



Meeting Date: May 13, 2026

TOWN OF MORAGA

STAFF REPORT

To: Honorable Mayor and Councilmembers

From: Nate Levine, Public Works Director / Town Engineer Deirdre Castillo, Senior Engineer

Subject: Participation in the Contra Costa County Regional Alternative Compliance System Joint Powers Authority

RECOMMENDATION

Receive a presentation on potential participation in the Contra Costa County Regional Alternative Compliance (RAC) System Joint Powers Authority (JPA) and direct staff to return at a future meeting with formal participation documents for Town Council consideration.

BACKGROUND

The Contra Costa Clean Water Program (CCCWP) was established in 1991 by Contra Costa municipalities in anticipation of municipal stormwater permitting requirements under the federal Clean Water Act and California water quality laws, with encouragement from regional water regulators. CCCWP is a collaborative program composed of 19 Contra Costa cities and towns, the unincorporated Contra Costa County, and the Flood Control and Water Conservation District, whose main objective is to jointly implement National Pollutant Discharge Elimination System (NPDES) stormwater permit requirements. Some permit provisions are most cost-effective to implement at the regional level, such as water quality monitoring, public education, and special studies.

The Municipal Regional Stormwater Permit (MRP) imposes several obligations on local governments. Under Provision C.3.d, regulated new development and redevelopment projects must incorporate on-site Low Impact Development (LID) or Green Stormwater Infrastructure (GSI) to treat stormwater before it reaches local waterways. Many sites—particularly small infill properties, parcels with steep slopes, or locations with underground utility conflicts—face serious constraints that make on-site treatment difficult or infeasible.

In addition, under MRP Provision C.3.j, municipalities must retrofit a quantifiable amount of existing impervious surface with GSI over the permit term. This requirement can be costly and resource-intensive when implemented through numerous small, distributed projects (see

Attachment B, Section 2.1.1). Moreover, cities must comply with pollutant load reduction targets under the PCBs TMDL (Provision C.12.c), which require locating stormwater treatment facilities in areas with historically high pollutant loads.

To address these challenges, Contra Costa County, the Cities of San Pablo and Walnut Creek, and the County Flood Control District partnered with the EPA to pilot the RAC System (Attachment C). Existing rules and guidance authorizing alternative compliance pathways legally support the RAC System. The San Francisco Bay Water Board reviewed and approved the RAC System under MRP Provision C.3.e, the section explicitly devoted to alternative compliance.

To effectively manage the RAC System, participating agencies are forming a JPA. The JPA is responsible for administering Off-Site GSI certification, compliance unit accounting, project verification, long-term maintenance funding mechanisms, and annual reporting to the Water Board (Attachment B, Sections 6 & 8).

DISCUSSION

No final action to join the RAC JPA is requested at this meeting. This item is intended to introduce the RAC System, explain the potential benefits and obligations of participation, and receive Town Council direction before staff returns with formal participation documents, including the JPA agreement, related implementation actions, and any necessary stormwater ordinance amendments.

The Contra Costa County Regional Alternative Compliance System is an innovative, regionally supported approach to fulfilling state mandated stormwater treatment obligations. Developed through a partnership between CCCWP, the U.S. Environmental Protection Agency (EPA), and the San Francisco Bay Regional Water Quality Control Board (“San Francisco Bay Water Board”), the RAC System provides an Off-Site, alternative compliance mechanism for GSI that would normally be required on-site. The RAC System allows both public agencies and private developers to purchase “compliance units” generated by certified Off-Site GSI projects constructed elsewhere in the County. These units represent an equivalent amount of stormwater treatment required for regulatory compliance.

The RAC System addresses long-standing challenges: constrained development sites, high costs of distributed GSI projects, and the need to target legacy pollutant areas. Participation in the RAC System is enabled through a new JPA, which provides administrative support, financial mechanisms, and the governance structure necessary to manage Off-Site GSI projects and maintain ongoing compliance. Importantly, the JPA would enable the participating agencies to levy a special tax under the Mello-Roos Community Facilities Act of 1982, as amended (Mello-Roos Act) on private properties that voluntarily choose to participate in the RAC System (Participating Properties) to fund maintenance of the Off-Site GSI projects.

Pursuant to the Mello-Roos Act, in order for the JPA to form a community facilities district (CFD) that may include Participating Properties in the Town (either at the time of CFD formation or by annexation to the CFD) and levy special taxes to finance maintenance of Off-Site GSI projects, the JPA and the Town must enter into a joint community facilities agreement or joint exercise of powers agreement.

The RAC System creates a countywide marketplace in which Off-Site GSI projects—facilities

intentionally constructed to treat stormwater from areas beyond their immediate footprint—generate standardized “compliance units.” These units are quantified based on the treated drainage area, pollutant removal performance, rainfall zone, and land-use characteristics (Attachment B, Section 4).

Once certified by the local jurisdiction where they are located, Off-Site GSI projects can make their compliance units available for purchase. Public agencies or private developers who cannot feasibly meet on-site stormwater retention requirements may instead purchase sufficient units to meet their MRP obligations. The purchaser also pays for maintenance of the Off-Site GSI projects to ensure their long-term performance.

Benefits of RAC Participation to the Town of Moraga

The RAC System offers several benefits that are particularly important for agencies seeking flexible, affordable ways to meet stormwater regulations:

1. It provides a solution for constrained project sites where on-site GSI is impractical. Rather than granting variances or requiring redesigns, staff can direct applicants to a consistent, regionally approved alternative compliance mechanism.
2. It supports more cost effective stormwater treatment. Large regional GSI facilities can achieve economies of scale, reducing both upfront construction and ongoing maintenance costs per acreage treated compared to multiple small installations dispersed across the Town.
3. RAC participation aligns with regional water quality goals. Off-Site GSI facilities can be strategically located in areas with high legacy pollutant loads, helping the Town make measurable progress toward PCBs and other TMDL targets.
4. RAC participation reduces local administrative burden. The RAC Tracking Tool—maintained by the JPA—stores compliance unit records, tracks buyer/seller transactions, ensures proper verification and maintenance documentation, and houses all regulatory reporting materials. Without participation in the JPA, these administrative tasks would fall solely on local staff.

FISCAL IMPACT

Participation in the RAC JPA will require the Town to contribute to the JPA’s annual operating cost, which is expected to be approximately \$2,000 for each participating agency. Staff anticipates that JPA membership costs can be absorbed within the Town’s existing stormwater program or NPDES budget. No appropriation is requested as part of this informational item.

CEQA COMPLIANCE

Participation in the RAC JPA is not subject to review under the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080 (a) and the CEQA Guidelines (14 Cal. Code Regs. § 15378 et seq.) as it consists only of forming an agency, sharing administrative costs, and creating a funding mechanism with no commitment to specific future development; thus is not a “project” that may cause a direct, or reasonably foreseeable indirect, physical change in the environment.

ALTERNATIVES

1. Direct staff not to proceed with further consideration of participation in the RAC System.
2. Direct staff to return with additional information before bringing forward formal participation documents.
3. Make revisions to the recommended approach and provide direction to staff.

NEXT STEPS

Staff will return at a future meeting to request that Town Council adopt a Resolution to:

1. Approve participation in the Contra Costa County Regional Alternative Compliance (RAC) Joint Powers Authority (JPA), approve the proposed Joint Powers Agreement, and authorize the Town Manager to execute the Joint Powers Agreement.
2. Appoint Town Staff as the JPA Board Representative and appoint an Alternate.
3. Direct staff to take such actions as necessary to participate in the RAC System, including preparation of an ordinance to revise the Town's stormwater ordinance to incorporate participation in the RAC System as an approved alternative compliance for meeting applicable stormwater treatment requirements.
4. Authorize staff to collaborate with the RAC JPA Administrator to support RAC System implementation.
5. Authorize the JPA to establish one or more community facilities districts (CFD), accept applications from property owners, annex properties to the CFD, and levy special taxes to finance ongoing maintenance costs for Off-Site GSI Projects; and approve a joint community facilities agreement.

ATTACHMENTS

[Attachment A - Draft Resolution with Exhibit A](#)

[Attachment B - RAC Summary Report](#)

[Attachment C - CCC RAC System Fact Sheet](#)