

State of Oregon  
Department of Environmental Quality

Memorandum

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**Date:** May 26, 2011

**To:** Environmental Quality Commission

**From:** Dick Pedersen, Director

**Subject:** Agenda item D, Rule adoption: Water Quality Permit Fees  
June 15-17, 2011 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. This proposed rulemaking also establishes a reduced one-time fee for construction stormwater permits for sites, less than an acre, which are part of a common plan of development that covers an acre or more.

**DEQ recommendation and EQC motion** The Department of Environmental Quality recommends that the 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 the 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 three percent to cover projected program costs.

EQC adopted a three-percent annual fee adjustment in 2007, 2008 and 2010. In 2009, projected program costs were lower due to mandatory furlough days and salary freezes; therefore, DEQ did not propose the annual fee adjustment.

This rulemaking proposes a two percent fee increase for all NPDES and WPCF permit holders except for suction dredge permittees. DEQ projects permit program cost increases of two percent over the next year.

Federal regulations and DEQ's general NPDES 1200-C construction stormwater permit include a permitting requirement for sites less than one acre, that are part of a common plan of development disturbing one or more acres. In the past, DEQ has not issued permits for these "individual lots" because of concerns about the fees associated with issuing permits to individual lot owners. DEQ explored options for addressing its legal obligation and now proposes to implement the requirement by issuing separate permits for these lots. This rulemaking proposes a onetime \$230

fee for construction stormwater permits covering individual lots. This onetime fee for individual lots is less expensive than the existing application and annual fee.

**Effect of rule** EQC adoption of this rulemaking would increase all water quality permit fees by two percent except General Permit 700-PM for suction dredge permits, which is set in statute. Adoption of this rulemaking would also establish a onetime \$230 fee for construction stormwater permits for sites less than one acre that are part of a common plan of development involving one or more acres.

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

**Stakeholder involvement** DEQ asked the Blue Ribbon Committee for input on the fiscal impact statement in attachment F via email sent Jan. 25, 2011. DEQ informed permit holders and stakeholders about the proposed rulemaking, public hearings and the opportunity to comment on the proposed rules by postcard sent through the United States Postal Service to more than 3,200 water quality permit holders and via email to more than 5,000 stakeholders and permit holders who elected to receive electronic water quality program updates.

**Public comment** DEQ held a public comment period from Feb. 23 through April 1, 2011, and held public hearings in Bend, Medford and Portland. Attachment B shows the summary of public comment and agency responses.

**Key issues** DEQ sent notice to water quality permit holders 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 EQC approves the proposed changes, 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 staff of the adopted fees including permit coordinators, all water quality staff and accounting staff.

The two percent fee increase would become effective July 1, 2011. The effective date of the \$230 construction stormwater permit fee is dependent upon legislative approval.

**Attachments**

- A. Proposed Rule Revisions
- B. Summary of Public Comments and Agency 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 Comment Received
- 4. Rule Implementation Plan
- 5. Blue Ribbon Committee Report on Key Enhancements to the Oregon Wastewater Permitting Program (2004)

Approved:

Division: \_\_\_\_\_

Section: \_\_\_\_\_

Report prepared by: Christopher Clipper  
Phone: 503-229-5656

**Proposed Rule Revisions to**

**OAR 340-045-0075 Permit Fee Schedule and OAR 340-071-0140 Onsite System Fees**

*Tables 70A through 70H below are referenced in OAR 340-045-0075, and include permit fees relating to NPDES and WPCF permits, with the exception of WPCF-Onsite septic system permits.*

*The fees listed in Tables 70A through 70H are effective July 1, 2011, with the exception of the \$230 new permit application fee for stormwater listed on page seven (Table 70G). The effective date of the \$230 stormwater fee is dependent upon legislative approval.*

**Table 70A: Industrial NPDES & WPCF Individual Permit Application and Modification Fees**

DEQ Class	New Permit Application Fee <sup>1</sup>	Major Modification at Permit Renewal	Major Modification Prior to Permit Expiration	Minor Modification	Permit Transfer
Tier 1	<del>\$49,311</del> <del>148,344</del>	<del>\$12,388</del> <del>12,145</del>	<del>\$24,617</del> <del>24,134</del>	<del>\$863</del> <del>846</del>	<del>\$787</del> <del>6</del>
Tier 2	<del>\$9,923</del> <del>9,728</del>	<del>\$3,149</del> <del>3,087</del>	<del>\$4,919</del> <del>4,823</del>	<del>\$863</del> <del>846</del>	<del>\$787</del> <del>6</del>
Special WPCF Permits issued pursuant to OAR 340-045-0061	<del>\$470</del> <del>461</del>	N/A	N/A	N/A	<del>\$787</del> <del>6</del>

1. New permit applications must include the annual fee specified in Table 70B in addition to the new permit application fee.

**70B: Industrial NPDES & WPCF Individual Permit Annual Fees**

Type	Description	NPDES Tier 1	NPDES Tier 2	WPCF Tier 1	WPCF Tier 2
B01	Pulp, paper, or other fiber pulping industry	<del>\$17,242</del> <del>16,904</del>	N/A	<del>\$16,003</del> <del>15,689</del>	N/A
	Food or beverage processing - includes produce, meat, poultry, seafood or dairy for human, pet, or livestock consumption				
B02	Washing or Packing only	N/A	<del>\$2,397</del> <del>2,350</del>	N/A	<del>\$2,204</del> <del>2,161</del>
B03	Processing – small. Flow ≤ 0.1 mgd, or 0.1 < flow < 1 mgd for less than 180 days per year	N/A	<del>\$3,583</del> <del>3,513</del>	N/A	<del>\$3,390</del> <del>3,324</del>
B04	Processing – medium. 0.1 mgd < Flow < 1 mgd for 180 or more days per year, or flow ≥ 1 mgd for less than 180 days per year	N/A	<del>\$5,056</del> <del>4,597</del>	N/A	<del>\$4,864</del> <del>4,769</del>
B05	Processing – large. Flow ≥ 1 mgd for 180 or more days per year.	<del>\$17,242</del> <del>16,904</del>	<del>\$15,151</del> <del>14,854</del>	<del>\$16,003</del> <del>15,689</del>	<del>\$14,956</del> <del>14,663</del>

Type	Description	NPDES Tier 1	NPDES Tier 2	WPCF Tier 1	WPCF Tier 2
	Primary smelting or refining				
B06	Aluminum	<del>\$17,242</del> 16,904	<del>\$15,151</del> 14,854	<del>\$16,003</del> 15,689	<del>\$14,956</del> 14,663
B07	Non-ferrous metals utilizing sand chlorination separation facilities	<del>\$17,242</del> 16,904	<del>\$15,151</del> 14,854	<del>\$16,003</del> 15,689	<del>\$14,956</del> 14,663
B08	Ferrous and non-ferrous metals not elsewhere classified	<del>\$9,861</del> 9,668	<del>\$7,767</del> 7,615	<del>\$8,621</del> 8,452	<del>\$7,575</del> 7,426
B09	Chemical manufacturing with discharge of process wastewater	<del>\$17,242</del> 16,904	<del>\$15,151</del> 14,854	<del>\$16,003</del> 15,689	<del>\$14,956</del> 14,663
B10	Cooling water discharges in excess of 20,000 BTU per sec	<del>\$9,861</del> 9,668	<del>\$7,767</del> 7,615	<del>\$8,621</del> 8,452	<del>\$7,575</del> 7,426
	Mining Operations – includes aggregate or ore processing				
B11	Large (over 500,000 cubic yards per year or involving chemical leaching)	<del>\$17,242</del> 16,904	<del>\$15,151</del> 14,854	<del>\$16,003</del> 15,689	<del>\$14,956</del> 14,663
B12	Medium (100,000 to 500,000 cubic yards per year)	N/A	<del>\$5,304</del> 5,200	N/A	<del>\$5,111</del> 5,011
B13	Small (less than 100,000 cubic yards per year)	N/A	<del>\$1,614</del> 1,582	N/A	<del>\$1,422</del> 1,394
	All facilities not elsewhere classified which dispose of process wastewater (includes remediated groundwater)				
B14	Tier 1 sources	<del>\$17,242</del> 16,904	N/A	<del>\$16,003</del> 15,689	N/A
B15	Tier 2 sources	N/A	<del>\$3,337</del> 3,272	N/A	<del>\$3,146</del> 3,084
B16	All facilities not elsewhere classified which dispose of non-process wastewaters (for example: small cooling water discharges, boiler blowdown, filter backwash)	N/A	<del>\$2,234</del> 2,190	N/A	<del>\$2,041</del> 2,001
B17	Dairies, fish hatcheries and other confined feeding operations on individual permits	N/A	<del>\$1,955</del> 1,917	N/A	<del>\$1,763</del> 1,728
B18	All facilities which dispose of wastewater only by evaporation from watertight ponds or basins	N/A	N/A	N/A	<del>\$1,296</del> 1,271
	Timber and Wood Products				
B19	Sawmills, log storage, instream log storage	<del>\$4,836</del> 4,741	<del>\$2,744</del> 2,690	<del>\$3,598</del> 3,527	<del>\$2,550</del> 2,500
B20	Hardboard, veneer, plywood, particle board, pressboard	<del>\$5,114</del> 5,014	<del>\$3,022</del> 2,963	<del>\$3,876</del> 3,800	<del>\$2,831</del> 2,775

Type	Description	NPDES Tier 1	NPDES Tier 2	WPCF Tier 1	WPCF Tier 2
	manufacturing, wood products				
B21	Wood preserving	\$ <u>4,3274,242</u>	\$ <u>2,2342,190</u>	\$ <u>3,0883,027</u>	\$ <u>2,0412,001</u>

**Table 70C: Domestic NPDES & WPCF Individual Permits**

Description	Type	Classification Criteria (Based on Average Dry Weather Design Flow, or as defined in 40CFR)	Class	New Permit App.Fee <sup>1</sup>	Base Annual Fee, 5 year permits	Base Annual Fee, 10 year permits	Additional Annual Fees	Major Modification	Minor Modification
Nondischarging lagoons	E	Not applicable	Tier 2	<del>\$3,2153,152</del>	N/A	<del>\$1,0261,006</del>	Additional fees Include population and pretreatment fees. See tables 70D and 70E for determination of these fees.	<del>\$1,6471,615</del>	<del>\$863846</del>
Lagoons that discharge to surface waters	Db	Flow < 1 mgd	Tier 2	<del>\$6,3506,225</del>	<del>\$1,2311,207</del>	N/A		<del>\$3,2153,152</del>	<del>\$863846</del>
	C2b	1 mgd ≤ Flow < 2 mgd	Tier 1	<del>\$31,43630,820</del>	<del>\$3,2443,180</del>	N/A		<del>\$15,75715,448</del>	<del>\$863846</del>
	C1b	2 mgd ≤ Flow < 5 mgd	Tier 1	<del>\$31,43630,820</del>	<del>\$4,4464,359</del>	N/A		<del>\$15,75715,448</del>	<del>\$863846</del>
	Bb	5 mgd ≤ Flow < 10 mgd	Tier 1	<del>\$31,43630,820</del>	<del>\$6,3926,267</del>	N/A		<del>\$15,75715,448</del>	<del>\$863846</del>
Treatment systems other than lagoons	Da	Flow < 1 mgd	Tier 2	<del>\$6,3506,225</del>	<del>\$1,7471,713</del>	<del>\$1,6211,589</del>		<del>\$3,2153,152</del>	<del>\$863846</del>
	C2a	1 mgd ≤ Flow < 2 mgd	Tier 1	<del>\$31,43630,820</del>	<del>\$5,5175,409</del>	<del>\$4,7254,632</del>		<del>\$15,75715,448</del>	<del>\$863846</del>
	C1a	2 mgd ≤ Flow < 5 mgd	Tier 1	<del>\$31,43630,820</del>	<del>\$8,1297,970</del>	<del>\$7,3387,194</del>		<del>\$15,75715,448</del>	<del>\$863846</del>
	Ba	5 mgd ≤ Flow < 10 mgd	Tier 1	<del>\$31,43630,820</del>	<del>\$12,08911,852</del>	<del>\$11,29811,076</del>		<del>\$15,75715,448</del>	<del>\$863846</del>
	A3	10 mgd ≤ Flow < 25 mgd	Tier 1	<del>\$31,43630,820</del>	<del>\$18,85718,487</del>	N/A		<del>\$15,75715,448</del>	<del>\$863846</del>
	A2	25 mgd ≤ Flow < 50 mgd	Tier 1	<del>\$31,43630,820</del>	<del>\$40,01039,225</del>	N/A		<del>\$15,75715,448</del>	<del>\$863846</del>
	A1	≥ 50 mgd	Tier 1	<del>\$31,43630,820</del>	<del>\$68,07766,742</del>	N/A		<del>\$15,75715,448</del>	<del>\$863846</del>
Septage alkaline stabilization facilities	F	Not applicable	Tier 2	<del>\$863846</del>	N/A	<del>\$353346</del>	N/A	N/A	<del>\$391383</del>

Description	Type	Classification Criteria (Based on Average Dry Weather Design Flow, or as defined in 40CFR)	Class	New Permit App. Fee <sup>1</sup>	Base Annual Fee, 5 year permits	Base Annual Fee, 10 year permits	Additional Annual Fees	Major Modification	Minor Modification
Municipal Stormwater Permits: MS4 Phase 1, Phase 2. UIC Permits.	MS4-1	See 40 CFR	N/A	<del>\$17,458,116</del>	<del>\$3,930,853</del>	N/A	N/A	N/A	<del>\$1,517,487</del>
	MS4 -2	§122.26	N/A	<del>\$782,767</del>	<del>\$804,788</del>	N/A	N/A	N/A	<del>\$1,517,487</del>
	UIC	As defined in 40 CFR parts 9, 144, 145 and 146	N/A	<del>\$9,923,728</del>	N/A	<del>\$2,041,001</del>	N/A	N/A	<del>\$863,846</del>

1. New permit applications must include the annual fee in addition to the new permit application fee.

**Table 70D: Domestic NPDES & WPCF Annual Population Fee**

Population range	Annual fee
500,000+	<del>\$91,461,896,668</del>



400,000 to 499,999	<del>\$69,968</del> <del>68,596</del>
300,000 to 399,999	<del>\$48,474</del> <del>47,524</del>
200,000 to 299,999	<del>\$26,980</del> <del>26,451</del>
150,000 to 199,999	<del>\$21,821</del> <del>21,393</del>
100,000 to 149,999	<del>\$14,372</del> <del>14,090</del>
50,000 to 99,999	<del>\$9,015</del> <del>8,838</del>
25,000 to 49,999	<del>\$4,051</del> <del>3,972</del>
15,000 to 24,999	<del>\$2,306</del> <del>2,261</del>
10,000 to 14,999	<del>\$1,502</del> <del>1,473</del>
5,000 to 9,999	<del>\$914</del> <del>896</del>
1,000 to 4,999	<del>\$274</del> <del>269</del>
100 to 999	<del>\$51</del> <del>50</del>
0 to 99	\$0

**Table 70E: Annual Pretreatment Fees**

Pretreatment Fee	<del>\$1,568</del> <del>1,537</del>
Significant Industrial User	<del>\$523</del> <del>513</del> per industry

**Table 70F: Technical Activity and Other Fees**

Activity	Fee
New or substantially modified sewage treatment facility	<del>\$7,213</del> <del>7,072</del>
Minor sewage treatment facility modifications and pump stations	<del>\$784</del> <del>769</del>
Pressure sewer system or major sewer collection system expansion	<del>\$550</del> <del>539</del>
Minor sewer collection system expansion or modification	<del>\$156</del> <del>153</del>
New or substantially modified water pollution control facilities using alkaline agents to stabilize septage	<del>\$784</del> <del>769</del>
Permit Transfer	<del>\$78</del> <del>76</del>

**Table 70G: General NPDES & WPCF Permits**

Number	Type	Description	New Permit Application Fee <sup>1</sup>	Annual Fee
100-J	NPDES	Cooling water/heat pumps	<del>\$202</del> <del>198</del>	<del>\$457</del> <del>448</del>

200-J	NPDES	Filter Backwash	\$ <del>202198</del>	\$ <del>457448</del>
300-J	NPDES	Fish Hatcheries	\$ <del>319313</del>	\$ <del>457448</del>
400-J	NPDES	Log Ponds	\$ <del>202198</del>	\$ <del>457448</del>
500-J	NPDES	Boiler blowdown	\$ <del>202198</del>	\$ <del>457448</del>
600	WPCF	Offstream small scale mining – processing less than <del>five</del> 5 cubic yards of material per day, or less than 1500 cubic yards per year	\$0	\$0
		Offstream small scale mining – processing 1,500 to 10,000 cubic yards of material per year	\$ <del>202198</del>	\$0
700-PM <sup>2</sup>	NPDES	Suction dredges <sup>2</sup>	\$0	\$25
900-J	NPDES	Seafood processing	\$ <del>202198</del>	\$ <del>457448</del>
1000	WPCF	Gravel mining	\$ <del>202198</del>	\$ <del>457448</del>
1200-A <sup>3</sup>	NPDES	Storm Water: Sand, gravel, and other non-metallic mining	\$ <del>782767</del>	\$ <del>804788</del>
1200-C <sup>3</sup>	NPDES	Storm Water: Construction activities – <del>one</del> 1 acre or more	\$ <del>782767</del>	\$ <del>804788</del>
<u>1200-C<sup>3</sup></u>	<u>NPDES</u>	<u>Storm Water: Construction activities – less than one acre and part of a common plan of development disturbing one or more acres</u>	<u>\$230</u>	<u>\$0</u>
1200-CA	NPDES	Storm Water: Construction activities performed by public agencies – <del>one</del> 1 acre or more	\$ <del>782767</del>	\$ <del>804788</del>
1200-COLS <sup>3</sup>	NPDES	Stormwater: industrial stormwater discharge to Columbia Slough	\$ <del>782767</del>	\$ <del>804788</del>
1200-Z <sup>3,4</sup>	NPDES	Storm Water: Industrial	\$ <del>782767</del>	\$ <del>804788</del>
1400-A	<del>WPCF</del> NPDES	Wineries and seasonal fresh pack operations whose wastewater flow does not exceed 25,000 gallons per day and is only disposed of by land irrigation.	\$ <del>202198</del>	\$ <del>268263</del>
1400-B	WPCF	Wineries and small food processors not otherwise eligible for a 1400A general permit.	\$ <del>319313</del>	\$ <del>457448</del>
1500-A	NPDES	Petroleum hydrocarbon clean-up	\$ <del>319313</del>	\$ <del>457448</del>
1500-B	WPCF	Petroleum hydrocarbon clean-up	\$ <del>319313</del>	\$ <del>457448</del>
1700-A	NPDES	Vehicle & equipment wash water	\$ <del>446437</del>	\$ <del>457448</del>
1700-B	WPCF	Vehicle & equipment wash water	\$ <del>446437</del>	\$ <del>457448</del>
1900-J	NPDES	Non-contact geothermal heat exchange	\$ <del>446437</del>	\$ <del>457448</del>

	Other	\$ <u>446437</u>	\$ <u>457448</u>
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1. New permit applications must include both the new permit application fee and the first year's annual fee.
2. A person registered under the 700-PM permit may pre-pay \$90400 for permit coverage through 2014 ~~5-years of registration~~ in lieu of the \$25 annual fee.
3. Some of these permits are administered by public agencies under contract with DEQ.
4. This permit incorporates the 1300-J permit.

**Table 70H: General Permit Activity and Other Fees**

Disposal system plan review <sup>1</sup>	\$ <u>491481</u>
Site inspection and evaluation <sup>1</sup>	\$ <u>1,2281,204</u>
Permit Transfer	\$ <u>7876</u>

1. These fees apply when these activities are required for DEQ's review of the application.

Table 9D below includes fees relating to WPCF-Onsite septic system permits, also known as WPCFOS permits. This table is referenced in OAR 340-071-0140. WPCFOS permits are distinguished from ordinary residential septic system permits which are issued under ORS 454 in that they meet at least one of the following three criteria: 1. They are large (>2500 gallons per day), 2. They are designed to treat high strength wastewater (defined as stronger than that associated with residential systems, as defined in Division 71), 3. They involve treatment systems or disposal methods that are not described in Division 71.

*The fees listed in Table 9D are effective July 1, 2011.*

Table 9D: WPCF permit fees.						
		Application filing fee (all systems)	Permit processing fees for onsite systems with a design capacity of 1,200 gpd or less	Permit processing fees for onsite systems with a design capacity over 1,200 gpd	Plan review fee	Annual compliance determination fee
New application		<del>\$6867</del>	<del>\$54534</del>	<del>\$2,7232,670</del>		
Permit renewal (involving request for effluent limit modifications)		<del>\$6867</del>	<del>\$272267</del>	<del>\$1,3621,335</del>		
Permit renewal (without request for effluent limit modifications)		<del>\$6867</del>	<del>\$137134</del>	<del>\$680667</del>		
Permit modification (involving increase in effluent limitations)		<del>\$6867</del>	<del>\$272267</del>	<del>\$1,3621,335</del>		
Permit modification (not involving an increase in effluent limits)		<del>\$6867</del>	<del>\$204200</del>	<del>\$680667</del>		
For commercial facilities with a design capacity less than 600 gpd					\$0	
For commercial facilities with a design capacity of 600 - 1,000 gpd					<del>\$260255</del>	
For commercial facilities with a design capacity of 1,001 - 1,500 gpd					<del>\$307301</del>	
For commercial facilities with a design capacity of 1,501 - 2,000 gpd					<del>\$352345</del>	
For commercial facilities with a design capacity of 2,001 - 2,500 gpd					<del>\$397389</del>	
For commercial facilities with a design capacity of 2,501 - 3,000 gpd					<del>\$465456</del>	
For commercial facilities with a design capacity of 3,001 - 3,500 gpd					<del>\$511501</del>	
For commercial facilities with a design capacity of 3,501 - 4,000 gpd					<del>\$556545</del>	
For commercial facilities with a design capacity of 4,001 - 4,500 gpd					<del>\$601589</del>	
For commercial facilities with a design capacity of 4,501 - 5,000 gpd					<del>\$647634</del>	
Commercial facilities with a design capacity greater than 5,000 gpd					<del>\$680667</del>	
Single family dwelling					<del>\$137134</del>	
Onsite sewage lagoon with no discharge						<del>\$817801</del>
Treatment Standard 1 or better systems with design capacities less than 2,500 gpd						<del>\$341334</del>
Treatment Standard 1 or better systems with design capacities of 2,501 - 20,000 gpd						<del>\$680667</del>
Holding tanks, if by the date specified by the department, the owner does not submit written certification to the department that the holding tank has been operated the previous calendar year in full compliance with the permit or that the previous year's service logs for the holding tanks are not available for inspection by the department.						<del>\$272267</del>
Holding tanks, if by the date specified by the department, the owner submits written certification to the department that the holding tank has been operated the previous calendar year in full compliance with the permit and that the previous year's service						<del>\$2928</del>
Other systems with design capacities less than 20,000 gpd						<del>\$341334</del>

Table 9D: WPCF permit fees.						
		Application filing fee (all systems)	Permit processing fees for onsite systems with a design capacity of 1,200 gpd or less	Permit processing fees for onsite systems with a design capacity over 1,200 gpd	Plan review fee	Annual compliance determination fee
Other systems with design capacities greater than 20,000 gpd						<del>\$680</del> 667
Site Evaluation Confirmation		<del>\$477</del> 468				

## Summary of Public Comment and Agency Response

### Water Quality Permit Fees

Prepared by: Christopher Clipper

Date: April 13, 2011

**Comment period** DEQ held a public comment period Feb. 23, 2011, to 5 p.m. April 1, 2011. DEQ held public hearings in Bend on March 24, 2011; in Medford on March 28, 2011; and in Portland on March 29, 2011. Two persons attended the hearings, and one person provided oral comment. DEQ received ten written comments by email or the United States Postal Service.

**Organization of comments and responses** The following summary shows the reference number of the person who provided comment, the comment and DEQ's response. A list of the people who provided comment and their reference numbers follows this summary. Comments that do not pertain to the proposed rulemaking are not included.

Reference number	<i>Summary of comments and agency responses</i>
1	<p><b>Comment</b> The proposed construction stormwater permit fee of \$230 for sites less than one acre, which are part of a common plan of development disturbing one or more acres, is too high.</p> <p><b>DEQ's response</b> To establish the amount of the proposed fee, DEQ performed a work load analysis for permitting of the individual lots. The analysis accounts for the tasks involved to issue and administer the permit, and the costs associated with those tasks. DEQ will use existing staff to complete the additional workload associated with the individual lot permits. The fee is not intended to pay for new staff.</p>
2,3,4,5,6,7,8,9,10,11	<p><b>Comment</b> The proposed fees, during a downturn in the economy and combined with the cost of doing business, represent a hardship and are opposed. Instead of increasing fees, DEQ should look towards efficiencies within existing programs or cut/reduce existing programs and services to reduce costs.</p> <p><b>DEQ's response</b> DEQ acknowledges the fee increase may represent a hardship to businesses, especially small businesses. DEQ also agrees that increasing efficiency is important. Some examples of recent program efficiencies include: an electronic system for reviewing monthly monitoring reports for major facilities and working with local government to reduce duplicative construction stormwater permitting. DEQ is also working towards electronic reporting of permit data and will continue to look for and prioritize program efficiencies. Even with these efficiencies, program costs are predicted to increase two percent in fiscal year 2012.</p> <p>Federal regulations and DEQ's construction stormwater permit (general NPDES 1200-C) include a requirement that sites less than one acre, that are part of a common plan of development disturbing one or more acres, obtain permit coverage. In the past</p>

	DEQ has not issued permits for individual lots that are part of a common development plan because of concerns about the fees associated with issuing permits to individual lot owners. DEQ explored options for addressing its legal obligation and now proposes to implement this requirement by issuing separate permits for these lots. These individual lots are shorter-term projects representing less environmental impact when compared to larger-scale development projects. DEQ believes the proposed one-time fee of \$230 for individual lots is more equitable than the existing application fee (\$767) and annual fee (\$788).
3,4	<b>Comment</b> Existing water quality permit fees are too high and should be reduced.
	<b>DEQ's response</b> DEQ does not anticipate lowering fees for water quality permits due to current and future permit program costs. The up-to-three percent permit fee increases are based on anticipated program costs which can include: personnel services (staff salaries, benefits), services and supplies (rent, utilities), contracts, special payment to other agencies, and indirect services (management, business services).

<i>List of commenters and reference numbers</i>				
Reference Number	Name	Organization	City and State	Date comments received
1	John Howorth	3J Consulting, Inc.	Tualatin, OR	2/23/11
2	Brad Johnson	Umpqua Basin Water Association	Roseburg, OR	2/28/11
3	Brad and Donna Hubbard	Not provided	Not provided	2/28/11
4	Wanda Lee Goodrich	Jefferson Square Properties, LLC	Bend, OR	2/28/11
5	Kevin Harding	Hewlett Packard Company	Not provided	3/1/11
6	Thomas Walker	Adroit Construction Company, Inc.	Ashland, OR	3/9/11
7	Kelly Brown	Not provided	Pendleton, OR	3/10/11
8	C. Stephen Travis	Oregon Cherry Growers	Salem, OR	3/10/11
9	Cary Matthews	La Pine Redi Mix, Inc.	La Pine, OR	3/24/11 (public hearing)
10	John Walker	Gold Dust Potato Processors, Inc.	Merrill, OR	3/28/11
11	Larry Wood	Pacific Corrugated Pipe Company	Not provided	3/30/11

### Blue Ribbon Committee Membership

Name	Organization
Robert Austin, Mayor	City of Estacada
Ed Butts, P.E.	4B Engineering and Consulting LLC
Michael Campbell	Stoel Rives LLP
Jon Chandler	Oregon Homebuilders Association
Daniel Eisenbeis	League of Oregon Cities
Janet Gillaspie	Assoc. Clean Water Agencies
Kurt Harrington, PE	AMEC Earth & Environmental, Inc.
Teresa Huntsinger	Oregon Environmental Council
Mark Landauer	Special Districts
John Ledger	Associated Oregon Industries
Gerald Linder	Clean Water Services
Sean Ragain	GeoEngineers
Dorothy Sperry	Port of Portland
Kathryn Van Natta	Northwest Pulp & Paper
Travis Williams	Willamette Riverkeeper



## **Presiding Officer's Report on Public Hearings**

**State of Oregon**  
**Department of Environmental Quality**

**Memorandum**

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Date: April 11, 2011  
To: Oregon Environmental Quality Commission  
From: Tonya Dombrowski, Heather Tugaw and Paula Calvert, DEQ  
Subject: Presiding Officer's Report for Rulemaking Hearing  
Title of Proposal: Water Quality Permit Fees

### **Hearing One**

Hearing date and time: March 24, 2011, 6 p.m.  
Hearing location: DEQ - Bend Office, Bend, Oregon

DEQ convened the rulemaking hearing at 6 p.m. and closed it at 7:15 p.m. Two DEQ employees attended the hearing: Christopher Clipper as presenter and Tonya Dombrowski as presiding officer. Two other persons attended, one person presented formal comment. No written comments were submitted at this hearing.

The following is a summary of the oral comments. DEQ will include these comments in the Summary of Comments and Agency Responses for this rulemaking:

Cary Matthews supports DEQ programs in general, but opposes the proposed rulemaking. Matthews stated it is not an appropriate time to increase fees due to the current state of the economy. Matthews also stated that businesses are required to obtain too many permits, and are subject to too many fees, including DEQ permits and fees. Matthews suggested that DEQ seek efficiencies within its programs, or cut back programs, to reduce costs.

### **Hearing Two**

Hearing date and time: March 28, 2011, 6 p.m.  
Hearing location: DEQ - Medford Office, Medford, Oregon

DEQ convened this rulemaking hearing at 6 p.m. and closed at 6:52 p.m. Two DEQ employees attended the hearing: Christopher Clipper as presenter and Heather Tugaw as presiding officer. No other persons attended, gave comments or submitted written comments at this hearing.

**Hearing Three**

Hearing date and time: March 29, 2011, 6 p.m.

Hearing location: DEQ - Headquarters, Portland, Oregon

DEQ convened this rulemaking hearing at 6 p.m. and closed it at 7:01 p.m. Two DEQ employees attended the hearing: Christopher Clipper as presenter and Paula Calvert as presiding officer. No other persons attended, gave comments or submitted written comments at this hearing.

## **Relationship to Federal Requirements**

State of Oregon

DEPARTMENT OF ENVIRONMENTAL QUALITY

### **RULE CAPTION**

This rulemaking increases water quality permit fees by two percent to address increasing permit program costs, and creates a construction stormwater permit fee for sites less than one acre.

*Answers to the following questions identify how the proposed rulemaking relates to federal requirements and potential justification for differing from, or adding to, federal requirements. This statement is required by OAR 340-011-0029(1).*

**1. Is the proposed rulemaking different from, or in addition to, applicable federal requirements? If so, what are the differences or additions?**

There are no applicable federal requirements. The proposed rulemaking affects fees for Oregon's permitting programs that regulate wastewater discharges from industrial and municipal sources. This rulemaking does not alter any permit requirements besides the fee amounts.

**2. If the proposal differs from, or is in addition to, applicable federal requirements, explain the reasons for the difference or addition (including as appropriate, the public health, environmental, scientific, economic, technological, administrative or other reasons).**

There are no applicable federal requirements.

**3. If the proposal differs from, or is in addition to, applicable federal requirements, did the Department consider alternatives to the difference or addition? If so, describe the alternatives and the reason(s) they were not pursued.**

There are no applicable federal requirements.

**DEPARTMENT OF ENVIRONMENTAL QUALITY**  
**Chapter 340**  
**Proposed Rulemaking**  
**STATEMENT OF NEED AND FISCAL AND ECONOMIC IMPACT**

This rulemaking increases water quality permit fees by two percent to address increasing permit program costs, and creates a construction stormwater permit fee for sites less than one acre.

This form accompanies a Notice of Proposed Rulemaking

<b>Title of Proposed Rulemaking</b>	2011 Water Quality Permit Fees. Proposed changes affect Divisions 45 and 71.
<b>Statutory Authority or other Legal Authority</b>	ORS 468.020 and 468.065
<b>Statutes Implemented</b>	ORS 454.625, 454.745, 468.065, 468B.035, 468B.050 and 468B.051
<b>Need for the Rule(s)</b>	<p>State law (ORS 468.065) authorizes the Environmental Quality Commission (EQC) to set fee schedules for the Department of Environmental Quality's (DEQ) Water Quality Division by rule. This rulemaking will revise Oregon Administrative Rule (OAR) Chapter 340, Divisions 45 and 71 by increasing water quality permit fees by 2%. Permit fees will increase for all National Pollutant Discharge Elimination System (NPDES), Water Pollution Control Facility (WPCF), and WPCF-Onsite septic system (WPCFOS) permits. Suction dredge (700-PM) permits will not be affected by the fee increase, since those permit fees are set in statute and can only be changed by the legislature.</p> <p>Through this rulemaking, DEQ seeks approval from the EQC for a fee increase of 2% for DEQ's water quality permit program. In 2002, DEQ convened the Blue Ribbon Committee (BRC) – comprised of industry, environmental and local government representatives – to recommend improvements to DEQ's water quality permit program. In 2004, the BRC published a report containing a variety of recommendations, including increasing fee revenue to help cover increasing costs and support existing and new program staff. The 2005 Legislature adopted a recommendation that authorizes the EQC to raise fees annually in an amount not to exceed the anticipated increase in the cost of administering the permit program or 3%, whichever is lower (ORS 468B.051). The annual fee increase, approved by the EQC in June 2007, June 2008 and August 2010 helps cover the anticipated increase in permit program costs.</p> <p>DEQ is also seeking EQC approval of a \$230 fee for construction stormwater permits covering sites less than one acre, but part of a common plan of development that disturbs one or more acres. Federal regulations and DEQ's construction stormwater permit (general NPDES 1200-C) include a requirement that these sites obtain permit coverage. In the past DEQ has not issued permits for individual lots that are part of a common plan of development because of concerns about the fees associated with issuing permits to individual lot owners. DEQ explored numerous options for addressing this legal obligation and now intends to implement this requirement by issuing separate permits for these lots. These individual lots are shorter-term projects representing less environmental impact when compared to larger-scale development projects. DEQ believes that the existing application fee (\$767) and annual fee (\$788) are too high for individual lots, and is instead proposing a one-time fee of \$230 for these permits.</p> <p>To complete the rulemaking action, DEQ will amend the fee tables established in Oregon Administrative Rules 340-045-0075 and 340-071-0140.</p>

Page 2 of 6

<b>Documents Relied Upon for Rulemaking</b>	<ul style="list-style-type: none"><li>• Blue Ribbon Committee Report on Key Enhancements to the Oregon Wastewater Permitting Program – 2004</li><li>• Cost factors approved through the state’s budget process</li><li>• Compensation plan changes</li><li>• Fee increase calculations</li><li>• DEQ 2011-2013 Governor’s Balanced Budget</li><li>• DEQ’s water quality permit database</li><li>• Application and annual fee invoice and revenue records</li><li>• Oregon Revised Statutes (ORS) 468B.051</li><li>• Work load analysis of construction stormwater permits for individual lots that are part of a common plan of development disturbing one or more acres</li></ul>												
<b>Requests for Other Options</b>	<b>Pursuant to ORS 183.335(2)(b)(G), DEQ requests public comment on whether other options should be considered for achieving the rule’s substantive goals while reducing negative economic impact of the rule on business.</b>												
<b>Fiscal and Economic Impact, Statement of Cost Compliance</b>													
<b>Overview</b>	<p>The impact of the fee revenue increase is described below. DEQ will notify all permit holders of the proposed fee increases prior to EQC adoption of the changes. Permit holders can incorporate the fee increase information in their annual budget and operations planning. For further information regarding the calculation of the fee increases, please contact Chris Clipper at (503)229-5656.</p> <p>As a result of this rulemaking, fees will increase by 2% for all NPDES and WPCF permits, including WPCFOS and stormwater permits. Suction dredge permit fees will not increase through this rulemaking. Suction dredge permit fees are set in statute and can only be changed by the legislature.</p> <p>To establish the amount of the proposed increase for FY 2011-2012 (July 1, 2011-June 30, 2012), DEQ analyzed expected cost increases for FY 2011-2012 relative to the costs for FY 2010-2011, per full-time employee. DEQ expects two of the five budget categories (see table below) to primarily contribute to increased costs during FY 2011-2012, relative to FY 2010-2011. The projected increases in Personnel Services and Indirect Services can be attributed to projected increasing costs of medical benefits, staff salaries, and the Public Employees Retirement System. The 2011-2013 Governor’s Balanced Budget includes a yet to be detailed 5.5% reduction in Personnel Services, resulting in a lower projected cost increase for FY 2011-2012 than would otherwise be expected. Contract and Special Payment expenses are also expected to increase in FY 2011-2012, however, these categories represent a small fraction of the FY 2010-2011 Cost Structure (less than 2%) and minimally impact projected costs. The combined effects of the budget categories represent a total increase of 2.0% in projected costs for FY 2011-2012. The budget categories that were analyzed are listed below, with brief explanation of what is included in each category.</p> <table><tr><th>Budget Category</th><th>Percent of FY 2010-2011 Cost Structure</th><th>Projected Cost Increase FY 2011-2012</th></tr><tr><td>Personnel Services (staff salaries, benefits)</td><td>71.43%</td><td>2.44%</td></tr><tr><td>Services and Supplies (rent, utilities)</td><td>16.24%</td><td>-2.77%</td></tr><tr><td>Contract</td><td>1.20%</td><td>6.16%</td></tr></table>	Budget Category	Percent of FY 2010-2011 Cost Structure	Projected Cost Increase FY 2011-2012	Personnel Services (staff salaries, benefits)	71.43%	2.44%	Services and Supplies (rent, utilities)	16.24%	-2.77%	Contract	1.20%	6.16%
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	Special Payment	0.48%	10.11%																							
	Indirect Services (management, business services)	10.65%	6.48%																							
	Total	100%	1.98%																							
	<p>The total projected increase of 2.0% is less than the maximum 3% annual increase allowed by law (ORS 468B.051) for anticipated increases in the cost of administering the permit program, therefore DEQ is proposing a fee increase of 2%.</p> <p>The fee increase will impact approximately 4,400 permit holders (excluding 700-PM permittees). Depending upon the permit, application fee increases will range from \$4 to \$967 and annual fee increases will range from \$1 to \$1,793.</p> <p>As a result of this rulemaking, a \$230 construction stormwater permit fee will be assessed for individual lots (sites less than one acre and part of a common plan of development disturbing one or more acres). To establish the amount of the proposed fee, DEQ performed a work load analysis for permitting of the individual lots. The analysis accounts for the tasks involved to issue and administer the permit, and the costs associated with those tasks. DEQ will utilize existing staff to complete the additional workload associated with the individual lot permits. The fee is not intended to support new staff.</p> <table border="1"> <thead> <tr> <th>Task</th><th>Average Hours</th><th>Hourly Rate*</th><th>Cost</th></tr> </thead> <tbody> <tr> <td>Provide Technical Assistance</td><td>1</td><td>\$43.04</td><td>\$43</td></tr> <tr> <td>Assign Permit Coverage</td><td>2</td><td>\$43.04</td><td>\$86</td></tr> <tr> <td>Terminate Permit Coverage</td><td>1</td><td>\$43.04</td><td>\$43</td></tr> <tr> <td>Respond to Complaints</td><td>1</td><td>\$60.38</td><td>\$60</td></tr> <tr> <td>Total</td><td>5</td><td>--</td><td>\$232</td></tr> </tbody> </table> <p>* Rates derived from Staffing Cost Estimator effective 7/1/10-6/30/11.</p>			Task	Average Hours	Hourly Rate*	Cost	Provide Technical Assistance	1	\$43.04	\$43	Assign Permit Coverage	2	\$43.04	\$86	Terminate Permit Coverage	1	\$43.04	\$43	Respond to Complaints	1	\$60.38	\$60	Total	5	--
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Total	5	--	\$232																							
<b>Impacts on the General Public</b>	<p>Though DEQ cannot determine the extent to which the fee increases will impact each consumer, DEQ expects that the 2% fee increase, will have some impact on the public, primarily through an increase to the costs of good and services offered by permit holders.</p> <p>DEQ estimates that builders will likely pass the construction stormwater permit fee for individual lots to home buyers (general public).</p>																									
<b>Impacts to Small Business</b> (50 or fewer employees – ORS183.310(10))	<p>For this section, DEQ used Oregon Employment Department (OED) information to calculate the impact of the proposed fee increases on small businesses. In 2006, OED found that 96% of Oregon businesses were small businesses.</p> <p>Although DEQ cannot determine the extent to which the fee increases will impact each permit holder, DEQ expects that the fee increase will have impact on small businesses.</p> <p>The construction stormwater permit fee for individual lots may impact small businesses (builder), if the builder absorbs the cost of the permit.</p>																									
<b>Cost of Compliance on Small Business</b> (50 or fewer employees –	a) Estimated number of small businesses subject to the proposed rule	<p>DEQ estimates 4,200 of 4,400 wastewater permit holders impacted by the 2% fee increase are small businesses.</p> <p>DEQ estimates 1,500 small businesses may be subject to the</p>																								

ORS183.310(10))		construction stormwater permit fee for individual lots. (Source: Oregon Employment Department. Value based on second quarter 2010, and includes new single-family housing construction, new multifamily housing construction, and new housing operative builders industries. Approximately 800 additional firms averaged less than 1 employee during the quarter. )
	b) Types of businesses and industries with small businesses subject to the proposed rule	<p>The types of businesses/industries holding wastewater permits include, but are not limited to: food processors, mining operations, dairies, fish hatcheries, smelting/refining operations, timber processing, wood products manufacturing, retail operations, fish hatcheries, seafood processors, gravel mining, wineries, seasonal fresh pack operations, petroleum hydrocarbon clean-up operations, and vehicle and equipment wash water operations.</p> <p>The types of businesses/industries holding onsite septic system permits include, but are not limited to: machine shops, offices, retail stores, RV parks, mobile home parks, private camps, golf courses, churches, resorts, restaurants, gas stations, markets, taverns and industry.</p> <p>The types of businesses/industries applying for construction stormwater permits for individual lots include, but are not limited to home builders.</p>
	c) Projected reporting, recordkeeping and other administrative activities required by small businesses for compliance with the proposed rule, including costs of professional services	The proposed rules do not require additional administrative activities.
	d) The equipment, supplies, labor, and increased administration required by small businesses for compliance with the proposed rule	The proposed rules do not require additional equipment or administration requirements.
	e) A description of the manner in which DEQ involved small businesses in the development of this rulemaking	<p>The proposal to allow DEQ to seek an up-to-3% annual fee increase to account for program cost increases, came from the Blue Ribbon Committee. The Blue Ribbon Committee represented the wastewater community as a whole, and this includes small businesses.</p> <p>The Blue Ribbon Committee has reviewed the proposed construction stormwater permit fee for individual lots.</p>
<b>Impacts on Large Business</b> (all businesses that are not "small businesses" under ORS183.310(10))	<p>DEQ estimates the fee increase will impact approximately 200 large businesses, and that for these businesses, the fee increase is small compared to the overall yearly operating costs of permit holders.</p> <p>The proposed construction stormwater permit fee for individual lots may impact large businesses (builder), if the builder absorbs the cost of the permit. DEQ estimates the fee will be small compared to the overall yearly operating costs of permit holders.</p>	

<b>Impacts on Local Government</b>	<p>For this section, a local government is defined as 1) a group of local government functions within a jurisdiction that each hold water quality permits (e.g., City of Portland – including Portland School District and Port of Portland – is counted as one local government); or 2) a single organization within a jurisdiction, if only one local government function holds a permit (e.g., includes but is not limited to water districts, cities, towns, ports, sanitary districts, library districts, counties, and school districts).</p> <p>This rulemaking will increase water quality permit fees by 2% for 303 local governments that hold about 590 permits.</p> <p>The construction stormwater permit fee for individual lots is not expected to impact local governments.</p>
<b>Impacts on State Agencies other than DEQ</b>	<p>Sixteen Oregon state agencies hold about 125 water quality permits. Annual fee increases vary from \$9 for the NPDES General 300 fish hatchery permit (29 permits) to \$65 for an NPDES-B15 industrial wastewater processing permit (3 permits).</p> <p>The construction stormwater permit fee for individual lots is not expected to impact state agencies.</p>
<b>Impacts on DEQ</b>	<p>The proposed 2% fee increase will generate approximately \$100,000 to cover increased water quality program costs. Permit fees are designed to cover 60% of the program costs, while other public funds are designed to cover the remaining 40% of costs. Based on the 2011-2013 Governor's Balanced Budget, the split is approximately 36% for general and federal funds and 64% for permit fees when considering the permit fee increase in this rulemaking.</p> <p>As noted above, DEQ will utilize existing staff to complete the additional workload associated with the individual lot permits for construction stormwater. Due to fluctuations in the housing market, DEQ cannot accurately predict revenue generated from the construction stormwater permit fee for individual lots.</p>
<b>Assumptions</b>	<p>DEQ assumes that for most businesses, local governments, and state agencies, the cost of obtaining and keeping a water quality permit is small compared to overall operating costs.</p> <p>DEQ assumes that for most builders or home buyers, the cost of the construction stormwater permit for individual lots is small compared to the overall cost of the project (builder) or purchase price of the property (home buyer).</p>
<b>Housing Costs</b>	<p>DEQ has determined that this proposed rulemaking will have the following effect on the cost of development of a one acre or larger parcel and the construction of a 1,200 square foot detached single family dwelling on that parcel. A 2% increase for construction stormwater permit fees will raise the initial fee (application fee plus first year annual fee) from \$1,555 to \$1,586, and the annual permit cost (starting with year two of the permit) from \$788 to \$804. While the increased application fee will not likely have significant impact on new housing projects, increased annual fees could impact existing projects by affecting construction costs that have already been agreed upon between a builder or developer and the buyer. DEQ estimates that home builders will likely pass the permitting cost increase to home buyers.</p> <p>The impact on housing costs of the construction stormwater permit fee (\$230) for individual lots is similar to that of sites one acre or larger. The fee could impact existing projects by affecting construction costs that have already been agreed upon between a builder or developer and the buyer. DEQ estimates that home builders will likely pass the permitting cost to home buyers.</p>
<b>Administrative Rule Advisory Committee</b>	<p>The proposal to allow DEQ to seek an up-to-3% annual fee increase to account for program cost increases originally came from the Blue Ribbon Committee and was subsequently approved by the Legislature.</p> <p>The Blue Ribbon committee represents the wastewater community as a whole, and has reviewed this fiscal impact statement.</p>



_____ Prepared by	Christopher Clipper _____ Printed name	_____ Date
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_____ Approved by DEQ Budget Office	James Roys _____ Printed name	_____ Date
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## **Land Use Evaluation Statement**

State of Oregon  
DEPARTMENT OF ENVIRONMENTAL QUALITY

Rulemaking Proposal  
for  
Water Quality Permit Fees

### **RULE CAPTION**

This rulemaking increases water quality permit fees by two percent to address increasing permit program costs, and creates a construction stormwater permit fee for sites less than one acre.

#### **1. Explain the purpose of the proposed rules.**

The proposed fee increase will affect National Pollutant Discharge Elimination System, Water Pollution Control Facility, and WPCF-Onsite septic system permit holders.

The Oregon Environmental Quality Commission may raise fees annually in an amount not to exceed the anticipated increase in the cost of administering the permit program or three percent, whichever is lower (ORS 468B.051). DEQ anticipates a two percent increase in program costs between July 2011 and June 2012, relative to costs from July 2010 to June 2011, which is less than the maximum three percent annual increase allowed by law. DEQ proposes increasing water quality permit fees by two percent for Fiscal Year 2011-2012 to cover the increased program costs.

DEQ is also proposing a construction stormwater permit fee for sites less than one acre but part of a common plan of development that disturbs one or more acres. Federal regulations and DEQ's NPDES 1200-C general construction stormwater permit include a requirement that these sites obtain permit coverage. In the past, DEQ has not issued permits for individual lots that are part of a common development plan because of concerns about the fees associated with issuing permits to individual lot owners. DEQ explored options for addressing this legal obligation and now proposes to implement this requirement by issuing separate permits for these lots. DEQ believes that the existing application fee, \$767, and annual fee, \$788, are too high for individual lots, and is proposing a one-time fee of \$230 for these permits.

#### **2. Do the proposed rules affect existing rules, programs or activities that are considered land use programs in the DEQ State Agency Coordination (SAC) Program?**

Yes ☒ No ☐

**a. If yes, identify existing program/rule/activity:**

The proposed rules affect Oregon's NPDES and WPCF permitting programs (OAR 340-018-0030(5)(c) Issuance of On-site Sewer Permit and OAR 340-018-0030(5)(d) Issuance of NPDES and WPCF Permits), which regulate wastewater discharges from industrial and municipal sources.

**b. If yes, do the existing statewide goal compliance and local plan compatibility procedures adequately cover the proposed rules?**

Yes ☒ No ☐ (if no, explain):

DEQ will implement the proposed rules through its water quality permitting program. An approved land use compatibility statement is required from local government before issuance of an NPDES or WPCF permit.

**c. In the space below, state if the proposed rules are considered programs affecting land use. State the criteria and reasons for the determination.**

Not applicable.

**3. If the proposed rules have been determined a land use program under 2. above, but are not subject to existing land use compliance and compatibility procedures, explain the new procedures DEQ will use to ensure compliance and compatibility.**

Not applicable.