

Contra Costa County Regional Alternative Compliance (RAC) System & Joint Powers Authority (JPA)



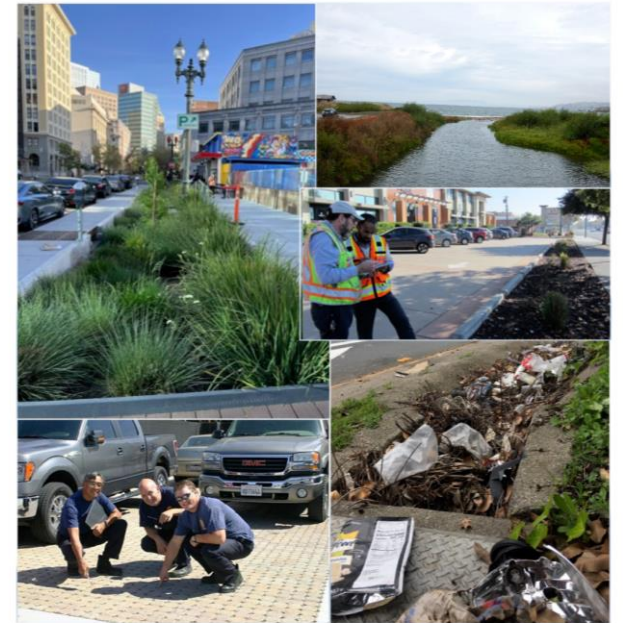
REGULATORY BACKGROUND

The City's Stormwater Permit (NPDES) has difficult regulatory requirements, in particular for:

- **New and Redevelopment** - All developments over 5,000 SF are required to treat all stormwater on-site (excluding SFH).
- **Major Road Rehabilitation** - All major road rehabilitation projects over 1 acre must treat all stormwater on-site.
- **Population-Based Treatment** - All jurisdictions have a population-based "impervious retrofit" target.
- **Pollutants of Concern (PCBs & Mercury)** - The regulatory deadline for PCB and Mercury (TMDL) is in 2030.

California Regional Water Quality Control Board
San Francisco Bay Region
Municipal Regional Stormwater NPDES Permit

Order No. R2-2022-0018
NPDES Permit No. CAS612008
May 11, 2022



BAY AREA CONSTRAINTS WITH STORMWATER FACILITIES



Subsurface
contamination



High groundwater and
tidally influenced areas



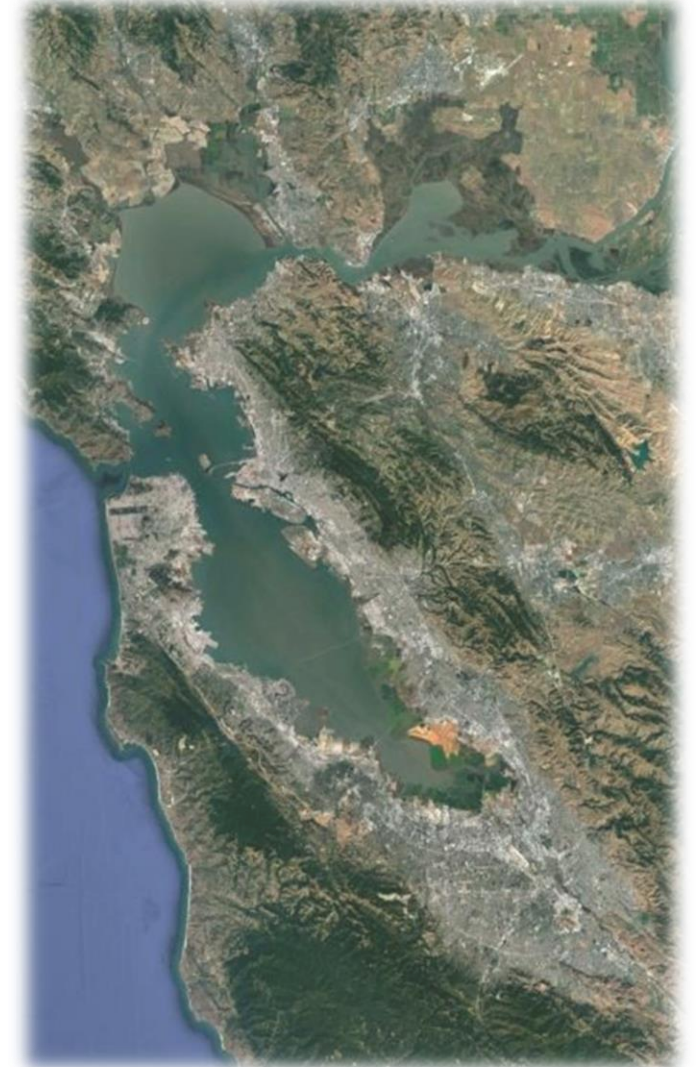
Dense urban area with
land use constraints



Funding constraints

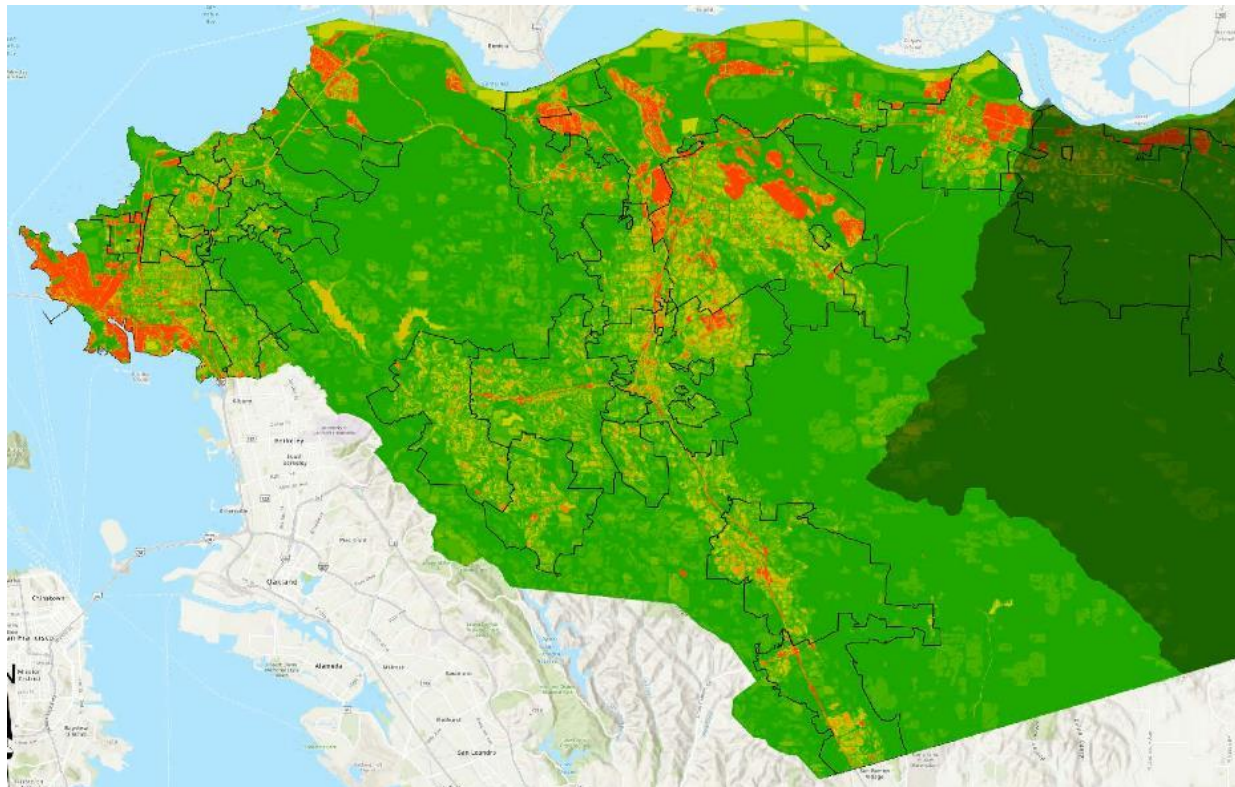


Soils not conducive to
infiltration



CURRENT SYSTEM

- 1,000s of “distributed” facilities across the Bay Area
- Expensive to design, construct, and maintain (smaller BMPs especially)
- Municipal oversight/enforcement required to review and approve design, construction, and maintenance



CCC PCBs load distribution based on RAA Results

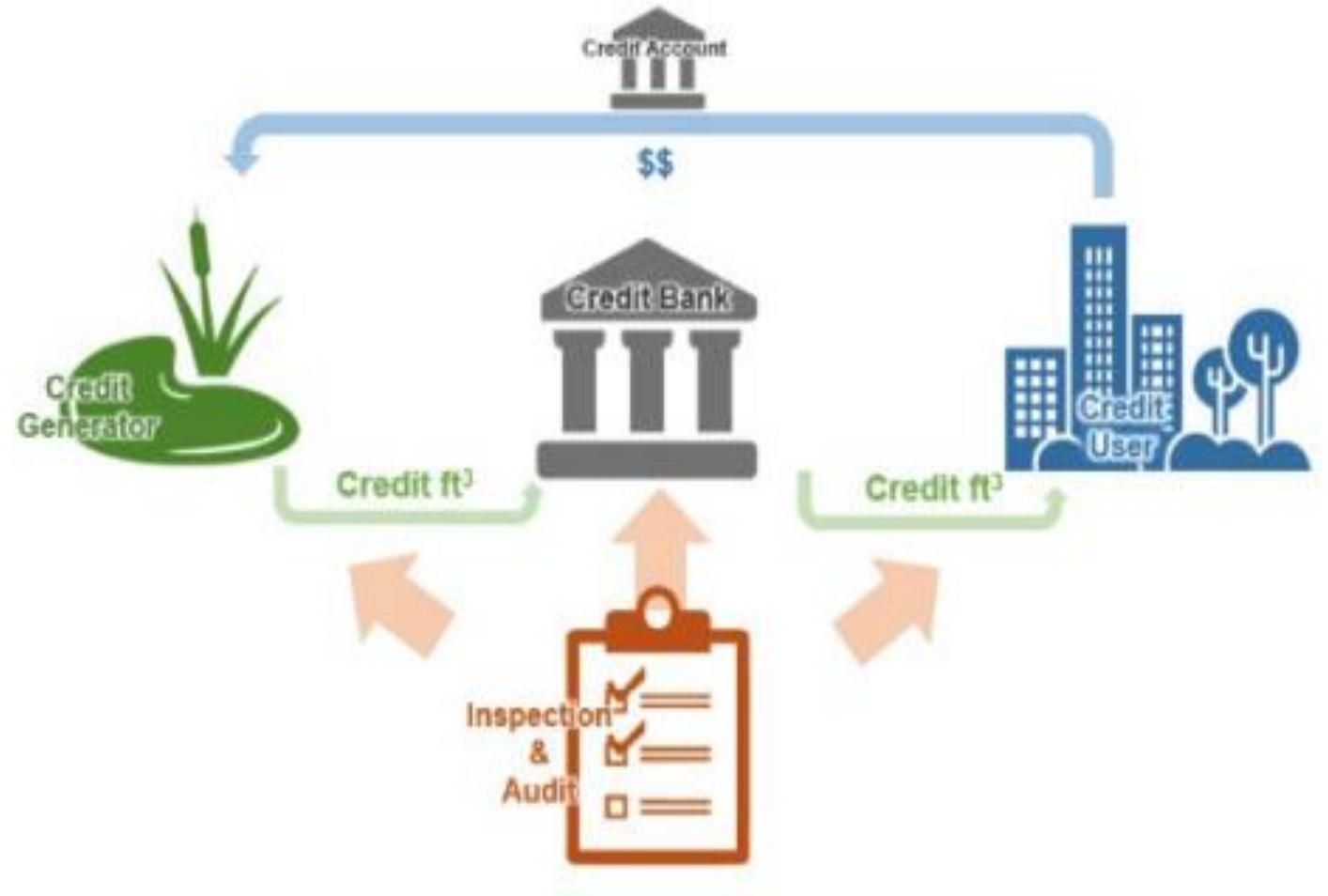
Category	Construction Cost Per Impervious Acre Treated	
	Median	Mean
Green Street with Infiltration	\$78,000	\$137,000
Green Street without Infiltration	\$419,000	\$841,000
Parcel-Based GSI	\$460,000	\$612,000
Regional with Infiltration	\$74,000	\$92,000
Regional without Infiltration	\$112,000	\$138,000



CONTRA COSTA COUNTY
REGIONAL ALTERNATIVE
COMPLIANCE (RAC) SYSTEM

ALTERNATIVE COMPLIANCE SYSTEMS

- Credit Programs allow for large centralized treatment facilities in place of onsite treatment
- Similar to Habitat Mitigation Programs
- Provides flexibility for new development projects



RAC OBJECTIVES



Flexible compliance with the stormwater permit (MRP)



Cost efficiencies through implementation of larger stormwater capture projects




Targeted facility implementation to provide higher load reduction for pollutants of concern



Implementation of projects that provide multiple benefits

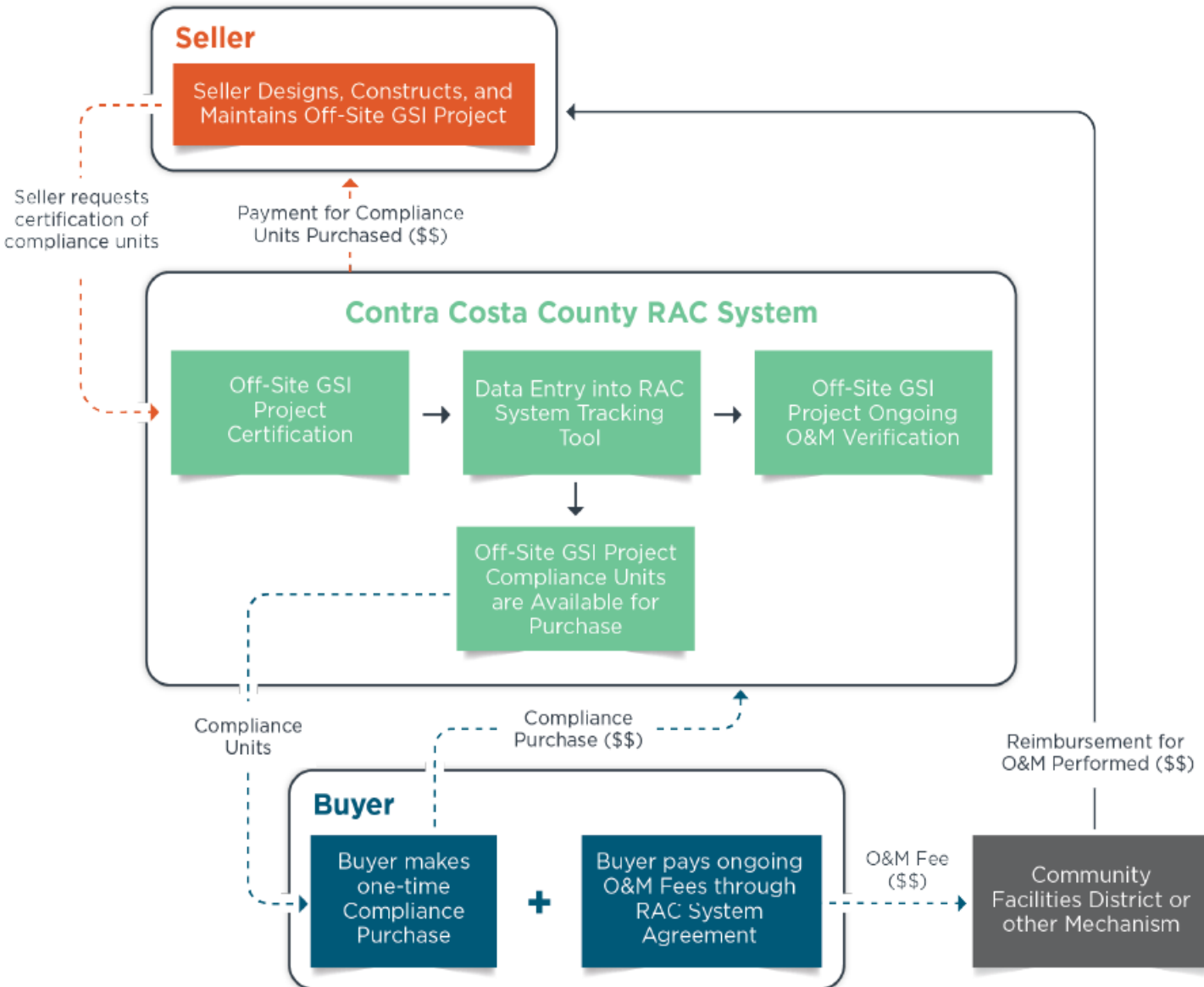


Flexibility to adapt the System to meet future water quality needs.



RAC JOINT POWERS
AUTHORITY (JPA) AND
COMMUNITY FACILITIES
DISTRICT (CFD)

Water Board Approved System



- **Sellers:** Public Agencies, Developers, or NGOs that build non-regulated treatment systems to sell through the RAC system
- **Buyers:** Public Agencies and Developers that need regulatory credits
- **RAC Administration:**
 - Facilitates purchases between buyers and sellers
 - Assists with regulatory reporting
 - Operates the Community Facilities District (CFD)

Two Transactions

1. **Capital** - reimbursement of the capital expenditure to build a treatment facility.
2. **Operations and Maintenance** - Ongoing payments through a CFD (i.e., tax roll) to make ongoing payments to facility operators for the maintenance costs.

RAC JOINT POWERS AUTHORITY (JPA)

- **JPA Formation and Independence**

- Formed to create a Countywide Community Facilities District (CFD)
- A legally separate entity formed with its own liabilities, independent from agency members.

- **JPA Agreement and Membership**

- Outlines JPA powers; how new members are admitted, and legislative body approval.

- **Operational Structure and Staffing**

- Contract manager instead of hiring employees (avoid pension liabilities and increase flexibility).

- **Financial Responsibilities**

- Limited to the JPA and shared administrative expenses among members.

COMMUNITIES FACILITY DISTRICT (CFD)

- **Community Facilities District (CFD):** Special financing district created by a local government to fund public infrastructure and services.
 - JPA would establish a CFD and authorize it to levy special taxes to finance the acquisition, improvement, and maintenance of stormwater infrastructure.

CFD formed with initial taxable property and multi-jurisdiction “future annexation area”



CFD formation requires three meetings of JPA governing board



Properties are annexed into the CFD as they opt to participate in RAC System

ESTIMATED AGENCY COSTS

JPA

- JPA Agreement (Covered by CCCWP)
- Meetings (2-3 per year)
- Annual State and County Filings

Estimated start-up costs: ~\$4,000 per agency

Annual Costs: ~\$3,000 per agency

No Impact to the General Fund; these costs can be covered by the City's Stormwater Utility Assessment.

CFD

- Initial Set-up Costs (**Covered by a Grant**)
- Site annexations
- Preparation of annual special tax levy
- Other administrative items

All costs covered by CFD participants. **No cost to member agencies.**

An aerial photograph of a city street grid, overlaid with a semi-transparent blue filter. The image shows a network of streets, buildings, and some greenery. The text is centered in the lower half of the image.

SAN PABLO POTENTIAL BENEFITS AND OPPORTUNITIES

CITY OF SAN PABLO IMPACTS

- City of San Pablo already has one facility with credits ready to sell as part of the RAC and one under design; potential revenue includes:
 1. Sutter Ave Green Street (2.3 acres)
 - ~\$90,000 per acre in capital (\$207,000)
 - ~\$7,000* average annual per-acre cost for ongoing maintenance
 2. Lake Elementary Swale (10-12 acres)
- Three agencies have, and one developer has expressed interest in purchasing credits for the Sutter Facility.
- EPA Grant - Public Works was recently awarded a \$1.7M grant with EPA to monitor the Sutter Ave Project and received 4 years of dedicated maintenance funding for facilities on Rumrill Blvd.
 - The project allows the City to sell an additional 3.45 acres of treatment area.
 - \$310,000 upfront revenue

*Based on the true cost of maintenance



CITY OF SAN PABLO IMPACTS

**Intersection of 14th and Sutter,
2-year storm in 2019**



**Intersection of 14th and Sutter,
2-year storm in 2025**



CITY OF SAN PABLO IMPACTS

- Other Potential Benefits Include:
 - Smart development/assistance in meeting housing needs
 - Additional ongoing maintenance funding to ensure City projects are working appropriately.
 - Vegetation health (urban greening)
 - Trash removal (litter and illegal dumping)
 - General street beautification in areas of projects
 - Flood protection



NEXT STEPS AND
COUNCIL
AUTHORIZATION

AUTHORIZATION REQUEST

Staff recommends that the Standing Committee support implementation of the RAC System and recommends that the City Council authorize all necessary actions to facilitate successful program implementation.

1. Authorize participation in the Contra Costa County Regional Alternative Compliance (RAC) Joint Powers Authority (JPA).
2. Approve the proposed Joint Powers Agreement and authorize the City Manager to execute it.
3. Appoint a Board Representative for regulatory and technical compliance (recommended: Environmental Program Manager) and an alternate (Environmental Program Analyst).
4. Direct staff to take all necessary actions to participate in the RAC system, including amending the City's stormwater ordinance to recognize RAC as an alternative compliance option.
5. Authorize staff to collaborate with the RAC JPA Administrator to support RAC System implementation.
6. Authorize the JPA to establish one or more Community Facilities Districts (CFDs), including the ability to accept applications, annex properties, and levy special taxes to fund ongoing maintenance of off-site stormwater projects; and approve a joint community facilities agreement.
7. Direct the City Clerk to certify the adoption of the Resolution and provide copies to the Contra Costa Flood Control District.
8. Direct staff to develop reports on JPA/CFD progress that will be reported to the City Council annually.

QUESTIONS?

