

Drinking Water & ELAP Fees Stakeholder Meeting



Tuesday, June 13, 2023 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

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 2023-24 Budget Change Proposal - Lead and Copper Rule Revision Regulation Implementation and Database](#)
 - b. [FY 2023-24 Budget Change Proposal - Division of Administrative Services Support](#)
4. ELAP Budget Fund Condition (Attachment 3)
5. ELAP Budget Cost Drivers (Attachment 4)
6. ELAP Fee Structure Option
7. Open Discussion
8. Next Steps
 - a. August 4 – Next Stakeholder Meeting

**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
							-	5.5%
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	\$43,026
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	\$43,114
Expenditures								
Water Board State Operations	\$24,751	\$24,849	\$28,190	\$25,870	\$32,324	\$37,206	\$39,806	\$39,806
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	\$42,915	\$42,915
Surplus (Deficit)	(\$649)	(\$1,573)	(\$2,605)	(\$159)	(\$1,465)	\$1,286	(\$2,044)	\$199
ENDING BALANCE	\$6,206	\$4,801	\$2,729	\$2,615	\$1,062	\$2,347	\$303	\$2,546
Fund Reserve	24.1%	18.4%	9.1%	9.6%	3.0%	5.9%	0.7%	5.9%

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 Pro Rata and Healthcare.

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 May Revise Fee Setting Budget	Net Difference	Percent Change
Budget Allocation	\$39,585	\$42,915	\$3,330	8.4%

FY 2023-24 Budget Cost Drivers	Increase Amount	Percent Change
State Operations ¹	\$3,047	7.7%
FY 2019-20 Microplastics BCP ²	(\$175)	-0.4%
FY 2023-24 Lead and Copper Rule Revision Regulation Implementation and Database BCP ³	(\$486)	-1.2%
FY 2023-24 Administrative Services Support	\$214	0.5%
Pro Rata	\$730	1.8%
Totals	\$3,330	8.4%

¹ Control Section Item 9800 Employee Compensation, 3.60 Retirement and Health care cost.

² FY 2019-20 Microplastics in Drinking Water: Testing in Drinking Water (SB 1422) BCP funding ended June 30, 2022.

³ Implementation BCP reduced SDWA funding allocation to \$456, originally appropriated in the FY 2022-23 Lead and Copper Rule Revision and Regulatory Development BCP now to the Federal Trust Fund.

**Environmental Laboratory Improvement Fund
FY 2023-24 Fund Condition (\$000)**

Environmental Laboratory Improvement Fund	Current Year Projected FY 2022-23	BY No Fee Increase FY 2023-24	BY Increase FY 2023-24
		-	56.0%
BEGINNING BALANCE	\$83	\$367	\$367
Prior year adjustments			
Adjusted Beginning Balance	\$83	\$367	\$367
Revenue			
Regulatory Fees ¹	\$3,759	\$3,000	\$4,680
Other Revenue ²	\$267	\$3	\$3
Adjustments:			
AB 84 - Revenue Transfer from Environmental Laboratory Improvement Fund (0179) to GF (0001)			
Total Revenue	\$4,026	\$3,003	\$4,683
Expenditures			
Water Board State Operations ³	\$3,349	\$4,360	\$4,360
Other State Operations ³	\$393	\$297	\$297
Total Expenditures	\$3,742	\$4,657	\$4,657
Surplus (Deficit)	\$284	(\$1,654)	\$26
ENDING BALANCE	\$367	(\$1,287)	\$393
Fund Reserve	9.8%	-27.6%	8.4%

¹ Forecasted revenue is based on the estimated annual and renewal billings and out of state lab payments.

² Other revenue includes investment income-surplus money investments and fines & penalties.

³ Includes expenditures to Pro Rata and Health care.

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 May Revise 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.