



Cost Accounting Guidance
for
(Revised Draft) Water Quality Control Policy
for Standardized Cost Reporting in
Municipal Stormwater Permits

May 2024



Table of Contents

Introduction.....	4
General Guidelines.....	4
Description of Cost Categories and Sub-categories for Phase I MS4 Permittees.....	5
Overall Program Management and Administration:.....	5
Public Education, Outreach, Involvement and Participation.....	5
Illicit Discharge Detection and Elimination (IDDE) and Spill Response.....	6
Planning and Land Development.....	6
Industrial and Commercial Facilities.....	7
Construction Site Management.....	8
Municipal Operations and Maintenance	8
Trash Management.....	9
Water Quality Monitoring.....	9
Permit-specific Special Programs.....	10
Miscellaneous Cost.....	10
Description of Line Items for Phase I MS4 Permittees	11
Personnel & Overhead Cost.....	11
Capital Cost.....	11
Land Cost	11
Consultant Cost.....	12
Operation & Maintenance Costs	12
Description of Cost Categories for Traditional Phase II MS4 Permittees	12
Overall Program Management and Administration:	13
Capital Cost.....	13
Minimum Control Measures.....	14
Water Quality Monitoring.....	15
Miscellaneous Cost.....	15
Description of Line Items for Traditional Phase II Permittees.....	16
Personnel & Overhead Cost.....	16
Equipment & Materials Cost.....	16
Land Cost	16
Consultant Cost.....	16
Source of Funds	17

General Fund 17
Special Revenue Fund 17
Enterprise Fund 17
Capital Project Funds 17
Cost Recovery 17
Optional Cost Reporting 18

DISCLAIMER

This guidance document is not intended to establish policy or regulation and does not represent a new application or interpretation of a policy or regulation. Rather, this document is provided for informational purposes only. The guidance in this document is intended to assist Phase I municipal separate storm sewer systems (MS4) and traditional Phase II MS4 Permittees in determining how to record permit implementation costs in accordance with the Water Quality Control Policy for Standardized Cost Reporting in Municipal Stormwater Permits (Municipal Stormwater Cost Policy or Proposed Policy). The guidance in this document is not the result of a final board action by either the State Water Board or any regional water board and does not create or impose any requirements on MS4 permittees. The document may be periodically updated as needed based on implementation of the Municipal Stormwater Cost Policy or other pertinent information.

Introduction

This document describes recommended approaches for categorizing permit implementation costs in accordance with the [proposed Municipal Stormwater Cost Policy \(Proposed Policy\)](#). This is intended to be a living document and may be updated with frequently asked questions, and as new or updated permits are developed. The document starts with general guidelines for reporting expenditures, followed by specific guidance for Phase I MS4 permittees, followed by traditional Phase II MS4 permittees. The document ends with recommendations for reporting funding sources and cost recovery programs.

General Guidelines

- 1) Permittees shall only report expenditures for the implementation of MS4 permits as mentioned in [section 5.3 of the Proposed Policy](#). Expenditures associated with activities not required by the permit provisions are not considered permit implementation costs.
- 2) Not all types of permit implementation costs can be precisely tracked using hours worked, job codes, or a project code. Some costs may need to be estimated using best professional judgement.
- 3) Consistent with [section 5.3 of the Proposed Policy](#), Permittees must avoid duplicate reporting of permit implementation costs. The sum of all costs reported should not be higher than the actual total expenditure for permit implementation during the reporting period.
- 4) Permittees must report permit implementation expenditures incurred during the reporting period; a budget estimate does not satisfy the requirements set by [section 5 of the Proposed Policy](#).
- 5) For multi-year projects, permittees should report only the portion of expenditures that occur during the fiscal year.
- 6) For regional collaborative projects, Permittees should report only the portion of costs contributed by the permittee during the reporting period.
- 7) For multi-purpose projects, permittees should report only the expenditures associated with the activities required by the permit. Permittees should use best professional judgement to determine how much of the total cost should be attributed to stormwater management.
- 8) For scenarios where components of several permit elements are being implemented simultaneously, Permittees may use best professional judgement to estimate the fraction of cost for each permit element.
- 9) If costs under a certain category or line item are not available or applicable, permittees should report such costs as zero (\$0).
- 10) When best professional judgment is used, permittees should document their reasoning for future reference.

Description of Cost Categories and Sub-categories for Phase I MS4 Permittees

Overall Program Management and Administration:

Management and administrative activities central to ensuring overall permit compliance should be reported under this category. Such activities may include annual reporting, fiscal analysis, and a permit renewal fee. It should be noted that the use of paid external consultants or contractors to advocate for or oppose permit provisions is not considered permit implementation costs.

Example Activities:

- Development of a stormwater management plan (annual or long-term).
- Budget planning and staff management for a stormwater program, including staff planning.
- Stormwater asset management. This may include identifying and mapping stormwater infrastructure, condition assessment, and developing a maintenance schedule. Costs of mapping an MS4 should be included under Illicit Discharge Detection and Elimination Categories.
- Annual report preparation and submission including related meetings, tools, and reviews.
- Cost reporting and fiscal analysis.
- Overall program effectiveness assessment.
- Website development, maintenance, and updates.
- Staff training related to program management and administration.
- Coordination with other municipal departments.
- Coordination with program stakeholders, including regional water boards and State Water Board.

Public Education, Outreach, Involvement and Participation

Expenditures (materials, supply, or personnel time) for involving members of the public in developing, implementing, updating, and reviewing a permittee's stormwater management program should be reported under this category. Additionally, costs for outreach and educational activities to inform members of the public about stormwater, its potential impacts to water bodies, and citizen awareness to reduce stormwater pollution should also be included under this category. Permittees have the flexibility to report expenditures related to education, outreach, or engagement components of other specific categories (e.g., planning and land development, illicit discharge, construction site management, industrial and commercial programs) either under this category or under their respective categories. However, permittees should report these costs only once.

It should be noted that 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 reported as permit issuance costs under their respective categories.

Example Activities:

- Public service announcements, signage, promotional or informational materials, advertisements, and costs associated with events targeting the public 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.
- Activities to engage community members from all economic, ethnic, and cultural backgrounds through citizen panels, citizen watch groups, or other community programs.
- Stormwater hotlines for information and for citizen reporting of polluters.
- Outreach to school-age children or businesses.

Illicit Discharge Detection and Elimination (IDDE) and Spill Response

Expenditures related to activities to develop, implement, and enforce an illicit discharge detection and elimination program should be reported under this category. It is assumed that such discharge prohibitions are not implemented under construction site management, industrial and commercial programs, or any other special programs.

Example Activities:

- IDDE plan development.
- Development, maintaining, and updating of MS4 maps.
- 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.
- Staff training.
- Sampling and analysis cost.

Planning and Land Development

This category should include expenditures for development, implementation, and enforcement activities to reduce pollutants in post-construction runoff to their MS4 from new development and redevelopment projects. These activities may include planning, reviewing, and implementation of post-construction best management practices (BMPs), including structural and non-structural BMPs.

Expenditures related to planning, design, or construction of large or medium scale publicly owned stormwater BMP projects (total BMP-associated budget greater than \$200,000) should be specifically reported in the sub-category "Structural BMP Cost."

This sub-category is applicable for post-construction BMPs as a part of a new, redevelopment of, or a stand-alone BMP project as part of a larger capital improvement plan.

If stormwater management is only a component of a larger development project, the permittee should report only the portion of the total project cost that is attributed to stormwater management. For public projects, all stormwater management related costs (capital cost, land cost, or personnel cost) can be reported. However, for projects funded by private developers, only the cost associated with staff time (personnel cost) should be reported. For projects with multi-benefits or co-benefits, the permittees should consider the primary function or purpose of the project to decide whether expenditures for a specific project can be considered as permit implementation costs.

Please note that operation and maintenance costs for stormwater BMPs, including post-construction BMPs, should be reported under the Municipal Operation and Maintenance category.

Example Activities:

- Inspection and enforcement of post-construction BMPs.
- Structural and non-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 the implementation of mandated activities.

Industrial and Commercial Facilities

Expenditures for maintaining a permit-required oversight program for industrial and commercial sites within the permittees' jurisdiction should be reported under this category. Such a site control program would include permit-required inspection, follow-up, and enforcement activities.

Example Activities:

- Developing an inventory of industrial and commercial facilities that discharges to the MS4.
- Prioritization efforts of facilities in terms of threat to water quality.
- Permit issuance.
- Compliance assistance programs to businesses.
- Routine inspections of prioritized facilities and progressive enforcement.
- Coordination with other agencies and outreach.

Construction Site Management

Expenditures related to development, implementation, and enforcement activities to control or mitigate stormwater runoff from construction sites should be reported under this category. If expenditures for these activities are shared between individual permittees and countywide programs, only the portion of the cost spent by the individual permittee should be reported.

Example Activities:

- Stormwater pollution prevention plan (SWPPP) or erosion and sediment control plan review, including BMPs for construction sites.
- Development, revision, and/or adoption of codes or ordinances necessary to implement the program.
- Development and implementation of inspection and progressive enforcement actions as appropriate.
- Data collection, management, and reporting.

Municipal Operations and Maintenance

Planning and implementation of pollution prevention programs, including BMPs, to address runoff resulting from operation and maintenance of permittee-owned or operated facilities and activities should be reported under this category.

Expenditures related to a new development or redevelopment, even if the project is administered by the permittee, should be reported under Planning and Land Development or Industrial and Commercial Program category (as applicable). Any expenditure related to trash control, including street sweeping, should be reported under the Trash Management category. Expenditures related to spill response should be reported under the IDDE and Spill Response category.

Please note that costs for some routine services, provided by municipalities with or without a direct fee, are not allowed to be reported under this category if those services are not explicitly required by an MS4 permit. Examples of such activities may include but are not limited to the following: household hazardous waste collection, homeless encampment cleanup and sheltering, seasonal leaf collection or street-side tree trimming, and household trash pickups.

Example Activities:

- Integrated pest management programs (IPM).
- Parks and recreational area stormwater management.
- Stormwater systems operation and maintenance.
- Parking facilities maintenance.
- Corporation yards maintenance.

- Drainage facilities maintenance
- Sidewalk/plaza maintenance and pavement washing.
- Emergency procedures related to fire, drought, or other threats to stormwater systems.
- Stormwater pump station operation and maintenance.
- Storm-drain inlet marker installation and maintenance.
- Sampling and analysis equipment for pump station wet well monitoring.

Trash Management

Expenditures related to the planning, development, and implementation of permit-required trash control activities, including activities that are routinely performed as a part of municipal maintenance, should be reported under this category.

Example Activities:

- Development and implementation of trash reduction plans.
- Trash assessment and mapping.
- Planning, development, and implementation of a trash total maximum daily load (TMDL).
- Full capture device purchase, installation, and maintenance costs.
- Partial capture and other institutional controls such as street sweeping.
- Monitoring, inspection, and progressive enforcement
- Trash data collection, analysis, and reporting.
- Development, and maintenance of any electronic database related to trash management.

Water Quality Monitoring

Permittees should use this category to report expenditures for all permit-required water quality monitoring activities (excluding TMDL specific monitoring). Monitoring requirements may vary from one permit to another; if a specific type of monitoring cost is not applicable for a certain permit, the permittee may report zero cost (\$0) for that sub-category or line item. Water quality monitoring costs are broken down into subcategories such as receiving water & outfall monitoring, BMP effectiveness monitoring, and facility-specific monitoring.

If some monitoring activities are performed as a part of a regional monitoring program, only the portion of the cost spent by the individual permittee should be reported. Permittees should not use this category to report trash monitoring expenditures; expenditures related to trash monitoring should be reported under the Trash Management category.

Example Activities:

- Developing monitoring plans, including site selection.
- Acquiring a monitoring site, including permits and easements.
- Procuring monitoring equipment, including operation and maintenance.
- Mobilization for sampling.
- Hiring any external contractor for supporting monitoring activities.
- Sample collection and transport.
- Laboratory analyses.
- Data analyses and compilation.
- Quality assurance and quality control (QA/QC).
- Reporting.

Permit-specific Special Programs

Permittees are only required to report costs in this category if their permits involve specific program activities that are not covered by the other cost categories outlined in the standardized reporting framework. This category specifically targets obtaining cost information about region-specific elements within an MS4 program. Permittees should list each relevant program element as a sub-category under this cost category.

The Special Programs category allows permittees to continue tracking or reporting costs associated with unique permit provisions. Example provisions include the San Francisco Regional Water Board's pollutant-specific provisions (i.e., pesticides, mercury, PCBs, copper, and bacteria control) or programs for managing discharges associated with people experiencing homelessness. Similarly, permittees from the Central Coast Region can report Pollutant Reduction Plan associated costs under this category. Permittees from the Los Angeles Regional Water Board can report costs associated with different Watershed Management Programs or Projects under this Special Programs category.

If some of the spending for a sub-category within the Special Programs category is already reported in other categories, the leftover expenses should be recorded under the Special Programs category. As an example, imagine a scenario where a permittee has a Total Maximum Daily Load (TMDL) for a specific contaminant that demands water quality monitoring. While the costs associated with general permit-required monitoring should be reported under the Water Quality Monitoring category, any additional expenses specifically related to the water quality sample collection and analysis due to the TMDL requirements should be reported within the Special Programs Category. Permittees have the flexibility to use their best professional judgment to estimate the portion of costs attributed to fulfilling TMDL requirements.

Miscellaneous Cost

Permit implementation expenditures not identified or directly related to the prior listed categories may be reported under this category.

Example Activities:

- Permit fees.
- Membership fees for stormwater related organizations and regional partnerships.

Description of Line Items for Phase I MS4 Permittees

Personnel & Overhead Cost

Phase I MS4 permittees should use this line item to report personnel and overhead costs associated with permit implementation activities. Personnel costs can be interpreted as wages and benefits of relevant municipal staff. Wages could be annual salary or compensation at an hourly rate. Benefits may include sick leave, vacation, medical, retirement or any other benefit the permittee offers to its employees. The permittee can use a “fully burdened rate” or a “multiplier” to calculate its personnel costs. When reporting personnel costs associated with staff whose job responsibilities overlap activities under multiple cost categories, permittees should use best professional judgment to distribute the personnel cost to different cost categories.

Overhead cost can be interpreted as all indirect costs associated with the general operation of the stormwater program and permit implementation activities. Such indirect costs may include rents, utilities, financial and administrative support services, janitorial, office supplies, and other technological equipment for the office. If indirect costs related to permit implementation activities are not separately tracked, permittees may use a multiplier to estimate such indirect costs from the direct expenses.

Capital Cost

Capital expenditures include initial or one-time investments for planning, design, and construction of publicly owned infrastructures, facilities, or systems, aimed at controlling, capturing, treating, and managing stormwater. Permittees should include only expenditures incurred during the reporting period.

Typical capital costs for permit implementation may include planning, design, and installation expenses for structural BMPs, cost of acquiring equipment or machinery, pumps, street sweeper, pet waste stations, as well as fees and expenses related to obtaining necessary permits for BMP construction.

The costs for acquisition of land or right of way easement for constructing stormwater control systems should be reported in a separate line item titled “Land Cost.”

Land Cost

Phase I MS4 permittees should use this category to report costs associated with land acquisition or acquisition of easements necessary to implement permit provisions, including the construction of stormwater BMPs. This is only applicable if the land acquired for the project purpose is not owned by the permittee.

If the acquired land includes constructed features which have no use for the purpose of a required acquisition, the cost of the existing infrastructure should not be included in the land acquisition cost. If the existing features can be used for the purpose of acquisition upon improvement, the cost of the improvement should be included under the Capital Cost line item.

Consultant Cost

Phase I MS4 permittees should use this line item to report payments to an external consultant or contractor services that perform permit required activities. If a single consultant or contractor provides services for activities under multiple cost categories, permittees should request itemized invoices from the consultant to record the activities under the proper cost categories. If such itemized invoices are not available, permittees will estimate the fraction of the contract amount that is spent addressing each of the cost categories during the reporting period.

Operation & Maintenance Costs

Phase I MS4 permittees should use this line item to report costs associated with day-to-day operation and maintenance activities essential to successfully implement applicable permit provisions. Examples of such costs include salary and benefits of permittee staff, renting equipment, equipment maintenance, mileage, materials, or supplies. Permittees should only report operation and maintenance costs related to publicly owned stormwater infrastructure.

In determining whether some of these costs (personnel or capital) should be reported using Personnel & Overhead or Capital Cost line items, permittees should take the nature of the activity in consideration. For example, if permittees have dedicated operation and maintenance staff, personnel costs for those staff should be reported under the Operation & Maintenance Cost line item. Similarly, if equipment is exclusively used for routine maintenance, permittees should report such cost under Operation and Maintenance category. Please note, the cost of hiring an external consultant or contractor should always be reported under the Consultant Cost line item regardless of the nature of permit-mandated activities they perform.

Description of Cost Categories for Traditional Phase II MS4 Permittees

[Section 5.2 of the Proposed Policy](#) specifies that traditional Phase II MS4 permittees have two options of cost categories to choose between when reporting their annual permit implementation expenditures:

Option A: Use the same cost categories, sub-categories, and line items that Phase I MS4 permittees are required to use.

Option B: Use the cost categories and line items designated for traditional Phase II MS4 permittees. Descriptions of these cost categories and line items are provided below.

Overall Program Management and Administration:

Management and administrative activities central to ensuring overall permit compliance should be reported under this category. These activities should include activities under the [Phase II MS4 permit](#) provisions Program Management Element (E.6), Program Effectiveness Assessment and Improvement (E.14), Total Maximum Daily Loads Compliance Requirements (E.15), and Annual Reporting Program (E.16). When reporting water quality monitoring costs under provision E.16 (Annual Reporting Program), traditional Phase II MS4 permittees should use the Water Quality Monitoring cost category.

Example Activities:

- Development of a stormwater management plan (annual or long-term).
- Budget planning and staff management for a stormwater program, including staff planning.
- Stormwater asset management. This may include identifying and mapping the MS4, stormwater BMPs, condition assessment, and developing a maintenance schedule.
- Annual report preparation and submission, including related meetings, tools, and reviews.
- Program effectiveness assessment and improvement.
- Website development, maintenance, and updates.
- Staff training.
- Coordination with other municipal departments.
- Coordination with program stakeholders, including regional water boards and State Water Board.

Capital Cost

Traditional Phase II MS4 permittees should use this category to report all capital expenditures associated with any or all of the following six minimum control measures: Education and Outreach Program (E.7); Public Involvement and Participation Program (E.8); Illicit Discharge Detection and Elimination (E.9); Construction Site Stormwater Runoff Control Program (E.10); Good Housekeeping in Municipal Operations (E.11); and Post Construction Stormwater Management Program (E.12). Permittees should only include expenditures incurred during the reporting period.

Example Activities:

- Initial or one-time investments for planning, design, and construction of publicly owned infrastructure, facilities, or systems aimed at controlling, capturing, treating, and managing stormwater.

- Planning, design, and installation expenses for structural BMPs, cost of acquiring equipment or machinery, pumps, street sweeper, pet waste stations, fees and expenses related to obtaining necessary permits for BMP construction.
- The costs for acquisition of land or right of way easement for constructing stormwater control systems.

Minimum Control Measures

Traditional Phase II MS4 permittees should use this category to report expenditures associated with all permit-required routine operational and maintenance activities (permit provisions E.7 to E.12) (i.e., Education and Outreach Program, Public Involvement and Participation Program, Illicit Discharge Detection and Elimination, Construction Site Stormwater Runoff Control Program, Pollution Prevention/Good Housekeeping for Permittee Operation Program, and Postconstruction Stormwater Management Program). Such expenditures include costs for minimum control measure implementation, which do not qualify as a capital cost as described in the Capital Cost category.

Example Activities:

- Public service announcements, signage, promotional and informational materials, advertisements, and event management focused on local pollutants of concern and regional water quality issues.
- 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.
- Activities to engage community members from all economic, ethnic, and cultural backgrounds through citizen panels, citizen watch groups, or other community programs, including community based social marketing if applicable.
- Staff and site operator education, training, and outreach.
- Stormwater hotlines for information and for citizen reporting of polluters.
- Operation and maintenance of stormwater BMPs, including any trash control BMPs.
- Developing related standards and specifications for mitigation of water quality impacts from land development projects
- Stormwater pollution prevention plan (SWPPP) or erosion and sediment control plan review, including BMPs for construction sites.
- Parks and recreational area stormwater management.
- Stormwater systems operation and maintenance.
- Parking facilities maintenance.
- Corporation yards maintenance.
- Drainage facilities maintenance.

- Sidewalk/plaza maintenance and pavement washing.
- Emergency procedures related to fire, drought, or other threats to stormwater systems.
- Stormwater pump station operation and maintenance.
- Storm-drain inlet marker installation and maintenance.
- Sampling and analysis equipment for pump station wet well monitoring.
- Development and implementation of trash reduction plans.
- Trash assessment and mapping.
- Planning, development, and implementation of a trash total maximum daily load (TMDL).
- Partial capture and other institutional controls such as street sweeping.
- Monitoring, inspection, and progressive enforcement.
- Data collection, management, and reporting.

Water Quality Monitoring

Traditional Phase II MS4 permittees should use this category to report expenditures for all permit-required water quality monitoring activities (including TMDL specific monitoring). The monitoring requirements may vary from one permit to another.

If some monitoring activities are performed as a part of a regional monitoring program, only the portion of the cost spent by the individual permittee should be reported. Permittees should not use this category to report trash monitoring expenditures (if any); expenditures related to trash monitoring should be reported under the Minimum Control Measures category.

Example Activities:

- Developing monitoring plans, including site selection.
- Acquiring a monitoring site, including permits and easements.
- Procuring monitoring equipment, including operation and maintenance.
- Mobilization for sampling.
- Hiring any external contractor for supporting monitoring activities.
- Sample collection and transport.
- Laboratory analyses.
- Data analyses and compilation.
- Quality assurance and quality control (QA/QC).
- Reporting.

Miscellaneous Cost

Permit implementation expenditures not identified or directly related to the prior listed categories may be reported under this category.

Example Activities:

- Permit fees.
- Membership fees for stormwater related organizations and regional partnerships.

Description of Line Items for Traditional Phase II Permittees

Personnel & Overhead Cost

Traditional Phase II MS4 permittees should use this line item to report personnel and overhead costs associated with permit implementation activities. Personnel costs can be interpreted as wages and benefits of relevant municipal staff. Wages could be annual salary or compensation at an hourly rate. Benefits may include sick leave, vacation, medical, retirement or any other benefit the permittee offers to its employees. The permittee can use a “fully burdened rate” or a “multiplier” to calculate its personnel costs. When reporting personnel costs associated with staff whose job responsibilities overlap activities under multiple cost categories, permittees should use best professional judgment to distribute the personnel cost to different cost categories. Personnel costs reported under this line item should also include wages, salary or benefits associated with operation and maintenance of stormwater infrastructure.

Overhead cost can be interpreted as all indirect costs associated with general operation of the stormwater program and permit implementation activities. Such indirect costs may include rents, utilities, financial and administrative support services, janitorial, office supplies, and technological equipment for the office. If indirect costs associated with permit implementation activities are not separately tracked, permittees may use a multiplier to estimate such indirect costs from the direct expenses.

Equipment & Materials Cost

Traditional Phase II MS4 permittees should use this line item for reporting the cost of acquiring any equipment, machinery, or materials to perform permit implementation activities, including related operation and maintenance activities. Examples include purchasing pumps, street sweepers, procuring materials for construction activities, citizen education, and outreach, etc.

Land Cost

Traditional Phase II MS4 permittees should use this category to report costs associated with land acquisition or acquisition of easements necessary to implement permit provisions, including construction of stormwater BMPs. This is only applicable if the land acquired for the project purpose is not owned by the permittee.

Consultant Cost

Traditional Phase II MS4 permittees should use this line item to report payments to external consultants or contractor services that perform permit required activities. If a consultant provides services for activities under multiple cost categories, permittees should request itemized invoices from the consultant to record the activities under the

proper cost categories. If such itemized invoices are not available, permittees will estimate the fraction of the contract amount that is spent addressing each of the cost categories during the reporting period.

Source of Funds

Permittees may use the following list to identify the types of sources used to fund their permit implementation activities. Permittees should report the actual funds received (expenditure), not budget estimates.

General Fund

General Fund encompasses funds that do not have to be accounted for in other types of funds. Examples of municipal general fund include revenue sales and use tax, property tax, and local taxes such as business license fees, hotel taxes, and utility user tax.

Special Revenue Fund

Special Revenue Funds account for the municipal income from specific revenue sources (excluding Capital Project Funds) that are restricted or committed to expenditures for specified purposes. For example, the State levies gas tax, a portion of which is allocated to local governments under a gas tax fund which is designated for the improvement of streets and road-related programs. An additional example could be intergovernmental revenue.

Enterprise Fund

Enterprise Fund accounts for self-supporting municipal activities where municipal departments offer a service based on user fees. Examples include utility fees for water, sewer, or stormwater services. Another example is regulatory fees charged for inspection, permit, or document reviews.

Capital Project Funds

Capital Project Funds account for intergovernmental revenue specially designated for Capital Improvement Projects. Examples include grants or loans from another state agency or non-profit organization for accomplishing capital projects with a specified objective.

Cost Recovery

Regardless of the Fund Types used for reporting sources of funds, Phase I MS4 Permittees should itemize the following revenue types to document the portion of recouped permit implementation costs:

- a) Regulatory fees: Fees charged to the user for providing stormwater related municipal services. This may include building, construction, or industrial inspection fees, fees for plan and specs review for new or redevelopment, special event permit fees, or spill response fees.

- b) Grants: Any grants received to perform activities that are reported as part of permit implementation. Such grants may include state proposition grants, local proposition grants, grants from non-profit organizations, or grants related to supplemental environmental projects. This may also include principal forgiveness on any loans used for funding stormwater program activities, including funding for capital projects.
- c) Any other form reimbursements received for stormwater permit implementation costs.

Optional Cost Reporting

Phase I MS4 permittees may use this feature to report stormwater management related municipal expenditures that are not directly related to MS4 permit implementation. Permittees have flexibility regarding how to itemize costs under this option. However, justification is needed for all reported costs regarding how the expenditure relates to stormwater management.

Example Activities:

- Stormwater grant application.
- Hiring a contractor to negotiate terms of MS4 permits before or during adoption.
- Personnel cost to discuss future permit terms with the water boards.
- Staff time to review and comment on draft MS4 permit or policies related to stormwater management.
- Stormwater management cost for city areas outside the MS4 boundary.
- Activities above and beyond permit requirements, including enhanced street sweeping.