

Report to WDR Stakeholders Water Board Cost of Compliance Project

December 6, 2012

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Proceedings:

The WDR Stakeholders convened for our first meeting in-person and by teleconference on Nov. 28, 2012. A list of participants is attached separately.

The purpose of the meeting, as directed by the Board, was to develop a first draft list of areas to explore for reducing the cost of compliance and increasing the efficiency of compliance processes.

Group members are asked to respond via return e-mail to the list of ideas below no later than Dec. 14, due to the accelerated time frame for this venture. Please feel free to provide additional items and ideas, and circulate within your organizations or to any interested parties.

The first report, primarily to hear Board guidance, is scheduled to be delivered at the Jan. 22 meeting, and a final report by June. Upon completing this idea list, ideally, by early or mid January, we will decide via email if we are to proceed by designating subgroups or continuing to meet as a committee of the whole.

For the convenience of our e-discussion, I have grouped the results of our first meeting in tentative categories. The order of items is random. The wording, as much as possible, is that of the participants. I take responsibility for any mischaracterization based on summation – please provide corrections.

Ideas on Reducing the Cost of Compliance and Increasing Compliance Efficiency:

Process & Regulations

- Examine and adjust the frequency and levels of sampling and testing based upon the nature of the customer and record – not paper standards. Testing and sampling standards and practices are often set to a maximum and costly level, when a lesser standard would suffice.
- Use programmatic EIRs extensively to accelerate projects and lower frictional costs.

- Enforcement actions are usually launched immediately upon the notice of a violation. This violation may be easily seen by facility historical data to be an outlier or anomaly. Staff should investigate the violation to determine if the result was an outlier, and might be watched but not subject to a fine.
- Enforcement focus should be on fixing violations not in pursuing routine documentation of steady state facilities.
- Are special studies really necessary?
- Are levels of treatment appropriate?
- Are site characterizations necessary in the detail required?

Services

- Staff should adopt an attitude of customer service
- To improve customer service, consider:
 - Creating a threshold for major account status
 - Expanding the ombudsman to serve as a concierge for major accounts
 - The concierge would track pending documents and reports
 - The concierge would coordinate interagency reports and inspections
 - The ombudsman expands outreach for customer awareness
- Data is sometimes required by staff in excess of statutory provisions, apparently to provide additional research for new processes.

Management

- New technology usually triggers an immediate demand for special studies, new permits, increased costs and a slow response. The irony is that this technology improves the environment and responsiveness of customers. Board staff is reactive, and does not stay current. New technology should be encouraged and enabled.
- There are conflicts between SWRCB and DWR programs; in particular, conservation. DWR mandates and incents conservation, which, in some cases, concentrates waste to land. This needs to be resolved by interagency cooperation and not delayed until customers are caught between differing agencies.
- New processes must be parsed for expense factors and designed to minimize the cost of compliance.
- There are variances among the regional boards, and between the regional and state boards, in the costs of compliance, staffing levels and interpretations. These must be reconciled, transparent and reduced to the minimum. While it is recognized there are regional differences based on geography and other circumstances, this must be specifically accommodated.
- There is significant and needless reporting redundancy – the same information is collected and reported monthly, quarterly and annually.
- Customers are spending significant sums for software and systems to report data with no assurances of future direction and little technical assistance.
- When can joint interagency inspections and other processes be used.

- Staff could, like private professional services firms, take a few minutes to code tasks to funding source – this would greatly improve feepayer accountability and board program management.
- The program prioritization process should be done publicly with full transparency.
- Staffing levels must be reconciled with programs.

Additional materials requested from Board staff

- Mid-year adjustments to the 2012-13 budget, including revenue and program expenses, staff allocations.
- FY 2013-14 budget, including revenue (fee) increases and projections; expense and staff.
- Full explanation of indirect costs and operating expenses (see pages 23 and 40 of the 2012 Resource Alignment Report) for areas of duplication between the categories and between the regional and state boards. In other words, are feepayers paying twice for the same service? WDR permittees pay general indirect costs + costs for reviewing reports and program administration. Another layer of detail is necessary.
- Full explanation, based on current year findings, of why WDR programs are under-staffed in some regions, and at the state level, and with what impacts.