



Water Quality Fees Stakeholder Meeting

DATE:	Friday, February 13, 2015
TIME:	10:00 am – 12:00 pm
LOCATION:	Cal/EPA Headquarters 1001 I Street, Sacramento, CA 95814 Sierra Hearing Room, 2 nd Floor
WEBCAST LINK:	http://www.calepa.ca.gov/broadcast/
QUESTIONS:	Fee_Branch@waterboards.ca.gov – Questions received prior to and during the meeting will be addressed during the meeting unless otherwise requested.

AGENDA

1. Welcome and Introductions
2. Waste Discharge Permit Fund Condition (Attachment 1)
3. Waste Discharge Permit Fund Budget Cost Drivers (Attachment 2)
4. Budget Expenditure Allocation Charts by Program (Attachment 3)
5. Presentation on State Water Board’s Annual Performance Report
http://www.waterboards.ca.gov/about_us/performance_report_1314/index.shtml
6. Open Discussion

WDPF Fund Condition (\$000)

									Forecast	
	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
BEGINNING BALANCE	\$19,131	\$17,288	\$9,795	\$8,204	\$6,604	\$10,774	\$6,403	\$3,799	\$8,531	\$7,718
Prior Year Adjustments ¹	\$1,247	\$1,807	(\$56)	(\$3,010)	\$2,097	(\$1,913)	(\$713)	\$1,132		
Restricted Revenue ²								(\$5,016)	(\$229)	(\$229)
Adjusted Beginning Balance	\$20,378	\$19,095	\$9,739	\$5,194	\$8,701	\$8,861	\$5,690	(\$85)	\$8,302	\$7,489
Revenue										
Regulatory Fees	\$62,435	\$60,958	\$77,340	\$74,902	\$74,864	\$97,064	\$99,037	\$117,158	\$119,734	\$120,176
Penalty Assesments								\$1,212	\$229	\$229
Other ³	\$2,622	\$3,038	\$2,027	\$900	\$630	\$2,647	\$393	\$102	\$75	\$75
Total Revenue	\$65,057	\$63,996	\$79,367	\$75,802	\$75,494	\$99,711	\$99,430	\$118,472	\$120,038	\$120,480
Expenditures										
Water Board State Operations	\$67,651	\$72,977	\$80,597	\$74,079	\$72,693	\$101,546	\$100,480	\$107,433	\$118,404	\$117,859
Local Assistance ⁴								\$1,610	\$1,800	\$1,800
Other State Operations ⁵	\$496	\$319	\$305	\$313	\$728	\$623	\$841	\$813	\$419	\$543
Marijuana (Cannabis) ⁶									\$1,800	
Water Recycling ⁶							\$262	\$331	\$406	\$408
Regional Water Planning ⁶									\$501	\$503
Drinking Water ⁶										\$498
Cal/EPA ⁷									\$1,500	
Total Expenditures	\$68,147	\$73,296	\$80,902	\$74,392	\$73,421	\$102,169	\$101,583	\$110,187	\$124,829	\$121,611
Non-Fee Expenditure Adj ⁸							(\$262)	(\$331)	(\$4,207)	(\$1,409)
Total Fee Program Expenditures	\$68,147	\$73,296	\$80,902	\$74,392	\$73,421	\$102,169	\$101,321	\$109,856	\$120,623	\$120,202
Gain/(Loss)	(\$3,090)	(\$9,300)	(\$1,535)	\$1,410	\$2,073	(\$2,458)	(\$1,891)	\$8,616	(\$585)	\$278
ENDING BALANCE	\$17,288	\$9,795	\$8,204	\$6,604	\$10,774	\$6,403	\$3,799	\$8,531	\$7,718	\$7,767
Fund Reserve	25.4%	13.4%	10.1%	8.9%	14.7%	6.3%	3.7%	7.7%	6.2%	6.4%

Footnotes:

- ¹ Most adjustments represent unspent contract dollars that revert to the Fund.
- ² Restricted revenue is revenue received from fines and penalties that must be expended on cleanup and abatement activities.
- ³ Other revenue includes fines and penalties, interest from the state's pooled money investment fund, and escheat from unclaimed checks.
- ⁴ Local Assistance for Beach Monitoring
- ⁵ Other state operations includes appropriations for Cal/EPA, FISCAL, and the State Controller's Office.
- ⁶ Legislative Augmentation. Funded by revenue received from fines and penalties.
- ⁷ Cal/EPA expenditure for Environmental Justice grants. No impact to fee programs.
- ⁸ Total budgeted expenditures that do not impact fees.

**WDPF Budget Cost Drivers
FY 2015-16 (\$000)**

WDPF Program	FY 14-15 Base Budget ¹	Staff Cost Adjustments ²	BCP & Program Adjustments	FY 15-16 Budget ³	Revenue Forecast FY 15-16	Forecasted FY 15-16 Revenue Increase / (Decrease)	Total Revenue FY 15-16	Average Program Percent Change
WDR	\$26,887	\$528	\$0	\$27,416	\$27,147	\$268	\$27,416	1.0%
LD - No Tipping Fee	\$11,058	\$217	\$0	\$11,275	\$11,288	(\$13)	\$11,275	-0.1%
LD - Tipping Fee	\$3,707	\$73	\$0	\$3,780	\$3,688	\$91	\$3,780	2.5%
401 Cert	\$7,106	\$131	\$0	\$7,236	\$7,169	\$67	\$7,236	0.9%
NPDES	\$29,626	\$544	\$0	\$30,171	\$30,022	\$149	\$30,171	0.5%
Storm Water	\$29,559	\$857	\$381	\$30,797	\$31,998	(\$1,201)	\$30,797	-3.8%
CAF	\$4,490	\$88	\$0	\$4,579	\$4,484	\$95	\$4,579	2.1%
ILRP	\$4,312	\$94	\$0	\$4,405	\$4,380	\$25	\$4,405	0.6%
TOTAL	\$116,745	\$2,532	\$381	\$119,658	\$120,176	(\$518)	\$119,658	-0.4%

Footnotes:

¹ Includes redirected expenditures for programs like Basin Planning, TMDL, monitoring and enforcement.

² Includes employee compensation, retirement, health care costs and pro rata.

³ Base budget plus staff cost adjustments and program adjustments.

FY 15-16 Primary Expense Changes:	Change Amount:
Pro Rata/Health Care/Retirement	\$2,532,000
BCP Storm Water Resource Planning	\$381,000
	<u>\$2,913,000</u>







