

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LAHONTAN REGION**

RESOLUTION NO. R6T-2014-(PROPOSED)

**LAHONTAN WATER BOARD
SUPPLEMENTAL ENVIRONMENTAL PROJECT (SEP) POLICY**

WHEREAS, the California Regional Water Quality Control Board, Lahontan Region (Lahontan Water Board) finds:

1. The Lahontan Water Board has for approximately one year been evaluating its Enforcement Program and has identified a number of actions that will improve the program's efficiency and effectiveness. One such action is the development of a region-specific policy for identifying, approving, and implementing Supplemental Environmental Projects (SEPs).
2. The Lahontan Water Board supports including SEPs as a part of administrative civil liability settlements. SEPs provide a strategic mechanism to make a portion of civil liabilities available for the kinds of projects identified as priorities by the Lahontan Water Board.
3. Currently, extensive Lahontan Water Board staff resources are spent negotiating, developing, and overseeing SEPs. This process has typically been conducted in confidential settlement negotiations, and by the very nature of confidentiality does not provide public transparency in how various SEPs are proposed to the Lahontan Water Board.
4. A region-specific SEP policy will provide guidance to Lahontan Water Board staff and dischargers in developing SEPs that further the Lahontan Water Board's priorities consistent with the State Water Resources Control Board's SEP Policy.
5. As a part of the region-specific SEP policy, the Lahontan Water Board supports the establishment of partnerships with independent third parties (partner organizations) to manage SEP escrow accounts (endowments or operating accounts) and to implement SEPs consistent with the Lahontan Water Board's expressed priorities.
6. Using SEP escrow accounts with partner organizations is expected to reduce staff's SEP oversight costs over time. The partner organizations will be responsible for the development and administration of the SEPs.
7. Using SEP escrow accounts will direct monies toward projects that are already vetted through local stakeholder processes and increase the transparency in how SEP monies are used.

8. The Lahontan Water Board considers a pilot project to be an appropriate mechanism to explore the feasibility of implementing SEP escrow accounts before implementing this policy on a region-wide basis. Such a pilot project is the subject of a separate Resolution.
9. The Lahontan Water Board has notified interested parties through the Lahontan Region of its intent to adopt this Resolution by posting to a list server and on the Water Board's web site.
10. The Lahontan Water Board, in a public meeting, heard and considered all comments regarding the Resolution.

THEREFORE, BE IT RESOLVED THAT:

1. The Lahontan Water Board approves the Lahontan Water Board SEP Policy (Attachment A).
2. The Lahontan Water Board directs staff to post the Lahontan Water Board SEP Policy in a prominent location on the Lahontan Water Board's web site.
3. The Lahontan Water Board directs staff to delay full implementation of the Lahontan Water Board SEP Policy until a pilot project with the Truckee River Watershed Council is completed.
4. The Lahontan Water Board authorizes the Lahontan Water Board Executive Officer to modify the attached Lahontan Water Board SEP Policy (and its respective attachments) for minor technical changes or for consistency with updated requirements and policies.

I, Patty Z. Kouyoumdjian, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of a Resolution adopted by the California Regional Water Quality Control Board, Lahontan Region, on February XX, 2014.

PATTY Z. KOUYOUMDJIAN
EXECUTIVE OFFICER

Attachment A: Lahontan Water Board SEP Policy