

Report of the NPDES Fee Stakeholder Group

State Water Resources Control Board

August 3, 2010

Overview

- Appreciate the Board allowing us the opportunity to develop a fee structure
- The group has met numerous times since December 2009
- We have not been able to reach consensus on a proposed fee structure but discussions continue.

Many Thanks to SWRCB Staff

Especially:

- David Ceccerelli
- Glen Osterhage
- Darrin Polhemus

All have been extremely helpful and generous with information, time and assistance.

Workgroup Members

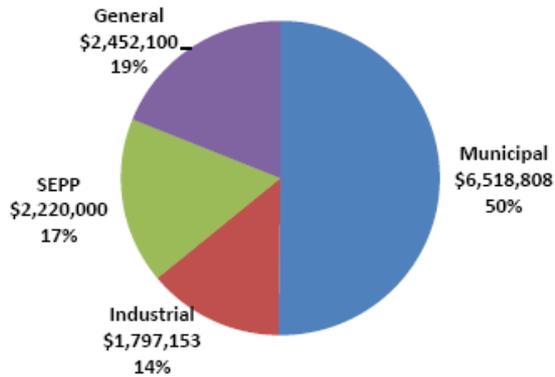
Michael Abramson	Napa Sanitation District
David Arietta/Kevin Buchan	Western States Petroleum Association
Jesus Arredondo	Dynegy
Julie Gill	AES
Sharon Green	Los Angeles County Sanitation Districts
Staci Heaton	Regional Council of Rural Counties
Roberta Larson	California Assoc. of Sanitation Agencies
Robert Lucas	CA Council for Env. & Econ. Balance
Valerie Nera	CA Chamber of Commerce
Linda Sheehan	CA Coastkeeper Alliance
Debbie Webster	Central Valley Clean Water Association

Workgroup Efforts

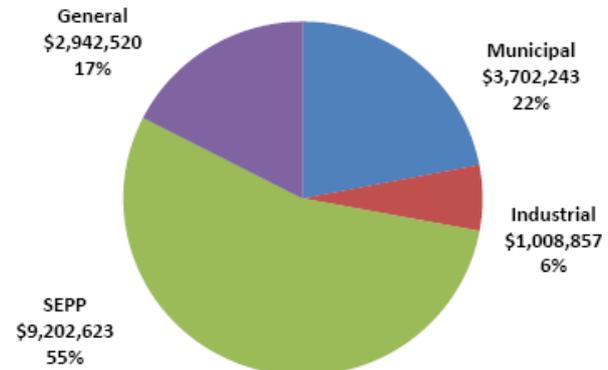
- Set a goal to develop an equitable, feasible and sustainable fee structure.
- Agreed on Guiding Principles
- Developed a “sector” approach that allocated the revenue target to roughly correlate with that sector’s share of the Water Boards’ workload.

Sector Percentages

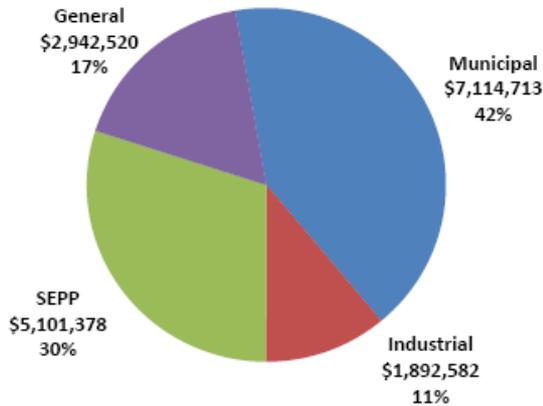
2007-08 (\$13.0M)



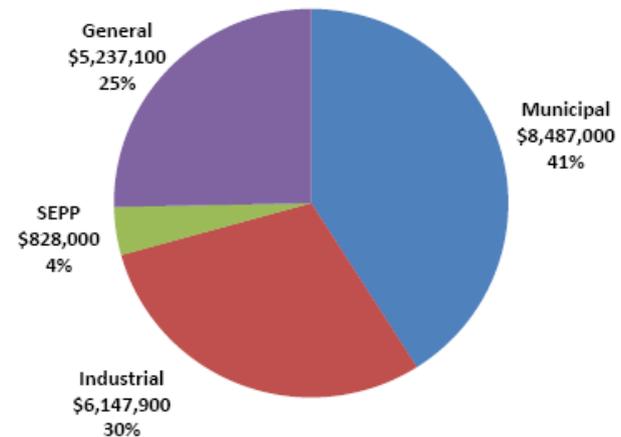
2008-09 (\$16.9M)



2009-10 (\$17.0 M)



2010-11 Proposed (\$20.7 M)



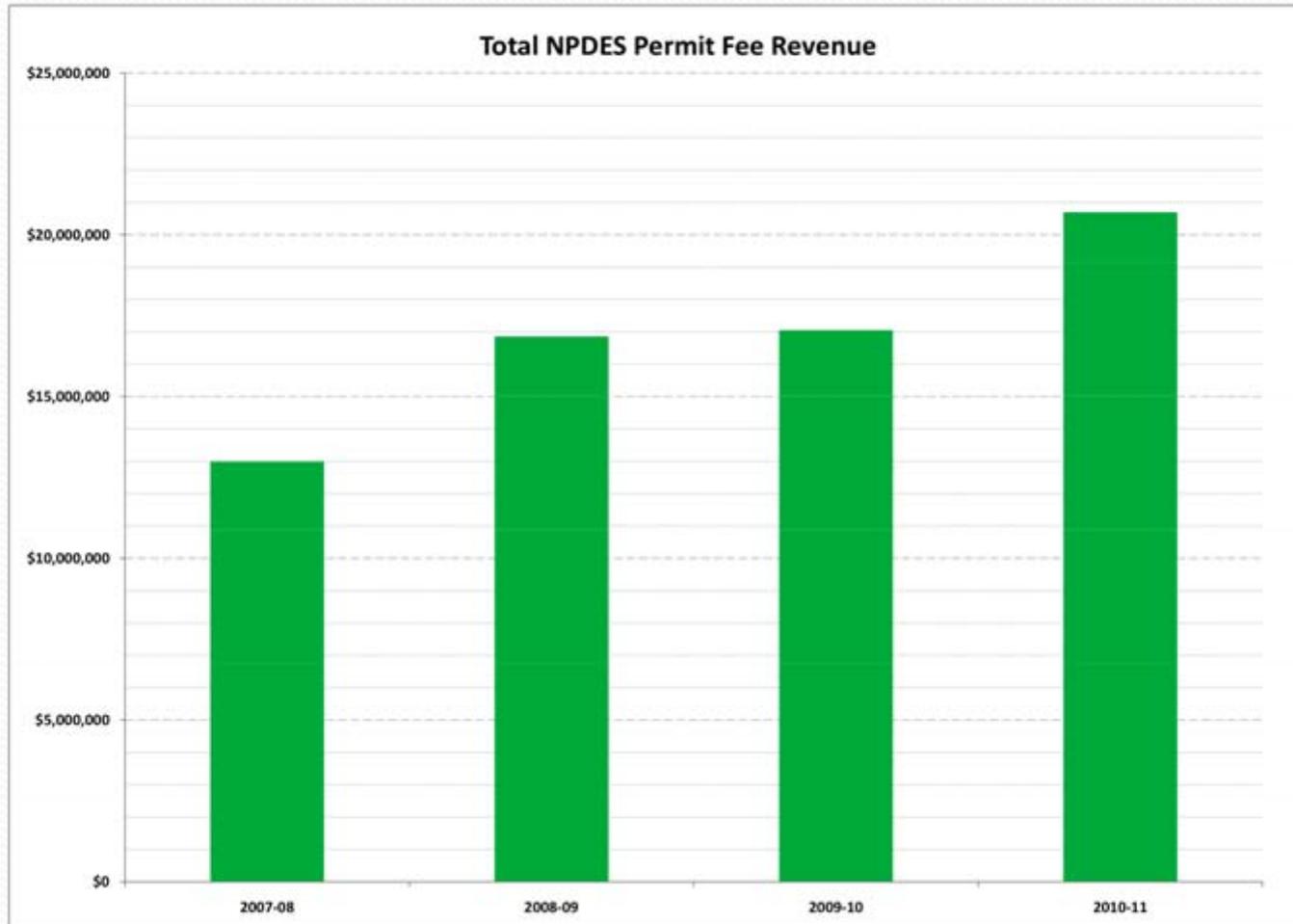
Arguments in Favor of Sector Approach

- Workload based and closer to fee for service
- Increased stability, predictability for budgeting
- Allows each sector to develop a fee schedule to meet its characteristics (e.g. flow-based v. tiered v. flat fee)

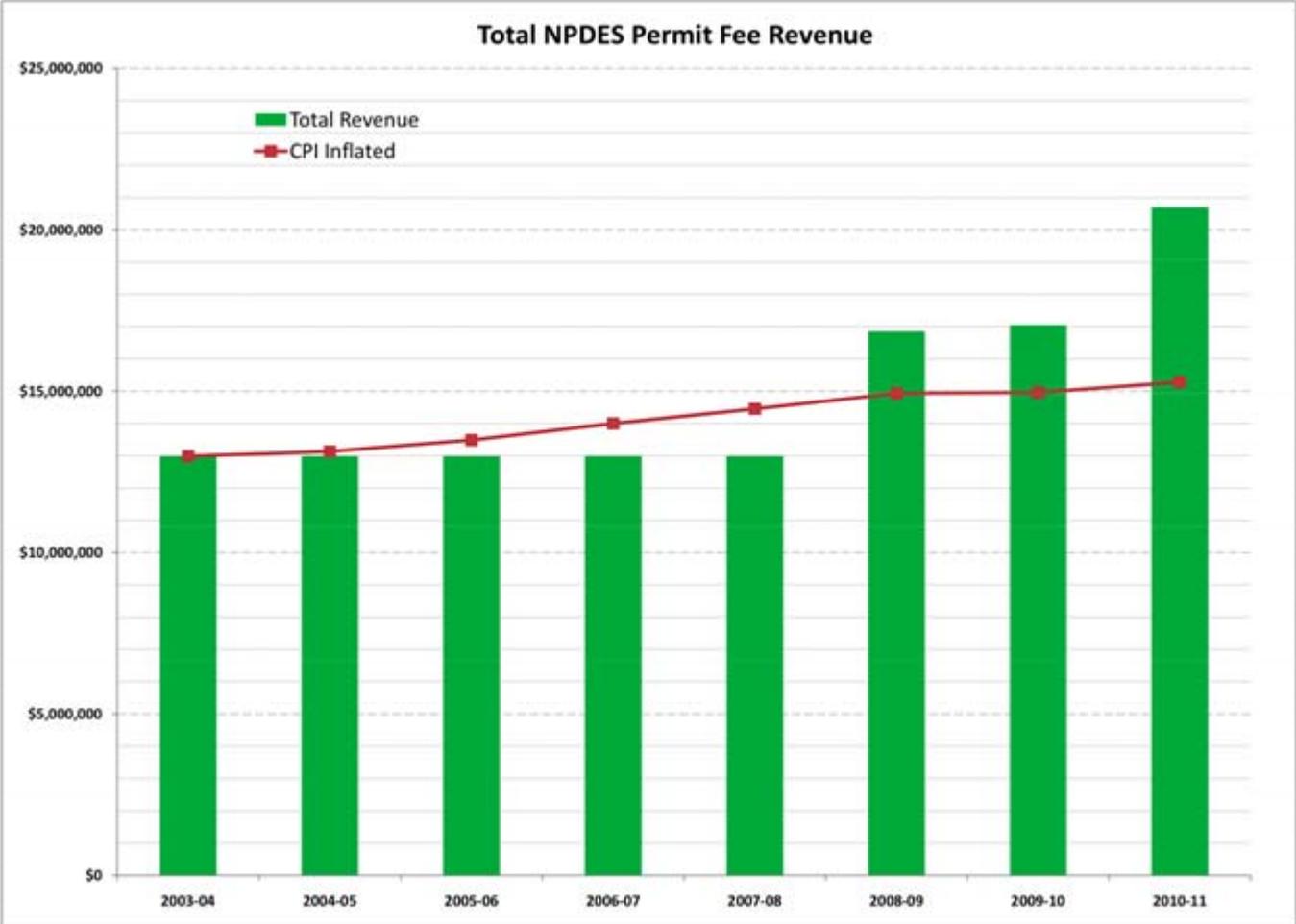
Why No Consensus?

- Industrial sector would absorb significant increases
- Equitable allocation/distribution of fees among industrial and general permit holders difficult
- For some members, concern over growing revenue target, shift of general fund programs to fee support

History of NPDES Fee Revenues



Fees Compared to Inflation



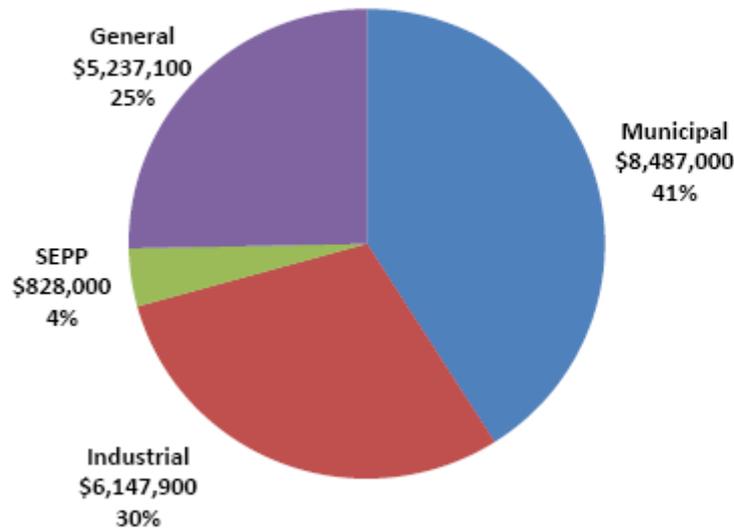
What Now?

- Continue discussions;
- If agreement reached in timely manner, will feed recommendations into SWRCB staff process.

Additional Slide

"Modified Sector Approach": Incorporates a SEPP subsidy to the Industrial Sector

2010-11 Proposed (\$20.7 M)



2010-11 Proposed (\$20.7 M)

