



COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

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STEPHEN R. MAGUIN
Chief Engineer and General Manager

September 15, 2011



Via Electronic Mail and U.S. Mail

Charles Hoppin, Chair and Members
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812

Dear Chairman Hoppin and Members:

September 19, 2011 Board Meeting Agenda Item 9: Core Water Quality Regulatory Fee Schedules

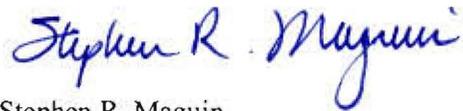
On behalf of the Sanitation Districts of Los Angeles County (Sanitation Districts), I am pleased to provide comments on the proposed revisions to the State Water Resource Control Board's (State Water Board's) annual core regulatory water quality fee schedule. The Sanitation Districts own and operate 11 wastewater treatment and water reclamation facilities, a 1,400-mile wastewater collection system, and 7 municipal solid waste landfills (3 operating, 3 closed, and 1 new and yet to open), and also perform various construction activities related to our wastewater collection system, treatment facilities, and solid waste facilities. As such, the Sanitation Districts hold numerous NPDES permits, non-NPDES waste discharge requirements, and are covered under several general permits, including those for industrial and construction stormwater, all of which are charged annual fees.

The Sanitation Districts appreciate the time and consideration given to the development of the 2011-2012 core water quality regulatory fee regulations by the Board and staff over the course of this year at numerous fee stakeholder meetings and at the July 6, 2011 NPDES fee stakeholder workshop. Over the past two years, the Board, your staff and stakeholders have spent significant time and effort in trying to identify more equitable and sustainable fee distribution methodologies. While we are grateful for the opportunity to work with you to achieve this goal, it has been a difficult task due to the revenue shifts to the Waste Discharge Permit Fund by the Legislature. In fact, the sheer magnitude of the revenue shifts are inconsistent with the goal of creating a more stable and sustainable fee structure, which I believe the Sanitation Districts, many other stakeholders, and the Board shared. Simply put, continued increases are unsustainable. Going forward, we hope that we can work together with you to seek program efficiencies to address the Water Boards' resource needs, instead of relying on fee increases to meet revenue needs.

Therefore, while we want to clearly state that we do not support these increases in the core regulatory fees, based on the revenue target adopted in the State Budget for Fiscal Year 2011-12, the Sanitation Districts reluctantly accept the staff proposal to equitably distribute the revenue increases across all categories of fees. We do not support the option described in the Staff Report that would provide limited relief to stormwater fee payers, because the magnitude of the fee increases is already so large. Within the NPDES fee category, we prefer Option 1, which would increase most fees by about 60%. Under Option 1, fees are calculated based on the volume of a facility's permitted flow, but a cap is maintained. It is essential that the fee schedule continue to include a cap because the large facilities already pay far more than the cost of the regulatory activities that can be reasonably attributed to those facilities, and it is unreasonable to require them to bear an even larger share of the fee burden.

Thank you for the opportunity to provide comments on this important issue.

Very truly yours,



Stephen R. Maguin

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