



NEVADA COUNTY SANITATION DISTRICT NO. 1
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Steven L. DeCamp
Deputy District Administrator

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Director of Public Works

September 15, 2011

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Sent Via Electronic Mail

Charles Hoppin, Chair and Members of the Board
State Water Resources Control Board
1001 I Street, 24th Floor
P.O. Box 100
Sacramento, CA 95812-0100



ATTN: Ms. Jeanine Townsend, Clerk to the Board
commentletters@waterboards.ca.gov

SUBJECT: 9/19-20/2011 BOARD MEETING - ITEM 9
Consideration of a Proposed Resolution Adopting Emergency Regulations Revising the Core Regulatory Fee Schedules Contained in Title 23, Division 3, Chapter 9, Article 1, Sections 2200 and 2200.6, and Adding Section 2200.7 of the California Code of Regulations

Dear Chairman Hoppin and Members of the Board:

The Nevada County Sanitation District No. 1 requests the State Water Resources Control Board (Water Board) to not implement the proposed rate increase. The proposed fees will negatively impact the financial plight of small wastewater treatment plants. They are being considered on an emergency basis with short notice so there has not been enough time to investigate for alternatives. The proposed rates have been presented with no information on how the Water Board could save staff time and reduce their operating budget.

The proposed rate increase disproportionately impacts very small wastewater treatment plants. Nevada County Sanitation District No. 1 (District) consists of ten treatment zones and their collection systems. The proposed fee increase impacts seven of those zones. Five of the District's zones are impacted significantly because the current state permit fees already range from 1.2 to 5.4 percent of the cost of the equivalent dwelling units (EDUs) charged to the residents. The proposed fee will increase the state permit fees portion of the most impacted EDU charges to a range of 1.6 to 6.7 percent. Each of the zones is a separate financial entity so the additional costs can only be paid by the residents connected to each specific zone. The five heavily impacted zones are very small and range from 48 EDUs to 345 EDUs.

The following table describes each of the seven District's impacted zones and the fiscal impact of the proposed State core fees on a per EDU basis. Lake of the Pines and Lake Wildwood are the District's largest wastewater treatment plants and the fee impacts are not as severe. The other five zones have few connections, small budgets, and the fee increase will be a significant impact on the residents that live in those communities.

Zone and Permit Type	Treatment Technology	Connected EDUs	Present Fee \$/EDU	Proposed Fee \$/EDU
Penn Valley, WDR	Aeration lagoon, reservoir storage and land application	345	\$28.97	\$35.93
Cascade Shores, NPDES	Activated sludge nutrient removal with tertiary filtration and surface water discharge	86	\$28.98	\$39.07
Lake of the Pines, NDPES	MBR nutrient removal and surface water discharge	2090	\$1.90	\$2.64

Lake Wildwood, NPDES	Activated sludge nutrient removal with tertiary filtration and surface water discharge	2914	\$1.66	\$2.32
Higgins Village, WDR	Activated sludge nutrient removal and subsurface land application	48	\$28.75	\$71.29
North San Juan, WDR	Community septic tank and subsurface land application	86	\$21.38	\$35.37
Mountain Lake Estates	Individual septic tanks and subsurface land application	40	\$30.65	\$38.02

Nevada County Sanitation District No. 1 requests the proposed fee structure to be modified to ensure treatment zones with less than 500 connections are not paying disproportionately to the residents connected to large treatment plants.

The District first received notice of these proposed rate increases three days ago. This is not adequate time to consider the impacts of a 60.6 percent fee increase. The public agencies that pay these fees are required to follow the Proposition 218 rules when considering a rate increase (emergency or not) and will not likely be able to pass costs along to users. As a result, the Districts will need to pay the increased State fees from existing funds designated for the operation and maintenance of wastewater treatment plants, potentially affecting our ability to meet clean water standards.

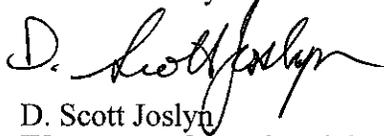
The District urges the Water Board to consider cost savings measures, including the following.

- The District submits between 7 and 20 monitoring reports to the Regional Board every month. The optimization and reduction of reporting requirements would save Water Board staff time and District staff time.
- A ten year NPDES permitting cycle with flexibility for considering small changes during the permit life will also save Water Board and District staff time, without a compromise in water quality.
- The proposed fee increases coincide with proposed increases in toxicity monitoring required by the new TST statistical method. Reduced monitoring at treatment plants would save Water Board staff review time while not reducing the statistical quality of the data presented.

The District requests the Water Board to not implement the proposed rate increase. Overall, the proposed fee structure needs to be modified to make sure treatment zones with less than 500 connections are not paying more than the residents connected to large treatment plants. We believe there needs to be more investigation in cost savings measures as an alternative to fee increases. If you would like additional information on Nevada County Sanitation District No. 1 or the impacts of the proposed fee increase, please call Scott Joslyn at 530-265-7103.

Best regards,

DOUG FARRELL, DIRECTOR
Nevada County Sanitation District No. 1



D. Scott Joslyn
Wastewater Operations Manager

DSJ:cn

cc: Nevada County Sanitation District No. 1 Board of Directors
Nevada County Sanitation District No. 1 Advisory Committee