



Water Quality Fees Stakeholder Meeting

Thursday, August 1, 2024 at 9:00 – 11:00 am

Webcast and Zoom Meeting Only

NO PHYSICAL MEETING LOCATION

Live Webcast: <https://video.calepa.ca.gov>

Fee Branch Email: FeeBranch@waterboards.ca.gov

AGENDA

1. Welcome and Introductions
2. Waste Discharge Permit Fund (WDPF) Fund Condition Statement (Attachment 1)
3. WDPF Budget Cost Drivers (Attachment 2)
 - a. Budget Change Proposals:
 - i. [Gualala River TMDL Stipulated Settlement Agreement](#)
 - ii. [Information Security and Privacy Office Staffing](#)
 - iii. [Resource Needs to Address Impacts on Project Permitting Resulting from Recent Supreme Court Decisions \(Sackett\)](#)
 - iv. [Pajaro River Flood Risk Management Project \(AB 876\)](#)
4. WDPF Program Budget Detail (Attachment 3)
5. Potential Fee Changes
 - a. Recycled Water Permits (Attachment 4)
6. Open Discussion
7. Next Steps
 - a. September 18 Board Meeting

**WDPF Fund Condition
(\$000)**

	FY 22-23	FY 23-24 (Forecast)	FY 24-25 No Fee Changes (Forecast)	FY 24-25 With Fee Changes (Forecast)
FEE PROGRAM				
Beginning Balance	\$9,477	\$10,675	\$9,675	\$9,675
Prior Year Adjustments ¹	(\$1,539)	\$0	\$0	\$0
Adjusted Beginning Balance	\$7,938	\$10,675	\$9,675	\$9,675
Revenue				
Regulatory Fees	\$177,454	\$188,488	\$188,488	\$201,873
Other ²	\$931	\$790	\$221	\$221
Revenue Transfer from WDPF to General Fund AB 84 per GC Section 20825.1 (c).	\$155	\$0	\$0	\$0
Total Fee Program Revenue	\$178,540	\$189,278	\$188,709	\$202,094
Expenditures				
Water Board State Operations	\$160,986	\$174,000	\$185,992	\$185,992
Local Assistance ³	\$1,800	\$1,800	\$1,800	\$1,800
Other State Operations ⁴	\$13,017	\$14,478	\$14,081	\$14,081
Total Fee Program Expenditures	\$175,803	\$190,278	\$201,873	\$201,873
GAIN/ (LOSS)	\$2,737	(\$1,000)	(\$13,164)	\$221
Fee Program Ending Balance	\$10,675	\$9,675	(\$3,490)	\$9,896
FUND RESERVE	6.1%	5.1%	-1.7%	4.9%
FINES & PENALTIES				
Fines and Penalties Revenue ⁵	\$4,604	\$5,227	\$5,104	\$5,104
Fines and Penalties Expenditures ⁵	\$277	\$1,023	\$1,022	\$1,022
Fines & Penalties Ending Balance	\$4,327	\$4,204	\$4,082	\$4,082
WDPF FUND BALANCE	\$15,002	\$13,879	\$592	\$13,978

¹Most adjustments represent unspent contract dollars that revert to the Fund.

²Other revenue includes interest from the state's pooled money investment fund and escheat from unclaimed checks.

³Local Assistance for Beach Monitoring

⁴Other state operations includes appropriations for Cal/EPA, FI\$CAL, Pro Rata, and Supplemental Pension Payments.

⁵Fines and penalties revenue and expenditures cannot be accessed by the fee programs and therefore are not included in the fee balances. The revenue balance is included in the WDPF fund balance for accounting purposes only.

**WDPF Budget Cost Drivers
FY 2024-25
(\$000)**

	FY 2023-24 Fee Setting Budget	FY 2024-25 Governor's Enacted Fee Setting Budget	Net Difference	Percent Change
Waste Discharge Permit Fund				
Budget Allocation	\$187,763	\$201,873	\$14,110	7.5%

FY 2024-25 Budget Cost Drivers	Amounts	Percent Change
State Operations ¹	\$6,986	3.7%
Pro Rata	(\$1,140)	-0.6%
24-25 Gualala River TMDL Stipulated Settlement Agreement ²	\$1,706	0.9%
24-25 Information Security and Privacy Office Staffing ²	\$215	0.1%
24-25 Resource Needs to Address Impacts on Project Permitting Resulting from Recent Supreme Court Decisions (Sackett) ³	\$6,118	3.3%
24-25 Pajaro River Flood Risk Management Project (AB 876) ³	\$225	0.1%
Totals	\$14,110	7.5%

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

²Allocated to all WDPF programs.

³Allocated to the Water Quality Certification (401 Cert) program.

**WDPF Program Budget Detail
FY 2024-25
(\$000)**

A	B	C	D (B-C)	E (C+D)	F
WDPF Program	FY 24-25 Fee Setting Budget ¹	FY 24-25 Revenue Forecast	Forecasted Revenue Increase / (Decrease)	FY 24-25 Total Adjusted Revenue	Average Program Percent Change
WDR	\$48,851	\$46,398	\$2,453	\$48,851	5.3%
Land Disposal	\$15,518	\$15,170	\$348	\$15,518	2.3%
WQC (401 Cert)	\$25,849	\$18,324	\$7,524	\$25,849	41.1%
NPDES Stormwater	\$43,826	\$42,566	\$1,260	\$43,826	3.0%
NPDES Wastewater	\$46,810	\$46,133	\$676	\$46,810	1.5%
CAF	\$6,801	\$6,447	\$354	\$6,801	5.4%
Ag Lands (ILRP)	\$10,004	\$9,463	\$540	\$10,004	5.5%
Cannabis	\$4,215	\$3,986	\$229	\$4,215	5.7%
TOTAL:	\$201,873	\$188,488	\$13,385	\$201,873	

¹Includes redirected expenditures for foundational programs like Basin Planning, TMDL, monitoring, enforcement, employee compensation, retirement, healthcare costs and pro rata.

Recycled Water Permits Fee Option

Option F: Fee by Type of Recycled Water Produced and Distribution/Use

For facilities producing recycled water consistent with California Code of Regulations, Title 22, a fee would be assessed based on the type of recycled water produced. The fee would distinguish between potable and non-potable recycled water produced and would be assessed as a surcharge for National Pollutant Discharge Elimination System (NPDES) Wastewater (WW) permits and Waste Discharge Requirements (WDRs) that contain recycling requirements and as a flat fee for Water Recycling Requirements (WRRs).

For permits for the distribution or use of recycled water (exclusive of production), the fee would be a flat fee.

Recycled Water Production	Potable Fee	Non-Potable Fee
Permits issued for recycled water production	\$16,000	\$2,800

Recycled Water Distribution and/or Use	Fee
Permits issued for recycled water distribution and/or use only	\$1,500