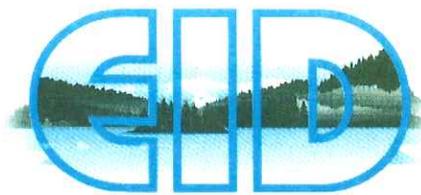


Harry J. Norris – *President*
Division 5

George W. Osborne – *Director*
Division 1

John P. Fraser – *Director*
Division 2



El Dorado Irrigation District

9/19/11 Bd Mtg. Item 9
Core Regulatory Fee Schedule
Deadline: 9/15/11 by 12:00 noon
Bill George – *President*

Division 3

George A. Wheeldon – *Director*
Division 4

Jim Abercrombie
General Manager

Thomas D. Cumpston
General Counsel

In Reply Refer To: EOL0911-245

September 15, 2011

Sent Via Electronic Mail

Charles Hoppin, Chair and Members
State Water Resources Control Board
1001 I Street, 24th Floor [95814]
P.O. Box 100
Sacramento, CA 95812-0100



Attn: Ms. Jeanine Townsend, Clerk to the Board
commentletters@waterboards.ca.gov

Subject: 9/19-20/2011 BOARD MEETING - ITEM 9

Consideration of a proposed Resolution adopting emergency regulations revising the core regulatory fee schedules contained in Title 23, Division 3, Chapter 9, Article 1, Sections 2200 and 2200.6, and adding Section 2200.7 of the California Code of Regulations.

Dear Chair Hoppin and Board Members,

The El Dorado Irrigation District (District) submits these comments regarding the State Water Resources Control Board's (State Water Board) consideration of a proposed Resolution adopting emergency regulations revising the core regulatory fee schedules (Resolution). We are writing today to express our concern over the very large proposed increases and to urge the State Water Board to oppose the fee increases. We recommend that the State Water Board explore and implement more cost effective approaches to regulation, both in its implementation and administration.

The District has 5 permitted wastewater treatment plants, 4 separately permitted collection systems, a master reclamation permit and we process about a dozen 401 certification and storm water permits each year.

We would like the State Water Board to take note that the District has had to deal with a significant reduction in revenue during these difficult economic times. Rather than simply pass the reduction in revenue onto our ratepayers and place the burden of revenue loss on them, the District implemented measures to increase efficiencies and reduce our operating budget expenses. We executed a staff re-organization that helped to increase efficiency while maintaining a high service level to our customers. In addition, we also took a look at staff reductions. While it is very difficult and unfortunate to reduce staffing levels, the District implemented staff reductions beginning in 2008. The lay-offs combined with some position eliminations has resulted in a 30 percent staff reduction since mid 2008.

Unfortunately, the operating budget reduction that the District implemented was not enough to meet our bond requirements. It was only then that the District began the process of rate increases.

Beginning in 2010, the District approved a 5-year water and sewer rate increase that taken cumulatively is a 57 percent rate increase over that timeframe.

The District is very concerned about and opposed to the large fee increases contemplated in the Resolution. Under the staff proposed fee structure, our facility, recycled water and collection system permitting fees will increase by 45 percent. This fee increase will have an impact on our operating budget; the fee impact is not included in our current budget. The State Water Board proposed fee increase is simply passed to the fee payers. We strongly urge the State Water Board to seriously evaluate and consider measures to reduce the cost to implement its programs and programmatic measures to reduce the cost of unnecessary regulations to the regulated community. For example, the State Water Board should explore advocating for a change in the federal law to allow a 10-year NPDES permit cycle which would result in reduced administrative costs for these programs. Also, the State Water Board could combine the permit fees for agencies that have multiple collection systems.

Additionally, a major change is needed in the State's approach to regulations to make regulations more cost effective. We recommend the State and Regional Water Board take action to reduce the costs of unnecessary regulations on the regulated community such as update and revise basin plans to reduce the cost of compliance as well as the resources that have to be spent to challenge and defend permits based on those outdated plans. The State Water Board should undertake a robust analysis of the cost effectiveness of regulations before proposing or adopting them.

In summary, El Dorado Irrigation District opposes the fee increases, and recommends the State Water Board direct its Staff to re-evaluate the cost effectiveness of its programs and its regulations in achieving the worthy goals of improving water quality. If the State Water Board does decide to make a motion on one of the proposed Staff options, we recommend Option 1.

If you have any questions regarding this comment letter, please contact me directly at 530-642-4146.

Sincerely,



Elizabeth D. Wells, P.E.
Engineering Division Manager

EDW:pc

cc: El Dorado Irrigation District:
Jim Abercrombie, General Manager
Thomas Cumpston, General Counsel
Brian Mueller, P.E., Director of Engineering
Tom McKinney, Operations Director
Vickie Caulfield, Wastewater /Recycled Water Division Manager