



State of Oregon Department of Environmental Quality

Draft Fiscal Impact Statement

2024 Water Quality Fee Rulemaking

Introduction

DEQ invites public input on proposed rule amendments to Chapter 340 of the Oregon Administrative Rules. The proposed rule amendments are to increase water quality fees in 2024 for fiscal year 2025 as provided in Oregon Revised Statutes 468B.051. The Water Quality Programs included in this rulemaking are:

- Stormwater Permitting Program
- Water Pollution Control Facility Permitting Program
- National Pollution Discharge Elimination Systems Permitting Program
- General Permits
- 401 Dredge and Fill Water Quality Certification Program
- Wastewater System Operator Certification Program
- Underground Injection Control - Rule Authorizations
- Residential Onsite Septic System Permitting Program

The Water Quality Program's mission is to protect and improve Oregon's water quality. This is accomplished by developing and implementing water quality standards and clean water plans, issuing water quality permits, regulating publicly owned treatment systems and industrial dischargers, assuring that key staff at treatment plants are certified, collecting, and evaluating water quality data, providing grants and technical assistance to reduce nonpoint pollution sources, and giving loans to communities to build treatment facilities. Protecting and improving Oregon's rivers, lakes, streams and groundwater quality keeps Oregon's waters safe for drinking water, fish habitat, recreation and irrigation.

The fee increase will help account for the anticipated increase in the cost of administering permit programs. This increase will also help sustain water quality permitting programs that issue timely, high quality permits, and ensure compliance with permit conditions through inspections, enforcement and reporting to the Environmental Protection Agency.

The 2023 Legislature expanded the EQC's fee adjustment authority to include four additional program areas not previously eligible for annual fee adjustments. As a result of enacting HB 3208 (Oregon Laws 2023, chapter 258), 401 Dredge and fill Water Quality Certification Program, UIC Rule Authorizations, Wastewater System Operator Certification Program, and Residential Onsite Septic System Permitting Program fees are being included in this annual fee increase rulemaking, along with the other WQ fee program categories that have been regularly adjusted by EQC.

Translation or other formats

[Español](#) | [한국어](#) | [繁體中文](#) | [Русский](#) | [Tiếng Việt](#) | [العربية](#)
800-452-4011 | TTY: 711 | deqinfo@deq.oregon.gov

In October each year, DEQ publishes a permit issuance [work plan](#) to identify the individual National Pollutant Discharge Elimination System permits DEQ intends to issue in the coming year. DEQ identified 89 permits for development in the 2024 federal fiscal year (Oct. 1- Sept. 30). Permit issuance updates are provided quarterly [online](#).

Fee Analysis

The EQC approval of this rule proposal will increase existing fees for NPDES and WPCF permits, Wastewater Operator Certifications, Dredge and Fill Water Quality Certifications, UIC permits, and Onsite Wastewater Management permits.

ORS 468B.051 authorizes the EQC to act on the proposed fees below:

Fees for water quality permits and programs.

(1) Subject to subsection (2) of this section, the EQC may increase the fees established under:

- (a) ORS 448.410, 454.745, 454.755, 454.792, 468B.047 or 468B.195; or
- (b) ORS 468.065 for permits issued under ORS 468B.050.

(2) The commission may not increase a fee described in subsection (1) of this section more than once each calendar year. The amount of the annual increase may not exceed the anticipated increase in the cost of administering the program to which the fee is applicable or three percent, whichever is lower, unless a larger increase is provided for in the Department of Environmental Quality's legislatively approved budget.

Accordingly, in addition to the three percent fee increase, the Onsite Wastewater Management Program is proposing a one-time fee increase of approximately 14% to fund resource enhancements authorized by the 2023 Legislature in Policy Option Package 123 (POP 123). DEQ will present these proposed rules to the EQC for adoption in July of 2024. [2005 c.523 §2; 2015 c.640 §1; 2023 c.258 §1]

The fee increase rulemaking consists of the following:

Three percent increase for Water Quality fees

OAR 340-071-0140:

- WPCF Permit Fees; Table 9D

OAR 340-045-0075:

- Industrial NPDES and WPCF Individual Permits Application and Modification Fees; Table 70A
- Industrial NPDES and WPCF Individual Permit Annual Fees; Table 70B
- Domestic NPDES and WPCF Individual Permits, Application, Annual Modification Fees; Table 70C
- Municipal Separate Storm Sewer System Permits, Application and Modification Fees; Table 70C
- Domestic NPDES and WPCF Annual Population Fees, Table 70D

- Annual Pretreatment Fees, Table 70E
- All NPDES and WPCF Permits, Technical Activity, Plan Review and Other Fees, Table 70F
- General NPDES and WPCF Permits, Application and Annual Fees, Table 70G, **excluding** 700PM fees under authority ORS 468B.118
- Municipal Separate Storm Sewer System Permits; Annual Fees Table 70H
- Underground Injection Control Permits Application Fees, Annual Fees, and Surcharges, Table 70I, UIC fees authorized by rule, ORS 468B.195 and ORS 468B.196

Three percent increase for Underground Injection Control Permits, Application Fees, Annual Fees, and Surcharges.

OAR 340-045-0075

All fees shown in table 70I below would be increased by 3%.

OAR 340-045-0075 Table 70I Underground Injection Control Permits Application Fees, Annual Fees and Surcharges Effective November 1, 2023						
Type	Description	Application Fee	Annual Fee	Class of Injection	Surcharge	
					Application	Annual
Authorized By Rule ¹	Low Risk Stormwater Only	None	None	Low Risk	\$107	None
	Non-Stormwater Injection ²	None	None	Medium Risk	\$134	None
	All Other UIC's Draining Stormwater from Any Surface	None	None	Low Risk	\$107	None
				Medium Risk	\$134	None
1200-U General Permit ³	Stormwater Injection	\$ 813	\$ 834	Low Risk	\$ 144	None
				Medium Risk	\$ 182	None
				High Risk	\$ 437	\$ 144
1900-B General Permit	Injection During Geothermal Exploration	\$ 813	\$ 834			
Type	Description	Application Fee	Annual Fee	Individual WPCF Modifications		
				Major	Minor	
Individual WPCF Permit	As defined in 40 CFR parts 9, 144, 145 and 146	\$ 18,139	\$ 3,838	\$ 3,008	\$ 1,577	
1. Includes facilities with less than 50 injection systems. All systems must be located over 500 feet from a water well and outside a 2-year time of travel from a water source. 2. Includes aquifer storage and recovery, low temperature geothermal injection, remediation and other underground injection control systems that do not drain stormwater. 3. Includes facilities with less than 50 injection systems and for systems within 500 ft from a water well and within a 2-year time of travel from a water source.						

Three percent increase for 401 Dredge and Fill Water Quality Certification Program Support

OAR 340-048-0055

All fees described in this section would be increased by 3%.

Seventeen percent increase for Onsite Wastewater Management Septic Program

OAR 340-071-0800

Tables 9 A – E (Table 9D WPCF fees are three percent only)

Three percent increase for Wastewater Operator Certification Program

OAR 340-049-0065

Tables A and B

All fees described in these tables would be increased by 3%

Reasons

The proposed fee increase is necessary to maintain current service levels and implement additional legislatively approved resources in the Onsite program. DEQ's goal is to incrementally raise fees, rather than larger fee adjustments. However, the regular 3% fee increase does not always keep pace with inflation and to cost of services, especially for programs that are all or predominantly fee-funded. Therefore, DEQ may periodically seek larger fee increases. In addition, larger fee increases are necessary to fund new legislatively approved resources.

NPDES and WPCF Permitting Programs associated with fees in OAR 340-045-0075 and 340-071-0140: The proposed fees will cover costs associated with implementing the permitting programs and delivering services to regulated entities. The 2015 Oregon Legislature commissioned a report by an independent, third-party consultant, [Recommendations and Implementation Plan](#), which outlines improvements needed in the permitting program. Without this increase, DEQ would need to reduce permitting staff and delay improvements to the program as identified in the document.

UIC Program associated with fees in OAR 340-045-0075: The proposed fee increase will assist the Underground Injection Control program to continue its work preventing contamination of Oregon's groundwater as delegated by the Safe Drinking Water Act. The proposed fee increase will assist in the retention of the 2.4 FTE in the UIC Program statewide that oversee approximately 45,000 existing registered UICs and processes new UIC applications.

401 Dredge and Fill Program associated with fees in OAR 340-048-0055: The proposed fee increase will allow the 401 program to continue the review and evaluation of water quality compliance under Section 401 of the Clean Water Act for projects that require a federal license or permit conducting activity that may result in a discharge in waters of the US. The proposed fee increase will assist in the retention of the 4.5 FTE in the 401 Dredge and Fill Certification program statewide that review approximately 350 applications for 401 water quality certification per year.

Onsite Wastewater Management Program with fees in OAR OAR 340-071-0800: The proposed three percent fee increase will help maintain current program service levels. The additional 14 percent fee increase (totaling a proposed 17 percent) implements the Policy Option Package adopted by the 2023 Legislature and funds 2 positions. One of these positions will oversee the online permitting platform (e-Permitting established by Oregon's

Building Codes Agency Department of Consumer and Business Services) to help review impacts to software updates, assist new users both internal to DEQ and onsite programs implemented by local government agencies as well as local government programs new to using e-Permitting. This position will also assist with program reporting and training related to e-Permitting. The Onsite Program will also hire a seasonal internship program to develop a career development pathway.

Wastewater Operator Certification Program with fees in OAR 340-049-0065: The proposed fee increase will fund some of the recent increases in staff compensation, a portion of costs for the maintenance of the new data systems and user interfaces and inflation of contracts for services (certification test creators and administrators).

Fee proposal alternatives considered

Not increasing fees

Without the fee increase, Water Quality Programs will be unable to provide ongoing permit and certification program functions at current service levels. This could result in the programs struggling to maintain staffing at current levels and struggling to process the volume of permits and certifications required to fulfill the mission. Ancillary expenses (electronic infrastructure, exam administration, e-Permitting) may also be significantly impacted. The reduction of staffing and ancillary budget may result in a restructuring of services, delays in permitting and certifications, improper maintenance of systems and facilities, permit violations, and subsequent harm to the environment and public health.

Fee payer

The proposed fees would affect individuals, businesses and government agencies that hold or apply for, or renew the following permits and/or certifications:

- National Pollutant Discharge Elimination System permits (Individual and General)
- Water Pollution Control Facility permits (Individual and General)
- Wastewater System Operator Certifications
- WPCF UIC Permit holders
- UIC rule authorization applicants
- Facilities with “high” risk rule authorized UICs
- 401 Water Quality Certifications
- Onsite Wastewater Management Program applications

Affected party involvement in fee-setting process

The proposed rules will affect individuals, businesses and government agencies that hold or apply for NPDES permits, WPCF permits, UIC Rule Authorizations, 401 Dredge and Fill Water Quality Certifications, septic system permits, sewage disposal service licenses, and Wastewater System Operator Certifications. A Fiscal Advisory Committee will convene for this rulemaking with interested parties representing the impacted community.

Summary of impacts

With existing data, the Water Quality Program cannot determine the extent to which the proposed fees would affect each consumer. Some indirect impact on the public is anticipated

if the permit holder increases the cost of goods and services or fees charged to ratepayers to offset the three percent fee increase.

Examples: The annual fee for stormwater construction activity performed by public agencies under a 1200-CA permit in OAR 340-045-0075, Table 70G would increase by an estimated \$44, divided by the population served by the public agency. For WPCF UIC Individual permit holders (large municipalities typically with populations exceeding 10,000 people), the fee would increase by approximately \$115. The cost of an application for a residential home builder for a medium risk UIC to drain a driveway area would increase from \$134 to \$138. The annual fee for a UIC General Permit holder would increase from \$834 to \$859.

How long will the current fee sustain the programs?

Current fees are not sufficient to sustain the Water Quality Programs covered by the three percent fee increase. The cost to administer the programs increases every biennium while the total amount of fees paid remains relatively constant, with some fluctuation in fees paid for activities that are influenced by economic conditions. In addition, Cost Of Living Adjustments from the 2023 state collective bargaining reflect the recent high inflation and will result in increased costs. During the 2023-25 biennium, the increased salary costs from these COLAs will exceed the amount of revenue generated from existing fees plus the amount of new revenue generated from three percent fee increases. The COLAs phased in December 2023 and January or February 2025. The full impact of the 2023-25 COLAs will be experienced in the 2025-27 biennium.

Table 1 below shows the Budget Costs justification for the three percent fee increase. The average cost per full-time employee (FTE) across the programs covered by the 3 percent fee increase has increased 7.06% over a two-year period, which is 3.53% over a one-year period. This rate of increase is based on a calculation of the current service level in the 2023-25 Legislatively Adopted Budget compared to the 2021-23 Legislatively Adopted Budget. The 2023-25 Legislatively Adopted Budget does not reflect the larger than average COLA of 6.5% in December 2023 and 6.55% in January or February of 2025; therefore, the actual cost increase to these programs will be larger than 3.53% per year.

Table 1. Budgeted Cost Increases	
Jan. 28, 2024	
Budget Period	Cost per FTE
2021-23 Legislatively Adopted Budget	\$354,862
2023-25 Legislatively Adopted Budget	\$378,921
Percent increase over two-year period	7.06%

Cost per FTE calculations exclude one-time enhancements from both biennia and 2023-25 enhancements because they are funded by new revenue and not by the 3 percent fee increase.

**Water Quality Permitting
(NPDES and WPCF, including WPCF-Onsite and WPCF-UIC)**

Forecasted revenue from current fees in the 2023-25 Legislatively Adopted Budget was sufficient to fund the budgeted program expenses in the 2023-25 biennium; however, the three percent fee increase is needed to partially offset the increased salary costs and other associated costs impacted cost-of-living adjustments. If the program were to forego annual 3 percent fee increases, the program forecasts the water quality permitting program would need to reset fees by greater than 3 percent in Fiscal Year 2027 to maintain an adequate fund balance and to maintain existing staff levels.

Wastewater Operator Certification

The two FTE Wastewater Operator Certification Program is 100% fee funded. Budgeted expenditures in the 2023-25 Legislatively Adopted Budget exceed forecasted revenue from the current fee by over 24%, and will exceed revenue by a greater margin due to the COLAs. Current projections without the three percent increase show the program would have an insufficient ending fund balance for Fiscal Year 2025 to begin the 2025-27 biennium and would need to reduce expenditures below the current service level in the 2025-27 budget.

Small Onsite Septic System Permitting and Licensing

DEQ is requesting a 3% fee increase, as authorized by ORS 468B.051 to fund the anticipated increase in the cost of administering the program. Budgeted expenditures in the 2023-25 Legislatively Adopted Budget exceed forecasted revenue based on the current fees and will exceed revenue by a greater margin because of the COLAs. Current projections without the 3% increase show the program would have an insufficient ending fund balance for Fiscal Year 2025 to begin the 2025-27 biennium. The program would need to reduce expenditures below the current service level in the 2025-27 budget. If the 3% increase is approved and applies in Aug. 2024 and considered for 2025, the program forecasts that a larger than 3% fee increase will be needed at the beginning of FY2026 to maintain the current service level.

DEQ is also requesting a 14 percent fee increase to support new positions authorized by the legislature. When DEQ prepared its 2023-25 Agency Request Budget for the Onsite Wastewater Management Program, DEQ anticipated the program would collect approximately \$2 million per year in revenue, and that an approximate 14 percent fee revenue increase would generate the estimated \$280,000 in revenue needed to support program enhancements in POP 123 - Ensure Protective Onsite Septic Systems. Absent a revenue shortfall in the current service level budget, the program would expect the 14 percent fee increase sustains the new positions through the 2027-29 biennium. Without the 14 percent fee increase, DEQ will not be able to fill the new positions authorized by the legislature.

Underground Injection Control Rule Authorization

Budgeted expenditures in the 2023-25 Legislatively Adopted Budget exceed forecasted revenue based on the current fees by over 3%, and will exceed revenue by a greater margin because of the COLAs. The UIC rule authorization program will need to reset fees by greater than 3 percent in Fiscal Year 2027 or FY2028 to maintain an adequate fund balance

and to maintain existing staff levels. Annual 3% fee increases in 2024, 2025 and 2026 will reduce the size of the fee reset needed in 2027 or 2028.

Clean Water Act Section 401 Water Quality Certifications – Dredge & Fill

DEQ expects forecasted revenue in the 2023-25 Legislatively Adopted Budget to be sufficient to cover budgeted expenditures and the cost of phased in COLAs. However, actual costs—in particular, attorney general expenses—are forecasted to be significantly higher than budgeted in 2023-25. Therefore, current projections without the 3% increase show the program will need to reset fees by greater than 3% in Fiscal Year 2026 or FY2027 to maintain an adequate fund balance and to maintain existing staff levels. If annual 3% fee increases are approved in 2024, 2025, 2026 and 2027, the program forecasts that a fee increase larger than 3% would not be needed until FY2028 or FY2029.

Statement of Fiscal and Economic Impact

Fiscal and economic impact

Increasing permitting fees will benefit the Water Quality Program through increased financial support. The fee change will increase costs for entities that hold the affected permits or require fee-based services.

State and federal agencies

The effect of the proposed fee increases on state agencies depends on the permit type. Oregon state agencies hold approximately 113 active water quality permits.

Examples of the increase on selected permit types include:

- Industrial NPDES fee permits for Tier 2 sources, dairies and fish hatcheries, and facilities that dispose of wastewater only by evaporation from watertight ponds or basins, will increase between \$93 and \$104. This affects approximately four state agencies (OAR 340-045-0075, Table 70B).
- Annual fees for WPCF individual permits will increase between \$19 and \$350. This affects approximately four state agencies (OAR 340-045-0075, Table 70C).
- Annual fees for general NPDES and WPCF permits will increase between \$14 and \$24. This affects approximately five state agencies (OAR 340-045-0075, Table 70G).
- Annual compliance determination fees for WPCF permits will increase between \$1 and \$44. This affects approximately eight state agencies (OAR 340-071-0140, Table 9D).
- Annual fees for WPCF UIC Individual permit holders will increase \$115
- Annual fees for WPCF UIC General Permit holders will increase by \$25 (OAR 340-045-0075 –Table 70I). This affects one state agency (ODOT).
- Annual fees for 401 Dredge and Fill Water Quality Certification permit holders will increase between \$29 and \$533. This affects approximately four state agencies and 14 federal agencies (OAR 340-048-0055)

- Some federal facilities, for example campgrounds on US Forest Service Land, have DEQ permitted wastewater systems to manage sewage and thus have to have DEQ certified operators. If a state agency operates a facility that manages sewage, they too would need a certified operator. Depending upon the level and type of certification needed, the federal or state agency would see a three percent increase (ranging from \$1 to \$8) in cost to apply or renew the person’s certification, if they cover that cost for employees. They would also see three percent increase in their annual fee to support the program ranging from \$2 to \$10.
- The impact to state or federal agencies is the same as for individuals seeking to obtain an approval, permit or license (making an application) from the Onsite Wastewater Management Program.

Local governments and public entities

The effect of the three percent increase of permitting fees on local governments depends on the permit type. Oregon local governments hold approximately 661 total active water quality permits.

Examples of local government entities include water districts, irrigation districts, cities, towns, ports, sanitary districts, library districts, counties, and school districts. For this fiscal analysis, DEQ considered ports and school districts as separate local governments even if contained within a city or county government.

Examples of the three percent fee increase on selected permit types include:

- Industrial NPDES fee permits for Tier 2 sources, dairies and fish hatcheries, and facilities that dispose of wastewater only by evaporation from watertight ponds or basins, will increase between \$107 and \$122 This affects approximately seven local governments and their permit co-permittees (OAR 340-045-0075, Table 70B).
- Domestic NPDES and WPCF individual permit annual fee increases will range from \$19 to \$350 (OAR 340-045-0075, Table 70C).
- Annual fees for general NPDES and WPCF permits will increase between \$15 and \$44. This will affect an approximate total of 107 local government permits (OAR 340-045-0075, Table 70G).
- Annual permit processing fees for onsite systems and compliance determination fees for WPCF permits will increase between \$1 for holding tanks to \$44 for an on-site sewage lagoon with no discharge. This will affect approximately 56 local government permits (OAR 340-071-0140, Table 9D).
- Annual fees for WPCF UIC Individual permit holders will increase \$115, annual fees for WPCF UIC General Permit holders will increase by \$25 (OAR 340-045-0075 – Table 70I). This affects 25 local governments and public entities.
- Annual fees for 401 Dredge and Fill Water Quality Certification permit holders will increase between \$29 and \$533. (OAR 340-048-0055) This affects approximately 400 local governments and public entities.
- Local governments and public entities that have wastewater treatment facilities that treat sewage a three percent increase (ranging from \$1 to \$8) in the cost to apply or renew a person’s certification, if they cover that cost for employees. They would

also see three percent increase in their annual fee to support the program ranging from \$2 to \$1000, based on the size of the facility.

The onsite surcharge increase from \$100 to \$117 will not be paid directly by local government entities (unless they apply for a license or working with a proposed or new septic system then they would pay 17 percent more as an individual would pay). The local entities will collect the surcharge from fee payers in their jurisdiction and remit those fees to DEQ. Thirty-one out of 36 counties are run by local government entities.

Large businesses - businesses with more than 50 employees

The three percent fee increase would affect approximately 150 wastewater permit holders that are large businesses. For example, large businesses that require an industrial NPDES Tier 1 permit would pay an additional \$945 in annual fees for pulp, paper, or other fiber pulping industry permits.

The three percent fee increase would affect approximately 15 WPCF UIC Individual Permit holders that are large businesses. For example, a grocery chain with an individual permit would pay an annual fee increase of \$115.

Few large businesses have wastewater treatment systems requiring a certified operator and many keep their employee restrooms and break rooms plumbed separately from their industrial wastewater discharge. If they are combining sewage with industrial wastewater or running a separate sewage system at their site, would see a three percent increase (ranging from \$1 to \$8) in the cost to apply or renew a person’s certification, if they cover that cost for employees. They would also see a three percent increase in their annual fee to support the program ranging from \$2 to \$1000, based on the size of the facility.

Onsite

Most large businesses would not be impacted by this fee increase. However, if a large business obtained a permit for a large onsite system, the additional fiscal impact on the development would be less than \$600. That estimate is additional fees for a site evaluation application, alternative treatment technology permit and commercial plan review fee for up to 2,500 gallons per day (\$5,032 approximate total under proposed fees from current fees of \$4,463).

There are a few licensed sewage disposal services that would be considered a large business. Below is the expected impact on large businesses.

	Current Fees	Proposed Fees
Onsite Surcharge	\$100	\$117
Site Disposal Service 3-year license - NEW	\$438/Year	\$512/Year
Site Disposal Service 3-year license - RENEWAL	\$330/Year	\$386/Year

Small businesses – businesses with 50 or fewer employees

According to 2018 data from the Oregon Employment Department, the fee increase may affect approximately 3,300 small businesses. However, no information is available to determine how the fee increases would affect each permit holder. For example, if a small business is categorized as a Tier 2 facility for food or beverage processing, including produce, meat, poultry, seafood, or dairy for human, pet, or livestock consumption, then under OAR 340-045-0075, fee Table 70B, their annual permit fee would increase by an estimated \$196 over the previous year's annual fee. For a small business with 5 rule authorized high risk UICs (a truck sales and repair operation, for example) the annual fee would increase from \$535 (currently \$107 per UIC x 5 UICs) to \$550 (\$110 per UIC). Small businesses that have wastewater treatment facilities that treat sewage would see a three percent increase (ranging from \$1 to \$8) in the cost to apply or renew a person's certification, if they cover that cost for employees. They would also see three percent increase in their annual fee to support the program ranging from \$2 to \$100, based on the size of the facility.

a. Estimated number of small businesses and types of businesses and industries with small businesses subject to proposed rule.

DEQ estimates the fee increases would affect approximately 3,300 small businesses. Examples of small businesses are food processors, mining operations, dairies, fish hatcheries, smelting and refining operations, timber processors, wood products manufacturers, retail operations, seafood processors, gravel mining, wineries, construction companies, petroleum hydrocarbon cleanup operations, and vehicle and equipment wash water operations.

Some small businesses such as recreational vehicle camps, mobile home parks, and resorts, have wastewater systems where they manage their sewage. These businesses are required to have a certified operator and they pay the annual program support fee. There are currently 43 businesses in this category subject to Wastewater Operator Certification fees.

Onsite sewage disposal service businesses are primarily small business that would be subject to the proposed fee increase. Currently there are 834 licensed sewage disposal service licenses.

b. Projected reporting, recordkeeping, and other administrative activities, including costs of professional services, required for small businesses to comply with the proposed rule.

No additional activities are required to comply with the proposed rules.

c. Projected equipment, supplies, labor, and increased administration required for small businesses to comply with the proposed rule.

No additional resources are required to comply with the proposed rules.

d. Describe how DEQ involved small businesses in developing this proposed rule.

The Water Quality Program will meet with a rules advisory committee on February 15, 2024. The committee is composed of a diverse group of interested parties representing a wide cross section of permit and certification holders. During and after the meeting, committee members’ input will be requested concerning potential impacts to small businesses and how impacts can be reduced. During the public comment period, the Water Quality Program will request input on whether to consider other options for achieving the rules’ substantive goals while reducing the rules’ negative economic impact on small businesses.

Documents relied on for fiscal and economic impact

Document title	Document location
Fee increase calculations	DEQ Headquarters
Recommendations and Implementation Plan	DEQ web page: https://www.oregon.gov/deq/FilterDocs/WaterQualityProgram-FinalReport.pdf
DEQ 2021- 2023 Legislatively Approved Budget	DEQ Headquarters
DEQ 2021-2023 Agency Request Budget	DEQ Headquarters
DEQ’s water quality permit database	DEQ Headquarters
Businesses by size or firm of 50 or fewer employees	Oregon Employment Department website reports 875 Union Street NE Salem, OR 97311 A Snapshot of Oregon Firms by Size Class, 2023 - A Snapshot of Oregon Firms by Size Class, 2023 - QualityInfo

Advisory committee fiscal review

DEQ appointed an advisory committee.

As ORS 183.333 requires, DEQ will ask for the committee’s recommendations on:

- Whether the proposed rules would have a fiscal impact
- The extent of the impact
- Whether the proposed rules would have a significant adverse impact on small businesses

- Whether, if there is a significant adverse impact on small businesses, DEQ has reduced the impact on small businesses as ORS 183.540 requires

The committee will review the draft fiscal and economic impact statement.

Housing cost

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would affect the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel. DEQ does not anticipate this fee rulemaking will affect building costs that could be passed on to the home buyer.

DEQ determined the proposed rules would do the following:

- Affect the development cost of a 6,000-square-foot parcel and construction of a 1,200-square-foot detached, single-family dwelling on that parcel.
- Require a builder of a 6,000-square-foot parcel to pay an additional \$41 for a construction stormwater permit if the parcel is part of a common plan of development disturbing one or more acres. Assuming the three percent increase, this would raise the fee from \$1388 to \$1429.
- The proposed rule may not affect a builder of a 6,000-square-foot parcel that is not part of a common plan of development disturbing one or more acres because there is no requirement for these parcels to have a construction stormwater permit from DEQ. DEQ understands that some entities may charge a Systems Development Charge for implementing local stormwater or wastewater programs. Increased permit fees may affect housing costs through increased Systems Development Charges.

Onsite

- It would be challenging to have adequate area for a septic system on a 6,000 square foot lot for new construction due to the area needed for a drainfield and setbacks to wells on the lot and surrounding area. It may happen with an additional treatment unit that provides a higher quality effluent and would allow a smaller drainfield and a community water system. The estimated increased costs for DEQ to evaluate and permit the lot would be approximately \$380.

	Current Fees	Proposed Fees
Onsite Surcharge	\$100	\$117
Site Evaluation*	\$700	\$819
Onsite Surcharge	\$100	\$117
Type D Permit*	\$1,272	\$1,488
Total	\$2,172	\$2,541

* 31 of Oregon’s 36 counties are administered by a local government agency that sets their own permit fees. These fees would apply in Baker, Coos, Jackson, Union and Wallowa Counties.

Racial Equity

ORS 183.335(2)(a)(F) requires state agencies to provide a statement identifying how adoption of this rule will affect racial equity in this state.

Adoption of the proposed rule would affect wastewater permitting fees and Operator certification fees statewide - across various sectors, public and private. Since the fee increase will apply equally across all permit categories and tiers, and there are no expected changes to practical implementation of the permitting program activities as a result of this rule adoption, there is no expected impact on racial equity in the state. Increasing the fees, as proposed, will help maintain program services critical to protecting public health and the environment (such as permit compliance assurance, inspections and enforcement) which may be particularly important in BIPOC or historically underserved communities.

Environmental Justice Considerations

ORS 182.545 requires natural resource agencies to consider the effects of their actions on environmental justice issues. DEQ considered these effects by acknowledging that this is a statewide fee increase that affects many different entities including federal, state, and local governments. DEQ provides this information in the Advisory Committee Meetings, the Fiscal Impact Statement, the Public Notice, and the Staff Report. The fee increase is a statutory authorization and directed at permit holders/fee payers, so there is not a broad policy change or projected change.

Adoption of the proposed rule would affect wastewater permitting and wastewater operator certification fees statewide - across various sectors, public and private. Since the fee increase will apply equally across all permit categories and tiers, and there are no expected changes to practical implementation of the permitting program activities as a result of this rule adoption, there is no expected impact on racial equity in the state. Increasing the fees, as proposed, will help maintain program services critical to protecting public health and the environment (such as permit compliance assurance, inspections and enforcement) which may be particularly important in BIPOC or historically underserved communities.

Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age or sex in administration of its programs or activities.

Visit DEQ's [Civil Rights and Environmental Justice page](#).