

STATE *of* CALIFORNIA
**COMMISSION ON STATE
MANDATES**



**REPORT TO THE LEGISLATURE:
APPROVED MANDATE CLAIMS**

January 1, 2026 – June 30, 2026

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I. INTRODUCTION

Commission on State Mandates

Test Claim Process

Article XIII B, section 6 of the California Constitution requires the state to provide a subvention of funds to reimburse local government for the costs of new programs or increased levels of service mandated by the state. To implement article XIII B, section 6, the Legislature created the Commission on State Mandates (Commission) to succeed the State Board of Control in making determinations whether new statutes or executive orders are state-mandated programs.¹ The Commission was established to render sound quasi-judicial decisions and to provide an effective means of resolving disputes over the existence of state-mandated local programs. The Commission provides the sole and exclusive procedure for local agencies and school districts (claimants) to resolve disputes over the existence of state-mandated local programs and costs mandated by the state. The Commission is required to hear and decide claims (test claims) filed by local agencies and school districts alleging that they are entitled to be reimbursed by the state for costs mandated by the state.²

Parameters and Guidelines

Government Code section 17557 provides that if the Commission determines that a statute or executive order imposes a mandate upon local agencies and school districts, the Commission is required to determine the amount to be subvented to local agencies and school districts for reimbursement by adopting parameters and guidelines. Once parameters and guidelines are adopted and the initial reimbursement claims have been filed with the Controller, the Commission is required to adopt a statewide cost estimate of the mandated program (Gov. Code, § 17553).

Alternative Processes: The Reasonable Reimbursement Methodology and the Legislatively Determined Mandate

Government Code section 17557.1 and 17557.2 provide an alternate process for determining the amount to be subvented for mandated programs. Under 17557.1, local governments and the Department of Finance may jointly develop reasonable reimbursement methodologies (RRMs) and statewide estimates of costs for mandated programs for approval by the Commission in lieu of parameters and guidelines and statewide cost estimates. Government Code section 17557.2 requires that joint RRM's have broad support and, if approved, they remain in effect for five years unless otherwise specified. Jointly developed RRM's and statewide estimates of costs that are approved by the Commission are included in the Commission's Annual Reports to the Legislature. To date, only one jointly developed RRM has ever been approved and it expired and was not extended by the parties so the Commission adopted parameters and guidelines for that program.

Government Code sections 17572 and 17573 provide another alternative process where the Department of Finance and local agencies, school districts, or statewide associations may jointly request that the Legislature determine that a statute or

¹ Statutes 1984, chapter 1459, Government Code section 17500, et seq.

² Government Code section 17551.

executive order imposes a state-mandated program, establish a reimbursement methodology, and appropriate funds for reimbursement of costs. This process is intended to bypass the Commission's test claim process, thus providing the Commission with more time to complete the caseload backlog. To date, this process has not been successfully utilized.

Report to the Legislature

The Commission is required to report to the Legislature at least twice each calendar year on the number of mandates it has found, the estimated statewide costs of each mandate, and the reasons for recommending reimbursement.³ In 2010, SB 894 (Stats. 2010, ch. 699) was enacted to require the Commission to expand its Report to the Legislature to include:

- The status of pending parameters and guidelines that include proposed reimbursement methodologies.
- The status of pending joint proposals between the Department of Finance and local governments to develop reasonable reimbursement methodologies in lieu of parameters and guidelines.
- The status of joint proposals between the Department of Finance and local governments to develop legislatively-determined mandates.
- Any delays in the process for completion of reasonable reimbursement methodologies.

This report fulfills these requirements.

Legislative Analyst

After the Commission submits its report to the Legislature, the Legislative Analyst is required to submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the Commission's reports. The Legislative Analyst's report shall make recommendations as to whether each mandate should be repealed, funded, suspended, or modified.

The Legislature

Upon receipt of the report submitted by the Commission pursuant to Government Code Section 17600, funding shall be provided in the subsequent Budget Act for costs incurred in prior years. No funding shall be provided for years in which a mandate is suspended.⁴

The Legislature may amend, modify, or supplement the parameters and guidelines, reasonable reimbursement methodologies, and adopted statewide estimates of costs for the initial claiming period and budget year for mandates contained in the annual Budget Act. If the Legislature amends, modifies, or supplements the parameters and guidelines, reasonable reimbursement methodologies, or adopted statewide estimates of costs for the initial claiming period and budget year, it shall make a declaration in

³ Government Code section 17600.

⁴ Government Code section 17612(a).

separate legislation specifying the basis for the amendment, modification, or supplement.⁵

Mandate Funding Provisions

If the Legislature deletes from the annual Budget Act funding for a mandate, the local agency or school district may file in the Superior Court of the County of Sacramento an action in declaratory relief to declare the mandate unenforceable and enjoin its enforcement for that fiscal year.⁶ Under Proposition 1A, which amended article XIII B, section 6 of the California Constitution, city, county, city and county, or special district mandate claims for costs incurred prior to the 2004-2005 fiscal year that have not been paid prior to the 2005-2006 fiscal year may be paid over a term of years, as prescribed by law. However, for the 2005-2006 fiscal year and every subsequent fiscal year, the Constitution now requires the Legislature to either appropriate in the annual Budget Act the full payable amount that has not been previously paid or suspend the operation of the mandate for the fiscal year for which the annual Budget Act is applicable.

If payment for an initial reimbursement claim is being made more than 365 days after adoption of the statewide cost estimate, the State Controller’s Office (Controller) shall include accrued interest at the Pooled Money Investment Account rate.⁷

If the amount the Legislature appropriates is insufficient to pay all of the reimbursement claims filed and approved for reimbursement, the Controller will prorate the claims.⁸ If the funds to cover the remaining deficiency are not appropriated in the Budget Act, the Controller shall report this information to the legislative budget committees and the Commission.

II. NEW MANDATES

The following table shows the Statewide Cost Estimates that were adopted during the period of January 1, 2026 through June 30, 2026.

**Statewide Cost Estimates (SCE) Adopted
During the Period of January 1, 2026 through June 30, 2026**

<i>Adopt Date</i>	<i>Test Claim Name and Number</i>	<i>Initial Claiming Period</i>	<i>Education (K-14)</i>	<i>Local Agency</i>	<i>Totals</i>	<i>Estimated Future Annual Costs</i>
6/12/26	<i>California Regional Water</i>	12/1/09 to 12/31/17		\$6,840,647- \$17,082,345	\$-\$	\$0 ⁹

⁵ Government Code section 17612(b).

⁶ Government Code section 17612(c).

⁷ Government Code section 17561.5(a).

⁸ Government Code section 17567.

⁹ The entire reimbursement period is within the initial claim period because the Commission found the mandate is not reimbursable beginning January 1, 2018 since the claimants have fee authority, sufficient as a matter of law, to pay for the reimbursable activities pursuant to Government Code section 17556(d).

<i>Adopt Date</i>	<i>Test Claim Name and Number</i>	<i>Initial Claiming Period</i>	<i>Education (K-14)</i>	<i>Local Agency</i>	<i>Totals</i>	<i>Estimated Future Annual Costs</i>
	<i>Quality Control Board, San Francisco Bay Region, Order No. R2-2009-0074, 10-TC-02, 10-TC-03, and 10-TC-05</i>					
6/12/26	<i>Lead Sampling in Schools: Public Water System No. 3710020, 17-TC-03-R2</i>	1/18/17 to 11/1/19		\$0-\$290,151	\$-\$	\$0 ¹⁰
TOTAL			\$-\$	\$6,840,647-\$17,372,496	\$-\$	

III. PENDING PARAMETERS AND GUIDELINES, REQUESTS TO AMEND PARAMETERS AND GUIDELINES, AND STATEWIDE COST ESTIMATES CASELOAD

The following tables show parameters and guidelines, requests to amend parameters and guidelines, and statewide cost estimates that are pending Commission determination.

A. Pending Parameters and Guidelines

	Program	Status
1.	<i>Emergency Shelters: Persons with Pets, 24-TC-06*</i>	Tentatively scheduled for hearing on 8/14/26

* Local agency programs

† School district or community college district programs

¹⁰ The entire reimbursement period is presumed to be within the initial claim period because the permit requires the claimant's public water system, beginning January 18, 2017, to test drinking water in K-12 schools for the presence of lead, upon the request of an authorized representative of the school made *prior to* November 1, 2019.

B. Pending Requests for Parameters and Guidelines Amendments

	Program	Status
1.	<i>Internet Websites and Email Addresses, 25-PGA-02 (24-TC-04)*</i>	Tentatively scheduled for hearing on 12/4/26

* Local agency programs

† School district or community college district programs

C. Pending Statewide Cost Estimates

	Program	Status
1.	<i>California Regional Water Quality Control Board, San Diego Region, Order No. R9-2007-0001, Permit CAS0108758, Parts D.1.d.(7)-(8), D.1.g., D.3.a.(3), D.3.a.(5), D.5, E.2.f, E.2.g, F.1, F.2, F.3, I.1, I.2, I.5, J.3.a.(3)(c)iv-viii & x-xv, and L, 07-TC-09-R*</i>	Estimated date that claims data will be received from the Controller: 8/7/26 Tentatively scheduled for hearing on 10/9/26
2.	<i>Elections: Ballot Label, 24-TC-01*</i>	Estimated date that claims data will be received from the Controller: 8/7/26 Tentatively scheduled for hearing on 10/9/26
3.	<i>California Regional Water Quality Control Board, Los Angeles Region, Order No. R4-2012-0175, 13-TC-01*</i>	Estimated date that claims data will be received from the Controller: 10/16/26 Tentatively scheduled for hearing on 12/4/26
4.	<i>California Regional Water Quality Control Board, Los Angeles Region, Order No. R4-2012-0175, 3-TC-02*</i>	Estimated date that claims data will be received from the Controller: 10/16/26 Tentatively scheduled for hearing on 12/4/26
5.	<i>Criminal Procedure: Discrimination, 24-TC-02*</i>	Estimated date that claims data will be received from the Controller: 10/16/26 Tentatively scheduled for hearing on 12/4/26
6.	<i>Internet Websites and Email Addresses, 24-TC-04*</i>	Estimated date that claims data will be received from the Controller: 10/16/26 Tentatively scheduled for hearing on 12/4/26
7.	<i>Stops: Notification by Peace Officers, 24-TC-03*</i>	Estimated date that claims data will be received from the Controller: 2/8/27 Tentatively scheduled for hearing on 4/9/27
8.	<i>Child Physical Abuse and Neglect Exams, 24-TC-05*</i>	Estimated date that claims data will be received from the Controller: 2/8/27 Tentatively scheduled for hearing on 4/9/27

* Local agency programs

† School district or community college district programs

IV. THERE ARE NO PENDING JOINT REASONABLE REIMBURSEMENT METHODOLOGIES OR REASONABLE REIMBURSEMENT METHODOLOGIES PROPOSED BY ANY PARTY, AND, CURRENTLY, NO DELAYS IN THE PROCESS

There are currently no pending joint RRM or RRM proposed by any party and therefore no delays in these processes.

Regarding RRM included in parameters and guidelines amendments pursuant to Government Code sections 17557 and 17518.5, there are currently no pending parameters amendments containing joint RRM or RRM proposed by any party and therefore no delays in this process.

A request to include an RRM in parameters and guidelines or amendments thereto is a request made by a local entity claimant, an interested party, Finance, the Controller, or an affected state agency, pursuant to Government Code section 17557 and 17518.5 – which is distinct from the jointly proposed RRM, discussed above under “Alternative Processes.” These requests are often disputed by one or more of the parties and interested parties.

Government Code section 17600 requires the Commission to report any delays in the process for joint RRM being developed by Department of Finance and local entities and for RRM proposed by any party pursuant to Government Code section 17518.5.

V. THERE ARE NINE PENDING LEGISLATIVELY-DETERMINED MANDATES, AND, CURRENTLY, NO DELAYS IN THE PROCESS

There are currently nine pending LDMs. All nine include a tolling date of May 28, 2026. There are currently no delays in this process.

Government Code section 17600 requires the Commission to report any delays in the process for LDMs being developed by Department of Finance and local entities.

	Program	Status
1.	<i>Elections: Official Canvas, 25-LDM-07</i>	Tolling Date: 5/28/26
2.	<i>State and Local Agencies: Demographic Data, 25-LDM-08</i>	Tolling Date: 5/28/26
3.	<i>Local Public Employees Organizations: Notice Requirements, 25-LDM-09</i>	Tolling Date: 5/28/26
4.	<i>Voting: Signature Verification, 25-LDM-10</i>	Tolling Date: 5/28/26
5.	<i>Elections: Voter Registration Information: Elected Officials and Candidates, 25-LDM-11</i>	Tolling Date: 5/28/26
6.	<i>Incarcerated Persons: Menstrual Products, 25-LDM-12</i>	Tolling Date: 5/28/26
7.	<i>Planning and Zoning: Density Bonuses: Monitoring Fees, 25-LDM-13</i>	Tolling Date: 5/28/26
8.	<i>Local Government: Collection of Demographic Data, 25-LDM-14</i>	Tolling Date: 5/28/26

	Program	Status
9.	<i>Local Agency Officials: Training, 25-LDM-15</i>	Tolling Date: 5/28/26

* Local agency programs

† School district or community college district programs

VI. STATEWIDE COST ESTIMATES

A. California Regional Water Quality Control Board, San Francisco Bay Region, Order No. R2-2009-00074, 10-TC-02, 10-TC-03, and 10-TC-05

Hearing Date: June 12, 2026

STATEWIDE COST ESTIMATE

\$6,840,647 – \$17,082,345
Initial Claim Period¹¹

(December 1, 2009, through December 31, 2017)

California Regional Water Quality Control Board, San Francisco Bay Region, Order No. R2-2009-0074, Sections C.8.d.iii., C.8.e.vi., C.8.f., C.8.g.ii., C.8.g.vii., C.10.a.i., C.10.a.ii., C.10.a.iii., C.10.b.ii., C.10.b.iii., C.10.c., C.10.d.i., C.10.d.ii., C.11.f., and C.12.f.

10-TC-02, 10-TC-03, and 10-TC-05

The Commission on State Mandates (Commission) adopted this Statewide Cost Estimate by a vote of 6-0 during a regularly scheduled hearing on June 12, 2026¹² as follows:

Member	Vote
Lee Adams, County Supervisor	Yes
Deborah Gallegos, Representative of the State Controller	Yes
Karen Greene Ross, Public Member	Yes
William Pahland, Representative of the State Treasurer, Vice Chairperson	Yes
Michele Perrault, Representative of the Director of the Department of Finance, Chairperson	Yes

¹¹ The entire reimbursement period is within the initial claim period because the Commission found the mandate is not reimbursable beginning January 1, 2018 since the claimants have fee authority, sufficient as a matter of law, to pay for the reimbursable activities pursuant to Government Code section 17556(d).

¹² The Proposed Statewide Cost Estimate was issued and set for the April 10, 2026 Commission meeting. However, that meeting was rescheduled to May 15, 2026 and then to June 12, 2026 due to a burst pipe and resulting fire making the Commission office inaccessible.

Alexander Powell, Representative of the Director of the Governor's Office of Land Use and Climate Innovation	Yes
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STAFF ANALYSIS

Summary of the Mandate, Eligible Claimants, and Period of Reimbursement

This Statewide Cost Estimate addresses state-mandated activities arising from National Pollutant Discharge Elimination System (NPDES) Order No. R2-2009-0074, adopted by the San Francisco Bay Regional Water Quality Control Board on October 14, 2009, and effective on December 1, 2009.

The Commission adopted the Test Claim Decision on January 24, 2025, partially approving reimbursement for permittees that incur increased costs to perform the reimbursable activities under the mandate, and adopted the Decision and Parameters and Guidelines on March 28, 2025, approving reimbursement for the following eligible claimants:

- Alameda permittees include the Cities of Alameda, Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Newark, Oakland, Piedmont, Pleasanton, San Leandro, and Union City, Alameda County (Unincorporated area), the Alameda County Flood Control and Water Conservation District, and Zone 7 of the Alameda County Flood Control and Water Conservation District.
- Santa Clara permittees include the Cities of Campbell, Cupertino, Los Altos, Milpitas, Monte Sereno, Mountain View, Palo Alto, San Jose, Santa Clara, Saratoga, and Sunnyvale, the towns of Los Altos Hills and Los Gatos, the Santa Clara Valley Water District, and Santa Clara County.
- Fairfield-Suisun permittees include the Cities of Fairfield and Suisun City, and Fairfield-Suisun Sewer District.
- Contra Costa permittees include the Cities of Clayton, Concord, El Cerrito, Hercules, Lafayette, Martinez, Orinda, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon, and Walnut Creek, the towns of Danville and Moraga, Contra Costa County, and the Contra Costa County Flood Control and Water Conservation District.
- San Mateo permittees include the Cities of Belmont, Brisbane, Burlingame, Daly City, East Palo Alto, Foster City, Half Moon Bay, Menlo Park, Millbrae, Pacifica, Redwood City, San Bruno, San Carlos, San Mateo, and South San Francisco, the towns of Atherton, Colma, Hillsborough, Portola Valley, and Woodside, the San Mateo County Flood Control District, and San Mateo County.
- Vallejo permittees include the City of Vallejo and the Vallejo Sanitary District.¹³

The initial reimbursement period, which includes the entire reimbursement period, is December 1, 2009, through December 31, 2017 (seven months of fiscal year 2009-2010 through the first half of fiscal year 2017-2018).¹⁴ Eligible claimants were required to file initial claims with the State Controller's Office (Controller) on or before

¹³ Exhibit B, Decision and Parameters and Guidelines, page 14.

¹⁴ Exhibit B, Decision and Parameters and Guidelines, pages 14-15.

October 30, 2025. Late initial reimbursement claims may be filed until October 30, 2026, but will incur a 10 percent late filing penalty of the total amount of the initial claim without limitation.¹⁵

Reimbursable Activities

The Commission approved the following reimbursable activities for this program:

A. Geomorphic Study (Section C.8.d.iii)

1. Permittees shall select a waterbody/reach, preferably one that contains significant fish and wildlife resources, and conduct one of the following projects within each county, except that only one such project must be completed within the collective Fairfield-Suisun and Vallejo Permittees' jurisdictions:
 - a. Gather geomorphic data to support the efforts of a local watershed partnership [fn. omitted] to improve creek conditions; or
 - b. Inventory locations for potential retrofit projects in which decentralized, landscape-based stormwater retention units can be installed; or
 - c. Conduct a geomorphic study which will help in development of regional curves which help estimate equilibrium channel conditions for different-sized drainages. Select a waterbody/reach that is not undergoing changing land use. Collect and report the following data:
 - Formally surveyed channel dimensions (profile), planform, and cross-sections. Cross-sections shall include the topmost floodplain terrace and be marked by a permanent, protruding (not flush with ground) monument.
 - Contributing drainage area.
 - Best available information on bankfull discharges and width and depth of channel formed by bankfull discharges.
 - Best available information on average annual rainfall in the study area.
2. Report selected geomorphic project results in the Integrated Monitoring Report.¹⁶

B. Sediment Delivery Estimate/Budget (Section C.8.e.vi.)

1. Permittees shall develop a design for a robust sediment delivery estimate/sediment budget in local tributaries and urban drainages by July 1, 2011, and implement the study by July 1, 2012.¹⁷

¹⁵ Government Code section 17561(d)(3).

¹⁶ Exhibit A, Test Claim Decision, pages 370-371 citing to Test Claim, 10-TC-02, pages 221-222, 227 (Test claim permit, Section C.8.d.iii.).

¹⁷ Exhibit A, Test Claim Decision, page 371 citing to Test Claim, 10-TC-02, page 225 (Test claim permit, Section C.8.e.vi.).

C. Citizen Monitoring and Participation (Section C.8.f.), *which Is Reimbursable for the City of Vallejo and Vallejo Sanitary District only*:

1. Encourage Citizen Monitoring.
2. In developing Monitoring Projects and evaluating Status & Trends data, make reasonable efforts to seek out citizen and stakeholder information and comment regarding waterbody function and quality.
3. Demonstrate annually the permittee has encouraged citizen and stakeholder observations and reporting of waterbody conditions. Report on these outreach efforts in the annual Urban Creeks Monitoring Report.¹⁸

D. Monitoring Reporting and Notice (Sections C.8.g.ii., C.8.g.vii.)

1. Permittees shall maintain an information management system to support electronic transfer of data to the Regional Data Center of the California Environmental Data Exchange Network (CEDEN), located within the San Francisco Estuary Institute.¹⁹
2. Permittees shall submit an Electronic Status Monitoring Data Report, compatible with the SWAMP database, no later than January 15 of each year, reporting on all data collected during the previous October 1-September 30 period. Water quality objective exceedances are required to be highlighted in the report.²⁰
3. Permittees shall notify stakeholders and members of the general public about the availability of electronic and paper monitoring reports through notices distributed through appropriate means, such as an electronic mailing list.²¹

E. Trash

1. Short-Term Trash Load Reduction Plan (Section C.10.a.i.). All permittees, except for flood management agencies, shall submit a Short-Term Trash Load Reduction Plan, including an implementation schedule, to the Regional Board by February 1, 2012. The Plan shall describe the following:
 - a. Control measures and best management practices, including any trash reduction ordinances, currently being implemented and the current level of implementation.
 - b. Additional control measures and best management practices that will be implemented, and/or an increased level of implementation designed to attain a 40 percent trash load reduction from its MS4 by July 1, 2014.

¹⁸ Exhibit A, Test Claim Decision, page 371 citing to Test Claim, 10-TC-02, page 225 (Test claim permit, Section C.8.f.).

¹⁹ Exhibit A, Test Claim Decision, page 372 citing to Test Claim, 10-TC-02, page 226, footnote 46 (Test claim permit, Section C.8.g.ii.).

²⁰ Exhibit A, Test Claim Decision, page 372 citing to Test Claim, 10-TC-02, page 226 (Test claim permit, Section C.8.g.ii.).

²¹ Exhibit A, Test Claim Decision, page 372 citing to Test Claim, 10-TC-02, page 228 (Test claim permit, Section C.8.g.vii.).

- c. The Plan shall also “account for required mandatory minimum Full Trash Capture devices called for in Provision C.10.a.iii and Trash Hot Spot Cleanup called for in Provision C.10.b.”²²
2. Baseline Trash Load and Trash Load Reduction Tracking Method (Section C.10.a.ii.). All permittees, except for flood management agencies, shall comply with the following new requirements:
 - a. Determine the baseline trash load from its MS4.
 - b. Submit the load level to the Regional Board by February 1, 2012. The February 1, 2012, report shall include the following:
 - Documentation of the methodology used to determine the load level.
 - A description of the trash load reduction tracking method that will be used to account for trash load reduction actions and to demonstrate progress and attainment of trash load reduction levels.
 - The submittal shall account for the drainage areas of a Permittee’s jurisdiction that are associated with the baseline trash load from its MS4, and the baseline trash load level per unit area by land use type and drainage area characteristics used to derive the total baseline trash load level for each Permittee.
 - c. Submit a progress report by February 1, 2011, indicating whether the permittee is determining its baseline trash load and trash load reduction method individually or collaboratively with other Permittees and a summary of the approach being used.²³
 3. Minimum Full Trash Capture (Section C.10.a.iii.). Except as provided below, all permittees shall comply with the following requirements:

Install and maintain a mandatory minimum number of full trash capture devices by July 1, 2014, to treat runoff from an area equivalent to 30 percent of Retail/Wholesale Land draining to MS4s within their jurisdictions. The scope of this requirement is as follows:

 - A full capture system or device is “any single device or series of devices that traps all particles retained by a 5 mm mesh screen and has a design treatment capacity of not less than the peak flow rate Q resulting from a one-year, one-hour, storm in the subdrainage area”.
 - The mandatory minimum number of full trash capture devices for each permittee is identified in Attachment J to the test claim permit, Tables 10-1 and 10-2. However, if the sum of the areas generating trash loads determined pursuant to Section C.10.a.ii is a smaller acreage than the required trash capture acreage, the minimum full trash capture

²² Exhibit A, Test Claim Decision, page 372 citing to Test Claim, 10-TC-02, page 233 (Test claim permit, Section C.10.a.i).

²³ Exhibit A, Test Claim Decision, page 373 citing to Test Claim, 10-TC-02, pages 233-234 (Test claim permit, Section C.10.a.ii.).

requirement is reduced to the smaller acreage for the population-based permittee.²⁴

The requirements to install and maintain full trash capture devices **does not apply:**

- To a population-based permittee with a population less than 12,000 and retail/wholesale land less than 40 acres, or a population less than 2000.²⁵
- To full trash capture devices installed by a permittee *before* the effective date of the test claim permit, which may be counted towards the minimum number of full trash capture devices identified in Attachment J, provided the device meets the permit's definition of a full trash capture device.²⁶

4. Trash Hot Spots (C.10.b.ii. and iii.)

a. The permittees shall each submit selected Trash Hot Spots to the Regional Board by July 1, 2010. (Section C.10.b.ii.)²⁷

b. Hot Spot Assessments. (Section C.10.b.iii.)

i. The San Mateo and Fairfield-Suisun permittees shall comply with the following new requirements:

- Identify the dominant types of trash (e.g., glass, plastics, paper) removed.
- Document the trash conditions before and after clean-up of the entire hot spot using photo documentation with a minimum of one photo per 50 feet of hot spot length.

ii. The Contra Costa permittees shall comply with the following new requirement:

- Document the trash conditions before and after clean-up of the entire hot spot using photo documentation with a minimum of one photo per 50 feet of hot spot length.

iii. The Vallejo permittees shall comply with the following new requirements:

- Quantify the volume of material removed from each trash hot spot cleanup.

²⁴ Exhibit A, Test Claim Decision, page 373 citing to Test Claim, 10-TC-02, pages 234, 411 et seq., and 415 et seq. (Test claim permit, Section C.10.a.iii., Attachment J, Tables 10-1, 10-2).

²⁵ Exhibit A, Test Claim Decision, page 374 citing to Test Claim, 10-TC-02, page 234 (Test claim permit, Section C.10.a.iii.).

²⁶ Exhibit A, Test Claim Decision, page 374 citing to Test Claim, 10-TC-02, page 234 (Test claim permit, Section C.10.a.iii.); Code of Federal Regulations, title 40, section 122.41(e).

²⁷ Exhibit A, Test Claim Decision, page 374 citing to Test Claim, 10-TC-02, page 235 (Test claim permit, Section C.10.b.ii.).

- Identify the dominant types of trash removed (e.g., glass, plastics, paper).
 - Document the trash condition before and after cleanup using photo documentation, with a minimum of one photo per 50 feet of hot spot length.²⁸
5. Long-Term Trash Load Reduction Plan (Section C.10.c.). All permittees, except for flood management agencies, shall submit a Long-Term Trash Load Reduction Plan, including an implementation schedule, to the Water Board by February 1, 2014. The Plan shall describe the control measures and best management practices, including any trash reduction ordinances, that are being implemented and the level of implementation and additional control measures and best management practices that will be implemented, and/or an increased level of implementation designed to attain a 70 percent trash load reduction from its MS4 by July 1, 2017, and 100 percent by July 1, 2022.²⁹
 6. Reporting and Document Retention (Sections C.10.d.i. and C.10.d.ii.)
 - a. The Fairfield-Suisun, San Mateo, and Vallejo permittees shall comply with the following new requirement:
 - In each annual report, report on the dominant types of trash removed and retain these records.³⁰
 - b. All permittees shall comply with the following new requirements:
 - In each Annual Report, provide total trash loads and dominant types of trash *for each type of action, including each trash hot spot selected* pursuant to Section C.10.b. and retain these records.³¹
 - Beginning with the 2012 annual report, report the percent annual trash load reduction relative to the permittee's baseline trash load.³²

F. Mercury and PCB Diversion Studies (Sections C.11.f., C.12.f.)

1. Permittees shall conduct feasibility evaluations for mercury and PCBs by selecting five stormwater pump stations and five alternates for each pollutant and evaluate drainage characteristics and the feasibility of diverting flows of each to the sanitary sewer. The feasibility evaluations shall include, but not be limited to, costs, benefits, and impacts on the stormwater and wastewater agencies and the

²⁸ Exhibit A, Test Claim Decision, pages 374-375 citing to Test Claim, 10-TC-02, page 235 (Test claim permit, Section C.10.b.iii.).

²⁹ Exhibit A, Test Claim Decision, page 375 citing to Test Claim, 10-TC-02, page 235 (Test claim permit, Section C.10.c.).

³⁰ Exhibit A, Test Claim Decision, page 375 citing to Test Claim, 10-TC-02, pages 235-236 (Test claim permit, Sections C.10.d.i. and C.10.d.ii.).

³¹ Exhibit A, Test Claim Decision, page 375 citing to Test Claim, 10-TC-02, pages 235-236 (Test claim permit, Sections C.10.d.i. and C.10.d.ii.).

³² Exhibit A, Test Claim Decision, page 375 citing to Test Claim, 10-TC-02, pages 235-236 (Test claim permit, Section C.10.d.i.).

receiving waters relevant to the diversion and treatment of the dry weather and first flush flows.

2. From these feasibility evaluations, select five pump stations and five alternates for the pilot diversion studies for each pollutant. At least one urban runoff diversion pilot project shall be implemented in each of the five counties (San Mateo, Contra Costa, Alameda, Santa Clara, and Solano). The pilot and alternate locations should be located in industrially-dominated catchments where elevated PCB concentrations are documented.
3. Implement flow diversion of mercury and PCBs to the sanitary sewer at five pilot pump stations.
4. As part of the pilot studies, the permittees shall monitor, measure, and report mercury and PCBs load reduction.
5. Report the following information to the Regional Board:
 - a. Summarize the results of the feasibility evaluations in the 2010 Annual Report. The reports shall include the selection criteria leading to the identification of the five candidate and five alternate pump stations for pilot studies; time schedules for conducting the pilot studies; and a proposed method for distributing mercury load reductions to participating wastewater and stormwater agencies.
 - b. Report annually on the status of the pilot studies in each subsequent annual report.
 - c. Include in the March 15, 2014 Integrated Monitoring Report, the following information for each study: evaluation of pilot programs effectiveness, mercury and PCBs loads reduced, and updated feasibility evaluation procedures to guide future diversion project selection.³³

Offsetting Revenues and Reimbursements

The Parameters and Guidelines specify any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, state and federal funds (including, but not limited to grant funds), any service charge, fee, or assessment authority to offset all or part of the costs of this program, and any other funds that are not the claimant's proceeds of taxes shall be identified and deducted from any claim submitted for reimbursement.³⁴

Offsetting revenues identified in the reimbursement claims totaled \$19,473 for fiscal year 2011-2012, which were identified by the Town of Danville. The source of the offsetting revenue was not identified in the claim.

³³ Exhibit A, Test Claim Decision, pages 375-376 citing to Test Claim, 10-TC-02, pages 240-241, 248-249 (Test claim permit, Sections C.11.f., C.12.f.).

³⁴ Exhibit B, Decision and Parameters and Guidelines, page 24.

Statewide Cost Estimate

Staff reviewed 153 unaudited reimbursement claims submitted by 23 cities and towns, four counties, and one special district, as compiled by the Controller. Staff developed the Statewide Cost Estimate based on the assumptions and methodology discussed herein.

Table 1. Reimbursement Period Cost Estimate

<p>A. Geomorphic Study (Section C.8.d.iii)</p>	
<p>Permittees shall select a waterbody/reach, preferably one that contains significant fish and wildlife resources, and conduct one of the following projects within each county, except that only one such project must be completed within the collective Fairfield-Suisun and Vallejo Permittees' jurisdictions:</p> <ol style="list-style-type: none"> a. Gather geomorphic data to support the efforts of a local watershed partnership [fn. omitted] to improve creek conditions; or b. Inventory locations for potential retrofit projects in which decentralized, landscape-based stormwater retention units can be installed; or c. Conduct a geomorphic study which will help in development of regional curves which help estimate equilibrium channel conditions for different-sized drainages. Select a waterbody/reach that is not undergoing changing land use. Collect and report the following data: <ul style="list-style-type: none"> • Formally surveyed channel dimensions (profile), planform, and cross-sections. Cross-sections shall include the topmost floodplain terrace and be marked by a permanent, protruding (not flush with ground) monument. • Contributing drainage area. • Best available information on bankfull discharges and width and depth of channel formed by bankfull discharges. • Best available information on average annual rainfall in the study area. 	<p>\$531,203 - \$1,460,831</p>
<p>2. Report selected geomorphic project results in the Integrated Monitoring Report.</p>	<p>\$12,481 - \$34,335</p>
<p>B. Sediment Delivery Estimate/Budget (Section C.8.e.vi.)</p>	
<p>Permittees shall develop a design for a robust sediment delivery estimate/sediment budget in local tributaries and urban drainages by July 1, 2011, and implement the study by July 1, 2012.</p>	<p>\$184,602 - \$507,659</p>

C. Citizen Monitoring and Participation (Section C.8.f.), which Is Reimbursable for the City of Vallejo and Vallejo Sanitary District only:	
1. Encourage Citizen Monitoring.	\$262,995
2. In developing Monitoring Projects and evaluating Status & Trends data, make reasonable efforts to seek out citizen and stakeholder information and comment regarding waterbody function and quality.	\$0
3. Demonstrate annually the permittee has encouraged citizen and stakeholder observations and reporting of waterbody conditions. Report on these outreach efforts in the annual Urban Creeks Monitoring Report.	\$17,996
D. Monitoring Reporting and Notice (Sections C.8.g.ii., C.8.g.vii.)	
1. Permittees shall maintain an information management system to support electronic transfer of data to the Regional Data Center of the California Environmental Data Exchange Network (CEDEN), located within the San Francisco Estuary Institute.	\$25,878 - \$71,154
2. Permittees shall submit an Electronic Status Monitoring Data Report, compatible with the SWAMP database, no later than January 15 of each year, reporting on all data collected during the previous October 1-September 30 period. Water quality objective exceedances are required to be highlighted in the report.	\$416,753 - \$1,146,069
3. Permittees shall notify stakeholders and members of the general public about the availability of electronic and paper monitoring reports through notices distributed through appropriate means, such as an electronic mailing list.	\$3,777
E. Trash	
1. Short-Term Trash Load Reduction Plan (Section C.10.a.i.). All permittees, except for flood management agencies, shall submit a Short-Term Trash Load Reduction Plan, including an implementation schedule, to the Regional Board by February 1, 2012. The Plan shall describe the following: <ul style="list-style-type: none"> a. Control measures and best management practices, including any trash reduction ordinances, currently being implemented and the current level of implementation. b. Additional control measures and best management practices that will be implemented, and/or an increased level of implementation designed to attain a 40 percent trash load reduction from its MS4 by July 1, 2014. c. The Plan shall also “account for required mandatory minimum Full Trash Capture devices 	\$489,985 - \$1,306,645

called for in Provision C.10.a.iii and Trash Hot Spot Cleanup called for in Provision C.10.b.”	
<p>2. Baseline Trash Load and Trash Load Reduction Tracking Method (Section C.10.a.ii.). All permittees, except for flood management agencies, shall comply with the following new requirements:</p> <ol style="list-style-type: none"> a. Determine the baseline trash load from its MS4. b. Submit the load level to the Regional Board by February 1, 2012. The February 1, 2012, report shall include the following: <ul style="list-style-type: none"> • Documentation of the methodology used to determine the load level. • A description of the trash load reduction tracking method that will be used to account for trash load reduction actions and to demonstrate progress and attainment of trash load reduction levels. • The submittal shall account for the drainage areas of a Permittee’s jurisdiction that are associated with the baseline trash load from its MS4, and the baseline trash load level per unit area by land use type and drainage area characteristics used to derive the total baseline trash load level for each Permittee. c. Submit a progress report by February 1, 2011, indicating whether the permittee is determining its baseline trash load and trash load reduction method individually or collaboratively with other Permittees and a summary of the approach being used. 	\$197,078 - \$525,533
<p>3. Minimum Full Trash Capture (Section C.10.a.iii.). Except as provided below, all permittees shall comply with the following requirements:</p> <p>Install and maintain a mandatory minimum number of full trash capture devices by July 1, 2014, to treat runoff from an area equivalent to 30 percent of Retail/Wholesale Land draining to MS4s within their jurisdictions. The scope of this requirement is as follows:</p> <ul style="list-style-type: none"> • A full capture system or device is “any single device or series of devices that traps all particles retained by a 5 mm mesh screen and has a design treatment capacity of not less than the peak flow rate Q resulting from a one-year, one-hour, storm in the subdrainage area”. • The mandatory minimum number of full trash capture devices for each permittee is identified in Attachment J to the test claim permit, Tables 10-1 and 10-2. However, if the sum of the 	\$2,979,562 - \$8,193,799

<p>areas generating trash loads determined pursuant to Section C.10.a.ii is a smaller acreage than the required trash capture acreage, the minimum full trash capture requirement is reduced to the smaller acreage for the population-based permittee.</p> <p>The requirements to install and maintain full trash capture devices <i>does not apply</i>:</p> <ul style="list-style-type: none"> • To a population-based permittee with a population less than 12,000 and retail/wholesale land less than 40 acres, or a population less than 2000. • To full trash capture devices installed by a permittee <i>before</i> the effective date of the test claim permit, which may be counted towards the minimum number of full trash capture devices identified in Attachment J, provided the device meets the permit’s definition of a full trash capture device. 	
<p>4. Trash Hot Spots (C.10.b.ii. and iii.)</p>	<p>\$157,275 - \$432,508</p>
<ul style="list-style-type: none"> a. The permittees shall each submit selected Trash Hot Spots to the Regional Board by July 1, 2010. (Section C.10.b.ii.) b. Hot Spot Assessments. (Section C.10.b.iii.) <ul style="list-style-type: none"> i. The San Mateo and Fairfield-Suisun permittees shall comply with the following new requirements: <ul style="list-style-type: none"> • Identify the dominant types of trash (e.g., glass, plastics, paper) removed. • Document the trash conditions before and after clean-up of the entire hot spot using photo documentation with a minimum of one photo per 50 feet of hot spot length. ii. The Contra Costa permittees shall comply with the following new requirement: <ul style="list-style-type: none"> • Document the trash conditions before and after clean-up of the entire hot spot using photo documentation with a minimum of one photo per 50 feet of hot spot length. iii. The Vallejo permittees shall comply with the following new requirements: <ul style="list-style-type: none"> • Quantify the volume of material removed from each trash hot spot cleanup. • Identify the dominant types of trash removed (e.g., glass, plastics, paper). • Document the trash condition before and after cleanup using photo documentation, with a minimum of one photo per 50 feet of hot spot length. 	

<p>5. Long-Term Trash Load Reduction Plan (Section C.10.c.). All permittees, except for flood management agencies, shall submit a Long-Term Trash Load Reduction Plan, including an implementation schedule, to the Water Board by February 1, 2014. The Plan shall describe the control measures and best management practices, including any trash reduction ordinances, that are being implemented and the level of implementation and additional control measures and best management practices that will be implemented, and/or an increased level of implementation designed to attain a 70 percent trash load reduction from its MS4 by July 1, 2017, and 100 percent by July 1, 2022.</p>	<p>\$519,930 - \$1,386,495</p>
<p>6. Reporting and Document Retention (Sections C.10.d.i. and C.10.d.ii.)</p> <p>a. The Fairfield-Suisun, San Mateo, and Vallejo permittees shall comply with the following new requirement:</p> <ul style="list-style-type: none"> • In each annual report, report on the dominant types of trash removed and retain these records.³⁵ <p>b. All permittees shall comply with the following new requirements:</p> <ul style="list-style-type: none"> • In each Annual Report, provide total trash loads and dominant types of trash <i>for each type of action, including each trash hot spot selected</i> pursuant to Section C.10.b. and retain these records. • Beginning with the 2012 annual report, report the percent annual trash load reduction relative to the permittee's baseline trash load. 	<p>\$119,236 - \$327,878</p>
<p>F. Mercury and Polychlorinated Biphenyls (PCBs) Diversion Studies (Sections C.11.f., C.12.f.)</p>	
<p>1. Permittees shall conduct feasibility evaluations for mercury and PCBs by selecting five stormwater pump stations and five alternates for each pollutant and evaluate drainage characteristics and the feasibility of diverting flows of each to the sanitary sewer. The feasibility evaluations shall include, but not be limited to, costs, benefits, and impacts on the stormwater and wastewater agencies and the receiving waters relevant to the diversion and treatment of the dry weather and first flush flows.</p>	<p>\$109,918 - \$302,292</p>
<p>2. From these feasibility evaluations, select five pump stations and five alternates for the pilot diversion</p>	<p>\$59,249 - \$162,933</p>

³⁵ Exhibit A, Test Claim Decision, page 375 citing to Test Claim, 10-TC-02, pages 235-236 (Test claim permit, Sections C.10.d.i. and C.10.d.ii.).

studies for each pollutant. At least one urban runoff diversion pilot project shall be implemented in each of the five counties (San Mateo, Contra Costa, Alameda, Santa Clara, and Solano). The pilot and alternate locations should be located in industrially-dominated catchments where elevated PCB concentrations are documented	
3. Implement flow diversion of mercury and PCBs to the sanitary sewer at five pilot pump stations.	\$51,178 - \$140,750
4. As part of the pilot studies, the permittees shall monitor, measure, and report mercury and PCBs load reduction.	\$240,356 - \$660,972
5. Report the following information to the Regional Board: a. Summarize the results of the feasibility evaluations in the 2010 Annual Report. The reports shall include the selection criteria leading to the identification of the five candidate and five alternate pump stations for pilot studies; time schedules for conducting the pilot studies; and a proposed method for distributing mercury load reductions to participating wastewater and stormwater agencies. b. Report annually on the status of the pilot studies in each subsequent annual report. c. Include in the March 15, 2014 Integrated Monitoring Report, the following information for each study: evaluation of pilot programs effectiveness, mercury and PCBs loads reduced, and updated feasibility evaluation procedures to guide future diversion project selection.	\$358,537 - \$985,982
Subtotal Direct Costs	\$6,737,989 - \$17,930,603
Indirect Costs identified	\$122,131 - \$322,751
Offsetting Revenues or Other Reimbursements	(\$19,473)
10 Percent Late Filing Penalty	(\$0 - \$1,151,536)
Total Costs	\$6,840,647 - \$17,082,345

Draft Proposed Statewide Cost Estimate and Comments

On March 4, 2026, Commission staff issued the Draft Proposed Statewide Cost Estimate.³⁶ On March 16, 2026, the City of San Jose filed its comments on the Draft Proposed Statewide Cost Estimate objecting to Assumption No. 5.³⁷ These comments are summarized and addressed below under Assumption No. 5.

³⁶ Exhibit C, Draft Proposed Statewide Cost Estimate.

³⁷ Exhibit D, Claimant's (City of San Jose's) Comments on the Draft Proposed Statewide Cost Estimate.

Assumptions

1. The amount claimed for the period of reimbursement may be higher if late or amended claims are filed. Of the 77 eligible claimants, only 28 filed claims. As noted above, no costs may be claimed after December 31, 2017. For purposes of calculating the high-end projection of this Statewide Cost Estimate, it is presumed that no late or amended claims will be filed by the 28 claimants. This Statewide Cost Estimate is based on the claims filed and the claims which the 49 eligible non-filer claimants could file late.
2. The costs for Activities C.1, C.2, and C.3. regarding citizen monitoring and participation can only be claimed by City of Vallejo and Vallejo Sanitary District. Only the District filed costs for these activities. For purposes of calculating the high-end projection of this Statewide Cost Estimate, it is presumed that no additional costs will be claimed through late claiming.
3. Activity D.3. regarding notification of stakeholders and members of the general public about the availability of electronic and paper monitoring reports was only claimed by City of Santa Clara from 2010-2011 to 2014-2015. For purposes of calculating the high-end projection of this Statewide Cost Estimate, it is presumed that no other costs will be claimed by any other claimant.
4. Activities E.1., E.2., and E.5. regarding submitting a Short-Term Trash Load Reduction Plan, Baseline Trash Load and Trash Load Reduction Tracking reports, and a Long-Term Trash Load Reduction Plan, may not be claimed by flood management agencies. For purposes of calculating the high-end projection of this Statewide Cost Estimate, no ineligible claimants will be included in calculating projected claims costs.
5. Activity E.4. includes two activities: A) a one-time activity of submitting selected Trash Hot Spots to the Regional Board by July 1, 2010 for all claimants and B) Hot Spot assessments to be performed by only the San Mateo, Fairfield-Suisun, Contra Costa, and Vallejo permittees. Thus, there should be no claimed costs for the Alameda and Santa Clara permittees after the one-time activity is completed in 2010. However, the City of San Jose, a Santa Clara permittee, claimed \$163,530 plus indirect costs of \$12,654 for Activity E.4. in fiscal year 2017-2018. For purposes of calculating the high-end projection of this Statewide Cost Estimate, this delayed claimed cost will not be included.

On March 16, 2026, the City of San Jose filed comments on the Draft Proposed Statewide Cost Estimate objecting to Assumption No. 5, as follows:

The City of San Jose disagrees that it presented a delayed claimed cost. The City of San Jose should not have been excluded from the Hot Spot Assessments in Section C.10.b.iii and should be allowed to claim costs related thereto. The City of San Jose respectfully requests that its claimed costs be included in the Statewide Cost Estimate.³⁸

³⁸ Exhibit D, Claimant's (City of San Jose's) Comments on the Draft Proposed Statewide Cost Estimate, page 1.

No changes to this assumption are made. First, the costs claimed by the City of San Jose, as well as all costs claimed as filed with the Controller, are included in the low-end statewide cost estimate and, thus, all of the City's claimed costs are included in the Statewide Cost Estimate.³⁹

However, the City's costs are not included in the cost projections for possible late claims by non-filers. The Test Claim Decision concluded that the activity to assess hot spots did not mandate a new program or higher level of service for the Santa Clara permittees, which includes the City of San Jose. Hot spot assessments were only approved as new state-mandated activities for the San Mateo, Fairfield-Suisun, Contra Costa, and Vallejo permittees.⁴⁰ Cost projections are used to establish the amount of possible late claims by non-filers, that is, not the amount for the City of San Jose and the other 27 claimants who filed claims. Thus, for purposes of cost projections, the City of San Jose's costs claimed under Section C.10.b.iii were properly excluded as they represent statistical outliers that are not likely to be representative of costs by non-filers. In tailoring the high-end statewide cost estimate to be as reliable as possible, one-time costs and costs claimed in unexpected amounts or outside expected timelines are routinely removed from the calculation as detailed in the Assumptions. Finally, any exclusion from the cost projection calculation has no direct effect on the City of San Jose or any claimant because this Statewide Cost Estimate is created for state budgeting purposes.

6. Projected indirect costs are low because overhead was only claimed in 27 claims or 17.6% of claims filed.
7. Costs may be lower than projected if either no reimbursable costs were incurred or if costs of less than \$1,000 were incurred by non-filers, in which case a late reimbursement claim cannot be filed.⁴¹
8. Costs may be lower if the Controller audits the claims and determines that costs were improperly claimed or were not supported.
9. Costs may be lower if the Controller audits the claims and determines that other offsetting revenues (i.e., funds that are not the claimant's proceeds of taxes) were used by a claimant to pay for the reimbursement activities.

Methodology

As explained below, the low-end statewide cost estimate represents the costs actually claimed. The high-end statewide cost estimate represents the costs actually claimed plus the costs that could be claimed in late claims.

Activity A.1. consists of gathering geomorphic data, inventorying locations for potential retrofit projects, or conducting a geomorphic study. Activity A.1. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

³⁹ See Methodology section, below.

⁴⁰ Exhibit A, Test Claim Decision, page 305.

⁴¹ Government Code section 17564.

Activity A.1. actual costs claimed [\$531,203] / the number of filers [28] = average activity A.1. cost per filer [\$18,972]

Average activity A.1. cost per claim [\$18,972] x number of non-filers [49] = total estimated non-filed activity A.1. costs [\$929,628]

Activity A.1. actual costs claimed [\$531,203] + estimated non-filed activity A.1. costs that could be claimed in late claims [\$929,628] = Total potential activity A.1. costs [\$1,460,831]

Activity A.2. consists of reporting on gathered geomorphic data, inventoried locations for potential retrofit projects, or a geomorphic study. Activity A.2. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity A.2. actual costs claimed [\$12,481] / the number of filers [28] = average Activity A.2. cost per filer [\$446]

Average activity A.2. cost per filer [\$446] x number of non-filers [49] = total estimated non-filer Activity A.2. costs [\$21,854]

Activity A.2. actual costs claimed [\$12,481] + estimated non-filer Activity A.2. costs that could be claimed in late claims [\$21,854] = Total potential Activity A.2. costs [\$34,335]

Activity B. consists of developing a design for a sediment delivery estimate/sediment budget in local tributaries and urban drainages. Activity B. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity B. actual costs claimed [\$184,602] / the number of filers [28] = average Activity B. cost per filer [\$6,593]

Average activity B. cost per filer [\$6,593] x number of non-filers [49] = total estimated non-filer Activity B. costs [\$323,057]

Activity B. actual costs claimed [\$184,602] + estimated non-filer Activity B. costs that could be claimed in late claims [\$323,057] = Total potential Activity B. costs [\$507,659]

Activity C.1. consists of encouraging citizen monitoring. Activity C.1. actual costs are \$262,995. This activity only has two eligible claimants, both of which filed claims and thus, there is no projection for non-filer claimants.

Activity C.2. consists of seeking out citizen and stakeholder information and comment regarding waterbody function and quality. Activity C.2. only has two eligible claimants and neither filed claims. Thus, there is no projection for non-filer claimants.

Activity C.3. consists of demonstrating and reporting on encouraging citizen monitoring. Activity C.3. actual costs are \$17,996. This activity only has two eligible claimants, both of which filed claims and thus, there is no projection for non-filer claimants.

Activity D.1. consists of maintaining an information management system. Activity D.1. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity D.1. actual costs claimed [\$25,878] / the number of filers [28] = average Activity D.1. cost per filer [\$924]

Average activity D.1. cost per filer [\$924] x number of non-filers [49] = total estimated non-filer Activity D.1. costs [\$45,276]

Activity D.1. actual costs claimed [\$25,878] + estimated non-filer Activity D.1. costs that could be claimed in late claims [\$45,276] = Total potential Activity D.1. costs [\$71,154]

Activity D.2. consists of annually submitting an Electronic Status Monitoring Data Report. Activity D.2. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity D.2. actual costs claimed [\$416,753] / the number of filers [28] = average Activity D.2. cost per filer [\$14,884]

Average activity D.2. cost per filer [\$14,884] x number of non-filers [49] = total estimated non-filer Activity D.2. costs [\$729,316]

Activity D.2. actual costs claimed [\$416,753] + estimated non-filer Activity D.2. costs that could be claimed in late claims [\$729,316] = Total potential Activity D.2. costs [\$1,146,069]

Activity D.3. consists of notifying stakeholders and members of the general public about the availability of electronic and paper monitoring reports. Activity D.3. was only claimed by a single claimant with actual costs of \$3,777 and thus, there is no projection for eligible claimants that have not yet filed claims.

Activity E.1. consists of submitting a Short-Term Trash Load Reduction Plan. Activity E.1. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims. Flood control agencies are ineligible to claim costs for this activity.

Activity E.1. actual costs claimed [\$489,985] / the number of filers [27] = average Activity E.1. cost per filer [\$18,148]

Average activity E.1. cost per filer [\$18,148] x number of non-filers [45] = total estimated non-filer Activity E.1. costs [\$816,660]

Activity E.1. actual costs claimed [\$489,985] + estimated non-filer Activity E.1. costs that could be claimed in late claims [\$816,660] = Total potential Activity E.1. costs [\$1,306,645]

Activity E.2. consists of submitting Baseline Trash Load and Trash Load Reduction Tracking reports. Activity E.2. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims. Flood control agencies are ineligible to claim costs for this activity.

Activity E.2. actual costs claimed [\$197,078] / the number of filers [27] = average Activity E.2. cost per filer [\$7,299]

Average activity E.2. cost per filer [\$7,299] x number of non-filers [45] = total estimated non-filer Activity E.2. costs [\$328,455]

Activity E.2. actual costs claimed [\$197,078] + estimated non-filer Activity E.2. costs that could be claimed in late claims [\$328,455] = Total potential Activity E.2. costs [\$525,533]

Activity E.3. consists of installing and maintaining a mandatory minimum number of full trash capture devices. Activity E.3. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity E.3. actual costs claimed [\$2,979,562] / the number of filers [28] = average Activity E.3. cost per filer [\$106,413]

Average activity E.3. cost per filer [\$106,413] x number of non-filers [49] = total estimated non-filer Activity E.3. costs [\$5,214,237]

Activity E.3. actual costs claimed [\$2,979,562] + estimated non-filer Activity E.3. costs that could be claimed in late claims [\$5,214,237] = Total potential Activity E.3. costs [\$8,193,799]

Activity E.4. consists of submitting selected Trash Hot Spots to the Regional Board or, for certain claimants, performing Hot Spot assessments. Activity E.4. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity E.4. actual costs claimed [\$157,275] / the number of filers [28] = average Activity E.4. cost per filer [\$5,617]

Average activity E.4. cost per filer [\$5,617] x number of non-filers [49] = total estimated non-filer Activity E.4. costs [\$275,233]

Activity E.4. actual costs claimed [\$157,275] + estimated non-filer Activity E.4. costs that could be claimed in late claims [\$275,233] = Total potential Activity E.4. costs [\$432,508]

Activity E.5. consists of submitting a Long-Term Trash Load Reduction Plan. Activity E.5. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims. Flood control agencies are ineligible to claim costs for this activity.

Activity E.5. actual costs claimed [\$519,930] / the number of filers [27] = average Activity E.5. cost per filer [\$19,257]

Average activity E.5. cost per filer [\$19,257] x number of non-filers [45] = total estimated non-filer Activity E.5. costs [\$866,565]

Activity E.5. actual costs claimed [\$519,930] + estimated non-filer Activity E.5. costs that could be claimed in late claims [\$866,565] = Total potential Activity E.5. costs [\$1,386,495]

Activity E.6. consists of annually providing total trash loads and dominant types of trash. Activity E.6. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity E.6. actual costs claimed [\$119,236] / the number of filers [28] = average Activity E.6. cost per filer [\$4,258]

Average activity E.6. cost per filer [\$4,258] x number of non-filers [49] = total estimated non-filer Activity E.6. costs [\$208,642]

Activity E.6. actual costs claimed [\$119,236] + estimated non-filer Activity E.6. costs that could be claimed in late claims [\$208,642] = Total potential Activity E.6. costs [\$327,878]

Activity F.1. consists of conducting feasibility evaluations for mercury and PCBs. Activity F.1. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity F.1. actual costs claimed [\$109,918] / the number of filers [28] = average Activity F.1. cost per filer [\$3,926]

Average activity F.1. cost per filer [\$3,926] x number of non-filers [49] = total estimated non-filer Activity F.1. costs [\$192,374]

Activity F.1. actual costs claimed [\$109,918] + estimated non-filer Activity F.1. costs that could be claimed in late claims [\$192,374] = Total potential Activity F.1. costs [\$302,292]

Activity F.2. consists of selecting pilot pump stations for the feasibility evaluations for mercury and PCBs. Activity F.2. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity F.2. actual costs claimed [\$59,249] / the number of filers [28] = average Activity F.2. cost per filer [\$2,116]

Average activity F.2. cost per filer [\$2,116] x number of non-filers [49] = total estimated non-filer Activity F.2. costs [\$103,684]

Activity F.2. actual costs claimed [\$59,249] + estimated non-filer Activity F.2. costs that could be claimed in late claims [\$103,684] = Total potential Activity F.2. costs [\$162,933]

Activity F.3. consists of implementing flow diversion of mercury and PCBs to the sanitary sewer at five pilot pump stations. Activity F.3. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity F.3. actual costs claimed [\$51,178] / the number of filers [28] = average Activity F.3. cost per filer [\$1,828]

Average activity F.3. cost per filer [\$1,828] x number of non-filers [49] = total estimated non-filer Activity F.3. costs [\$89,572]

Activity F.3. actual costs claimed [\$51,178] + estimated non-filer Activity F.3. costs that could be claimed in late claims [\$89,572] = Total potential Activity F.3. costs [\$140,750]

Activity F.4. consists of monitoring, measuring, and reporting mercury and PCBs load reduction. Activity F.4. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity F.4. actual costs claimed [\$240,356] / the number of filers [28] = average Activity F.4. cost per filer [\$8,584]

Average activity F.4. cost per filer [\$8,584] x number of non-filers [49] = total estimated non-filer Activity F.4. costs [\$420,616]

Activity F.4. actual costs claimed [\$240,356] + estimated non-filer Activity F.4. costs that could be claimed in late claims [\$420,616] = Total potential Activity F.4. costs [\$660,972]

Activity F.5. consists of annual reporting on the feasibility evaluations and status of pilot studies. Activity F.5. claims are calculated by using the average costs claimed multiplied by the number of eligible claimants that have not yet filed claims.

Activity F.5. actual costs claimed [\$358,537] / the number of filers [28] = average Activity F.5. cost per filer [\$12,805]

Average activity F.5. cost per filer [\$12,805] x number of non-filers [49] = total estimated non-filer Activity F.5. costs [\$627,445]

Activity F.5. actual costs claimed [\$358,537] + estimated non-filer Activity F.5. costs that could be claimed in late claims [\$627,445] = Total potential Activity F.5. costs [\$985,982]

Indirect Costs: The low end of the range for indirect costs is those indirect costs actually claimed. The high end, in addition to indirect costs actually claimed, assumes that all eligible claimants who have not yet filed claims will file claims for indirect costs at the same average rate actually claimed, which is calculated by dividing indirect costs claimed by direct costs claimed equals average indirect cost rate (as a percentage). Then multiply the average indirect cost rate by the estimated direct costs.

Indirect Costs Actually Claimed [\$122,131] / Direct Costs Actually Claimed [\$6,737,989] = Average Indirect Cost Rate [1.8%].

Indirect Cost Rate [1.8%] x Estimated Direct Costs (sum of all claimed and estimated activity costs for the initial claim period) [\$17,930,603] = High End of the Estimated Indirect Costs [\$322,751].

Offsetting Revenues: The low end of the range for offsetting revenues is the total amount of offsetting revenues actually claimed. Offsetting revenue was only claimed by one claimant for a single fiscal year and thus, there is no projection for eligible claimants that have not yet filed claims.

Late Filing Penalties: The low end is \$0 because none of the claims compiled by the Controller were assessed a late filing penalty. The high end assumes all eligible claimants, who have not yet filed, will file claims for reimbursement, which will be subject to a late filing penalty. The costs for potential late claims are estimated by adding estimated non-filed direct and indirect costs and subtracting offsets to get net costs. Finally, the net costs are multiplied by a ten percent late filing penalty to estimate the high-end late filing penalties.

Estimated Non-filer Direct Costs [\$11,192,614] + Estimated Non-filer Indirect Costs [\$322,751] – Estimated Non-filer Offsets [\$0] = Estimated Non-filer Net Costs [\$11,515,365].

Estimated Non-filer Net Costs [\$11,515,365] x (10% late filing penalty) = Estimated Non-filer Late Filing Penalties [\$1,151,536].

Actual Late Filing Penalties [\$0] + Estimated Non-filer Late Filing Penalties [\$1,151,536] = High End of Estimated Late Filing Penalties [\$1,151,536].

Draft Proposed Statewide Cost Estimate

On March 23, 2026, Commission staff issued the Draft Proposed Statewide Cost Estimate.⁴² On March 16, 2026, the claimant (City of San Jose) filed comments on the Draft Proposed Statewide Cost Estimate.⁴³

Conclusion

On June 12, 2026, the Commission adopted this Statewide Cost Estimate of \$6,840,647 – \$17,082,345 for the Initial Claim Period that began on December 1, 2009 and ends on December 31, 2017.

B. *Lead Sampling in Schools: Public Water System No. 3710020, 17-TC-03-R2*

Hearing Date: June 12, 2026

STATEWIDE COST ESTIMATE

\$0 - \$290,151
Initial Claim Period⁴⁴

Permit Amendment No. 2017PA-SCHOOLS, City of San Diego Public Water System
No. 3710020, Effective January 18, 2017

Lead Sampling in Schools: Public Water System No. 3710020

17-TC-03-R2

The Commission on State Mandates (Commission) adopted this Statewide Cost Estimate on consent by a vote of 6-0 during a regularly scheduled hearing on June 12, 2026⁴⁵ as follows:

Member	Vote
Lee Adams, County Supervisor	Yes
Deborah Gallegos, Representative of the State Controller	Yes
Karen Greene Ross, Public Member	Yes
William Pahland, Representative of the State Treasurer, Vice Chairperson	Yes

⁴² Exhibit C, Draft Proposed Statewide Cost Estimate.

⁴³ Exhibit D, Claimant's (City of San Jose) Comments on the Draft Proposed Statewide Cost Estimate.

⁴⁴ The entire reimbursement period is presumed to be within the initial claim period because the permit requires the claimant's public water system, beginning January 18, 2017, to test drinking water in K-12 schools for the presence of lead, upon the request of an authorized representative of the school made *prior to* November 1, 2019.

⁴⁵ The Proposed Statewide Cost Estimate was issued and set for the April 10, 2026 Commission meeting. However, that meeting was rescheduled to May 15, 2026, and then to June 12, 2026 due to a burst pipe and resulting fire making the Commission office inaccessible.

Michele Perrault, Representative of the Director of the Department of Finance, Chairperson	Yes
Alexander Powell, Representative of the Director of the Governor's Office of Land Use and Climate Innovation	Yes

STAFF ANALYSIS

Summary of the Mandate, Eligible Claimants, and Period of Reimbursement

This Statewide Cost Estimate addresses state-mandated activities arising from a permit amendment issued by the State Water Resources Control Board (State Water Board) to the City of San Diego's public water system, Order No. 2017PA-SCHOOLS and is applicable to the City of San Diego only.

The Commission adopted the Test Claim Decision on March 28, 2025, partially approving reimbursement for the City's increased costs to perform the reimbursable activities under the mandate and adopted the Decision and Parameters and Guidelines on May 23, 2025.

The reimbursement period is January 18, 2017 and is assumed to end by November 1, 2019. January 18, 2017 is the effective date of the permit amendment and November 1, 2019 was the last day for schools to request testing under the test claim permit. Beginning January 1, 2018, any lead testing conducted by the claimant on those public schools constructed or modernized before January 1, 2010, that did not request testing before January 1, 2018, is required by Health and Safety Code section 116227, and not by the test claim order.

The sole eligible claimant, the City of San Diego, was required to file initial claims with the State Controller's Office (Controller) on or before December 24, 2025. Late initial reimbursement claims may be filed until December 24, 2026, but will incur a 10 percent late filing penalty of the total amount of the initial claim without limitation.⁴⁶

As of February 25, 2026, no reimbursement claims have been filed.

Reimbursable Activities

The Commission approved the following reimbursable activities for this program:

1. Submit to the State Water Board's Division of Drinking Water a comprehensive list of the names and addresses of all K-12 schools served water through a utility meter [by the claimant] by July 1, 2017;⁴⁷
2. If an authorized school representative of a private K-12 school or a public K-12 school in the claimant's service area requests lead sampling assistance in writing by November 1, 2019:⁴⁸

⁴⁶ Government Code section 17561(d)(3).

⁴⁷ Exhibit A, Test Claim Decision, page 75, citing to Test Claim, page 105 (test claim order).

⁴⁸ Exhibit A, Test Claim Decision, page 75, citing to Test Claim, page 105 (test claim order).

- a. Respond in writing within 60 days and schedule a meeting with school officials to develop a sampling plan;⁴⁹
- b. Finalize a sampling plan and complete initial sampling within 90 days [or an alternative time schedule approved by DDW];⁵⁰
- c. Collect one to five samples at each school, from regularly used drinking fountains, cafeteria or food preparation areas, or reusable bottle filling stations, selected according to the sampling plan, and using the sampling guidance provided in Appendix A;⁵¹
- d. Collect lead samples during the school year, on a Tuesday, Wednesday, Thursday, or Friday on a day that school is in session and has been in session for at least one day prior to the day of sampling;⁵²
- e. Ensure samples are collected by an adequately trained water system representative;⁵³
- f. Submit the samples to an ELAP certified laboratory for analysis;⁵⁴
- g. Require the laboratory to submit the data electronically to DDW;⁵⁵
- h. Provide a copy of the results to the school representative;⁵⁶
- i. Within two business days of a result that shows an exceedance of 15 ppb, notify the school of the sample result;⁵⁷
- j. If an initial sample shows an exceedance of 15 ppb:

⁴⁹ Exhibit A, Test Claim Decision, page 76, citing to Test Claim, page 106 (test claim order).

⁵⁰ Exhibit A, Test Claim Decision, page 76, citing to Test Claim, page 106 (test claim order).

⁵¹ Exhibit A, Test Claim Decision, page 76, citing to Test Claim, page 106 (test claim order).

⁵² Exhibit A, Test Claim Decision, page 76, citing to Test Claim, page 106 (test claim order).

⁵³ Exhibit A, Test Claim Decision, page 76, citing to Test Claim, page 106 (test claim order).

⁵⁴ Exhibit A, Test Claim Decision, page 76, citing to Test Claim, page 106 (test claim order).

⁵⁵ Exhibit A, Test Claim Decision, page 76, citing to Test Claim, page 106 (test claim order).

⁵⁶ Exhibit A, Test Claim Decision, page 76, citing to Test Claim, page 106 (test claim order).

⁵⁷ Exhibit A, Test Claim Decision, page 76, citing to Test Claim, page 106 (test claim order).

- Collect an additional sample within 10 days if the sample site remains in service;⁵⁸
 - Collect a third sample within 10 business days after notification that a resample result is less than or equal to 15 ppb;⁵⁹
 - Collect at least one more lead sample at a sample site where the school has completed some corrective action following an initial lead sample result over 15 ppb;⁶⁰
- k. Ensure that the water system receives the results of repeat lead samples from the laboratory in no more than 10 business days;⁶¹
 - l. Discuss the lead sample results with the school prior to releasing the sample results to the public, and within 10 days of receiving the results from the laboratory;⁶²
 - m. Communicate with the school after lead sampling and assist the school with the interpretation of laboratory results and provide information regarding potential corrective actions if the results confirm lead levels above 15 ppb.⁶³ ***The water system is not responsible for the costs of any corrective action or maintenance;***⁶⁴
 - n. Keep records of all requests for lead related assistance and provide the records to DDW, upon request;⁶⁵
 - o. Include in the annual Consumer Confidence Report a statement summarizing the number of schools requesting lead sampling.⁶⁶

⁵⁸ Exhibit A, Test Claim Decision, page 76, citing to Test Claim, page 106 (test claim order).

⁵⁹ Exhibit A, Test Claim Decision, page 77, citing to Test Claim, page 106 (test claim order).

⁶⁰ Exhibit A, Test Claim Decision, page 77, citing to Test Claim, page 107 (test claim order).

⁶¹ Exhibit A, Test Claim Decision, page 77, citing to Test Claim, page 107 (test claim order).

⁶² Exhibit A, Test Claim Decision, page 77, citing to Test Claim, page 107 (test claim order).

⁶³ Exhibit A, Test Claim Decision, page 77, citing to Test Claim, page 108 (test claim order).

⁶⁴ Exhibit A, Test Claim Decision, page 77, citing to Test Claim, page 108 (test claim order).

⁶⁵ Exhibit A, Test Claim Decision, page 77, citing to Test Claim, page 108 (test claim order).

⁶⁶ Exhibit A, Test Claim Decision, page 77, citing to Test Claim, page 108 (test claim order).

Beginning January 1, 2018, any lead testing conducted by the claimant on those public schools constructed or modernized before January 1, 2010, that did not request testing before January 1, 2018, is not required by the test claim order and is not reimbursable.

Offsetting Revenues and Reimbursements

The Decision and Parameters and Guidelines specify any offsetting revenue the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, state and federal funds (including, but not limited to grant funds), any service charge, fee, or assessment authority to offset all or part of the costs of this program, and any other funds that are not the claimant’s proceeds of taxes shall be identified and deducted from any claim submitted for reimbursement.⁶⁷

As no reimbursement claims were filed, no offsetting revenue was identified.

Statewide Cost Estimate

As no reimbursement claims were filed, staff relied on the claimant’s actual and projected costs included in the Test Claim and the listed assumptions to develop this Statewide Cost Estimate.

Table 1. Reimbursement Period Cost Estimate

<p>1. Submit to the State Water Board’s Division of Drinking Water a comprehensive list of the names and addresses of all K-12 schools served water through a utility meter [by the claimant] by July 1, 2017</p>	<p>[\$0] - [\$6,707]</p>
<p>2. If an authorized school representative of a private K-12 school or a public K-12 school in the claimant’s service area requests lead sampling assistance in writing by November 1, 2019:</p> <ul style="list-style-type: none"> a. Respond in writing within 60 days and schedule a meeting with school officials to develop a sampling plan; b. Finalize a sampling plan and complete initial sampling within 90 days [or an alternative time schedule approved by DDW]; c. Collect one to five samples at each school, from regularly used drinking fountains, cafeteria or food preparation areas, or reusable bottle filling stations, selected according to the sampling plan, and using the sampling guidance provided in Appendix A; d. Collect lead samples during the school year, on a Tuesday, Wednesday, Thursday, or Friday on a 	<p>[\$0] - [\$315,683]</p>

⁶⁷ Exhibit B, Decision and Parameters and Guidelines, page 18.

day that school is in session and has been in session for at least one day prior to the day of sampling;

- e. Ensure samples are collected by an adequately trained water system representative;
- f. Submit the samples to an ELAP certified laboratory for analysis;
- g. Require the laboratory to submit the data electronically to DDW;
- h. Provide a copy of the results to the school representative;
- i. Within two business days of a result that shows an exceedance of 15 ppb, notify the school of the sample result;
- j. If an initial sample shows an exceedance of 15 ppb:
 - a. Collect an additional sample within 10 days if the sample site remains in service;
 - b. Collect a third sample within 10 business days after notification that a resample result is less than or equal to 15 ppb;
 - c. Collect at least one more lead sample at a sample site where the school has completed some corrective action following an initial lead sample result over 15 ppb;
- k. Ensure that the water system receives the results of repeat lead samples from the laboratory in no more than 10 business days;
- l. Discuss the lead sample results with the school prior to releasing the sample results to the public, and within 10 days of receiving the results from the laboratory;
- m. Communicate with the school after lead sampling and assist the school with the interpretation of laboratory results and provide information regarding potential corrective actions if the results confirm lead levels above 15 ppb. ***The water system is not responsible for the costs of any corrective action or maintenance;***
- n. Keep records of all requests for lead related assistance and provide the records to DDW, upon request;

o. Include in the annual Consumer Confidence Report a statement summarizing the number of schools requesting lead sampling.	
Indirect Costs identified	\$0
Offsetting Revenues or Other Reimbursements	(\$0)
10 Percent Late Filing Penalty	(\$32,239)
Total Costs	\$0 - \$290,151

Assumptions

1. As noted above, the reimbursement period is January 18, 2017 and is assumed to end by November 1, 2019. January 18, 2017 is the effective date of the permit amendment and November 1, 2019 was the last day for schools to request testing under the test claim permit. Beginning January 1, 2018, any lead testing conducted by the claimant on those public schools constructed or modernized before January 1, 2010, that did not request testing before January 1, 2018, is required by Health and Safety Code section 116227, and not by the test claim order. Health and Safety Code section 116227 required testing of those older schools regardless of whether a school requested the testing. Therefore, it can reasonably be assumed that the reimbursement period for most of the activities will be within the first year of the permit term (second half of FY 2016-17 and first half of FY 2017-2018). Furthermore, declarations in support of the test claim state that of the more than 400 schools served by the City's public water system, 255 had requested lead sampling by January 1, 2018.
2. The claimant stated in its Test Claim that it incurred \$381,960 in actual costs and projected another \$63,915 in estimated costs for a total of \$445,875 for the initial reimbursement period. However, \$115,725 is for preliminary "program planning" activities that do not fall within the plain language of the approved activities. Additionally, \$7,760 is for costs incurred to perform an activity that the Commission determined was not reimbursable (it was required by preexisting law). Therefore, the claimant's costs for this program are projected to be \$322,390.⁶⁸
3. Costs could be lower than the high-end estimate because beginning January 1, 2018, any lead testing conducted by the claimant on those public schools constructed or modernized before January 1, 2010, that did not request testing before January 1, 2018, is not required by the test claim order and is not reimbursable.
4. Indirect costs cannot be projected and are, therefore, presumed to be \$0.
5. If claims are filed, the amount claimed for the period of reimbursement may be higher or lower than initial projections in the Test Claim.
6. If claims are filed, costs may be lower if the Controller audits the claims and determines that other offsetting revenues (i.e., funds that are not the claimant's proceeds of taxes) were used by the claimant to pay for the reimbursement activities.

⁶⁸ Exhibit C, Test Claim, pages 22-51 (test claim narrative).

7. If claims are filed, actual costs may be lower if the Controller reduces any claim for this program following an audit deeming the claim to be excessive, unreasonable, or not eligible for reimbursement.

Methodology

Because no claims were filed, and may never be filed, the low-end statewide cost estimate is \$0. As explained below, the high-end statewide cost estimate represents the costs estimated from the Test Claim.⁶⁹ At this time, any claims filed would be late claims and have a 10% reduction imposed.

Activity 1. consists of the one-time cost of submitting to the State Water Board's Division of Drinking Water a comprehensive list of the names and addresses of all K-12 schools served water through a utility meter, by the claimant, by July 1, 2017. The projected cost is \$6,707.

Activity 2. consists of a series of activities to respond if an authorized school representative of a private K-12 school or a public K-12 school in the claimant's service area requests lead sampling assistance in writing by November 1, 2019. The projected cost is \$315,683.

Indirect Costs: The statewide cost estimate is \$0 because no claims were filed.

Offsetting Revenues: The statewide cost estimate is \$0 because no claims were filed.

Late Filing Penalties: Any claim filed by the claimant will be late and a late filing penalty will be assessed.

Projected Costs [\$322,390] x (10% late filing penalty) = Estimated Late Filing Penalties [\$32,239].

Draft Proposed Statewide Cost Estimate

On February 25, 2026, Commission staff issued the Draft Proposed Statewide Cost Estimate.⁷⁰ No comments were filed on the Draft Proposed Statewide Cost Estimate.

Conclusion

Staff recommends that the Commission adopt this Statewide Cost Estimate of \$0 – \$290,151 for the Initial Claim Period that began on January 18, 2017.

⁶⁹ Exhibit C, Test Claim, pages 22-51 (test claim narrative).

⁷⁰ Exhibit D, Draft Proposed Statewide Cost Estimate.