

ITEM 9 - LATE ADDITION

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION**

**MEETING OF FEBRUARY 11, 2015
APPLE VALLEY, CA**

EXECUTIVE OFFICER'S REPORT

Please add the following document entitled "Fiscal Year 2015-16 Budget Highlights" behind Bates Page 9.62.

**STATE WATER RESOURCES CONTROL BOARD
(3940—SWRCB)**

**Fiscal Year 2015-16 Budget Highlights
(Dollars in Thousands)**

| <i>FUND SOURCE</i> | <i>Current Year 2014-15</i> | <i>Budget Year 2015-16</i> | <i>Change</i> | |
|---------------------------|--|---|----------------------|--------------------------|
| | | | <i>Amount</i> | <i>Percentage</i> |
| General Fund | \$42,270 | \$32,696 | -\$9,574 | -23% |
| Special Funds | \$441,001 | \$592,209 | +\$151,208 | +34% |
| Bond Funds | \$275,876 | \$320,195 | +\$44,319 | +16% |
| Federal Funds | \$295,545 | \$295,459 | -\$86 | -0% |
| Other Funds | \$82,394 | \$119,658 | +\$37,255 | +45% |
| <i>Total: All Funds</i> | \$1,137,086 | \$1,360,217 | +\$223,122 | +20% |
| <i>Positions</i> | 1,872.1 | 2,014.6 | +142.5 | +8% |

The State Water Resources Control Board (State Water Board) and the nine Regional Water Quality Control Boards (Regional Boards) preserve, enhance and restore the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations. SWRCB activities include regulatory oversight of the State's surface, ground and coastal waters; allocation of unappropriated water; control of unauthorized water diversions; protection of water quality in watersheds and coastal waters from point source and nonpoint sources of pollution; and protection and improvement of health from water contaminants used for consumption, cooking, and sanitary purposes.

The Governor's Budget for Fiscal Year 2014-15 provides \$1.4 billion and 2,014.6 positions for the State and Regional Water Boards. The major changes include:

- An increase of 10 positions and \$2.4 million (2.5 positions and \$600,000 from the General fund, and 7.5 positions and \$1.8 million from the Water Rights fund) to contribute to the implementation of Action 4 of the California Water Action Plan to protect and restore important ecosystems, which includes enhancing flow in stream systems statewide.
- An increase of \$44.5 million in bonds due to various technical bond adjustments as follows – (1) reduction of State Operations Authority in Propositions 13 and 50, and an augmentation of Proposition 84 State Operations authority (2) reversions of the specified amounts for various fiscal years of State Operations and Local Assistance funds for Propositions 13, 40, 50 and 84 and (3) the appropriation of funds for Propositions 13, 40, 50, 84 to ensure the purpose of the bonds are met with the funding of new projects.
- An increase of 21 positions and \$79 million as ongoing, and \$100 million as one-time for Fiscal Year 2015-16 to implement the program changes required by SB 445 and to address Action Item #6 in the California Water Action Plan. The funding is as

follows:

- Underground Storage Tank Cleanup Fund: 20 positions and \$39.5 million.
 - Petroleum Underground Storage Tank Financing Account: 1 position and \$19.75 million.
 - Site Cleanup Subaccount: Redirection of 17 positions and: \$19.75 million.
 - State Water Quality Control Fund: -\$2.5 million for the redirection of 17 positions to the Site Cleanup Subaccount.
 - One-time from Expedited Claims Account fund, \$100 million.
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- An increase of 55 positions and \$268.3 million from the Water Quality Supply and Infrastructure Improvement Fund of 2014 to provide local assistance resources and to administer the programs under the Proposition 1 Bond Act established by the voters in November 4, 2014.

 - An increase of 11 positions and \$1.54 million from the General Fund for two years (15/16 and 16/17) to continue resources needed to address damage occurring to the State's natural resources resulting from marijuana cultivation on public and private lands in California. This was approved as a pilot project in the 2014-15 Budget Act.

 - A limited term (FY 15/16 only) increase of \$22.6 million (\$6.7M from the General fund, \$15.9M from the State Water Quality Control Fund, Cleanup and Abatement Account) and 42.5 positions to support drought related activities.

 - Amend the California Health and Safety code to grant the State Water Board, through emergency regulations, the authority to adopt an annual fee schedule for the Safe Drinking Water Program. The total revenues collected each year through annual fees shall be set at an amount equal to the revenue levels set forth in the Budget Act for this activity, which is yet to be determined.