



Resource Alignment Phase 2

Evaluating Opportunities for Reducing the Costs of Compliance

Stakeholder Kick-off Meeting

OCTOBER 24, 2012

Background: Resource Alignment Phase 1

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- Resource Alignment Project initiated by State Water Board in October 2011 during the process to adopt the Waste Discharge Permit Fund (WDPF) fees
- Phase 1 Report Completed in April 2012
 - ✦ Describe the link between fees collected and expenditures; and
 - ✦ Better align Water Board resources, priorities, and workload outputs.

Resource Alignment Phase 1 Report Content

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1. Sources and uses of revenues for programs funded by the Waste Discharge Permit Fund
2. Water Board priority setting and constraints to aligning priorities with expenditures
3. A systematic approach to set performance targets based on available resources and priorities

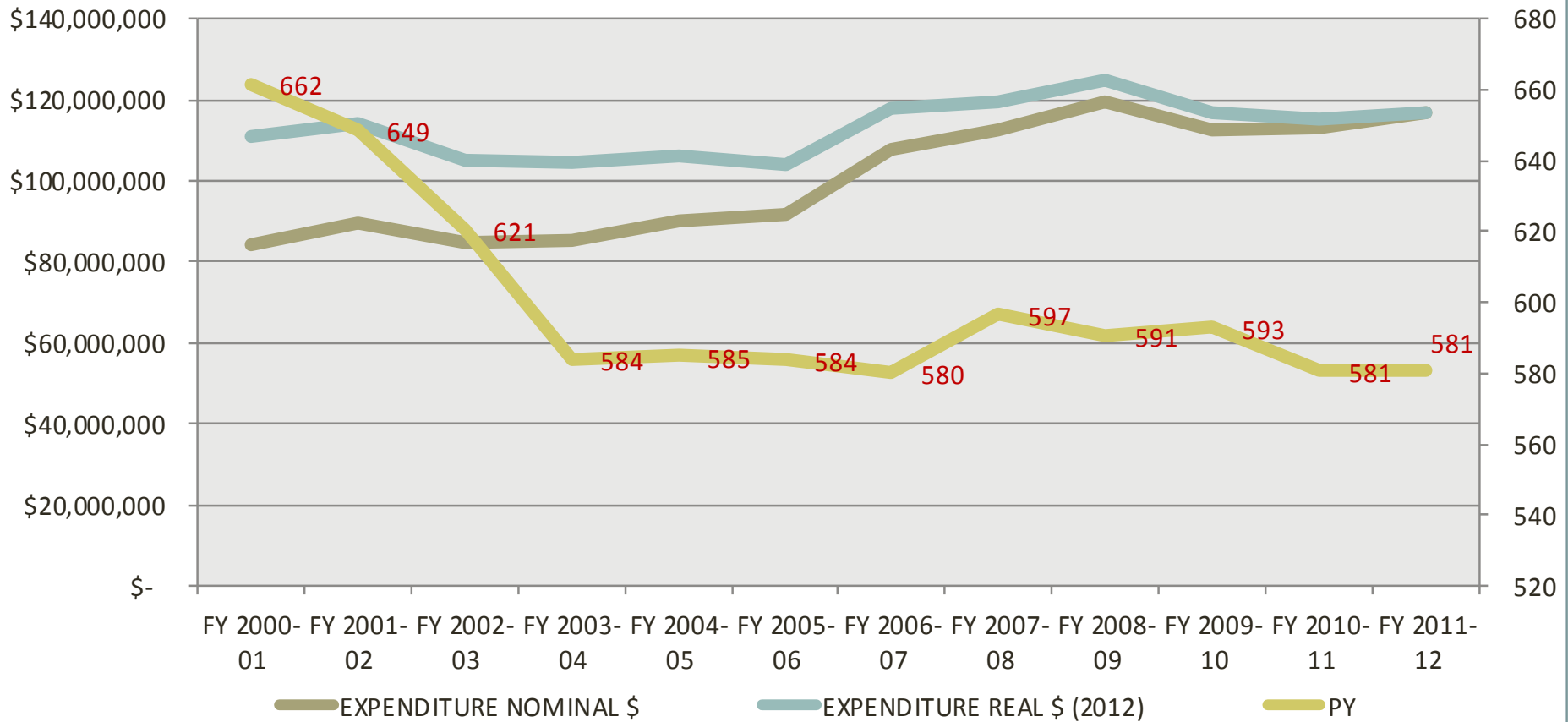
Resource Alignment Phase 1 Findings

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- Modest growth in WDPF program expenditures with declines in staffing over 12 years
- Program funding is dramatically shifting from the general fund to fees
- Resource allocations generally align with funding sources

WPDF Program Expenditures

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Why are we now focusing on costs of compliance?

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- Water Board remains sensitive to fee increases
- We are committed to efficient and transparent use of fees and other funding sources
- We have heard from the Regulated community that fees are a concern, but larger costs are associated with compliance
- A unique opportunity to objectively identify, describe, and evaluate costs of compliance outside of a specific regulatory decision making process

Phase 2: Cost of Compliance Workplan

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- Developed with input from a small group of stakeholder primarily representing wastewater and stormwater interests
 - Bobbi Larson, California Association of Sanitation Agencies
Jackie Kepke, East Bay MUD, Tri-TAC
 - Debbie Webster, Central Valley Clean Water Association
 - Terrie Mitchell, Sacramento County Regional Sanitation District
 - Geoff Brosseau, California Stormwater Quality Association
 - Dave Arrieta, Western States Petroleum Association
- Phase 2 Workplan presented to State Water Board in August 2012

Phase 2 Purpose/Goals

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- Identify, describe, and evaluate opportunities to reduce the costs of compliance for dischargers subject to Water Board regulation and oversight.
- Implement plans, policies, regulations in least burdensome manner at minimum cost while maintaining effectiveness
- Maximize utility/benefit arising from discharger compliance actions, including benefits to the regulated community and to the environment at large.

Programs Included

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- 1) NPDES Wastewater;
- 2) NPDES Stormwater;
- 4) Irrigated Lands; and
- 3) Waste Discharge to Land –Wastewater and Industrial (WDR);

Within the WDR program we will focus on municipal and industrial waste discharge and exclude landfills, CAFOs, Timber Harvest

A Joint Venture

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- Heavy reliance on stakeholder leads to organize stakeholder participants, compile and funnel information
- Heavy reliance on stakeholder participants to:
 1. Generate ideas and provide information
 2. Prioritize needs/wants

Process

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- **Establish 4 Stakeholder workgroups**
 - Stakeholder leads for each group
 - Participants on workgroups will provide ideas for costs of compliance that could potentially be reduced
 - Participants on workgroups will provide information to document costs of compliance and potential for costs saving
- **Water Board roles**
 - Water Board staff will be available to assist and support workgroups
 - Water Board staff will vet cost saving ideas

Workplan Approach and Timeline

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1. Establish workgroups

October 2012

2. Categorize Dischargers into subgroups for purposes of evaluating costs

November 2012

3. Identify and document initial list of compliance activities with cost saving potential

December 2012

4. Screen out ideas that are determined to be inconsistent with laws and regs or infeasible

February 2012

5. Evaluate and document costs and savings potential associated with remaining compliance activities

June 2012

Stakeholder Leads

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Stakeholder Group	Stakeholder Leads
NPDES wastewater	Bobbi Larson, Jackie Kepke, and Debbie Webster
NPDES stormwater	Geoff Brosseau
Irrigated lands	Danny Merkley, others to be identified
Waste discharge to land (WDR)	TBD

Example Compliance Costs

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- Monitoring requirements and reporting frequencies;
- Special studies needed to demonstrate compliance with Basin Plans and other policies;
- Training/certification requirements included in permits; and
- Preparation of plans and other special studies required as permit conditions.
- Others

Possible Final Report Content

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A list of potential opportunities and recommendations for specific permitting or planning changes that could lead to cost savings

Ground Rules

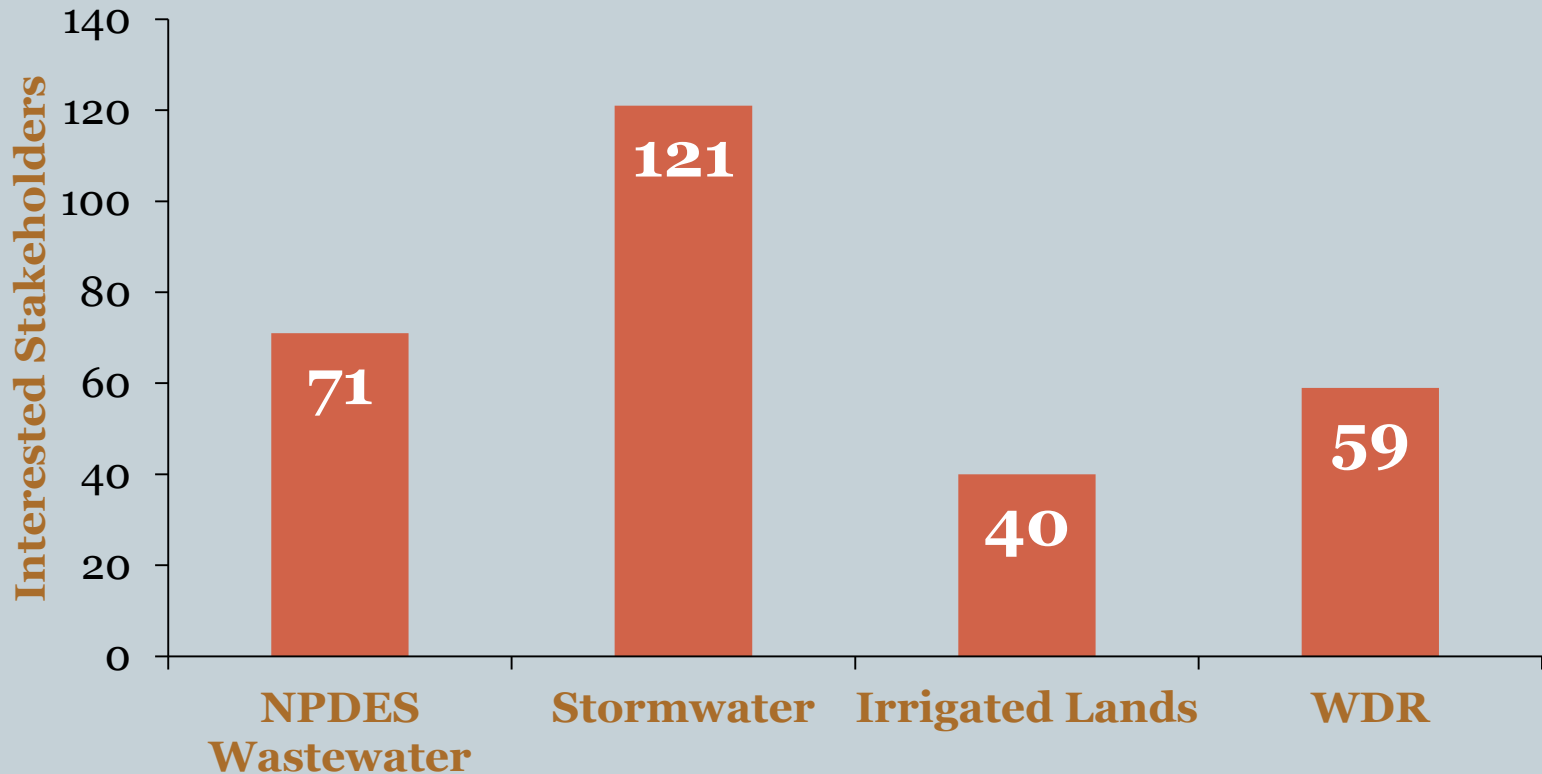
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- Cost information should be transparent.
- Quantitative information is needed to support theory and ensure the most important issues are prioritized
- Measures must be legal and not inhibit the Water Board's ability to protect water quality
- This effort will not be a cost benefit analysis (e.g. an evaluation of the cost of compliance measures versus the benefit to the environment)
- Longer term more challenging ideas will not impede progress moving forward with achievable short-term measures. Likewise, progress in one sector should not be delayed by other sectors

Next Steps

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- Stakeholder leads organize workgroup participants
 - 130+ individuals have already expressed interest



Next Steps

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- **Workgroups initially meet/communicate to:**
 - Define subgroups within each workgroup if needed
 - Brainstorm, refine, and document initial list of compliance activities where cost saving potential exists
- **Water Board staff can assist**
 - Provide input along the way
 - Provide logistical support
 - Participate in Stakeholder discussions

More Information

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