



Standardizing Cost Reporting in Municipal Stormwater Permits Phase I MS4 Beta Testing Information

The Strategy to Optimize Resource Management of Stormwater Unit (STORMS) at the State Water Resources Control Board (State Water Board) is developing a proposed water quality control policy for Standardizing Cost Reporting in Municipal Stormwater Permits (Policy) to address one of the high-priority items (item 3.5.2) for the State Water Board as described in its [2023 Strategic Work Plan](#).

STORMS staff has proposed a standard list of cost categories with cost accounting best practices and developed a statewide cost submittal tool that permittees can use to report their municipal separate storm sewer system (MS4) permit implementation costs. At this stage, STORMS is seeking a minimum of 10 Phase I MS4 permittees to voluntarily participate in a beta test and provide feedback regarding the ease, challenges, and limitations of using the proposed categories and cost submittal tool for tracking and reporting cost of implementing MS4 permits. In addition to this beta test, the regulatory policy development process will include the opportunity for written comments, a public hearing prior to adoption, and approval by the Office of Administrative Law.

Proposed Draft Cost Reporting Categories

STORMS staff held a public workshop in April 2022 to share a proposed list of standardized cost categories for Phase I MS4 permittees. The Project background and objectives, as well as the cost category development criteria and methodology, are explained in detail in the [Stakeholder Outreach Document for the 2022 workshop](#). Over the past year, based on feedback received from stakeholders and regional water boards, staff revised the project categories to address stakeholders' concerns. Sub-categories are introduced under a few categories to estimate expenditures for a specific permit-required activity, e.g., reporting, integrated pest management, street sweeping. **The revised categories are shown in Table 1 with corresponding sub-categories. Descriptions for each of these categories are provided in Attachment 1.**

Within each category, costs will be broken down into the following line items to allow for a better understanding of the distribution of costs of a permit element:

- a) Staffing/personnel cost (staff wages, salaries, benefits)
- b) Capital expenditures (excluding land costs)
- c) Land costs (capital expenditures for land or right-of-way easement acquisition)
- d) Consultants (private consultants hired by the permittees to perform activities under any specific cost category)
- e) Construction cost (infrastructure cost/investment not reported under capital expenditure or land costs)
- f) Operation and maintenance (permit-required day to day operation and maintenance activities under a specific cost category)
- g) Overhead (indirect costs directly related to permit implementation)

Table 1: List of proposed cost categories and sub-categories for Phase I permittees

Category Name	Sub-categories
1. Overall Program Management and Administration	<ul style="list-style-type: none"> a. Asset management b. Reporting c. Program effectiveness assessment d. Other
2. Public Education, Outreach, Involvement and Participation	-
3. Illicit Discharge Detection and Elimination (IDDE) and Spill Response	<ul style="list-style-type: none"> a. IDDE b. Spill Response
4. Planning and Land Development	<ul style="list-style-type: none"> a. Post-construction BMPs for new or redevelopment projects b. New structural BMP projects (with total stormwater related budget higher than \$200,000) c. Others
5. Industrial and Commercial Facilities	-
6. Construction Site Management	-
7. Municipal Operations and Maintenance	<ul style="list-style-type: none"> a. Integrated pest management (IPM) program b. Emergency program c. Others

Category Name	Sub-categories
8. Trash Management	<ul style="list-style-type: none"> a. Full capture device installation and maintenance b. Street sweeping c. Others
9. Water Quality Monitoring	<ul style="list-style-type: none"> a. Receiving water monitoring b. Outfall monitoring c. BMP monitoring d. Others
10. Special Programs	<ul style="list-style-type: none"> a. TMDL implementation and monitoring b. Discharge associated with people experiencing homelessness c. Others
11. Miscellaneous Costs	-

Cost Submittal Tool

In collaboration with the Division of Information Technology (DIT) at the State Water Board, STORMS developed a cost submittal tool for municipal permittees to use to report annual expenditures related to MS4 permit implementation. The cost submittal process is designed as an annual survey in which stormwater permittees would enter numerical values for the costs of each of the proposed categories, sub-categories, and line items. Upon completion of the survey, permittees can download a summary file (.pdf) which would attach to their annual report. Raw data in a machine-readable format will be available for regional water boards and the State Water Board to review.

Beta Testing of the Standardized Categories and Cost Submittal Tool

The purpose of beta testing is to assess the applicability of the cost submittal tool and the cost reporting categories to the participant municipalities. The testing duration will be six months. The success of the beta testing program depends on the extent (both in the number of participants and the effort they put in) of participation among MS4 permittees.

Participating permittees will be the early implementers of the proposed cost tracking method as well as early users of the statewide cost submittal tool. STORMS staff will arrange a training session to brief permittees on the best practices for submitting cost of stormwater permit implementation information. Participants will be asked to:

- Identify a point of contact responsible for obtaining cost expenditure data from different municipal departments and for communicating with STORMS staff.
- Itemize permit implementation expenditures following the proposed cost reporting categories. STORMS staff will collaborate with the permittees to ensure each permit-required activity is tracked using the appropriate category.
- Enter expenditure data into the cost submittal tool on a monthly or quarterly basis. Alternatively, permittees may use the prior fiscal years' costs data to do a one-time entry.
- At the end of the beta testing period, respond to a survey related to the ease, challenges, and limitations of using the proposed categories and cost submittal tool for tracking and reporting cost of implementing MS4 permits.

The goal of the beta test is to learn about the challenges permittees face while using the proposed cost reporting categories and cost submittal tool. Based on permittees' feedback, STORMS staff will further refine the categories, provide additional explanations, and develop a "Frequently Asked Question (FAQ)" section that will accompany the proposed Policy.

For additional information about the proposed Policy or the beta test, please contact the project lead, Nabiul Afrooz, at Nabiul.Afrooz@waterboards.ca.gov.

ATTACHMENT 1

DESCRIPTIONS FOR PROPOSED COST REPORTING CATEGORIES

Category Name	Description	Example Activities or Expenditure
1. Overall Program Management and Administration-	Permit compliance administration and management activities, reporting, general coordination.	<ul style="list-style-type: none"> • stormwater management plan development • stormwater program budget planning and management • asset management • report preparation and submission, including annual reports • GIS mapping and database updates • staff training • overall program effectiveness assessments • coordination with program stakeholders, including regional water boards and State Water Board
2. Public Education, Outreach, Involvement and Participation	Outreach and educational activities that inform members of the public about stormwater and potential impacts to water bodies.	<ul style="list-style-type: none"> • public service announcements, signage, promotional and informational materials, advertisements, and event management to encourage behavioral change for purposes of source reduction • establishing and maintaining partnerships with other agencies that facilitate educational and outreach activities, including non-governmental organizations • applicable state, tribal, and local stormwater-related public notice requirements

Category Name	Description	Example Activities or Expenditure
		<ul style="list-style-type: none"> • activities to engage community members from all economic, ethnic, and cultural backgrounds through citizen panels, citizen watch groups, or other community programs <p><i>Note: Costs associated with preparing documents and arranging public meetings related to California Environmental Quality Act (CEQA) compliance should not be included under this category. Such costs should be included into permit issuance costs under respective categories.</i></p>
3. Illicit Discharge Detection and Elimination (IDDE) and Spill Response	Efforts necessary to identify, investigate, and eliminate illicit discharges.	<ul style="list-style-type: none"> • IDDE plan development • spill response to address potential unintended discharges to the MS4 • mobile business source control efforts • education and outreach activities related to IDDE • IDDE enforcement actions
4. Planning and Land Development	<p>MS4-related planning activities necessary to accomplish permit-specified objectives.</p> <p>Direct costs for individual projects with a total budget equal to or less than \$200,000 related to stormwater management. Costs reported should be limited to the costs incurred during the reporting period.</p>	<ul style="list-style-type: none"> • planning, reviewing, and implementation of post-construction best management practices (BMPs) for (private and public) new development and redevelopment projects • structural BMP design, planning, and construction (except for trash control BMPs) • developing related standards and specifications for mitigation of water quality impacts from land development projects • developing and maintaining tracking systems to monitor and enforce implementation of mandated activities

Category Name	Description	Example Activities or Expenditure
		<p><i>Note: For projects with multi-benefits or co-benefits, the primary function or purpose of the project should be considered when selecting appropriate project categories.</i></p>
5. Industrial and Commercial Facilities	Permit-required inspection, outreach, and municipal oversight of existing industrial and commercial facilities.	<ul style="list-style-type: none"> • developing an inventory of industrial and commercial facilities and prioritizing the facilities in terms of threat to water quality • permit issuance • compliance assistance programs to businesses • routine inspections of prioritized facilities and progressive enforcement
6. Construction Site Management	Implementation of permit-required activities to minimize the impact of construction site runoff to receiving waters.	<ul style="list-style-type: none"> • stormwater pollution prevention plan (SWPPP) or erosion and sediment control plan review and plan check construction permit issuance, inspection, and enforcement
7. Municipal Operations and Maintenance	Planning and implementation of pollution prevention programs to address runoff resulting from operation and maintenance of permittee-owned or operated facilities and activities.	<ul style="list-style-type: none"> • integrated pest management programs (IPM) • parks and recreational area stormwater management • stormwater systems operation and maintenance • parking facilities maintenance • emergency procedures related to fire, drought or other threats to stormwater systems <p><i>Note: Expenditures related to a new development or redevelopment, even if the project is administered by the permittee, should be reported under Planning and Land</i></p>

Category Name	Description	Example Activities or Expenditure
		<p><i>Development or Industrial and Commercial Program category (as applicable). Any expenditure related to trash control should be reported under the Trash Management category. Expenditures related to spill response should be reported under the IDDE and Spill Response category.</i></p>
8. Trash Management	<p>Activities designed and performed to comply with trash provisions, including trash control activities that are required by the permit and routinely performed as a part of municipal maintenance</p>	<ul style="list-style-type: none"> • trash assessment and mapping • planning, development, and implementation of a trash total maximum daily load (TMDL) • full capture device installation and maintenance • partial capture and other institutional controls • inspection and monitoring such as street sweeping and on-land trash cleanups • Enforcement • reporting, development, and maintenance of electronic databases related to trash management
9. Water Quality Monitoring	<p>All permit-required water quality monitoring activities. Can be broken down into subcategories such as receiving water monitoring, outfall monitoring, BMP effectiveness monitoring, and facility-specific monitoring.</p>	<ul style="list-style-type: none"> • mobilization for sampling • sample collection and transport • laboratory analyses • data analyses and compilation • quality assurance and quality control (QA/QC) <p><i>Note: If some monitoring activities are performed as a part of the regional monitoring program, costs shared by the specific permittee should be reported.</i></p>

Category Name	Description	Example Activities or Expenditure
10. Special Programs	Keeping a diverse approach to stormwater management in California in mind, this category is intended to obtain cost information about various region-specific MS4 program elements.	<ul style="list-style-type: none"> • permit required TMDL implementation, including monitoring • Los Angeles Regional Water Board's watershed management programs • San Francisco Regional Water Board's permit-required control programs for pesticides, mercury, PCBs, copper, bacteria, and discharges associated with people experiencing homelessness.
11. Miscellaneous Costs	Anything not identified or directly related to the aforementioned categories	<ul style="list-style-type: none"> • permit fees • membership fees for stormwater related organizations and regional partnerships