

Water Boards Working with Stakeholders to Reduce Water Quality Compliance Costs

Resource Alignment Project

When the State Water Resources Control Board (State Water Board) adopted its water quality permitting fees in October of 2011, it directed staff to prepare a report that assessed and aligned the State Water Board and nine regional water boards' priorities, resources, and workload outputs. This Resource Alignment Report was posted in April of 2012. It was intended, in part, to ensure that water quality permitting fees continue to be used appropriately and efficiently, and that the Water Boards stay focused on the highest priority work. Key findings from the Resource Alignment Report include:

- Overall, program funding is shifting from the general fund to fees. For Fiscal Year (FY) 2011-12, 82 percent of the revenues to support core regulatory functions were funded with fees paid by the regulated community.
- Since FY 2000-01, resources dedicated to core functions supported by the Waste Discharge Permit Fund have increased by approximately 5 percent in real dollars (adjusted for inflation), while staffing levels in these programs has declined.
- Resource allocations generally align with their funding sources; however the funding source may not reflect the highest priority water quality problems to be addressed.

Phase 2: Assessing Options for Reducing Compliance Costs

While fee payers remain keenly aware of increasing water quality permit fees and do not want to see future fee increases, they also have indicated that the majority of their water quality compliance costs are associated compliance requirements. They also indicated that modifications to certain requirements could potentially achieve significant cost savings while still providing a high level of water quality protection. This second phase of the Board's resource alignment project focuses on assessing opportunities for reducing the costs of compliance for dischargers subject to Water Board oversight under four key programs: (1) NPDES wastewater, (2) stormwater, (3) irrigated lands, and (4) Waste Discharge Requirement (WDR). The overall goal of this project is to reduce the cost of compliance in these programs where feasible and to maximize the utility/benefit of discharger compliance actions, including benefits to the regulated community and to the environment at large. This effort is not an analysis of the cost of compliance versus the benefit to the environment.

Working With Stakeholders

Four stakeholder workgroups are currently identifying potential measures for reducing compliance costs. A team of State and Regional Water Board staff is working with the stakeholders to make sure the proposed measures are feasible from both a regulatory and workload perspective.

In the coming months, the stakeholder workgroups will winnow down the list of measures and document the costs associated with certain compliance activities as well the savings that could be realized. A report containing a list of recommended cost savings measures is scheduled to be completed in June 2013. The ground rules for this report include:

- Cost information should be transparent.
- Cost savings measures should contain numerical data to document expenditures and expected savings, time saved and water quality impacts to make sure the proposed changes will be effective.
- Measures must be legal and not inhibit the Water Board's ability to protect water quality.

To see the work plan for the Phase 2 process, visit:

http://www.waterboards.ca.gov/water_issues/programs/rap/docs/cost_of_compliance090612.pdf

For more information on the Resource Alignment Project, visit:

http://www.waterboards.ca.gov/water_issues/programs/rap/index.shtml

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