OFFICE OF INDEPENDENT BUDGET ANALYST
CITY OF SAN DIEGO
M E M O R A N D U M

No. 08-04

DATE: January 4, 2008

TO: Honorable Council President and Members of the City Council

FROM: Tom Haynes, Office of the Independent Budget Analyst

SUBJECT: Jurisdictional Urban Runoff Management Plan
Item 150, January 7, 2008

On January 24, 2007 the San Diego Regional Water Quality Control Board issued a revised Municipal Storm Water Permit, updating and expanding the requirements that each co-permittee under the Permit's jurisdiction must comply with. Such requirements include public education, business inspection, establishment of minimum private sector Best Management Practices, and establishing development planning and monitoring programs.

The 2007 Municipal Permit also requires each jurisdiction to submit new or revised Urban Runoff Management Plans, the most significant of which is the Jurisdictional Urban Runoff Management Plan (JURMP). The JURMP is the blueprint for the actions that the City will take to protect and improve the water quality of the region's rivers, bays and ocean; and is a critical component of the City's Permit compliance efforts. The IBA supports the updated JURMP; however, we do have a few concerns that are discussed below.

- **Cost Estimate.** The JURMP estimates that the costs of complying with the Municipal Permit will be $320 million over the next five years. However, while the JURMP does an excellent job in detailing the myriad programs, activities and Best Management Practices that the City must either undertake or enforce, only a lump-sum cost estimate is provided. For instance, based on the cost estimate in the JURMP, an additional $11 million will be required in FY 2009 for Storm Water permit compliance. However, it is not possible to tell which program areas or activities will be enhanced (i.e. public education, street sweeping), or by what amount. A programmatic breakdown of the cost estimates would be helpful in illuminating which compliance areas demand the greatest attention.

- **Costs to Other City Departments.** The $320 million estimated over the next five years only accounts for the costs related to activities and programs in the Storm Water Pollution Prevention and Street Divisions. While these divisions account for the vast majority of the costs associated with Permit compliance, the JURMP will also impact many other departments, such as Water, Sewer, Park and Recreation, Environmental Services, Development Services and Real Estate Assets. No cost estimate for the compliance activities in these departments are provided in the JURMP. It is recommended that the

costs for all City departments over the next five years be estimated in order to reflect the total cost of Permit compliance.

- **Funding Sources.** Currently, the General Fund is the primary source of funding for Storm Water Permit compliance. As outlined in the JURMP, this compliance effort will require increasingly greater resources over the next five years. Without a dedicated funding source, Permit compliance will continue to place increasing burden on the General Fund at the expense of competing priorities, such as public safety. Several options exist for securing a dedicated funding source, and we encourage a public discussion at the City Council or appropriate Council Committee on the possible options and limitations of alternative storm water funding sources.

Overall, we support adoption of the Jurisdictional Urban Runoff Management Plan, as it is a critical component of the City's Storm Water Permit Compliance efforts, and provides a comprehensive framework for the protection and improvement of the City's rivers, bays and beaches. In order to provide greater information on the cost of compliance activities and programs, we recommend that the Storm Water Pollution Prevention Program provide a programmatic breakdown of the total cost estimates, including the expected costs for all City departments. Finally, we recommend a public discussion of potential alternative funding options at the City Council or appropriate Council Committee.

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