



CALIFORNIA ASSOCIATION of SANITATION AGENCIES

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June 30, 2009

Via Electronic Mail

David Ceccarelli
Fee Branch Manager
State Water Resources Control Board
P.O. Box 100
Sacramento, CA 95812
dceccarelli@waterboards.ca.gov

SUBJECT: Options for Restructuring Flow-Based NPDES Permit Fees

Dear Mr. Ceccarelli:

On behalf of the California Association of Sanitation Agencies (CASA), thank you for the opportunity to provide comments on the alternative flow-based NPDES fee restructuring options being considered by the State Water Resources Control Board. CASA is a statewide organization representing local public agencies that provide wastewater collection, treatment, disposal and reuse services to millions of Californians. Our membership includes small, medium and large publicly-owned treatment works (POTWs) subject to the Board's annual water quality fees.

We recognize that the current fee schedule, which is based solely on the volume of discharge and does not include a cap on the total amount paid by any single discharger, has resulted in disproportionately large fees on steam electric power plants (SEPPs). While we understand the desire to address the inequity of this situation, we are very concerned that every one of the proposed alternatives to the status quo (Option 1) would significantly increase the fees paid by POTWs in a very difficult economic time, and after agency budgets for the fiscal year 2009-10 have already been developed and approved by their governing bodies. For example, the fees for one of our medium sized agencies would quadruple under Option 2, and double under Options 3 and 5. While Option 4 would involve an absorbable increase for that agency, our regional agencies with multiple plants would see their already sizeable total fee amount double under this option.

Because the various alternative fee scenarios affect our members quite differently depending upon size, we are not able to support any single one of the proposed

Ensuring Clean Water For California

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alternatives to the existing fee structure. However, we request that the State Water Board consider the following points in developing the fee schedule to be proposed for adoption:

- Fees must have a significant nexus to the service provided, and under the volume based fee schedule, there is no substantive differentiation between the categories, types or sizes of discharger. When the fee schedule was adopted last year, the proffered justification is that it was more “equitable.” Our members have not experienced an increased level of service, yet being asked to accept significant potential fee increases for the exact same service, when nothing substantive has changed.
- Any approach to redistributing the costs of this program among the permittees must “share the pain” and not attempt to shift the entire fee burden to other NPDES dischargers in order to benefit SEPPs. The cap on fees for SEPPs should be at least \$500,000, which would still provide relief for those SEPPs that are paying the most disproportionate fees. Similarly, the State Water Board should consider some level of program/revenue reductions rather than make up the entire amount of the reduction in SEPP fees revenues through increases in fees on others.

We are willing to assist the State Water Board in developing alternative fee scenarios that will generate adequate revenue while spreading the fee adjustment as equitably as possible among SEPPs and other NPDES dischargers. In order to do so, we request that you provide us with the spreadsheet showing the NPDES permitted facilities and SEPPs with their current flows.

Thank you for your consideration of our comments.

Sincerely,



Roberta L. Larson

RLL:mb