

Meeting Summary

Water Quality Fee 2023 Rulemaking

**Advisory committee meeting
May 5, 2023, virtual meeting (Zoom)**



List of attendees

- Rule Advisory Committee Members
 - Samantha Bayer
 - Brannon Lamp
 - Mark Landauer
 - Peggy Lynch
 - Sharla Moffett
 - Susie Smith
 - Jackie White
- Department of Environmental Quality
 - Amanda Aird
 - Adam Coutu
 - Rian Hooff
 - Zach Loboy
 - Angela Rowland
 - Jason Simpson
- Participants from the Public
 - Jeff Keller
 - Roberto Morales
 - Emily Monroe
 - Lauren Pavillionis
 - Tiana Richard

List of handouts and presentation notes

- [Agenda](#)
- [Draft Rules](#)
- [Draft Fiscal Impact Statement](#)

Time	Topic
9:30 a.m.	Welcome, logistics, agenda review
9:35 a.m.	Introductions
9:40 a.m.	Rulemaking overview
9:55 a.m.	Review of Fees, Racial Equity Statement, and Discussion
10:50 a.m.	Public Input Period if needed
11 a.m.	Adjourn meeting

Meeting Summary

Zach Loboy and Angela Rowland provided an overview of the proposal for the 2023 Water Quality fee rulemaking and the Racial Equity Statement. The Oregon Department of Environmental Quality (DEQ) is proposing a fee increase to support water quality fees for fiscal year 2023 by three percent above the fiscal year 2022 fees. These fees apply to (federal) National Pollutant Discharge Elimination System permits and (state) Water Pollution Control Facility permits. DEQ is proposing that this rulemaking will have delegated authority by the Environmental Quality Commission (EQC) to DEQ's Director for approval after the public comment period. The EQC meeting to determine delegated authority is scheduled for May 19, 2023.

Discussion

Does this fee increase cover the staffing at DEQ to process these permits or will there need to be additional fees to cover the work? (Peggy Lynch)

The three percent fee increase is intended to keep the Water Quality Permitting Program at the current service level from 2023–2025. It includes staff positions that were previously vacant. Currently, the program is fully staffed. This fee increase would not include any future enhancements approved by the Legislature in the Legislatively Adopted Budget. The cost increases in the Governor's Recommended Budget were 3.05%.

There are many federal dollars available for the state and local jurisdictions which may mean there will be increased permitting work. How will that affect this fee rulemaking? (Peggy Lynch)

DEQ is closely watching the situation. The three percent fee increase is intended to maintain the current service level. The federal dollars the program receives have remained flat. There are many projects that increase efficiency in the Water Quality Permitting Program. With a potential increase in workload, there could be difficulties in capacity, which may warrant a future policy option package.

What is the status of permits? (Peggy Lynch)

The DEQ Water Quality Permitting Program is gaining steam in reducing the backlog. The [100-J Cooling Water NPDES General Permit](#) is having informal meetings in June. For more information the [2023 NPDES Individual Permit Issuance Plan](#), [Statewide Permit Issuance Plan for Federal Fiscal Years 2023-2027](#), and the [NPDES General Permits 5-Year Issuance Plan](#) are updated on the [DEQ Water Quality Permitting website](#) regularly.

The Racial Equity Statement indicates that BIPOC communities are not business owners that would not also be impacted by this. (Sharla Moffett)

DEQ will evaluate if the statement should be updated.

Does the fee increase cover increases in employment costs? Are DEQ's employment costs on point with overall employment costs? (Sharla Moffett)

The cost of the Water Quality Permitting Program is personnel-related through salary and fringe benefits. DEQ does not compare employment costs with the private sector but are on par with other state agencies. The Department of Administrative Services (DAS) produced a report in 2022 on the state salary and benefit comparison to the private sector. ([2022 State of Oregon Salary and Benefit Report](#))

Has the Environmental Protection Agency (EPA) commented on the cost of the program and are there any efficiencies in the Water Quality Permitting Program? (Sharla Moffett)

DEQ works with the Environmental Protection Agency (EPA) on a Performance Partnership Agreement (PPA) every two years. Here is a link to the most recent PPA: [PPA2024.pdf \(oregon.gov\)](#).

The cost of the program has not been a topic of discussion from EPA in the last few years.

DEQ Water Quality Permitting Program works closely with partners including Oregon Association of Clean Water Agencies to work with the permitting community. There is work happening with improvements in DEQ's Reasonable Potential Analysis and other continuous improvement projects. The Stormwater group is refining through rulemaking. The 100-J Cooling water / heat pump general permit is scheduled to go out for public comment this summer.

Does DEQ have any data on the average number of days that it takes to complete a new permit or renewal? (Sharla Moffett)

It takes roughly 226 – 335 hours to complete a permit, not including public notice time. This estimates to around six months to complete a new permit or to renew a permit.

Three percent administrative increases do not cover the rising costs of DEQ business. (Susie Smith)

A three percent increase for public owned treatment works providers might not sound like a lot, but there are many other costs associated with labor and construction that add up. Many members are required to increase fees for their services. These fee increases are a part of a larger picture of fee increase potential that may need to be charged to their patrons. (Mark Landauer)

These fees do not exist in a vacuum. There are many other fees that DEQ invoices including compliance cost. They have rapidly increased over the past seven years. All program fees are increasing across the board. As DEQ contemplates any changes in programs, that they consider permittees and capacity. (Sharla Moffett)

Time is money and permits must be completed correctly and efficiently to move business forward. (Peggy Lynch)

Back in 2021 or 2022, did Richard Whitman ask the EQC to make the three percent fee increase an automatic process since it is already approved by the legislature and in statute? (Susie Smith)

The delegated authority used in 2022 was for a specific individual and not the position. Since DEQ now has a new director, it will need to ask for authority again in 2023. The goal is to make this more efficient for the EQC moving forward. In the future, DEQ will seek to bundle these types of requests including up to three percent fee increases.

Public Input Period

There were no public comments.

Adjournment

The meeting was adjourned at 10:15 a.m.

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