Hazen

Understanding the Proposed Commercial, Industrial, and Institutional (CII) NPDES Permit and the Impacts to MS4 Permittees

Dominguez Channel Watershed Management Group

In collaboration with:

environment LA SANITATION CITY OF LOS ANGELES

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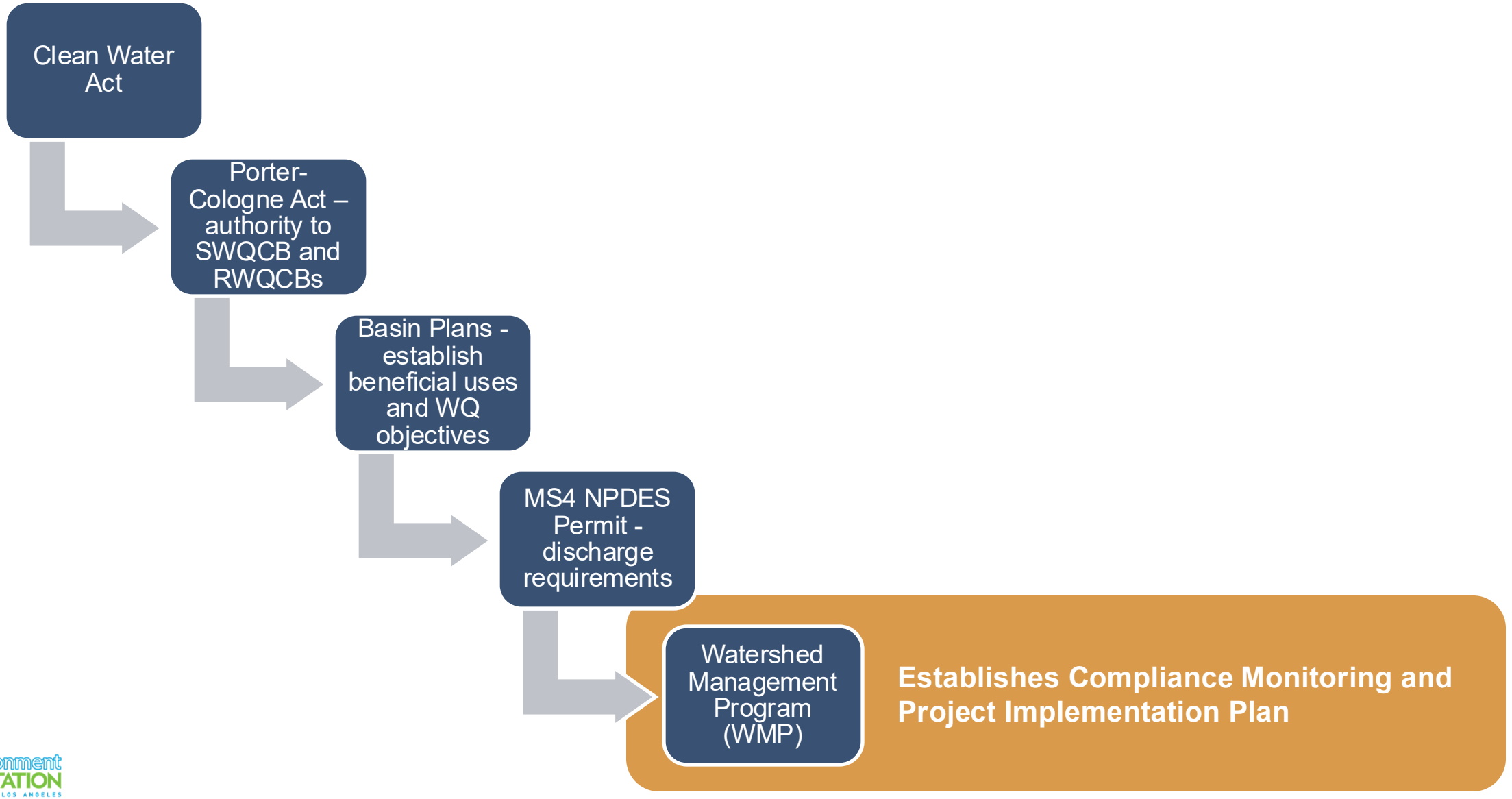
Agenda

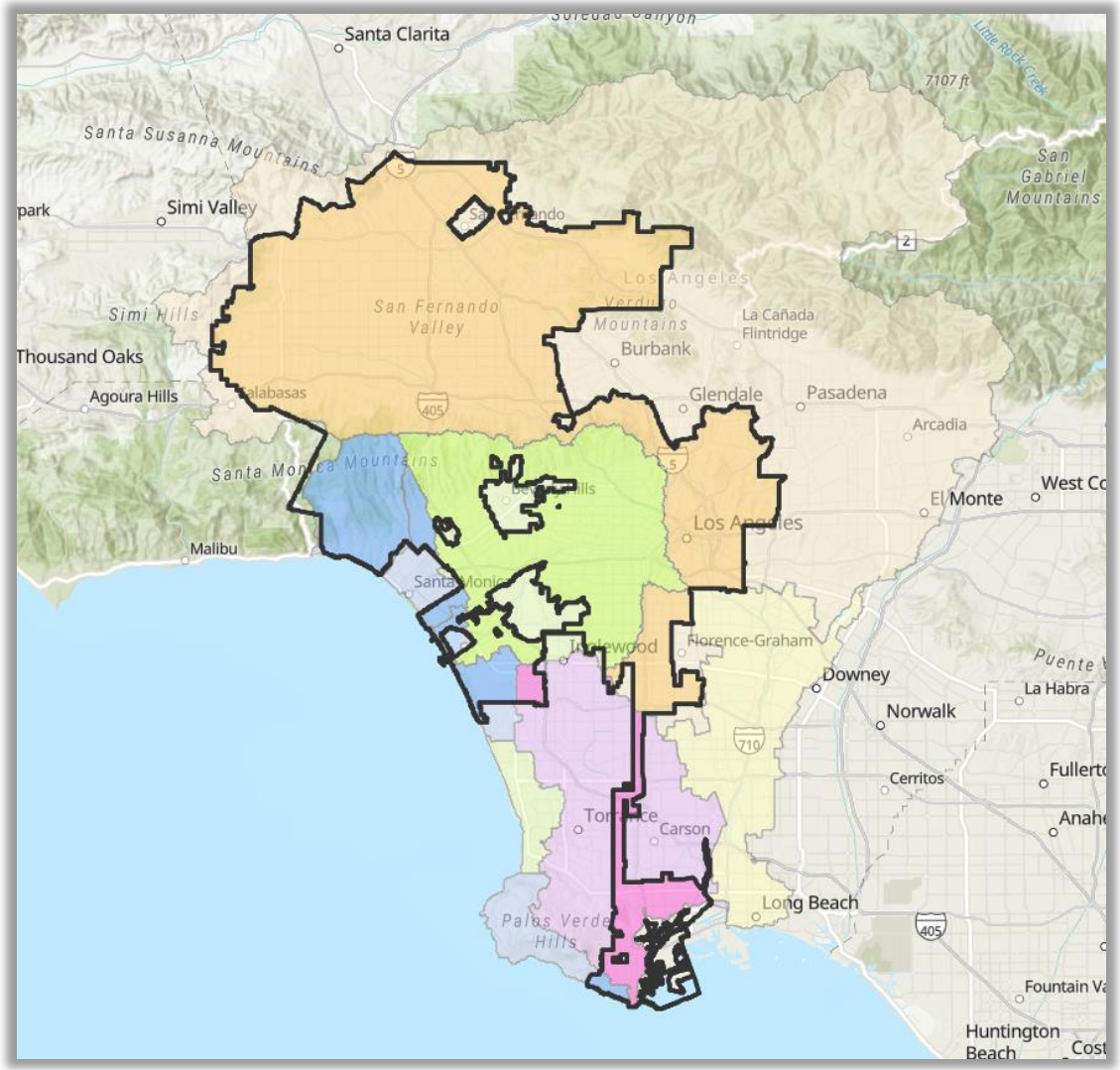
- *Regulatory Context and MS4 Permit Overview*
- *CII Permit Overview & Applicability*
- *CII Permit Structure & Compliance Options*
- *Implementation Considerations: Governance*
- *Other Considerations*

Regulatory Drivers and MS4 Permit Overview

Regulatory Drivers



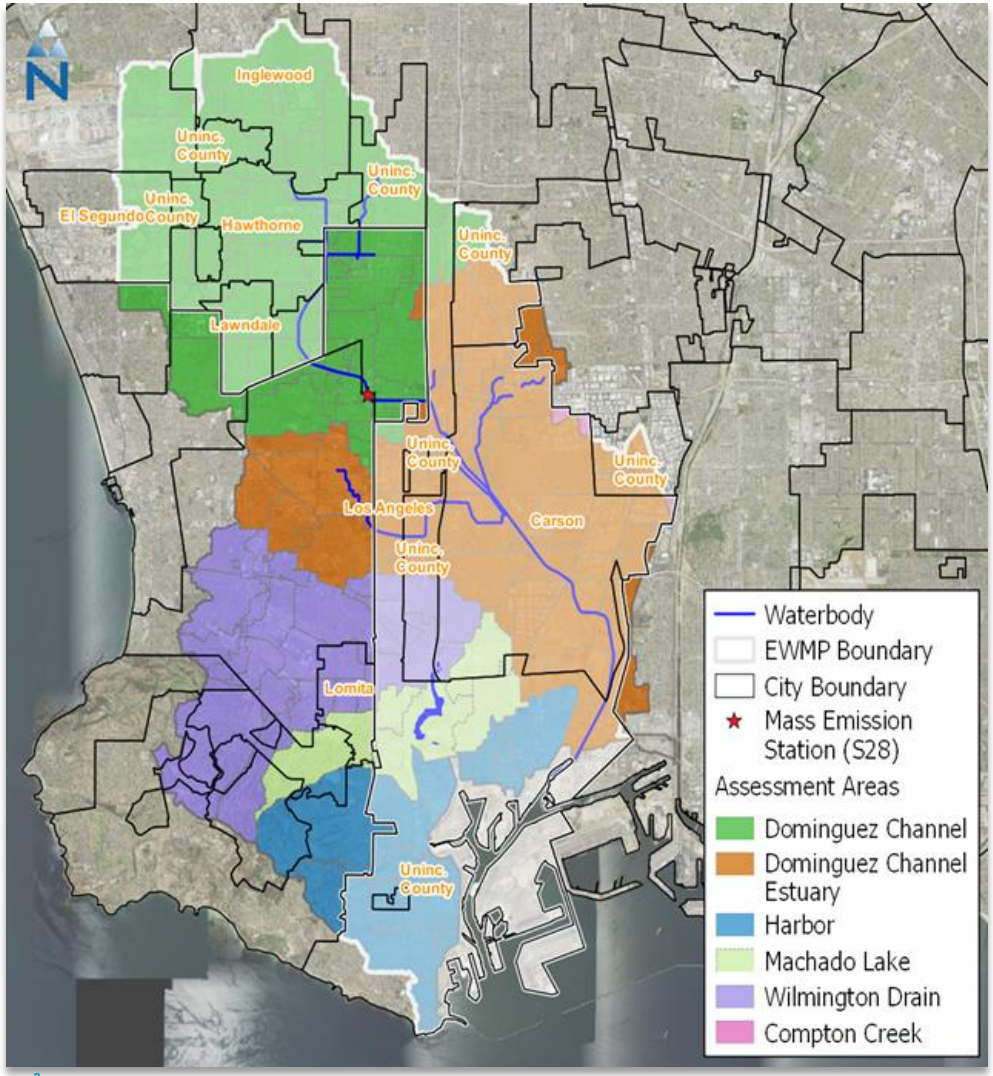
Watershed Management Programs (WMPs)



- **City of LA Participates in 5 WMPs**
  - Upper Los Angeles River Watershed
  - Santa Monica Bay Watersheds J2/3
  - Ballona Creek Watershed
  - Dominguez Channel Watershed
  - Marina Del Ray Watershed

City of Los Angeles ~ 500 square miles

Dominguez Channel Watershed Management Group (DCWMG)



- **Location:**
  - Southwest Los Angeles County
- **Watershed Size:**
  - 133 Square Miles
- **Members:**
  - City of Carson
  - City of El Segundo
  - City of Hawthorne
  - City of Inglewood
  - City of Lawndale
  - City of Lomita
  - City of Los Angeles
  - County of Los Angeles
  - LACFCD

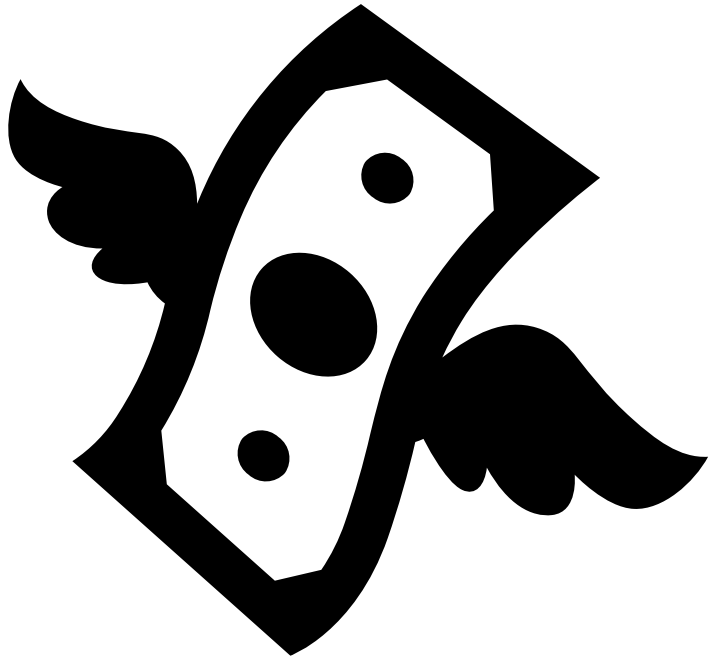
Watershed Management Program Benefits

- **Alternative compliance Pathway**
  - Watershed-based approach
- **Prioritize Water Quality Concerns**
  - Focus on watershed specific pollutants of concern
- **Reasonable Assurance Analysis (RAA)**
  - Modeling effort showing pathway for compliance
- **Coordinated Compliance**
  - Includes multiple permittees (cities, agencies and LA County) pooling resources
- **Best Management Practice (BMP) Planning**
  - Includes both structural and non-structural

WMP Identifies capture volumes that each agency needs to implement.

Financial Implications

- DCWMG is approaching final compliance deadlines for multiple TMDLs under the LA Region MS4 Permit:
  - Final deadlines trigger strict numeric compliance rather than adaptive progress-based milestones
  - Noncompliance may result in **enforcement, fines, or mandatory retrofits**
- The cost of compliance is in the **billions**
- There are few funding opportunities but the County of Los Angeles voters approved the **Safe Clean Water Program**



- **See www.lastormh2o.org for more information on each of the four watershed management areas in the City of Los Angeles.**

CII Permit Overview and Applicability

Commercial, Industrial, and Institutional (CII) Facilities in the Dominguez Channel Watershed

- For the Dominguez Channel:
  - CII sites occupy 36.6% of the land area that flows into Dominguez Channel
  - 71.1 % of this CII area is located within a half-mile of a receiving water
  - Modeled results indicate that, out of all urban stormwater sources, CII sites contribute at least 88% of zinc loadings and 84% of copper loadings in the watershed
  - CII sites likely cover 25.6% of the watershed with impervious surface
  - Los Angeles does not have a stormwater utility fee

Why a CII Permit Program?

Addresses unregulated stormwater discharges from CII land uses

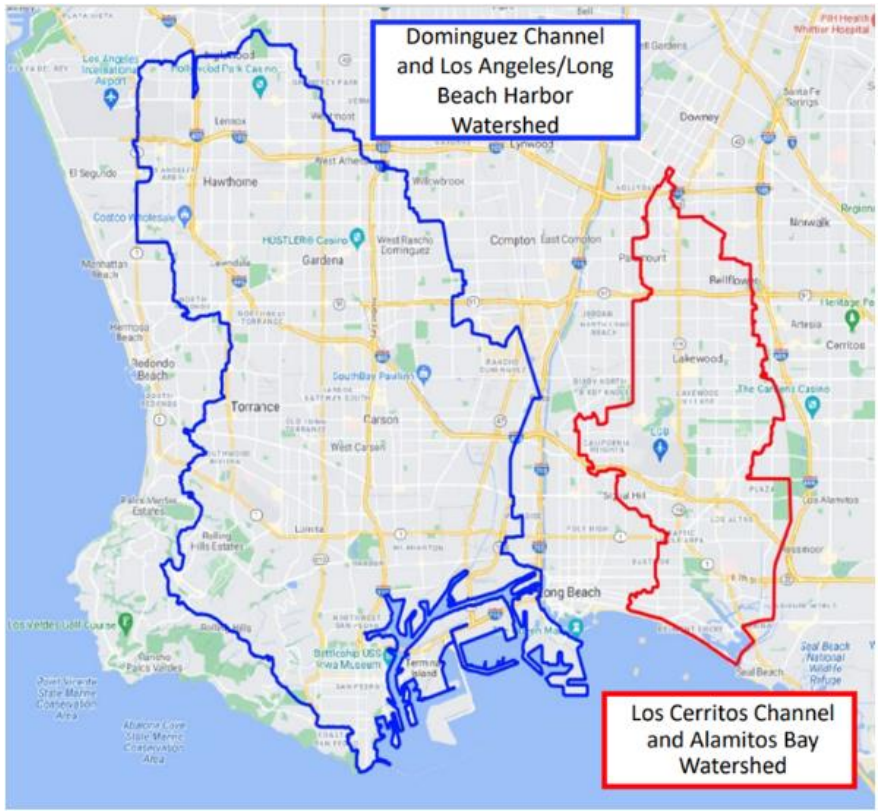
Supports TMDL and MS4 permit compliance

Brings private dischargers into regional water quality efforts

EPA Residual Designation

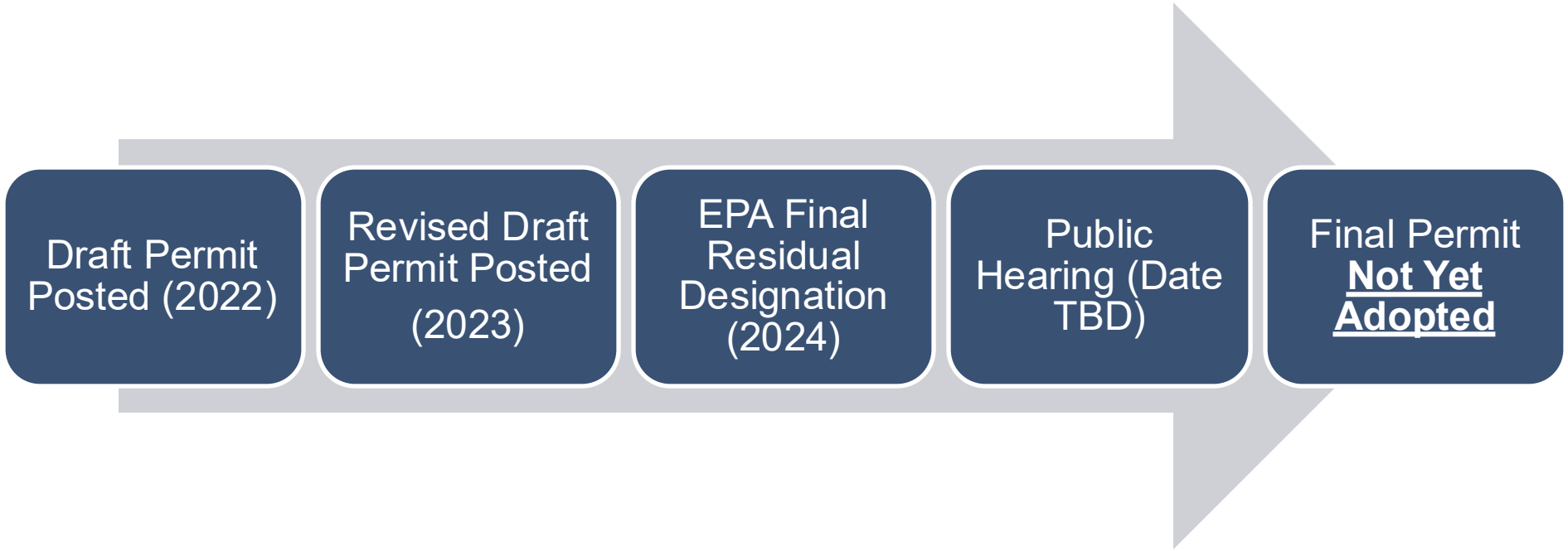
- In response to **petitions** and a **2018 District Court order**, EPA Region 9 is using **its residual designation authority** to add requirements for certain stormwater sources (based on land use categories) that discharge to Dominguez and Cerritos watersheds.
- The EPA Regional Administrator may designate **stormwater discharges** as requiring **NPDES permit coverage** where the Regional Administrator determines that "the discharge, or category of discharges within a geographic area, contributes to **a violation of a water quality standard** or is a significant contributor of pollutants to waters of the United States."

EPA United States Environmental Protection Agency

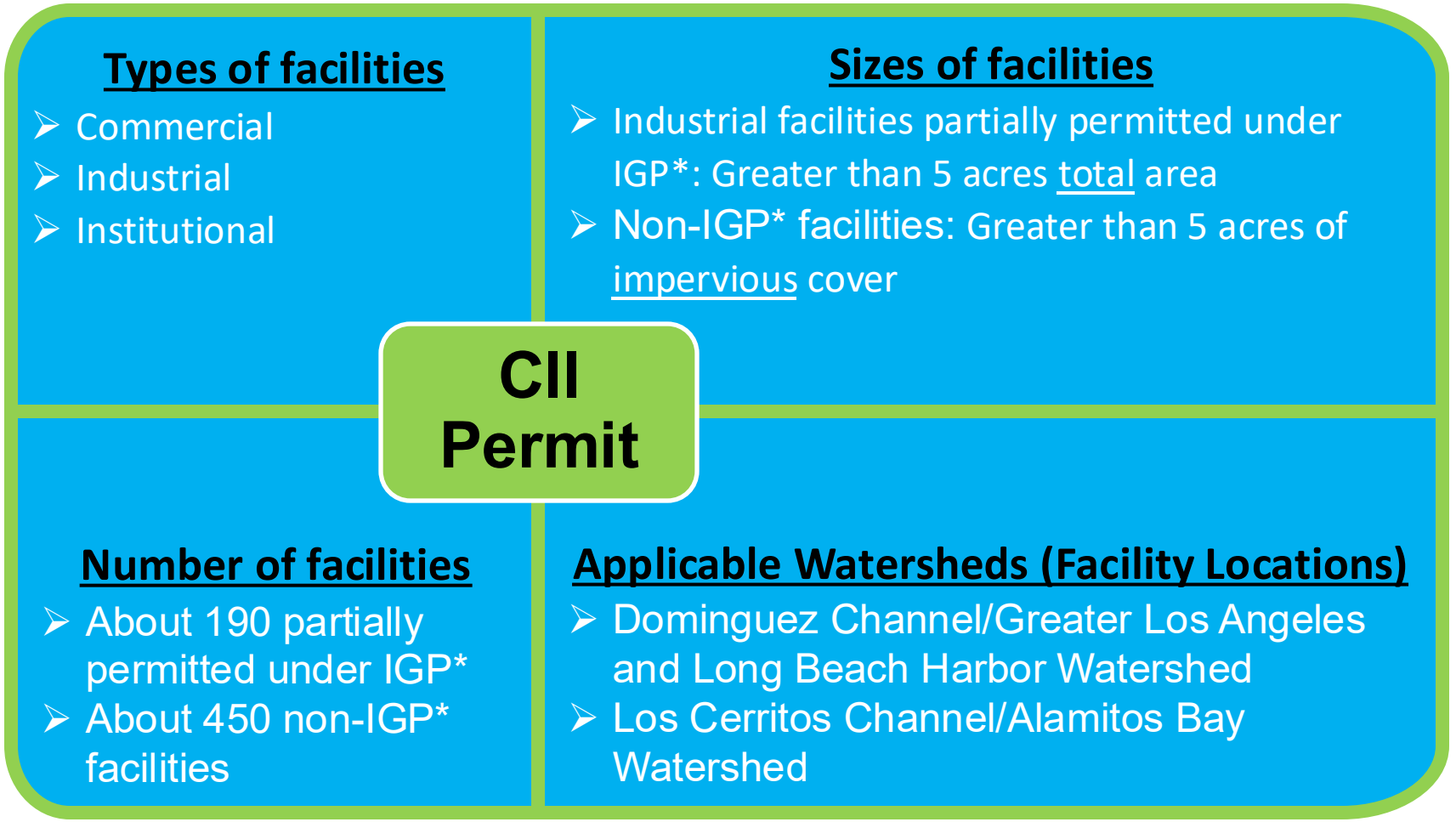


NPDES CII Permit Timeline

Los Angeles Regional Water Quality Control Board (LARWQCB) developed a draft National Pollutant Discharge Elimination System (NPDES) permit that would regulate stormwater discharges from Commercial, Industrial and Institutional (CII) facilities



Facilities to be Regulated under Draft CII Permit



*IGP = Facilities regulated under the Industrial General Permit

CII Permit Structure and Compliance Options

Three Compliance Options Under Draft CII Permit

Option #1 (off-site): Fund a regional project through a Watershed Management Group (WMG)

Option #2 (on-site): Design site-specific treatment control best management practices, BMPs

Option #3 (on-site): Implement site-specific monitoring and reporting plan, MRP

Current CII permit includes reporting requirements to LARQCB through Stormwater Multiple Application and Report Tracking System (**SMARTS)**:

- Upload of notice of intent, **NOI**
- **Payment** of NOI application fee
- Upload of stormwater pollution prevention plan, **SWPPP**

Three Compliance Options Under Draft CII Permit

Facilities that select Option #1 require WMG involvement

Option #1 (off-site): Fund a regional project through a Watershed Management Group (WMG)

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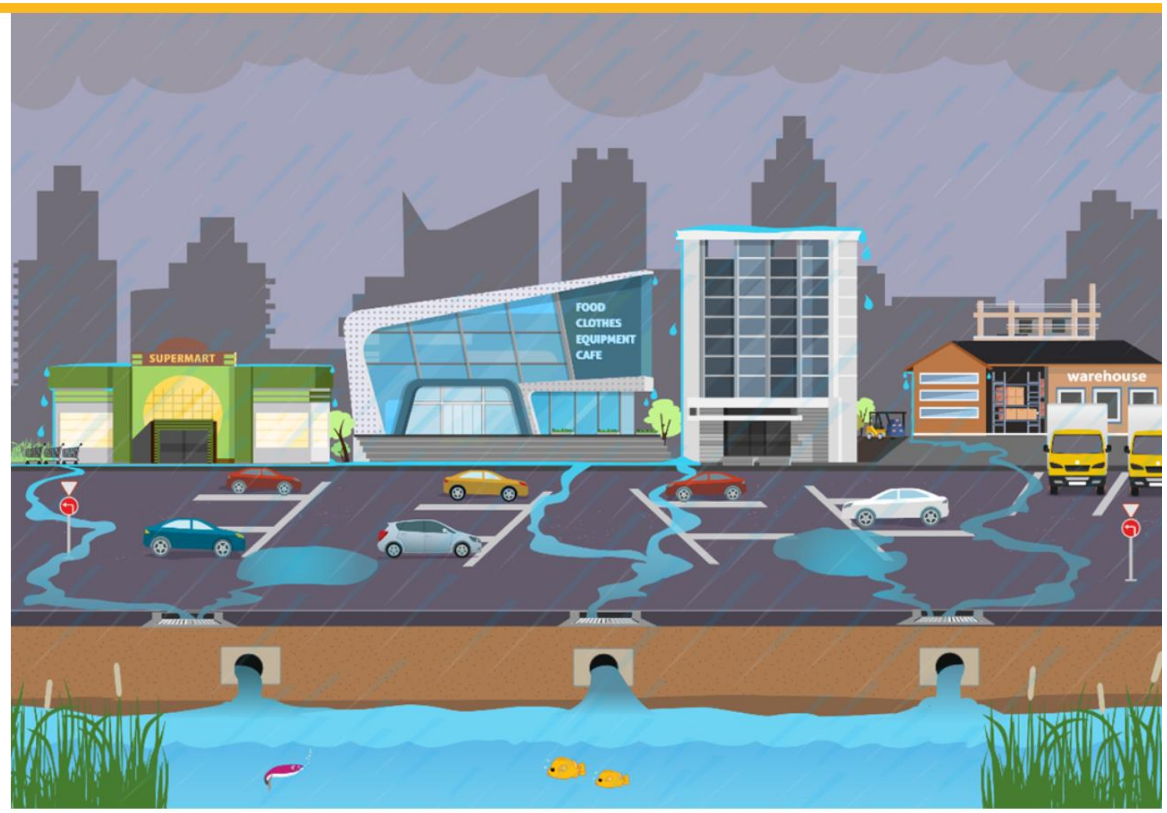
Impacts to DCWMG:
Commercial, Industrial, and Institutional NPDES Permit

DCWMG's role as the administrator and fiduciary agent in the CII permit will change DCWMG's business functions and responsibilities.

Final permit language has not been adopted; the DCWMG can comment on the draft permit.

CALIFORNIA WATER BOARDS Los Angeles - R4

Regional Board Programs News Room



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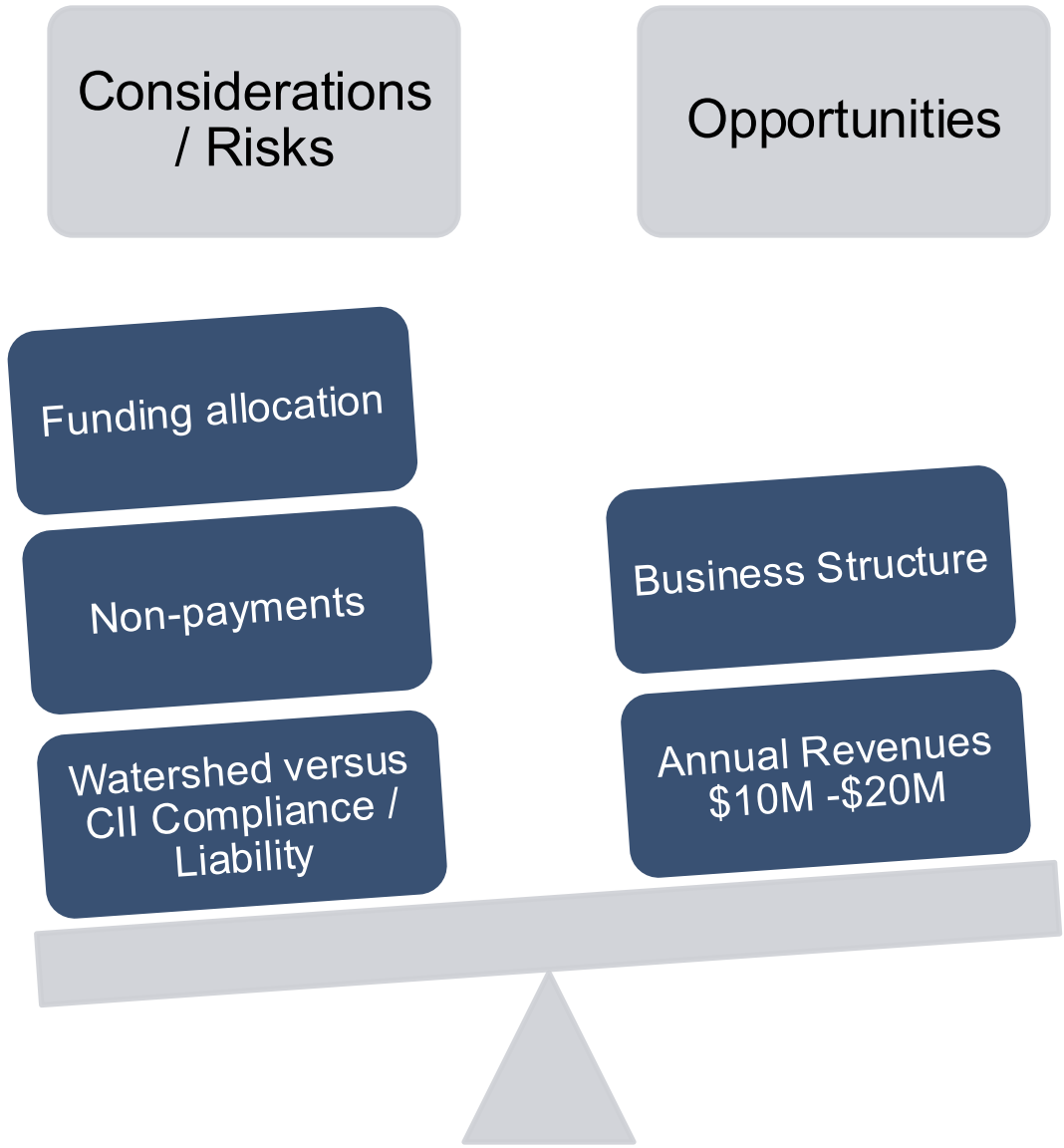
Impacts to DCWMG:
Benefits and Risks

What financial or other gain may the DCWMG experience and what are the risks?



Implementation Considerations: Governance

Implementation (e.g., staffing, software, accounting)

- **Transparency**: Program will require a significant amount of **transparency**
- **Tracking**: Requires detailed accounting to **track** CIIs payments, **report** non-payments (could equate to non-compliance with the permit), and **conduct audits**
- **Contracting**: Requires **contracting** with up to approximately 650 CIIs. Presents significant labor burden unless a standardized contract is developed and used.
- **Distribution of funds**: Selection of where funds go – **project selection** – must be transparent.
- **Fees**: Determination of **assessment** structure and methodology (next slide)

Takeaway: It will be critical to set up an accounting, contracting, and project selection process that is transparent and adheres to regulations.

Possible Business Structures Considered

Utilize SBCCOG

- Utilize SBCCOG's existing business structure, meetings, reporting process as the legal entity that contracts with the CIIs and facilitates distribution of funds.

New Joint Powers Authority

- New MOA between members
- Approval from member's governing body
- File documents with California's Secretary of State
- Hold Organization meeting and elect officials
- Comply with regulatory requirements

Stormwater Utility

- Requires Prop 218 process to create a utility (6 to 12 months)

Enterprise Fund

- Approval from member's governing body for the creation of enterprise fund
- Develop budget
- Determine funding sources
- File with state and local agencies
- Company with regulatory requirements
- Hire employees or outsource administration

Special District

- Feasibility Study
- Define boundaries
- Formal petition to LAFCO
- Legal review
- Public notice and hearing
- Approval
- Organization Meeting

Option: Joint Power Authority (JPA) Overview

A **Joint Powers Authority (JPA)** is a legal entity in California that allows two or more public agencies (such as cities, counties, or special districts) to pool their resources, coordinate efforts, and collaborate on shared services or projects.

Key Features of a JPA:

- **Separate Legal Entity**: A JPA can be a separate legal entity from its member agencies, meaning it can enter into contracts, own property, sue and be sued, and manage finances independently of the member agencies.
- **Shared Decision-Making**: The governing board of the JPA is typically made up of representatives from each of the member agencies, allowing for shared decision-making and oversight.
- **Cost Sharing**: Member agencies share the costs of operating the JPA, often leading to cost savings through economies of scale.
- **Specialized Focus**: A JPA can focus on a specific area of concern, such as transportation, water resources, or waste management, enabling more efficient and specialized administration.
- **Liability Management**: A JPA can help limit the liability of individual member agencies by transferring risks and responsibilities to the JPA itself.

DCWMG Next Steps

- **Continue Coordination:**
  - DCWMG will continue to coordinate with the LARWQCB on the development and issuance of the final CII permit
- **Prepare for Implementation:**
  - DCWMG will establish its selected business structure and initiate preparations for CII permit compliance and program rollout.

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