9/19/11 Bd Mtg. Item 9
Core Regulatory Fee Schedule
Deadline: 9/15/11 by 12:00 noon

CALIFORNIA ASSOCIATION of SANITATION AGENCIES

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September 15, 2011

Charles Hoppin, Chair, and Members
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812-2000
c/o Jeanine Townsend, Clerk to the Board
commentletters@waterboards.ca.gov

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9-15-11
SWRCB Clerk

SUBJECT: **Comment Letter – 9/19-9/20 Board Meeting: Emergency Regulations Revising the Core Regulatory Fee Schedules**

Dear Chairman Hoppin and Members:

The California Association of Sanitation Agencies (CASA) appreciates the opportunity to provide comments regarding the proposed Core Regulatory Program Fee Schedules for fiscal year 2011-12. CASA represents 116 local agencies that provide wastewater collection, treatment and recycling services to millions of Californians. Our members include the largest publicly owned treatment works (POTWs) in the state as well as small and medium sized agencies, all of which hold either National Pollutant Discharge Elimination System (NPDES) permits or Waste Discharge Requirements (WDRs) issued by the Water Boards.

CASA is greatly concerned about the impact the proposed fee increases will have on local public agencies and the communities they serve. The various alternatives would double or triple the annual fees paid by some categories of dischargers. There are no "good" alternatives, from our perspective. Nonetheless, we understand that the State Water Resources Control Board must adopt a fee schedule to raise the revenue target established by the Legislature, including over $18 million in planning costs that were shifted from General Fund support to the fee program. In light of the fact that the revenue increases will go forward in some form, CASA reluctantly accepts the staff recommendations for the NPDES permit fees (Option 1—Modified Status Quo). This option has the least impact on small municipalities and entities covered by general permits, and spreads the pain of these sizeable increases over the entire fee base.

Over the past two years, the State Water Board, its staff and stakeholders have spent significant time and effort attempting to identify more equitable and sustainable NPDES fee methodologies. The stakeholder group did not reach consensus, due in large part to the fact that there were "winners" and "losers" under each scenario. Options 2 through 4 outlined in the staff report reflect the sector concept discussed by the stakeholder group, which attempts to roughly approximate the share of core regulatory program costs attributable to different categories of dischargers. In our view, this concept is now of limited relevance to setting fees, given that a large percentage of the fee revenues will be spent on programs of general benefit—TMDLs, basin planning, monitoring and others—rather than on developing and adopting permits.

We also wish to reiterate the comments we provided in June as part of the State Water Board's NPDES Fee Workshop. Continued increases such as proposed are not sustainable. In an era where public agencies and businesses are being forced to cut costs, limit rate increases and reduce staffing, NPDES fees are increasing dramatically. We again urge the State Water Board to undertake real programmatic changes and explore efficiencies that will curtail escalating fees.

In summary, of the alternatives presented in the staff report, CASA prefers Option 1, as recommended by staff.

Sincerely,

Roberta L Larson

Roberta L. Larson
Director of Legal & Regulatory Affairs

RLL:mb