

EASTON

DEVELOPMENT COMPANY, LLC

Michael LaFortune
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October 6, 2010

Central Valley Regional Water Quality Control Board
Chairperson Hart and Members of the Board
11020 Sun Center Dr., Suite #200
Rancho Cordova, CA 95670

RE: Proposed Sacramento Regional County Sanitation District's Tentative Discharge Permit

Dear Chairperson Hart and Members of the Board:

GenCorp owns approximately 12,000 acres along Highway 50 in eastern Sacramento County. Easton Development Company, LLC ("EDC") is the real estate segment of GenCorp Inc., the parent company to Aerojet-General Corporation.

EDC is actively planning and entitling Easton, a 6,000-acre master planned community divided into five distinct boroughs, spanning the jurisdictions of Sacramento County, the City of Rancho Cordova, and the City of Folsom's sphere of influence. In January 2009, the county of Sacramento approved our 1,400-acre "Glenborough at Easton and Easton Place" project.

As planned, our planned communities will produce over 18,300 residential dwelling units that include a wide variety of affordable housing, multi-family and residential units. Easton will have over 12.4 million square feet of commercial development, creating thousands of new jobs.

Our office has reviewed the proposed Sacramento Regional County Sanitation District's ("SRCSD") Tentative Discharge Permit requirements and we have serious concerns regarding the unintended consequences the proposed fee increase will have on the future economic viability to not only our projects, but to all future developments within the region. Based on our initial review, the proposed impact fee per household (or equivalent) would increase the fee from \$7,450 to as much as \$35,000 per ESD. Such an increase, even at half of the proposed new fee levels, would essentially preclude any new development from occurring.

Several jurisdictions in the region are focused on reducing the level of extractions and impact fees imposed on new development. At current fee levels, starting development anywhere in the region is challenging, if not, infeasible. Adding an additional \$10,000 to 27,550 per ESD effectively eliminates the viability of future residential and commercial development.

The proposed SRCSD impact fees would add hundreds of millions in new fees to our projects. These projections do not include the negative economic impact from the loss of new construction activities, the loss of hundreds of millions of dollars from future property and sales tax revenues or the loss in thousands of new jobs created over the life of our projects.

We agree with SRCSD's concerns that the draft permit goes beyond what is "reasonable and necessary" as required by the Clean Water Act, and enters into policy-setting based on perception and not based on a documented public health problem or existing standards/criteria regarding the need for such dramatic requirements. We urge your board to please consider SRCSD's request for changes and direct RWQCB staff to develop reasonable permit requirements.

Respectfully,

A handwritten signature in black ink, appearing to read "Michael LaFortune". The signature is written in a cursive, flowing style.

Michael LaFortune

CC:

Stan Dean, Sacramento Regional Sanitation District
David C. Hatch, Easton Development Company, LLC
Roy Brewer, Esq., Brewer Lofgren
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