

State of Oregon
Department of Environmental Quality

Memorandum

Date: Oct. 4, 2012

To: Environmental Quality Commission

From: Dick Pedersen, Director

Subject: Agenda item G, Rule proposal: Water Quality Division permit fee increase
Oct. 25-26, 2012, EQC meeting

Why this is important This proposed rulemaking provides fee revenue to administer Oregon's National Pollutant Discharge Elimination System and Water Pollution Control Facility permit programs.

DEQ recommendation and EQC motion The Department of Environmental Quality recommends that the Oregon Environmental Quality Commission adopt the proposed amendments in attachment A of this staff report for permit fees in chapter 340 divisions 45 and 71 of the Oregon Administrative Rules.

Background and need for rulemaking In 2002, DEQ convened a Blue Ribbon Committee to recommend improvements to DEQ's water quality permit program. Committee membership included industry, environmental and local government representatives. In 2004, the committee published a report that included recommendations to sustain funding of the permit program through a two-phase fee increase in 2006 and 2008 to restore and add necessary staff, and an annual fee adjustment of no more than 3 percent to cover projected program costs. EQC adopted an up-to-3 percent fee adjustment in 2007, 2008, 2010 and 2011.

This rulemaking proposes a 2.7 percent fee increase for all National Pollutant Discharge Elimination System and Water Pollution Control Facility permit holders except for suction dredge and graywater permittees. DEQ anticipates permit program cost increases of 3.04 percent over the next year.

Effect of rule If adopted, this rulemaking would increase all water quality permit fees by 2.7 percent except general permits for suction dredge and graywater.

Commission authority The commission has authority to take this action under ORS 454.625, 468.020 and 468.065.

Stakeholder involvement DEQ met with the Blue Ribbon Committee May 18, 2012, to receive input on the fiscal impact of this proposed rulemaking. DEQ informed permit holders and stakeholders about the proposed rulemaking, public hearings and the opportunity to comment on the proposed rules by postcard sent via mail to more than 3,600 water quality permit holders and via email to more than 6,800 stakeholders and

permit holders who elected to receive electronic program updates.

Public comment DEQ held a public comment period July 16 through Aug. 24, 2012, and public hearings in Bend, Medford and Portland. Attachment B shows the summary of public comment and agency responses.

DEQ notified water quality permit holders of the proposed rulemaking at the beginning of the public comment period to ensure they had advance notice of the proposed fees and were aware of opportunities to comment on the rulemaking.

Next steps If approved, the 2.7 percent fee increase would become effective Nov. 1, 2012, and DEQ will:

- Update the fee tables and web site to reflect the adopted fees
- Inform permit holders of the adopted fee increase through notices sent with monthly invoices
- Inform applicable staff of the adopted fees

Attachments

- A. Proposed rule revisions
- B. Summary of public comments and DEQ's responses
- C. Advisory committee membership
- D. Presiding Officer's report on public hearings
- E. Relationship to Federal Requirements questions
- F. Statement of Need and Fiscal and Economic Impact
- G. Land Use Evaluation statement

Available upon request

- 1. Legal Notice of Hearing
- 2. Cover Memorandum from Public Notice
- 3. Written comments received
- 4. Rule Implementation Plan
- 5. Blue Ribbon Committee Report on Key Enhancements to the Oregon Wastewater Permitting Program (2004)

Approved:

Division: _____

Section: _____

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