Representation Representation

May 31, 2016

2016 BOARD OF DIRECTORS

David Ivester, President Briscoe Ivester & Bazel LLP

Richard Sinkoff, Vice President Port of Oakland

William H. Butler, Treasurer Lind Marine, Inc.

Amy Breckenridge, Secretary ERM

William Adams International Longshore & Warehouse Union Scott Bodensteiner Haley & Aldrich Paul Campos Building Industry Association of the Bav Area Leonard Cardoza AECOM Peter Dailey Port of San Francisco Grant Davis Sonoma County Water Agency Ane Deister Parsons Corporation Art Coon Miller Starr Regalia Bill T. Dutra The Dutra Group Chris Elias Santa Clara Valley Water District Michael Giari Port of Redwood City Greg Gibeson Pacific Inter-Club Yacht Association Walton Gill Chevron Products Company Josh Gravenmier ARCADIS Tom Guarino Pacific Gas & Electric William H. Hanson Great Lakes Dredge & Dock. Inc. Laura Kennedv Kennedy/Jenks Consultants Jim Holland Levin-Richmond Terminal Corp. James D. Levine Montezuma Wetlands LLC Wendy Manley Wendel Rosen Black & Dean LLP Pat Mapelli Cargill Christian Marsh Downey Brand LLP James C. Matzorkis Port of Richmond James McNally Manson Construction Company Gary Oates Environmental Science Associates Captain John Schneider Tesoro Phil Tagami California Capital & Investment Group Dilip Trivedi Moffatt & Nichol Ellis A. Wallenberg III Weiss Associates Scott Warner Ramboll Environ Anju Wicke Anchor QEA Jeff Wingfield Port of Stockton

Mr. Bruce H. Wolfe Executive Officer San Francisco Bay Regional Water Quality Control Board 1515 Clay Street, Suite 1400 Oakland, CA 94612

Re: Proposed Fees

Dear Mr. Wolfe:

The Bay Planning Coalition (BPC) represents the dredging community of San Francisco Bay and is working with the San Francisco Estuary Institute (SFEI) to find an agreeable option that alters the Regional Monitoring Program's (RMP) fee structure for dredgers in order to make up for a deficit in the RMP budget that has been widening for several years. In doing this, we have identified several concerns about the RMP and how it proposes to allocate fees amongst Bay dischargers.

The dredging community has paid 17.5% of the annual fees associated with the RMP since its creation in 1993. However, the amount of dredged sediment disposed "in-Bay" has shifted from nearly 100% to about 20% over the last 25 years. This is due largely to the Long Term Management Strategy's (LTMS) policy calling for less in-Bay disposal. Since in-Bay disposal volume has decreased nearly 80%, and RMP fees currently only apply to in-Bay disposal, it is understandable that this budget deficit has grown.

To make up for the deficit, SFEI has proposed that fees be applied to ocean disposal as well. This, however, would cause the fees paid by many dredgers to nearly double and disproportionately burden certain individual members of the dredging community; fully doubling or even quadrupling their fees versus those they will pay in 2016.

Additionally, questions about the Water Board's legal authority to place fees on ocean disposal sites remain. Dredgers who engage in ocean disposal are concerned that the fees paid into the RMP are going towards ambient monitoring that should already be covered through base fees associated with the Water Quality Certification that they pay to the Water Board. It also seems inappropriate to place fees on ocean disposal since the RMP is dedicated to in-Bay monitoring and the Environmental Protection Agency (EPA) and United States Army Corps of Engineers (USACE) already collect fees for this activity. This leads us to question exactly how the Water Board is overseeing the studies conducted by SFEI and if the data it is collecting aligns with the goals of the Water Board and the dredging community.

The Bay Planning Coalition and the dredging community recognize the benefits of the RMP and very much appreciate the work conducted by SFEI. However, given the reductions in in-Bay disposal by dredgers, we believe that it is time for the RMP to devise a new formula to collect its fees that reflects the dredgers' compliance with the LTMS. We kindly request a meeting to discuss the issues raised above.

Sincerely,

John A. Coleman Chief Executive Officer Bay Planning Coalition

John A. Coleman Chief Executive Officer