

Drinking Water & ELAP Fees Stakeholder Meeting



Friday, August 2, 2024 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 24-25 Budget Proposal-Information Security and Privacy Office Staffing](#)
 - b. [FY 24-25 Budget Proposal-Enforcement Support for Permanent and Sustainable Drinking Water Solutions](#)
 - c. [FY 24-25 Budget Proposal-California Environmental Protection Agency Chaptered Legislation Proposals-Water Shut Off Protection Expansion \(SB3\)](#)
 - d. [FY 24-25 Budget Proposal-Enforcement Support for At-Risk Domestic Well Compliance \(AB 664\)](#)
 - e. [FY 24-25 Budget Proposal-Los Angeles County Primacy Delegation Agreement Termination](#)
4. Potential Drinking Water Fee Changes (Attachment 3)
 - a. Group Quarters
5. Environmental Laboratory Improvement Fund Budget Fund Condition (Attachment 4)
6. Environmental Laboratory Improvement Fund Budget Cost Drivers (Attachment 5)
7. Proposed ELAP Fee Change
 - a. FOA Tier Adjustment (Attachment 6)
8. Open Discussion
9. Next Steps
 - a. September 18 - Board Meeting

**Safe Drinking Water Account
Fund Condition
FY 2024-25 (\$000)**

Fee Program	FY 2022-23	FY 2023-24 (Forecast)	FY 2024-25 No Fee Changes (Forecast)	FY 2024-25 With Fee Changes (Forecast)
BEGINNING BALANCE	\$1,062	\$2,600	\$2,821	\$2,821
Prior year adjustments	\$18	\$0	\$0	\$0
Adjusted Beginning Balance	\$1,080	\$2,600	\$2,821	\$2,821
Revenue				
Regulatory Fees ¹	\$39,567	\$42,734	\$42,593	\$48,002
Other Revenue ²	\$228	\$96	\$13	\$13
Delinquent Fees	\$13	\$0	\$0	\$0
Penalty Assessments - Citations	\$214	\$0	\$0	\$0
Adjustments:				
Total Revenue	\$40,022	\$42,830	\$42,606	\$48,015
Expenditures				
Water Board State Operations ³	\$36,123	\$39,500	\$44,886	\$44,886
Other State Operations ⁴	\$2,379	\$3,109	\$3,093	\$3,093
Total Expenditures	\$38,502	\$42,609	\$47,979	\$47,979
Surplus (Deficit)	\$1,520	\$221	(\$5,373)	\$36
ENDING BALANCE	\$2,600	\$2,821	(\$2,552)	\$2,857
Fund Reserve	6.8%	6.6%	-5.3%	6.0%

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

² Other revenue includes investment income-surplus money investments.

³ \$39,500 is the projected Water Board State Operation expenditures and the budgeted amount was \$40,625.

⁴ Includes Pro Rata and Supplemental Pension expenditures.

**Safe Drinking Water Account
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
Safe Drinking Water Account (0306)				
Budget Allocation	\$42,915	\$47,979	\$5,064	11.8%

FY 2024-25 Budget Cost Drivers	Increase Amount	Percent Change
State Operations ¹	\$1,713	4.0%
24-25 Enforcement Support for Permanent and Sustainable Drinking Water Solutions	\$250	0.6%
24-25 Information Security and Privacy Office Staffing BCP	\$46	0.1%
24-25 SB 3 Water Shut Off Protection Act	\$1,625	3.8%
24-25 Los Angeles County Primacy Delegation Agreement Termination	\$881	2.1%
24-25 AB 664 Enforcement Support for At-Risk Domestic Well Compliance	\$450	1.0%
Pro Rata	\$99	0.2%
Totals	\$5,064	11.8%

¹ Control Section Item 9800 Employee Compensation, 3.60 Retirement and Healthcare cost. Also include FY 24-25 costs from FY 23-24 Water Supply Strategy BCP.

**Proposed Drinking Water Fee Changes
Group Quarters Fee Structure**

Residential Population	Fee
3,300 or fewer persons served	\$677 or \$3.43 per person served, whichever is greater
3,301 to 16,500 persons served	\$3.43 per each of first 3,300 persons served plus \$2.01 per each person served greater than 3,300
16,501 to 49,500 persons served	\$3.43 per each of first 3,300 persons served plus \$2.01 per each person served greater than 3,300 but less than 16,501 plus \$1.14 per each person served greater than 16,500
49,501 or more persons served	\$3.43 per each of first 3,300 persons served plus \$2.01 per each person served greater than 3,300 but less than 16,501 plus \$1.14 per each person served greater than 16,500 but less than 49,501 plus \$0.78 per each person served greater than 49,500

**Environmental Laboratory Improvement Fund
Fund Condition
FY 2024-25 (\$000)**

Environmental Laboratory Improvement Fund (0179)	FY 2022-23	FY 2023-24 (Forecast)	FY 2024-25 No Fee Changes (Forecast)	FY 2024-25 With Fee Changes (Forecast)
BEGINNING BALANCE	\$175	\$1,470	\$1,092	\$1,092
Prior Year Adjustments	\$284			
Adjusted Beginning Balance	\$459	\$1,470	\$1,092	\$1,092
Revenue				
Regulatory Fees ¹	\$3,641	\$4,000	\$4,000	\$4,677
Other Revenue ²	\$292	\$68	\$3	\$3
Total Revenue	\$3,933	\$4,068	\$4,003	\$4,680
Expenditures				
Water Board State Operations	\$2,529	\$4,149	\$4,459	\$4,459
Other State Operations ³	\$393	\$297	\$218	\$218
Total Expenditures	\$2,922	\$4,446	\$4,677	\$4,677
Surplus (Deficit)	\$1,011	(\$378)	(\$674)	\$3
ENDING BALANCE	\$1,470	\$1,092	\$418	\$1,095
Fund Reserve	26.8%	24.6%	8.9%	23.4%

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 Pro Rata and Supplemental Pension expenditures.

Environmental Laboratory Improvement Fund
Budget Cost Drivers
FY 2024-25 (\$000)

Environmental Laboratory Improvement Fund (0179)	FY 2023-24 Fee Setting Budget	FY 2024-25 Governor's Enacted Fee Setting Budget	Net Difference	Percent Change
Budget Allocation	\$4,657	\$4,677	\$20	0.4%

FY 2024-25 Budget Cost Drivers	Increase Amount	Percent Change
State Operations ¹	\$73	1.6%
Pro Rata	(\$53)	-1.1%
Totals	\$20	0.4%

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

**Proposed ELAP Fee Changes
FOA Tier Adjustment**

Current FOA Tier Structure

# of FOAs	Fee
1-10	\$585
11-49	\$1,495
50-99	\$4,485
100-149	\$7,475
150-249	\$10,465
250-349	\$13,455
350+	\$16,455

Proposed FOA Tier Structure

# of FOAs	Fee
1-10	\$585
11-49	\$1,495
50-99	\$4,485
100-149	\$7,475
150-249	\$10,465
250-349	\$13,455
350-499	\$16,455
500-999	\$19,500
1,000-1,999	\$24,500
2,000+	\$29,500