

# Water Quality Fees Stakeholder Meeting

Thursday, February 18, 2021 at 9:00 – 11:00 am

Webcast and Zoom Meeting Only

***NO PHYSICAL MEETING LOCATION***



Live Webcast [Here](#)

Fee Branch [Email](#)

## **AGENDA**

1. Welcome and Introductions
2. Waste Discharge Permit Fund (WDPF) Budget Cost Drivers (Attachment 1)
  - a. [FY 2021-22 Budget Change Proposal – Industrial Stormwater Discharge Compliance](#)
3. WDPF Program Budget Detail (Attachment 2)
4. Potential Fee Changes:
  - a. General Waste Discharge Requirements for Winery Process Water
  - b. Storm Water:
    - i. Construction
    - ii. Notice of Non-Applicability (No Discharge)
    - iii. Industrial
    - iv. No Exposure Certification
  - c. NPDES – Suction Dredge Mining
5. Division of Water Quality – Cost of Compliance Discussion
  - a. Storm Water Regulatory Update
    - i. Storm Water Cost of Compliance Projects Summary (Attachment 3)

- b. Opportunity and Model for Regulatory Cost Integration
    - i. [FY 2021-22 Department of Food and Agriculture Budget Change Proposal – Impact Assessment and Alignment of Regulatory Reporting Requirements for Agriculture](#)
  - c. Delegated Authority
6. Next Steps

**State Water Resources Control Board  
WDPF Budget Cost Drivers (\$000)**

<b>Waste Discharge Permit Fund (0179)</b>	<b>FY 2020-21 Fee Setting Budget</b>	<b>FY 2021-22 January Proposed Budget</b>	<b>Net Difference</b>	<b>Percent Change</b>
Budget Allocation	\$165,807	\$177,130	\$11,323	6.8%

<b>FY 2021-22 Budget Cost Drivers</b>	<b>Increase Amount</b>	<b>Percent Change</b>
State Operations	(\$201)	-0.1%
Removal of Furlough Salary Savings	\$7,405	4.5%
FY 21-22 BCP Industrial Stormwater Discharge Compliance	\$951	0.6%
FY 19-20 BCP Wildfire Mitigation (SB901)	(\$248)	-0.1%
Pro Rata	\$3,416	2.1%
<b>Totals</b>	<b>\$11,323</b>	<b>6.8%</b>

<b>Program</b>	<b>FY 2020-21 (prior year) Deferral</b>
WDR	2.9%
Land Disposal	-
WQC (401 Cert)	5.6%
Storm Water	3.0%
NPDES	3.8%
CAF	2.2%
Ag Lands (ILRP)	3.4%
Average	3.2%

**WDPF Program Budget Detail (\$000)**  
**FY 2020-21**

A	B	C	D	E (B+C+D)	F	G (E-F)	H (F+G)	I	J	K
WDPF Program	FY 20-21 Fee Budget <sup>1</sup>	BCP Changes	Staff Cost & Program Adjustments <sup>2</sup>	FY 21-22 Allocation Budget <sup>1</sup>	FY 21-22 Revenue Forecast	Adjusted Revenue Increase / (Decrease) <sup>3</sup>	FY 21-22 Adjusted Total Revenue <sup>4</sup>	Average Program Percent Change <sup>5</sup>	FY 22-23 (BY+1)	FY 23-24 (BY+2)
WDR	\$37,170	\$0	\$3,594	\$40,764	\$36,497	\$4,267	\$40,764	11.7%	4.0%	4.0%
Land Disposal	\$13,237	\$0	\$1,298	\$14,535	\$14,144	\$391	\$14,535	2.8%	4.0%	4.0%
WQC (401 Cert)	\$15,335	\$0	\$1,078	\$16,412	\$14,149	\$2,263	\$16,412	16.0%	4.0%	4.0%
Storm Water	\$33,473	\$951	\$3,908	\$38,333	\$34,016	\$4,317	\$38,333	12.7%	4.0%	4.0%
NPDES	\$36,025	\$0	\$3,475	\$39,500	\$36,391	\$3,110	\$39,500	8.5%	4.0%	4.0%
CAF	\$5,686	\$0	\$556	\$6,242	\$5,519	\$723	\$6,242	13.1%	4.0%	4.0%
Ag Lands (ILRP)	\$8,193	\$0	\$815	\$9,007	\$8,352	\$655	\$9,007	7.8%	4.0%	4.0%
<b>SUBTOTAL:</b>	<b>\$149,118</b>	<b>\$951</b>	<b>\$14,724</b>	<b>\$164,794</b>	<b>\$149,068</b>	<b>\$15,726</b>	<b>\$164,794</b>	-	-	-
Cannabis	\$16,689	\$0	(\$12,166)	\$4,523	\$4,523	\$0	\$4,523	0%		
<b>TOTAL:</b>	<b>\$165,807</b>	<b>\$951</b>	<b>\$2,559</b>	<b>\$169,317</b>	<b>\$153,591</b>	<b>\$15,726</b>	<b>\$169,317</b>	-	-	-

<sup>1</sup> Includes redirected expenditures for foundational programs like Basin Planning, TMDL, monitoring and enforcement.

<sup>2</sup> Includes reallocation for employee compensation, retirement, health care costs and pro rata.

<sup>3</sup> Recommended revenue level adjustments.

<sup>4</sup> Net revenue levels after recommended adjustments.

<sup>5</sup> Net percentage change impact after recommended adjustments.

<u>BCP Changes</u>	<u>Amount</u>	<u>Description</u>
Stormwater	\$951	21-22 BCP Industrial Stormwater Discharge Compliance
	<u>\$951</u>	

**STORM WATER COST OF COMPLIANCE PROJECTS SUMMARY  
WATER QUALITY FEES STAKEHOLDER MEETING  
FEBRUARY 18, 2021**

**BACKGROUND**

During the Board's adoption meeting for the water quality fees in September 2020, the Board directed staff to proceed with a three-part approach to evaluate and address cost of compliance for storm water permittees/fee payers. In November 2020, the Board identified the storm water cost of compliance projects as priorities their draft 2021 [Strategic Workplan](#). The three projects include:

- Cost of Municipal Storm Water Permit Compliance
- Proposed Amendment to the ISWEBE Plan for the Inclusion of Methods, Protocols, and Procedures for Development of Site-Specific Water Quality Objectives for Copper and Zinc
- Evaluate of use of Secondary Maximum Contaminant Levels for Infiltration in Reissuance of the Statewide Industrial Storm Water General Permit

**COST OF MUNICIPAL STORM WATER PERMIT COMPLIANCE**

Studies have shown that municipalities' approaches to estimating and reporting the cost of their storm water programs is not consistent, which makes estimating the cost of complying with storm water discharge permits challenging. Under the auspices of the Strategy to Optimize Resource Management of Storm Water (STORMS) State Water Board staff will build on the December 2019 "[Guidance for Obtaining Phase I Municipal Separate Storm Sewer System \(MS4\) Permit Compliance Costs](#)," as the foundation of the Cost of Municipal Storm Water Permit Compliance project. STORMS staff also will conduct workshops and collaborate with stakeholders to develop a shared understanding of how to report and estimate cost of compliance.

One goal of the project is to develop a standard accounting and allocation method to estimate storm water program costs including costs for personnel, operation and maintenance, and capital improvements and to differentiate cost of compliance from other costs such as infrastructure construction and maintenance. This project also will evaluate storm water asset management as a tool for municipalities to consistently track and report costs and the cost analysis and asset management requirements in permits. This work will be coordinated with another STORMS project to establish guidance for storm water program asset management planning and cost estimation.

**PROPOSED STATEWIDE WATER QUALITY CONTROL PLAN ADOPTING METHODS, PROTOCOLS, AND PROCEDURES FOR DEVELOPING SITE-SPECIFIC WATER QUALITY OBJECTIVES FOR COPPER AND ZINC**

In 1994 and 2001, EPA developed interim guidance for developing water-effects ratios for divalent metals. The regulated community and other stakeholder have called for the Water Boards to develop new guidance based on current information. During the 2019 adoption meeting for the

Chollas Creek Basin Plan Amendment establishing site specific objectives for copper and zinc, the State Water Board committed to develop California-specific guidance for a methodology to develop site-specific water quality objectives for divalent metals. The Los Angeles Regional Board currently is researching technical studies and compiling an implementation document to establish methods for deriving copper site-specific objectives using the biotic ligand model. This statewide project will expand the Los Angeles Regional Board implementation document to apply statewide and to include zinc. The project also will establish the expanded implementation plan as a statewide water quality control plan.

## **EVALUATE USE OF SECONDARY MCLS FOR INFILTRATION IN THE REISSUANCE OF THE INDUSTRIAL STORM WATER GENERAL PERMIT**

The Industrial Storm Water General Permit regulates storm water discharge from industrial activities. The State Water Board amended the Permit in 2018. The amended Permit provisions provides dischargers an incentive to capture and reuse storm water by allowing alternative permit compliance through on-site or off-site storm water capture. The Permit requires storm water entering infiltration best management practices to meet applicable primary and secondary maximum contaminant level criteria for industrial pollutants at the facility. Interested parties have concern that these requirements may be deterring dischargers from proceeding with storm water capture compliance options. State Water Board staff will evaluate numeric targets for secondary maximum contaminant levels in the forthcoming proposed reissuance of the Industrial Storm Water General Permit. Staff evaluation of requirements based on maximum contaminant levels is focusing on the cost to comply with these requirements compared to the water quality protection benefits obtained.