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September 15, 2011

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Mr. Charles Hoppin, Chairman
State Water Resource Control Board
1001 I Street
Sacramento, CA 95814



Dear Chairman Hoppin:

**Emergency Regulations Revising the Core Regulatory Fee Schedule Comment Letter
9/19 – 9/20 Board Meeting - Item No. 9**

The City of Los Angeles' Bureau of Sanitation (Bureau) appreciates the opportunity to provide comments on the State Water Resource Control Board's (State Board's) proposed Core Regulatory Program Fee Schedule for Fiscal year 2011-2012. Although the Bureau is supportive of the State Board's efforts to protect the waters of our state, we are concerned about the magnitude of currently proposed fee increases and their impact on our ratepayers.

The Bureau has been proactive in its approach to protecting public health, beneficial uses, and the environment. Improvements in our industrial waste, stormwater, and wastewater recycling and reuse programs have been very successful in curbing pollution and improving public health and the environment. These improvements have come at a tremendous cost that must be recovered by the City of Los Angeles ratepayers.

Over the past ten years, the State Board has raised fees that have significantly impacted our wastewater treatment plants, landfills, and stormwater operations. In particular, we have seen our NPDES program fees increase from \$40,000.00 in fiscal year 2001-02 to an astounding \$948,459.06 for fiscal year 2011-12 (Option 1 - Modified Status Quo). This NPDES program fee increase alone represents a 2,271% increase over a ten-year period. Continued increases such as those proposed are not sustainable. There are no guarantees future sewer rate increases will be approved, especially in difficult financial times that all people and organizations are experiencing.

In an era where public agencies are being forced to cut costs, reduce staff, and limit rate increases, core regulatory fees are increasing without considering potential cost savings from any



planned program adjustments or prioritizations at the State Board. In order to mitigate financial hardships related to the fee increase, the Bureau expects the State Board to work collaboratively with regulated agencies to address the high costs of testing, monitoring, reporting, and record keeping. Wherever possible, the State Board should eliminate unnecessary and redundant testing requirements that place an unjustified burden on permittees.

The Bureau strongly opposes any fee increase, especially in light of the fact that we have been subjected to an unprecedented 2,271% rate increase over the past ten years. In lieu of increasing fees, we urge the State Board to undertake real programmatic changes and explore efficiencies that will curtail escalating costs and related fees.

If you have any questions regarding the Bureau's comments, please contact Mr. H.R. (Omar) Moghaddam of the Regulatory Affairs Division at (310) 648-5423.

Sincerely,



ENRIQUE C. ZALDIVAR, Director

Bureau of Sanitation

- c: Frances Spivy-Weber, State Water Resources Control Board
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