

Offsets Policy – Options/Alternatives
August 10/11, 2016

Key Elements in Draft Policy Document	Proposed Options/Alternatives	Executive Policy Committee Decision
<ul style="list-style-type: none"> • Amend the Basin Plan to allow the use of offsets - Offsets provide an indirect approach to compliance with a WDR/Waiver requirement for a given pollutant by managing other sources and loads so that the net effect on receiving water quality from all known sources is functionally-equivalent to or better than that which would have occurred through direct compliance with the WDR at the point-of-discharge. Authorization to allow use of offsets would provide: <ul style="list-style-type: none"> – Additional option for permitting non-compliant discharges in an area that lacks assimilative capacity while continuing to make progress toward attainment of water quality standards in the basin or Management Zone. – Mechanism to re-target the resources required to achieve compliance in order to produce greater public benefits (better net water quality, lower cost, less risk, etc.). – Mechanism whereby diverse dischargers within the same MZ can pool available resources to implement alternative compliance projects, in phases, on a risk-priority basis. – Mechanism to develop and fund large-scale, long-term regional water quality improvement projects, e.g., as described by the SSALTS or NIMS, by recognizing participation in such efforts as partial credit toward compliance. – Market-based incentive to establish “Mitigation Banks” designed to develop and implement water quality improvement projects - Useful for pooling resources of relatively small dischargers into a critical funding mass to support projects that would normally be beyond their individual means. 	<ul style="list-style-type: none"> • Narrow the applicability of an Offset such that an Offset may only be used to achieve water quality objectives in the specific area to which an underlying discharge impacts the receiving water. 	
	<ul style="list-style-type: none"> • Narrow the definition of what is an Offset to only those projects or activities that result in achievement of water quality objectives. Projects or activities that lessen the impacts of a discharge but do not result in the discharge meeting water quality objectives in the applicable receiving water are mitigation projects or activities. While these are not offsets they may be conditions of an Exception. • Mitigation banks and mitigation projects may not constitute an offset. 	
	<ul style="list-style-type: none"> • Modify policy to make Offsets available to NPDES permits 	