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West County Wastewater District
and
City of Richmond Municipal Sewer District

September 15, 2011

State Water Resources Control Board
Charles R. Hoppin, Chair, and Board Members
P.O. Box 100
Sacramento, CA 95812-0100

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

Dear Chairman Hoppin and Board Members:

The West County Agency (WCA) appreciates the opportunity to provide comments regarding the proposed Core Regulatory Program Fee Schedules for fiscal year 2011-12. WCA is a Joint Powers Authority comprised of the Richmond Municipal Sewer District and the West County Wastewater District and represents over 200,000 residents in West Contra Costa County providing wastewater collection, treatment and recycling services.

The WCA is greatly concerned about the impact the proposed fee increases will have on rate payers and the community we serve. The alternatives proposed would increase our NPDES permit fees by 60% . Unfortunately, there are no “good” alternatives, from our perspective. Nonetheless, we understand that the State Water 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, WCA reluctantly supports the staff recommendations for the NPDES permit fees (Option 1— Modified Status Quo). This option has the least impact on our NPDES discharge fee and spreads the pain of these sizeable increases over the entire fee base.

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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.

Continued increases proposed are not sustainable. In an era where every public agency and every business is being forced to cut costs, limit rate increases and reduce staffing, NPDES fees are increasing. We again urge the Water Board to undertake real programmatic changes and explore efficiencies that will curtail escalating fees.

Sincerely,



E.J. Shalaby, Manager
West County Agency

Cc: WCA Board Members
WCA Board Attorney