

# Agenda Item D

## Rulemaking: Water Quality Permit Fees



## Proposed Rulemaking

- Permit fee increases to address anticipated permit program cost increases.
  - 2% increase of existing fees
  
- Construction stormwater permit fee for sites less than one acre, that are part of a common plan of development disturbing one or more acres.
  - \$230 one-time fee



## Why is the 2% fee increase being proposed?

- Continues implementation of the Blue Ribbon Committee's recommendations for improving the wastewater permitting program.
- Implements the annual fee increase mechanism approved by the 2005 Legislature. Fees may increase annually to cover increased program costs in an amount not to exceed 3%.
- 2% fee increase will generate an estimated \$100,000 in revenue for FY 2011-12 to help address cost increases.



## Up-to-3% Fee Increase Timeline

- 2007
  - Permit fees increased 3%.
- 2008
  - Permit fees increased 3%.
- 2009
  - No fee increase.
- 2010
  - Permit fees increased 3%.



## Who will be affected by the fee increases?

- All individual and general permit holders who pay an existing fee.
- Exemption:
  - Suction dredge (General Permit 700-PM) permit fees can only be changed by the Legislature.
- DEQ will include explanation of the fee increases with annual fee invoices and complete a news release.



## Why is the \$230 construction stormwater permit fee being proposed?

- Federal regulations and DEQ's construction stormwater permit (general NPDES 1200-C) include a requirement for sites less than one acre, that are part of a common plan of development, to obtain permit coverage.
- In the past DEQ has not issued permits for individual lots because of concerns about fees.
- DEQ now intends to implement the requirement by issuing permits for these lots.



## Why is the \$230 construction stormwater permit fee being proposed? (continued)

- Individual lots represent less environmental impact when compared to large-scale development projects.
- DEQ believes the proposed one-time fee for individual lots is more equitable than the existing application fee (\$767) and annual fee (\$788).



## Who will be affected by the \$230 construction stormwater permit fee?

- Developers, home builders and home buyers.
- Fee Exemptions:
  - Developers who obtain 1200-C permit coverage for grading and infrastructure work, and elect to build on individual lots
  - Individual lots in certain jurisdictions with an existing local erosion and sediment control program
- DEQ estimates that developers and builders may pass the fee to home buyers.





## Public Outreach

- Held three public hearings. Hearings were announced in local newspapers.
- Notified all affected water quality permit holders and interested parties of the proposed fees, via postcards and email notification.
- Completed a news release.
- Contacted Oregon Home Builders Association for input on the construction stormwater permit fee.



## Conclusion

DEQ recommends the commission adopt the two percent fee increase and \$230 construction stormwater permit fee, as outlined in attachment A of the staff report.

Questions?