

Drinking Water & ELAP Fees Stakeholder Meeting



Friday, March 10, 2023 at 9:00 – 11:00 am

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

AGENDA

1. Welcome and Introductions
2. Safe Drinking Water Account Budget Cost Drivers (Attachment 1)
3. Safe Drinking Water Account Fund Condition (Attachment 2)
4. ELAP Budget Cost Drivers (Attachment 3)
5. Open Discussion
6. Next Steps
 - a. June 13 – Next Stakeholder Meeting

**State Water Resources Control Board
Safe Drinking Water Account Budget Cost Drivers (\$000)**

Safe Drinking Water Account (0306)	FY 2022-23 Fee Setting Budget	FY 2023-24 Governor's January Proposed Fee Setting Budget	Net Difference	Percent Change
Budget Allocation	\$39,585	\$43,187	\$3,602	9.1%

FY 2023-24 Budget Cost Drivers	Increase Amount	Percent Change
State Operations ¹	\$3,047	7.7%
FY 19-20 Microplastics BCP ²	(\$175)	-0.4%
Pro Rata	\$730	1.8%
Totals	\$3,602	9.1%

¹ Control Section Item 9800 Employee Compensation, 3.60 Retirement and Healthcare

² FY 19-20 Microplastics in Drinking Water: Testing in Drinking Water (SB 1422) BCP funding ended June 30, 2022

**Safe Drinking Water Account
FY 2023-24 Fund Condition (\$000)**

Fee Program	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Current Year Projected FY 2022-23	BY No Fee Increase FY 2023-24	BY Increase FY 2023-24
							-	6.5%
BEGINNING BALANCE	\$7,620	\$6,206	\$5,044	\$2,729	\$2,615	\$1,062	\$2,347	\$2,347
Prior year adjustments	(\$765)	\$168	\$289	\$45	(\$88)	\$0	\$0	\$0
Adjusted Beginning Balance	\$6,855	\$6,374	\$5,333	\$2,774	\$2,527	\$1,062	\$2,347	\$2,347
Revenue								
Regulatory Fees ¹	\$24,959	\$24,284	\$27,217	\$26,970	\$34,478	\$40,783	\$40,783	\$43,434
Other Revenue ²	\$89	\$215	\$207	\$55	\$62	\$13	\$13	\$13
Delinquent Fees	\$70	\$10	\$4	\$80	\$102	\$53	\$53	\$53
Penalty Assessments - Citations	\$23	\$5	\$7	\$31	\$42	\$21	\$21	\$21
Adjustments:								
Revenue Transfer from Safe Drinking Water Account (0306) to GF (0001) ³					(\$877)			
Total Revenue	\$25,141	\$24,514	\$27,434	\$27,136	\$33,807	\$40,871	\$40,871	\$43,522
Expenditures								
Water Board State Operations	\$24,751	\$24,849	\$28,190	\$25,870	\$32,324	\$37,206	\$40,078	\$40,078
Other State Operations ⁴	\$1,039	\$1,238	\$1,849	\$1,425	\$2,948	\$2,379	\$3,109	\$3,109
Total Expenditures	\$25,790	\$26,087	\$30,039	\$27,295	\$35,272	\$39,585	\$43,187	\$43,187
Surplus (Deficit)	(\$649)	(\$1,573)	(\$2,605)	(\$159)	(\$1,465)	\$1,286	(\$2,316)	\$335
ENDING BALANCE	\$6,206	\$4,801	\$2,729	\$2,615	\$1,062	\$2,347	\$31	\$2,682
Fund Reserve	24.1%	18.4%	9.1%	9.6%	3.0%	5.9%	0.1%	6.2%

¹ Forecasted revenue is based on the estimated billing amounts for annual water fees/late fees/enforcement fees.

² Other revenue includes investment income-surplus money investments.

³ DOF direction for supplemental pension payments (AB 84).

⁴ Includes expenditures to CDTFA, CalEPA, Pro Rata and Healthcare.

**State Water Resources Control Board
Environmental Laboratory Improvement Fund Budget Cost Drivers (\$000)**

Environmental Laboratory Improvement Fund (0179)	FY 2022-23 Fee Setting Budget	FY 2023-24 Governor's January Proposed Fee Setting Budget	Net Difference	Percent Change
Budget Allocation	\$4,742	\$4,657	(\$85)	-1.8%

FY 2023-24 Budget Cost Drivers	Increase Amount	Percent Change
State Operations ¹	\$11	0.2%
Pro Rata	(\$96)	-2.0%
Totals	(\$85)	-1.8%

¹ Control Section Item 9800 Employee Compensation, 3.60 Retirement and Healthcare Cost