



CITY OF HALF MOON BAY

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9/19/11 Bd Mtg. Item 9
Core Regulatory Fee Schedule
Deadline: 9/15/11 by 12:00 noon

September 15, 2011

Mr. Charles R. Hoppin, Chair
State Water Resources Control Board
1001 I Street, 24th Floor [95814]
P.O. Box 100
Sacramento, CA 95812-0100
Attn: Jeanine Townsend, Clerk to the Board



Subject: Comments on Core Regulatory Fee Schedules for FY 11-12

Dear Chair Hoppin:

The City of Half Moon Bay requests the State Water Resources Control Board to NOT ADOPT its proposed emergency regulations Resolution revising the Core Regulatory Fee Schedules for FY 11-12. Half Moon Bay urges the use of the Stormwater Fee Rebalance Option in the adopted Resolution and concurs with the comments of the California Stormwater Quality Association (CASQA) in this regards. Additionally, Half Moon Bay has the following comments:

- The public notice process on the proposed fee increase is insufficient for jurisdictions to adequately review and provide meaningful comment. Permit holders were not notified directly of the proposed increase. The only way permittees became aware of the proposed increase was through email subscriptions to State Board programs, such as the agenda mailing or construction permitting issues. If a permittee is not subscribed to appropriate State Board email services, we do not believe they were notified of the proposed fee increase. The State Board's agenda was emailed out shortly before 5 PM on Friday, September 9, with comments on agenda items due by noon on September 15 – three and a half business days later. This type of public process for an issue that has a significant financial impact on permittees is inappropriate.
- Water Code Section 13260, which requires the State Water Board to adopt an annual schedule of fees by emergency regulations, is highly problematic and needs to be changed. The fee increases are approved at a time when municipal budgets are already set for the year. In these extremely lean times, jurisdictions do not have extra, un-appropriated funds in their budgets to pay for fee increases. Annual fee increases, when justified, need to be adopted at a time when jurisdictions can plan for the increases as part of their budget processes.
- There is an automatic 21% surcharge added to all stormwater permit fees to fund the statewide Surface Water Ambient Monitoring Program (SWAMP). Any time the base

fees are increased; it increases the amount of the surcharge. There is no justification anywhere in the staff report that the SWAMP program requires additional funding or needs to continue to be funded at its current levels given the current economic climate and impacts fee increases will have on local agencies.

- The fees collected for Municipal Stormwater Programs should be directed back to the Regional Water Boards who regulate the dischargers. For example, San Mateo county jurisdictions alone will be paying \$215,000 in annual fees (not including the SWAMP surcharge), which should be enough to fund a full-time staff person dedicated to oversee and assist San Mateo jurisdictions with their stormwater pollution prevention programs. In fact, we are continually told Regional Water Board staff does not have the resources to adequately oversee and assist stormwater permittees. More than \$1 million in Bay Area MS4 stormwater permit fees goes to the State Water Board without receiving corresponding benefits to the permittees.
- Municipalities are often subject to multiple permit fees to the State Water Board for different programs including fees for WWTP, Collection System WDRs, Pretreatment programs, etc. The total proposed increase in fees and monitoring surcharges for all programs under which our jurisdiction is regulated is already too high.
- Local jurisdictions are severely restricted by Proposition 218 from increasing fees on local taxpayers to fund increased compliance costs. Municipalities in the Bay Area became subject to a regional stormwater permit issued by the San Francisco Bay Water Board in October of 2009, under which compliance costs significantly increased. The Countywide Program and 21 co-permittees are all dealing with significant deficits to simply comply with the permit requirements, let alone pay increased permit fees. Every dollar spent on increased permit fees will be one less dollar that can be spent upon permit compliance. The State should provide permittees a multi-year plan with regard to anticipated permit fees so municipalities can incorporate into their planning and budgeting processes sufficient funds to pay increased fees, keeping in mind this may require a complex and multi-year Proposition 218 process.

Our taxpayers support and fund our stormwater programs with the expectation that their taxes will be spent on reducing stormwater pollution and improving the quality of stormwater that flows to our waters. It is not at all clear from the proposal if any, let alone all of the proposed increase will be spent on that intended purpose – achieving our stormwater quality goals.

Sincerely,



Laura Snideman
City Manager
City of Half Moon Bay