

## San Bernardino County Draft 2009 Draft MS4 Economic Impact Evaluation

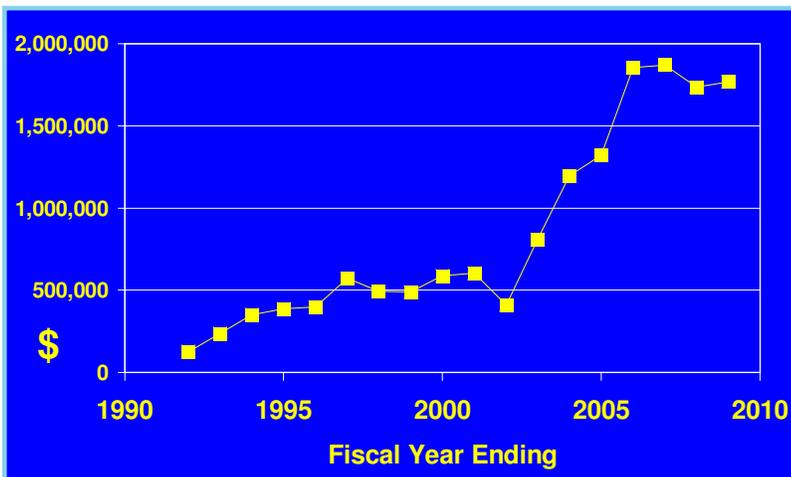
October 13, 2009

The June 26, 2009 draft of the San Bernardino County Municipal Stormwater Permit (Tentative Order No. R8-2009-0036) (Draft Permit) contains numerous new program elements and enhancements of program elements as compared to the third-term San Bernardino MS4 Permit (Order No. R8-2002-012).

The Permittees have testified at a Regional Board Public Workshop (August 3, 2009), provided written comments (September 9, 2009, and September 16, 2009), and discussed verbally at several meetings with Regional Board staff, regarding the increased costs to implement the Draft Permit, and the economic constraints faced by the Permittees due to the current widespread economic downturn. Many of the new requirements and deliverables are due within the first 2 years of the Draft Permit. The Permittees have requested that the schedule for completing and/or implementing significant program deliverables be modified to allow the cost to be spread over most of the permit term, rather than “front-loaded.”

The Permittees must also continue individual implementation of the programs required under the third-term Permit and as enhanced by the Draft Permit. Therefore, program implementation efforts must increase to accommodate existing program enhancements, and for new programs or requirements. These increases in cost/resource allocation are being proposed while Permittee Budgets and staff are being reduced. Every Permittee is operating with reduced staff, and most (if not all) new requirements will need to be accomplished through outside consultants.

The budget to implement the SB County Areawide program has more than doubled since the third-term permit was adopted in 2002 (see Figure below). Significant new costs have been incurred since implementation of the TMDLs began around 2006, and will require a sustained increased budget allocation for the foreseeable future. The requirements and cost estimates for new requirements for the Areawide Program in the Draft Permit are attached in an Excel file (SB MS4 Cost Estimate 101309). The Principal Permittee is also preparing a draft budget for the Areawide Program FY 2010-11 for review in November 2009. The pre-draft budget estimate is over \$2.2 million. This will be an increase of approximately 35%, and may go higher.



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10/13/09

Costs for individual Permittees are more difficult to estimate, but several Permittees have provided estimates in terms of staff time equivalents. These estimates were prepared based on the effort required to develop the new program components, and the effort to maintain the tasks in subsequent years. These estimates suggest that each Permittee would require 2-3 person years (PYs) of effort to develop and implement the programs in the first year, and would require 1-2 PYs to maintain the efforts each year. The effort to develop program elements, including the WAP, the Septic System Program, the Residential Program, rebuilding the IC/ID Program, and the developing the Local Implementation Program, are high up-front, but require less effort to maintain. However, the increased inspection requirements require less effort to develop and more effort to maintain over time. The effort to develop or enhance particular program element also differs among Permittees, depending on their staff availability and expertise, and the current state of their program. Even though the Areawide Program will lead the development of some program elements (such as the model LIP and the WQMP revision), each Permittee has to spend significant effort for implementation within their organization.

Please consider our request to revise the schedule of tasks in the Draft Permit to spread the cost over several years instead of concentrating them in the first 1 to 2 years. The resulting cost impacts would be much less severe as shown in the table below.

<b>Fiscal Year</b>	<b>Costs (Current)</b>	<b>Costs (Alternate)</b>
<b>1</b>	<b>\$319,900</b>	<b>\$73,900</b>
<b>2</b>	<b>\$185,600</b>	<b>\$147,200</b>
<b>3</b>	<b>\$31,800</b>	<b>\$148,800</b>
<b>4</b>	<b>\$18,000</b>	<b>\$164,400</b>
<b>5</b>	<b>0</b>	<b>\$39,000</b>
<b>all</b>	<b>\$44,400</b>	<b>\$26,400</b>
<b>Total</b>	<b>\$600,000</b>	<b>\$600,000</b>