

Performance Audit of the Public Utilities Department's Industrial Wastewater Control Program – Part II

IWCP's Current Methods of Identifying Industrial Users Have Likely Left Many Businesses Unpermitted, and, While IWCP Generally Keeps Up with Inspections and Permits for Certain Businesses, IWCP Should Reassess Its Capacity for Handling Future Workloads

Why OCA Did This Study

The Industrial Wastewater Control Program (IWCP) is a key component of the City's environmental management efforts and plays a critical role in complying with wastewater regulations. We conducted this audit to determine (1) whether IWCP maintains a complete and accurate inventory of industrial users within the Metropolitan Wastewater Area; and (2) whether and to what extent IWCP has inspected and issued a permit to regulated industrial users.

What OCA Found

Finding 1: Because IWCP is responsible for regulating certain industrial businesses, being aware of all those businesses is foundational to the program's success. While the program uses several methods to achieve this, we found some of them to be outdated and inefficient. In addition, IWCP management reported not having enough staff to keep up with identifying all potential industrial users. As a result, we found IWCP is unaware of hundreds of businesses that may potentially need to be regulated. This may diminish IWCP's effectiveness and creates an unfair advantage for unregulated businesses.

Finding 2: Our review also included timeliness aspects of IWCP's inspection and permitting activities, which are core functions of the program. We found IWCP is generally meeting established requirements for conducting inspections and issuing permits to industrial users that fall under federal regulations. We commend IWCP for this but also recommend monitoring and reporting to help ensure full compliance. In addition, we found IWCP inspects and permits other industrial users—those in the Enhanced Source Control Program (ESCP)—much less frequently, mainly because they fall under local regulations and have historically not been prioritized by the program. PUD management stated that this is changing due to the importance of ESCP for the Pure Water Program; however, IWCP has not established target inspection frequencies or determined what staffing resources will be needed to meet increased workloads.



IWCP staff inspecting a water reclamation tank. Source: OCA.

What OCA Recommends

We make 7 recommendations to help IWCP better understand its service demands, improve oversight of critical program outputs, and plan its future capacities. Key recommendations include:

- Updating the program's policies, procedures, and methods for identifying potential industrial users within the Metropolitan Wastewater Area;
- Working with the Economic Development Department to update the City's [OpenCounter](#) portal by adding IWCP permits to the list of potential permits that a business may need to acquire from the City when starting or expanding operations;
- Developing procedures for monitoring the effectiveness of methods for identifying new businesses, conducting inspections, and issuing permits;
- Establishing target service levels for inspections and permit issuances for both federally- and locally-regulated industrial permittees; and
- Completing a staffing analysis to determine resources necessary to meet target service levels.

These changes can help the program improve effectiveness in protecting the City's environmental quality and wastewater infrastructure.

For more information, contact Andy Hanau, City Auditor at (619) 533-3165 or cityauditor@sandiego.gov.