bill 555, which requires the State Water Board to develop regulations establishing performance standards for urban water supplier water loss and provide one-time funding of \$400,000 towards procuring water loss audit report validation assistance for urban retail water suppliers.
- 1.0 position and \$129,000 each year for two years from the Waste Discharge Permit Fund to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, as required by Assembly Bill 401 (Chapter 662, Statutes of 2015). This work will culminate with the submittal of a report to the legislature in January 2018.
- An increase of \$5.7 million (\$5.2 million General Fund and \$500,000 Waste Discharge Permit Fund) and 35 positions for the Water Boards to develop and implement a regulatory program to address the environmental impacts of medical cannabis cultivation on water quality, water supply and natural resources, including ensuring that diversion of surface water does not adversely impact stream flows and the endangered and threatened species that rely on riparian habitats.
- An increase of \$21.4 million for one year for continued drought-related activities. Of this amount, \$5.4 million General Fund will support water rights activities, \$1.0 million Cleanup and Abatement Account will support water quality efforts, and \$15 million in one-time local assistance Cleanup and Abatement Account grants will support projects that provide water systems with both interim and permanent solutions to drought emergencies..
- In a joint BCP with Resources Agency, the Water Boards an increase of \$400,000 from the Lake Tahoe Science and Lake Improvement Account (1018) for contracts to implement the Lake Tahoe Nearshore Water Quality Protection Plan (Plan).
- Funding and budget Trailer Bill Language (TBL) to improve the recruitment and retention of Regional Water Quality Control Board (Regional Water Board) members and fairly compensate Regional Water Board members for their time. Increase Regional Water Board member per diem from \$100 to \$500. Establish a pool of \$756,500 for the purposes of Regional Water Board member compensation (this amount is in accordance with the increased per diem payments proposed). Increase the existing annual cap of \$13,500 in per diem allocated for each Regional Water Board to reflect the proposed increase in Regional Water Board member per diem.