

commentletters

From: Bradley Meadows <bmeadows@bskassociates.com>
Sent: Tuesday, November 24, 2015 11:13 PM
To: commentletters
Subject: Comments: 12/1-2/15 BOARD MEETING Item 7: Environmental Laboratory Accreditation Program Fee Schedules



BSK Associates (BSK) appreciates the opportunity to provide comments regarding Agenda Item #7 (ELAP Fees) for the State Water Resources Control Board meeting on December 1st and 2nd, 2015. BSK is a medium-sized commercial laboratory that provides analytical services in support of drinking water, wastewater and solid waste compliance testing. We are currently certified by the Environmental Laboratory Accreditation Program (ELAP) here in the State of California.

BSK wishes to express our concerns regarding the resolution to increase ELAP program fees in the amount of 57% from their current amounts. We also object to the proposed allocation between the base fee and the fee applied to each field of testing (FOT). While we understand that ELAP is intended to be a self-funded and is considerably over budget relative to its current operating revenues, the substantial increase is an unreasonable amount given the history of the program and the services provided. Furthermore, the uniform application of the proposed increase across both the base and FOT fees does not reflect the current program cost structure. The allocation unfairly levies the bulk of the increase to those labs like ours that offer a comprehensive set of services and generate a substantial amount of compliance data for the regulated community.

We base our objections on the following:

1. The current operating budget of \$3.3M is based on the intention that ELAP was to offer accreditation under both its own accreditation program and the National Environmental Laboratory Accreditation Council (NELAC) program. Unfortunately, since ELAP chose to exit the NELAC program, there has been no reduction in the resources that were in place to maintain it standing as an accrediting authority. Furthermore, ELAP's budgetary issues have only been exasperated because it is no longer receiving revenues from the NELAP accreditation fees and yet has failed to adjust its cost structure accordingly.
2. ELAP applies a base accreditation fee to each laboratory to cover the administrative cost of issuing and maintaining that accreditation. ELAP also applies fees for each FOT to address the cost of auditing test methods associated with each field of testing. To accredit and audit all the laboratories, ELAP maintains a staff of 25 yet only 7 are dedicated to the auditing function. With that, it is clear that the bulk of the cost in running the program lies not in the auditing but in the administrative responsibilities tied to servicing the program and issuing the accreditations. This cost should be reflected in a disproportionate increase in the base fee and a more modest increase in the FOT fee.
3. In January, 2014, ELAP chose to withdraw from the NELAC program. This left many laboratories such as ours no option but to pursue accreditation under this program through other accrediting authorities. We are now having to pay for an additional accreditation that we would have otherwise had through ELAP had it stayed in the program. This has added cost and complexity to our business and it should be noted that the money that was once directed into the state, is now being sent out of state and supporting programs elsewhere. To now levy a 57% increase on our industry only to receive less services from the program is insulting and only further damages ELAP's reputation in the industry. At this point, the program is viewed as a bottom tier accrediting authority within the industry and it is far from the leadership role once held by the program a very long time ago.

BSK strongly recommends the Board reconsider this significant fee increase at this time. Before any increase is applied, the Board should carefully review all the recommendations listed in the SCCWRP Expert Panel Technical Report 887 and require ELAP to implement all the recommendations provided. Only then would the program be justified in increasing the fees on the laboratory community to the degree proposed in this resolution. At that time, if the 57% increase must be applied to keep the program solvent, then the base accreditation fee should be doubled with the balance of the increase applied to the FOTs. This approach more accurately reflects the true cost of accreditation and more fairly allocates the costs to the customers of the program.

Thank you for your consideration in this matter.

Sincerely,

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