

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2025-0005**

**ADOPTING THE WATER QUALITY CONTROL POLICY TO STANDARDIZE COST
REPORTING IN MUNICIPAL STORMWATER PERMITS**

WHEREAS:

1. In California, stormwater discharge is regulated by the State Water Resources Control Board (State Water Board) and by the nine regional water quality control boards (regional water boards) (collectively Water Boards) through 12 Phase I Municipal Separate Storm Sewer System (MS4) permits and one Phase II MS4 permit.
2. In 2018, the California State Auditor (CSA) recommended that the State Water Board develop statewide guidance on methods for tracking the cost of stormwater program management for MS4 permittees to ensure that the regional water boards obtain adequate and consistent information on the stormwater program management costs.
3. The CSA further recommended that the State Water Board adopt the regulations necessary to ensure that regional water boards and MS4 permittees follow its guidance regarding adequate and consistent information about MS4 permittees' stormwater program management costs.
4. The applicable federal regulations require that Phase I MS4 permittees report costs necessary to implement their MS4 permits. Further, California Water Code section 13383 authorizes the Water Boards to establish additional reporting requirements for Phase I or Phase II MS4 permittees.
5. There is a lack of reliable information regarding annual municipal expenditures necessary to comply with various elements of the MS4 permits due to absence of standardized reporting, both across and within regions.
6. A statewide policy for uniform cost reporting will increase transparency for cost of compliance and will assist regional water boards as they consider costs of new permit requirements. Further, a standardized list of cost categories along with a breakdown of costs for different program elements

allows regional water boards to evaluate costs associated with different permit elements to improve receiving water quality.

7. A statewide policy for uniform cost reporting will also serve as a benchmark when evaluating permit implementation costs reported by various MS4 permittees. Furthermore, a standardized cost reporting framework for understanding the cost of MS4 permit implementation informs future efforts related to cost of compliance for other regulatory programs administered by the State Water Board.
8. The State Water Board is designated as the state water pollution control agency for all purposes stated in the Clean Water Act, including water quality control planning and waste discharge regulation.
9. The State Water Board is responsible for adopting state policy for water quality control, which may consist of water quality principles, guidelines, and objectives deemed essential for water quality control.
10. It is the intent of the State Water Board to promote statewide consistency in how the cost of MS4 permit implementation is reported. Collected data can be used to determine what it costs to implement each MS4 permittees' municipal stormwater program as required by the applicable permit.
11. Further, it is the intent of the State Water Board to identify environmental justice issues in stormwater management and determine steps necessary to address them.
12. The State Water Board identified developing a Water Quality Control Policy for Standardized Cost Reporting in Municipal Stormwater Permits (Policy) as one of its priorities and tasked the Strategy to Optimize Resource Management of Stormwater Unit (STORMS) to develop such Policy.
13. In March 2022, STORMS proposed an initial draft of a standardized cost reporting framework based on reviews of existing MS4 permits, past annual reports, and discussion with the MS4 permittees regarding their existing cost tracking systems.
14. This Policy (Attachment 1) establishes separate, but uniform, statewide cost reporting requirements for Phase I and traditional Phase II MS4

permittees. Further, it requires annual reporting of cost data through a statewide, publicly available cost data portal.

15. This Policy requires the Water Boards to incorporate the standardized cost reporting requirements into any future or reissued MS4 permits.
16. In April 2022, STORMS held a public workshop to gather feedback from the MS4 permittees on the proposed cost reporting framework and performed case studies to revise the initial draft.
17. STORMS continued its extensive outreach efforts to the MS4 permittees, California Stormwater Quality Association (CASQA), including its subcommittees for stormwater funding, policy and permitting, and Phase II MS4 permittees. STORMS received feedback from other interested parties, including California Coastkeeper Alliance (CCKA) and California Council for Environmental and Economic Balance (CCEEB). STORMS also reached out to numerous disadvantaged communities, environmental justice groups, and California Native American Tribes to seek feedback regarding a proposed standardized cost reporting framework for MS4 permits.
18. From May to November 2023, STORMS conducted a beta test of a draft cost reporting framework and a cost submittal data portal with participation from 11 MS4 permittees.
19. In August 2023, STORMS released a draft of the Policy and associated staff report for public comment, followed by a board workshop in September 2023.
20. In May 2024, STORMS released a revised draft Policy for a second round of public comment followed by a board hearing held in June 2024. The revised draft Policy incorporated feedback from 22 public comment letters and the beta test.
21. In December 2024, STORMS released the final draft policy responding to all 17 comment letters received on the revised draft policy.
22. STORMS developed a Cost Accounting Guidance Document that provides general non-regulatory and non-binding guidelines for cost tracking and

reporting, examples of activities for each cost category, and description of funding sources.

23. STORMS plans to evaluate the Policy language after collecting standardized cost data for implementing municipal stormwater permits over a five-year period and present the findings to the State Water Board if deemed necessary.

24. The activity of adopting the Policy is not a project within the meaning of the California Environmental Quality Act (CEQA) as the requirements the Policy establishes do not have the potential either to result in a direct physical change to the environment or to result in a reasonably foreseeable indirect change to the environment. State Water Board regulations governing CEQA do not apply when the State Water Board determines that the activity is not subject to CEQA. (Cal. Code Regs., tit. 23, § 3720, subd. (b).)

25. A policy for water quality control does not become effective until adopted by the State Water Board and until the regulatory provisions are approved by the Office of Administrative Law (OAL).

26. MS4 permittees are not required to adjust their cost reporting methodology to conform to the standardized cost reporting provisions unless mandated by their MS4 permits or ordered by the State Water Board under Water Code section 13383 to align cost tracking and reporting with the Policy's framework.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. After considering the entire record, including oral testimony at the public hearing, adopts the Water Quality Control Policy for Standardized Cost Reporting in Municipal Stormwater Permits.

2. Directs the Executive Director to issue one or more orders under Water Code section 13383, as necessary, to require implementation of the Policy's cost reporting requirements beginning July 1, 2026. Such order(s) shall require MS4 permittees to begin reporting MS4 permit

implementation expenditures incurred during the 2026-2027 State Fiscal Year.

3. Authorizes the Executive Director or designee to submit the Water Quality Control Policy for Standardized Cost Reporting in Municipal Stormwater Permits to OAL for review and approval.

4. Directs the Executive Director or designee to make minor, non-substantive modifications to the language of the Policy, if during the OAL approval process, OAL determines that such changes are needed for clarity or consistency and inform the Board of any such changes.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on January 22, 2025.

AYE: Chair E. Joaquin Esquivel
 Vice Chair Dorene D'Adamo
 Board Member Sean Maguire
 Board Member Laurel Firestone
 Board Member Nichole Morgan

NAY: None

ABSENT: None

ABSTAIN: None



Courtney Tyler
Clerk to the Board