

RECEIVED
SACRAMENTO
CVRWQCB

10 OCT -4 PM 2:32



metrochamber

SACRAMENTO METROPOLITAN
CHAMBER OF COMMERCE

September 22, 2010

Attn: Kathleen Cole Harder
Regional Water Quality Control Board, Central Valley Region
11020 Sun Center Dr., Suite #200
Rancho Cordova, CA 95670

Re: Concern over impacts from the CVRWQCB's draft permit recommendations

To Whom It May Concern:

On behalf of the Sacramento Metro Chamber, I would like to express our serious concern over the Central Valley Regional Water Quality Control Board's (CVRWQCB) draft permit recommendations. The recommendations are unreasonably burdensome, going well beyond what is "reasonable and necessary" under the federal Clean Water Act. Implementation of the "Tentative Discharge Permit" would have a devastating impact on the already burdened and overstretched local ratepayers and businesses here in the Sacramento Region.

In 2009, the Sacramento Metro Chamber of Commerce adopted Delta Policy Principles to guide the organization's participation, advocacy, and development of solutions for the Delta. In doing so, the Metro Chamber stated that the Delta crisis is a statewide issue that directly impacts our region. Under-investment in modern water supply infrastructure and management strategies, coupled with increasingly stringent regulatory restrictions aimed at preserving multiple species of endangered fish, threatens the economic stability of the entire state. Climate change, seismic threats in the Delta, and necessary conservation of environmental resources all provide additional impetus for major new investments in water infrastructure designed and operated to improve water supply and reliability, while also enhancing environmental conditions in the Delta and other watersheds. For these reasons, the Metro Chamber supported a Comprehensive Delta Solution. However, the Metro Chamber stressed that all aspects of a comprehensive Delta solution must move forward concurrently, including ecosystem restoration, water quality enhancements, water conveyance infrastructure, investments in local and regional water supply improvements, and development of new water storage – both for groundwater and surface supplies.

The Delta "problems" are numerous, multifaceted and they affect all of California and the nation. Therefore, we all must work toward a comprehensive solution. The state cannot and should not attack this through a piecemeal approach. To do so would represent an unfair re-direction of risk and economic impacts to upstream entities.

The Regional Board has significantly over-reached in its Tentative (draft) Permit, issued to SRCSD. Implementation of its onerous conditions will result in a debilitating burden to the greater Sacramento Region, during the worst economic crisis in memory. The cost to the region is not appropriately balanced against the uncertain improvements to the environment or public health.

If SRCSD is required to increase the level of wastewater treatment as outlined in the draft permit, which comes with a \$2.06 billion dollar price tag, ratepayers in every segment of the Sacramento Region could see their sewer rates more than triple.

2010 CHAIR
Randy Sater
StoneBridge Properties

1ST VICE CHAIR
Greg Eldridge
CH2MHill

2ND VICE CHAIR
John Frisch
Cornish & Carey

IMMEDIATE PAST CHAIR
Linda Cutler
GenCorp Inc.

COMMUNITY DEVELOPMENT
Christopher Delfino
Downey Brand LLP

JOBS & BUSINESS GROWTH
John DiStasio
SMUD

MARKETING & COMMUNICATIONS
Gordon Fowler
3Fold Communications

PROGRAMS & EVENTS
Kathy McKim
AT&T

PUBLIC POLICY
Robert Dugan
Granite Construction, Inc.

SMALL BUSINESS
Terry Harvego
Harvego Enterprises

AT-LARGE REPRESENTATIVES
James Beckwith
Five Star Bank

Mary Lou Lackey
Pacific McGeorge School of Law

Steven Ramirez
McDonald's Corporation

Beverly "Babs" Sandeen
University of California, Davis

Maggie Townsley
ICF International

METRO PAC
Ardie Zahedani
RCH Group

LEGAL COUNSEL
Martha Lofgren
Brewer Lofgren

TREASURER
Warren Kashiwagi
Perry-Smith LLP

PRESIDENT & CEO
Matthew Mahood
Sacramento Metro Chamber

According to the Employment Development Department (EDD), California's unemployment rate remains unprecedentedly high, hovering at 12.4%, with the unemployment rate in Sacramento County even higher at 12.8%. These alarming statistics are just one indicator that the consequences of this Tentative Discharge Permit are coming at the wrong time and will only further harm Sacramento's already struggling economy.

Additionally, if implemented, this draft permit will be disastrous for the already depressed construction industry. In terms of impact fees charged to new developments, a typical new "dine-in" restaurant impact fee would increase from \$14,900 to \$70,000 per 1,000 square feet, a new bar establishment impact fee would increase from \$5,250 to \$24,500 and new dry cleaner impact fee would increase from \$12,665 to \$59,500. These skyrocketing impact fees will serve as nothing more than a nail in the coffin to the fading construction industry and a major deterrent to any inventor or entrepreneur looking to open a new business in the Sacramento Region.

As more and more employers fall victim to the burdened economy, leading to more out of work Californians, now is not the time to saddle residential and business ratepayers with arduous and excessive cost increases. It is for this reason that good science must go hand-in-hand with these types of policy decisions. It is premature to impose a \$2 billion regulatory burden upon the Sacramento community to further clean up its wastewater discharges when Sacramento is currently meeting or exceeding all state and federal criteria, the scientific understanding of the ecological benefits of the proposed improvements is still uncertain, and the major elements of a comprehensive Delta solution are still being formulated by state and federal agencies. In these critical economic times, we must ensure that our limited public investment dollars are put to the best and most comprehensive use. To do otherwise would represent an unfair re-direction of economic impacts to the Sacramento regions.

Additionally, the draft permit goes beyond what is "reasonable and necessary" as required by the Clean Water Act. For example, the permit requires exceeding USEPA standards for Cryptosporidium and Giardia resulting in construction of expensive microfiltration and UV disinfection facilities. Why is our region being held to a higher standard than other parts of the state and why does it appear that the CVWQCB is basing its permit condition on perception and not on documented public health issues? With respect to ammonia, the SRCSD has studied and acknowledged the need to remove about half of the ammonia from its effluent. This proposed draft permit requires **full** ammonia removal. Before mandating the expenditure of \$2 billion in public resources to comply with this requirement, we are obligated to ask a fundamental question - has full ammonia removal been scientifically justified?

Before our region is forced to construct massive facility improvements, we believe it would be prudent to perform additional studies, pilot testing and obtain better consensus around the science. We remain concerned who will be held accountable if we make these extraordinary expenditures and the Delta fisheries remain in crisis due to the many factors affecting Pelagic Organism Decline such as: pumping, illegal diversions, invasive species, inadequate screening, inadequate conveyance, inadequate habitat, pollution from other sources and predation.

The Sacramento Metro Chamber is the largest, oldest and most prominent voice of business in the greater Sacramento area. Representing over 2,200 member businesses and business organizations in the six-county Sacramento region. The Sacramento Metro Chamber serves as the region's leading proponent of regional cooperation and primary advocate on issues affecting business, economic development and quality of life.

One Capitol Mall, Suite 300
Sacramento, California 95814

Phone 916.552.6800

Fax 916.443.2672

chamber@metrochamber.org

On behalf of the Metro Chamber, our board and our members, I would like to express our serious concern over the CVRWQCB's draft permit recommendations and make it clear that we find the draft permit to overreach at the expense of the Sacramento Region's already strained economy.

Sincerely,



Matthew R. Mahood
President & CEO
Sacramento Metro Chamber

One Capitol Mall, Suite 300
Sacramento, California 95814

Phone 916.552.6800
Fax 916.443.2672

chamber@metrochamber.org