

445 South Figueroa Street
Suite 1950
Los Angeles, CA 90071



January 29, 2018

Ms. Felicia Marcus
Chair
C/O Ms. Jeanine Townsend
Clerk to the Board
State Water Resources Control Board
P.O. Box 100, Sacramento, CA 95812-2000



Submitted electronically to: commentletters@waterboards.ca.gov

Regarding: PROPOSED AMENDMENT TO THE STATEWIDE INDUSTRIAL GENERAL
STORM WATER PERMIT

Dear Ms. Marcus:

The Nature Conservancy is dedicated to the protection of the lands and waters on which life depends. In Los Angeles County, the goal of the Urban Conservation Program is to demonstrate the multiple benefits of nature-based solutions and green infrastructure. As noted in the General Permit Amendment, green infrastructure delivers improved groundwater recharge from treated industrial storm water, restoration of lost watershed processes, and reduced pollutant loads discharged to surface waters. Green infrastructure also enhances biodiversity in urban areas by restoring or enhancing habitats.

To stimulate the widespread adoption of green infrastructure, The Nature Conservancy works with partners to develop the science around nature-based solutions, to create enabling conditions through appropriate policy and governance, to develop market-mechanisms that leverage private investment, and to prove our concepts through a demonstration project at the Los Angeles River.

We are pleased that the State Water Resources Control Board has signaled its support for **green infrastructure** in the General Permit Amendment by providing **compliance options** that incentivize storm water capture and reuse in the urban core. The proposed compliance options demonstrate the State Water Board's intent to encourage the use of green infrastructure and low impact development to manage storm water and enhance the health of watersheds.

The Nature Conservancy commends the State Water Resources Control Board for identifying **off-site compliance options** that would allow dischargers to enter into **agreements with local jurisdictions** to design, implement, and operate best management practices for compliance. Off-site compliance options can help dischargers achieve compliance when on-site alternatives are limited. The Strategic Program to Incentivize Industrial Stormwater Capture, currently under development by the City of Los Angeles Department of Water and Power, is an example of a locally-led program designed to achieve agreements with dischargers in fulfillment of the State Water Resources Control Board's vision. We are interested in how the Strategic Program can foster biodiversity in the City of Los Angeles in addition to achieving storm water retention compliance.

Off-site compliance options also offer the opportunity to concentrate investment in large regional projects downstream of dischargers that offer more water quality, ecosystem service, and access to recreational opportunities than a network of smaller distributed projects on private land. As part of our effort to develop **market-based mechanisms** to speed the widespread adoption of green infrastructure in Los Angeles County, The Nature Conservancy is working with our internal partner, NatureVest, to understand how a **storm water retention credit (SRC) trading program** could jumpstart innovative off-site compliance approaches and the multiple benefits they deliver.

An SRC market enables developers, who are required to manage storm water run-off on projects, to meet their mandated requirements by purchasing credits from off-site credit suppliers. A credit supplier can be any entity that voluntarily delivers projects, like rain gardens, green roofs, permeable pavement and other green infrastructure practices, providing stormwater management capacity equivalent to the needs of the permittee. This approach combines science, financing expertise, and local relationship building to tailor solutions that will help make the SRC market function.

The SRC trading program in Washington D.C. offers an example that could inform the development of a program in the Los Angeles area. Storm water run-off is the District's biggest and fastest-growing source of water pollution. Up to three billion gallons of run-off and sewage flow into local rivers that course into the Chesapeake Bay estuary each year, severely degrading aquatic habitat and impacting industries.

Prudential Financial invested \$1.7 million towards a new collaboration between NatureVest and Encourage Capital called District Stormwater LLC. District Stormwater helps finance the development of green infrastructure projects on properties across the city that measurably reduce storm water run-off through proven distributed nature-based solutions. District Stormwater has recently completed its first green infrastructure project, creating the largest tranche of credits currently available on the market and facilitating the market's liquidity.

Investments in green infrastructure for storm water retention can bring income to landowners and provide a host of valuable co-benefits, including expanded green space, reduced localized flooding and jobs to build and maintain green infrastructure sites. Off-site trading creates opportunities for investments in vulnerable and economically-challenged communities where property values are lower.

The Nature Conservancy believes that similar benefits could be achieved through an SRC trading program in Los Angeles County and encourages the State Water Board, as it concludes the comment period for the General Permit Amendment, to consider how SRC trading programs could serve as another off-site compliance tool for local jurisdictions and dischargers.

Thank you very much for the opportunity to comment. If you have questions, please contact me at jill.sourial@tnc.org.

Sincerely,

A handwritten signature in cursive script that reads "Jill Sourial".

Jill Sourial
Director, Urban Conservation Program