**Project or issue**

DEQ is proposing changes to the Water Quality program fee structure. This rulemaking will increase established permit fees, and propose new or revised fees for municipal stormwater phase one and underground injection control major modifications, and the offstream small-scale mining permit.

**Purpose of your communication**

Build support and involve stakeholders.

**Key messages**

1. DEQ is proposing an increase of existing water quality permit fees and proposing new or revised fees for offstream small-scale mining and major modifications of municipal stormwater phase one and underground injection control permits.
2. DEQ is proposing the fees to account for increased program costs and recover costs associated with implementing the permit program.
3. The proposed fees will affect most, but not all, existing and future water quality permit holders. (A few exceptions exist – 700-PM, 2401, 2402.)

**Background**

In 2002, DEQ convened the Blue Ribbon Committee on Wastewater Permitting (comprised of industry, environmental and local government representatives) to recommend improvements to DEQ’s water quality permit program. In 2004, the committee published a report containing a variety of recommendations, including increasing fee revenue by no more than three percent each year to address increasing program costs. The annual fee increase recommendation was adopted into law in 2005, and DEQ implemented fee increases in 2007, 2008, 2010, 2011 and 2012.

Currently, major modification fees do not exist for municipal stormwater phase 1 and UIC permits. DEQ is proposing major modification fees for municipal stormwater phase 1 and UIC permits equivalent to 50.1 percent of new permit application fees. Using this methodology aligns the proposed major modification fees with existing major modification fees of other individual domestic permits. The major modification fees are proposed in an effort to recover costs associated with future major modification requests.

The mining permit (WPCF 600) regulates non-chemical offstream mining of metals (primarily gold). Currently, small operations pay no application or annual fee. Large operations pay only a $207 application fee and no annual fee. Almost all of the permittees are small operations. There were approximately 200 permits in 2004; currently there are approximately 1,200 permits. The proposed application fee for small operations is intended to recover costs associated with the application process for this permit.

**Goals and desired outcomes**

The goal is for the rulemaking to be adopted and move DEQ toward more stable funding for the water quality program.

**Legal or program requirements**

DEQ is doing the rulemaking voluntarily; there is no legal or program requirement that is forcing DEQ into the rulemaking.

**Constraints**

Regarding the annual fee increase, existing permit fees may be increased by no more than three percent, regardless of whether program cost increases represent a greater percentage. Stakeholders may oppose fee increases due to poor program performance (level of permit backlog, etc.).

Regarding the proposed application fee for WPCF 600 small operations, miners are generally outspoken and in opposition to all regulation of instream or offstream mining. Cow Creek Tribes are interested in adequate regulation and protection of streams in their area. Some local governments are not supportive of DEQ efforts to protect water quality and beneficial uses. (Keep communications factual, value-neutral and non-judgmental.)

**Worst-case scenario**

Opposition could be substantial for proposed fees for the mining permit. The mining community is reasonably well organized. Overlap exits between 700-PM stakeholders and WPCF 600 stakeholders. DEQ will be renewing the 700-PM small suction dredge permit during this time. Because this is proposing only fees (no environmental regulation or de-regulation) participation from environmental groups is expected to be minimal.

**Measurement**

Goal: Through outreach, stakeholders understand the fee increase and are aware of the rulemaking. Fees are adopted in October 2013 and effective Nov. 1, 2013.

Method of measurement: How many questions are received following rule adoption? When were the rules adopted?

**People who may be interested and should be involved in outreach**

**Outreach group name (general or specific):** Blue Ribbon Committee, mining stakeholders (miners and environmental groups)

**Key issue or interest in this project/process:** Members of the outreach group represent permittees who will be directly affected by fee increases.

**Rationale for involving:** Build support for fee increases.

**Involved DEQ staff**

Chris Clipper – subject expert, process expert, project assistant

Dennis Ades – Manger

Greg Aldrich – Administrator

Yongkie Hurd – review fiscal statement

Brian White – messaging

BSD Analyst – update fee database

**Responsibilities and approval process**

All rulemaking documentation to be completed by Chris, with approval by Dennis Ades, Greg Aldrich, Director’s Office and the environmental quality commission.

**Outreach tools**

**Tool:** advisory committees, web content, Govdelivery, emails to legislators, newspaper display ads, postcards, public hearings, news releases, Secretary of State Bulletin

**Target audience:** permittees, stakeholders

**Rationale:** The tools will help to achieve the purpose of the communication, which is to build support and involve stakeholders.

**Timeline and task list**

| **Activity** | **Purpose** | **Begin Date** | **Complete** | **Staff** | **Approval** |
| --- | --- | --- | --- | --- | --- |
| Gather stakeholder input | Blue Ribbon Committee to serve as fiscal impact advisory committee for up-to-3% increase and MS4 phase 1 and UIC major modification fee.  Conduct outreach to MS4 Phase 1 and UIC permit holders or applicants regarding major modification fees. Email for initial contact.  Mining representatives and env. groups to serve as fiscal impact advisory committee for WPCF 600 fee. | Meet late May 2013  Early June 2013  Meet May 27-30, 2013 | Comments due June 10, 2013 | Clipper, Ades | Revise fiscal impact statement as necessary per comments |
| Compile talking points  (Message Map or Q and A) | Assemble a brief, bulleted list of key messages to be used, if necessary, to answer questions from public, stakeholders, news media | April 24, 2013 | May 3, 2013 | Clipper, working with Brian White | Ades |
| Monitor Environmental Quality Commission involvement | Inform EQC members on rulemaking scope and any issues of public concern. | May 27, 2013  Due to Stephanie Caldera June 5, 2013 | EQC date is 6/19/13. | Clipper – complete narrative for Director’s Dialogue. This was requested by EQC. | Director’s Office |
| Produce Rulemaking Announcement on Proposed WQ Fee Increases | Will use rulemaking announcement of fee increases in lieu of a fact sheet to avoid duplication of work. Document will outline purpose of proposed fee increase; describe how specific fee increases would support specific WQ program functions. | March 2013 | Division Administrator will review by June 21, 2013 | Clipper, working with White | Ades, review team, Division Admin. |
| Create gov.delivery list for interested parties | Provide outreach and notification to people and groups interested in the rulemaking development regarding rule changes and public hearings. | June 24, 2013 | July 15, 2013 | Clipper, working with WQ support staff | Clipper |
| Public Notice, SOS Bulletin announcement of start of comment period; legal notice | Announce public comment opportunities, including official public comment period. | June 24, 2013 | July 15, 2013 | Clipper, working with WQ support staff | Ades |
| News release  (statewide) | Announces proposed rulemaking, start of public comment period, how to comment, and information on public hearings | June 24, 2013 | July 15, 2013 | White working with Clipper | Clipper |
| Second news release for information meetings/public hearings | Announces details of public hearings to be held; will be issued close to actual hearing dates.  OCO may do follow-up calls with local news media to remind them of the local hearing. | (may not be necessary, consult Brian White) | NA | White | NA |
| Newspaper display ads for public hearings | Briefly advertises the time, place and purpose of each public hearing. At least one display ad to be placed in each community where hearing will be held.  (Use template from previous rulemakings.) | (may not be necessary, needs to be determined) | Publish in newspapers approximatelyAug. 11, 2013 | Clipper, WQ support staff | White |
| Public Hearings | Provide the public with rulemaking information and an opportunity to comment during a formal public hearing. | Schedule hearings June 3, 2013 | Aug.15 in Bend; Aug.19 in Medford; Aug.20 in Portland | Clipper,  Presiding Officer | Clipper |
| Staff Report | Develop staff report for EQC review and eventual vote. | Aug. 30, 2013 | Submit staff report to Director’s Office by Sept. 10, 2013 | Clipper | Ades, Division Admin. |
| EQC Meeting/ Rule adoption | Fees proposed for adoption by EQC. | EQC meeting Oct. 16, 2013 | Fee increases effective Nov. 1, 2013. | Clipper | EQC may or may not adopt rules. |
| Follow-up | Include information on DEQ Web site and via gov.Docs to inform stakeholders of next steps after EQC meeting.  (See implementation plan.) | Oct. 1-3, 2013  (initial tasks) | Oct. 29-31, 2013  (final tasks) | Clipper, working with Stephanie Brandon | NA |

**Review and approvals**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_**

**Plan completed Date**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_**

**Communications and Outreach review Date**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_**

**Manager’s approval Date**

**Modifications reviewed and approved**

***Modification one:*** *Short descriptive statement of modification*

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_**

**Communications and Outreach review Date**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_**

**Manager’s approval Date**

**RESULTS**

**Summary**

Briefly describe whether you think this outreach effort worked. What were the major highlights? What were major concerns or unanticipated issues? Did it go according to plan? Did it stay within the expected timeframe?

**Measurements**

Include measurements listed in the plan and the actual results.

**Data:** What did you measure?

**Result:** What happened?

**Explanation:** Did the result meet the threshold for success? Explain.

**Analysis and follow-up**

If outreach was a success, say so. If more or different outreach is needed, briefly describe options and provide some next steps for follow-up, if necessary.