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File No. 82231.00003

September 18, 2014



Via Email

commentletters@waterboards.ca.gov

Jeanine Townsend
Clerk to the Board
State Water Resources Control Board
1001 I Street, 24th Floor
Sacramento, CA 95814

Re: Comment Letter – Water Quality Fees

Dear Ms. Townsend:

On behalf of the Southern San Joaquin Valley Water Quality Coalition, we submit these comments relative to the State Board's proposed adjustments to the water quality fees for the 2014-15 fiscal year.

I. ILRP – Acreage Increases

We have been active participants in the State Board's water quality fee setting processes and the staff stakeholder meetings this year, and have so since 2004 when the Irrigated Lands Program arose. We have always appreciated this open process and certainly appreciate that the staff proposal this year suggests maintaining the \$0.75/ac. ILRP for coalition participants this upcoming year.

We do, however, want to share some relevant, recently available data that bears on this issue. The Board may wish to consider it bearing on this year's fees, or this will certainly serve as foundation for appropriate fee adjustment next year.

The Central Valley Region 5 ILRP has been wholly reformed into General Orders and expanded to deal with groundwater. This expansion significantly expands the acres covered under this program, particularly in our south valley where there is limited surface water, and therefore vast lands were not in the ILRP surface water program, but are now required to be covered by the new General Order expanded to groundwater. That results in significant acre jumps this year. Not all coalition areas have reached their full membership reporting date; therefore, more acreage will further join.

At the present time in the Southern San Joaquin Coalition area, the comparison of last year's acreage (surface water) added to the new acreage (groundwater) looks as follows.



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	Surface (old program)	Ground (new program)	Total
Kings	452,808	372,390	825,198
Tule	130,000	100,000	230,000
Kaweah	112,152	48,848	161,000
Kern	231,972	289,266	521,238
Buena Vista	48,800	(16,800)	32,000
Westside	6,600	119,400	126,000
Cawelo Water Dist.	23,716	14,284	38,000
Totals	1,006,048	927,388	1,933,436

Because there will be nearly a million more acres generating \$675,000 more fees in our coalition area only, that would support a reduction of several cents per acre in fees if calculated across the region. Bear in mind that our additional acres approximately equate to the total size of a couple of the other coalition areas. If an adjustment cannot be implemented this year, this carry-over revenue coupled with further increased acres in the ILRP will certainly merit a downward adjustment next year.

II. Escalation Costs

The regulated community, well beyond just our coalition, has been continually frustrated with the seemingly endless escalation in SWRCB water fees. Each year many participants at the State Board's fee meetings express frustration to your staff as to these rising costs; however, as you know, the State Board's function is merely an accounting process to generate the fees to match the State budget. Consequently, a mechanism needs to be arranged where the entities paying these fees can have input at the pre-budget process, not just at the final fee calculation end game.

Sincerely,

William J. Thomas
for BEST BEST & KRIEGER LLP

WJT:img

Cc: Board Members,
Tom Howard
Darrin Polhemus
David Ceccarelli
Greg Osterhage
SSJWQC