



California Stormwater Quality Association®

Dedicated to the Advancement of Stormwater Quality Management, Science and Regulation

September 19, 2013

Ms. Felicia Marcus, Chair
State Water Resources Control Board



Subject: Proposed Stormwater Permit Fee Increase

Dear Ms. Marcus and Members of the Board:

On behalf of the NPDES stormwater permittee members of the California Stormwater Quality Association (CASQA), we are writing you to convey our serious concern with State Water Board staff's proposal to once again substantially raise stormwater permit fees. Staff is proposing a 27.5% increase in all stormwater permit fees for the current fiscal year – FY 13-14. An increase of that size on top of the almost 35% increase two years ago, would mean fees increasing more than 62% over three years. The State Water Board also charges a 21% premium on top of the base fee for the Surface Water Ambient Monitoring Program (SWAMP) (so as the base fee increases so does the SWAMP fee).

The proposed increase in stormwater permit fees is inappropriate for the following reasons:

- State Water Board records¹ show the stormwater program is the only program with a positive balance over the last 9 fiscal years – by a wide margin, **the rest of the programs are in the red.**

Program	Balance (2004/05 – 2012/13)
Stormwater	\$18,475,000
Land Disposal	(\$493,000)
401 Certification	(\$1,541,000)
Irrigated Lands (Ag Waivers)	(\$3,057,000)
Confined Animal Facilities	(\$4,277,000)
NPDES (Wastewater)	(\$12,297,000)
WDR	(\$14,213,000)

- There has been no discernable increase in the level of service provided for the significantly increased fees; in fact, stormwater permittees generally report the level of service has dropped. Despite this, staff is proposing a 32.5% increase in the stormwater program budget for the current fiscal year over last year – where is the money going?
- Increases of the size proposed by staff are virtually unheard of in the public sector – being an order of magnitude higher than levels generally accepted as appropriate, especially in the current economy.

¹ September 24, 2013 State Water Board Meeting; Agenda Item 8, Attachment 3 - Revenues and Expenditures by Program for FY 2004-05 through FY 2012-13

We recognize State Water Board records show stormwater permit fees revenue has been less than stormwater program expenditures in the last two of nine fiscal years, which has reduced the cumulative over-collection of stormwater permit fees to about \$18.5 million. But this result was not planned, in fact it is disturbing to see expenditures exceeding revenues by so much (~\$3.4 million) in FY 2011-12² – the year fees were increased by almost 35%. The recent under-collection was not planned; it was unintended.

It is time the State Water Board set its intentions to correct the systemic over-charging of stormwater permit fees. The intent of California Water Code section 13260 allows the State Water Board to do so:

“If the state board determines that the revenue collected during the preceding year was greater than, or less than, the revenue levels set forth in the Budget Act, the state board may further adjust the annual fees to compensate for the over and under collection of revenue.”
(Water Code 13260(f)(1)).

And now is the time to do it. There is nothing in the emergency regulations statute³ that requires the State Water Board to adopt these proposed revisions to the core regulatory fee schedules at the next Board Meeting as opposed to a Board Meeting in October.

CASQA remains prepared to assist the State Water Board with development of a rebalance plan as part of the FY 13-14 fee structure. The rebalance plan would be a standard part of the Core Regulatory Fee Schedules calculation in all future years until the stormwater program over-collection is eliminated. The information for such a plan is readily available and could be ready for consideration at an October Board Meeting. All that remains is determination and direction from the Board.

Sincerely,



Geoff Brosseau
Executive Director, California Stormwater Quality Association

cc: Fran Spivy-Weber, Vice-Chair, State Water Board
Tam Doduc, Member, State Water Board
Steve Moore, Member, State Water Board
Dorene D'Adamo, Member, State Water Board
Tom Howard, Executive Director, State Water Board
Caren Trgovcich, Chief Deputy Director, State Water Board
Darrin Polhemus, Deputy Director, State Water Board
David Ceccarelli, Fee Branch Manager, State Water Board
Diana Messina, Surface Water / Permitting Section Manager, State Water Board
CASQA Executive Program Committee and CASQA Board of Directors
CASQA Membership

² September 24, 2013 State Water Board Meeting; Agenda Item 8, Attachment 3 - Revenues and Expenditures by Program for FY 2004-05 through FY 2012-13

³ California Government Code, Title 2, Division 3, Part 1, Chapter 3.5 (commencing with Section 11340)