

Water Quality Fee Increase Rulemaking 2027 (FY 2028)

Fiscal Rules Advisory Committee Meeting

Oct. 27, 2026

Virtual Zoom Meeting

Today's Agenda

Time	Topic
9:30 a.m.	Welcome, logistics, agenda review
9:35 a.m.	Introductions
9:45 a.m.	Rulemaking overview presentation
10:05 a.m.	Review of fees and discussion
11 a.m.	Racial Equity Statement
11:15 a.m.	Public Input Period (if time allows)
11:30 a.m.	Adjourn meeting

Advisory Committee Membership

Name	Title	Affiliation
Jason Green	Executive Director	Oregon Association of Water Utilities
Lisette Hamer-Richardson	O&M Installer	Affordable Septic Systems/O2WA (Oregon Onsite Wastewater Association)
Jacob Kimiecik	Water and Rural Lands Program Director	Oregon Environmental Council
Jared Kistner	Environmental Technician	Port of Portland
Mark Landauer	Lobbyist	Special Districts Association of Oregon
Peggy Lynch	Natural Resources Coordinator	League of Women Voters of Oregon
Jenny MacKrell	Senior Permit Technician	Klamath County
Michael Martin	Lobbyist	Publicly Owned Treatment Works
Chris McCabe	Executive Director	Northwest Pulp and Paper Association
Geoff Rabinowitz	Executive Director	Oregon Association of Clean Water Agencies

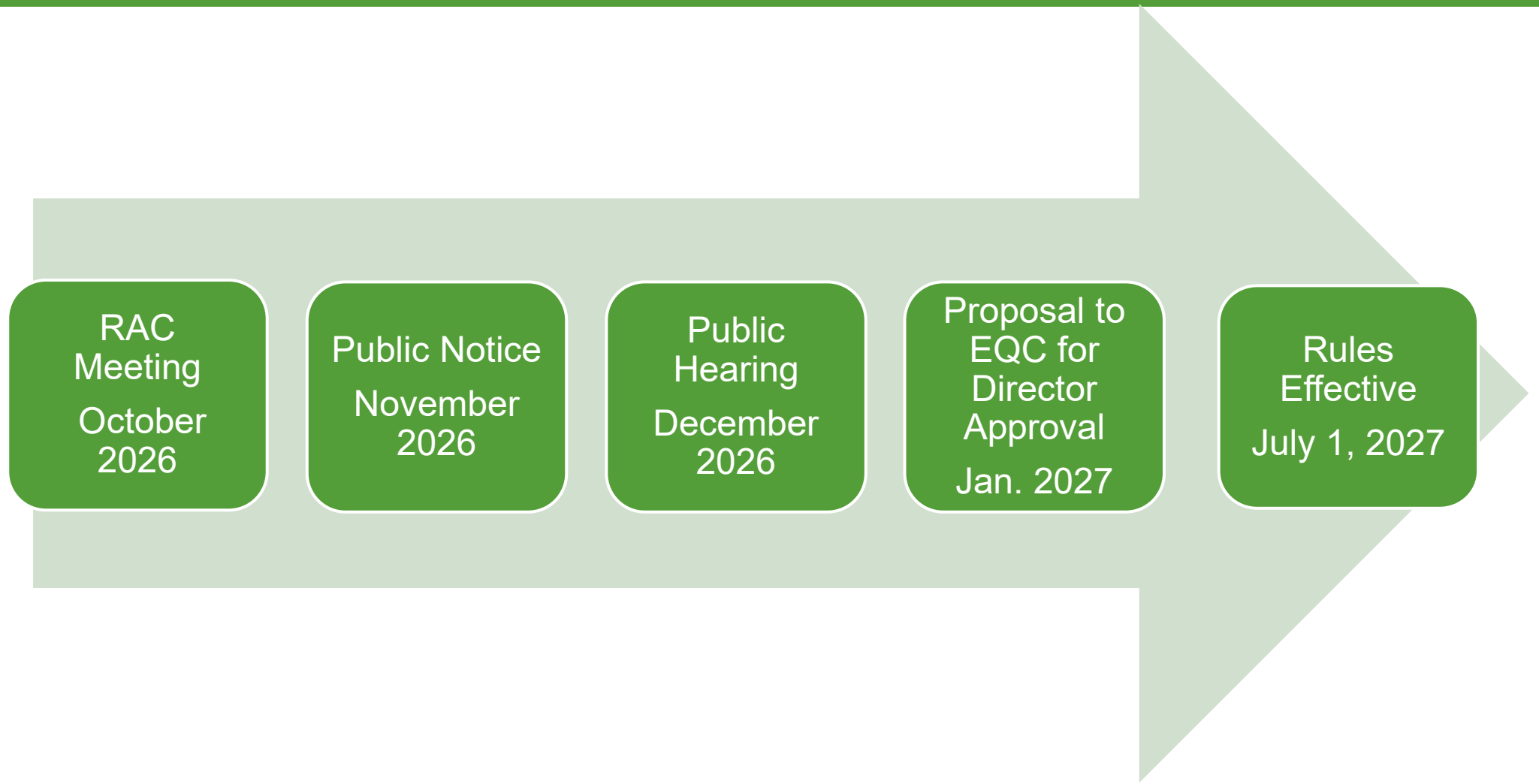
Meeting Purpose

This Rules Advisory Committee:

- Serves to represent the interests of persons and communities likely to be affected by the rule.
- Reviews the draft fee increase proposal.
- Reviews and evaluates the accompanying fiscal and economic impact statement.
- Will consider the impacts of changing the effective date for all programs to be July 1 going forward.



Rulemaking Timeline



Annual Fee Adjustment

- **Annual Adjustment:** Once per year, DEQ may propose rule amendments for EQC adoption to increase water quality fees by up to 3%.
- **Purpose:** The 3% annual adjustment provides predictability for fee payers, but it does not always keep pace with actual program costs.
- **Today's Presentation:** You will hear from each program representative about their program.

Underground Injection Control (UIC)

Protects underground sources of drinking water from contamination

- 40,000 UICs registered in Oregon with more added each year.
- The UIC Program's mission is to protect USDWs.
- Aquifer Storage and Recovery UICs increasing in importance to lessen drinking water use in summer.
- Sustained by 2.4 Full Time Employees



Contact: derek.sandoz@deq.oregon.gov

401 Dredge & Fill Water Quality Certification

Issues state water quality certifications for projects that require a federal license or permit to impact waters of the US.

- Review **~200** applications per year for federal & state agencies, municipalities, businesses & landowners.
- **Ensures compliance with state water quality standards** and other applicable requirements for in-water construction
- **Inspect** certified project sites and respond to complaints



Contact: haley.teach@deq.oregon.gov

Sustained by 3 Full Time Employees

Onsite Wastewater Management

Oversight of the siting, installation, and operation of residential and small commercial septic systems.

- Rulemaking and implementation
- Technical assistance **across 36 counties**
- Licenses sewage disposal services
- Program implementation in 3 counties
  - Processing **550+ applications each year**
- Sustained by 12 full-time employees



Contact: lindsey.reschke@deq.oregon.gov

Water Quality Permitting

The WQ Permitting Program maintains, enhances and protects Oregon's waters by regulating pollutant discharge through the permitting process.

- The program develops and implements:
  - 307 NPDES Individual permits
  - 190 WPCF Individual permits
  - 987 General permit registrants
  - 2423 Stormwater permits
  - 681 WPCF Onsite Permits
- Sustained by 91 Full-time employees

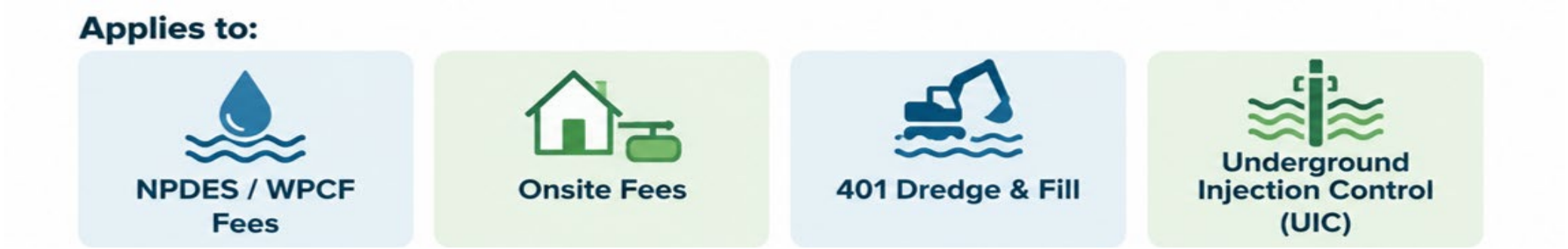


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Proposed Water Quality Fee Increase

Up to 3% annual increase

Effective July 1, 2027



ORS 468B.051 authorizes an annual fee increase of up to 3%, or the anticipated increase in the cost of administering the program, whichever is lower.

RAC input on July 1 implementation date

- Consider the pros and cons from your perspective and background
- Please offer suggestions either for or against a standard July 1 implementation date for all WQ programs
- Any other downstream effects we may not have considered?
- Next, we will list the pros and cons

PROS

- Better ability to prepare for fiscal year impact for local governments
- More predictability for fee payers
- This allows DEQ to file one packet with all the fees to the Secretary of State's website. Filing on different dates can lead to potentially more errors.
- Allows more time to prepare for mailing out invoices starting in May
- Avoids confusion (internally and externally)
- Allows one fee entry into Your DEQ online instead of multiple entries at different time
- Easier communication internally and externally including displaying fee tables
- In the event there are different percentages, some fee tables have more than one program (ex: 70I) so this avoids confusion
- Others?

CONS

- The legislature could make decisions that would impact implementing all fees in July
- Change management for staff and fee payers who might be used to Nov. 1 date
- Others?

Fiscal Impact Statement

1. Will the rule have a fiscal impact?
2. What will the extent of that impact be?
3. Will the rule have a significant adverse impact on small businesses?
4. If the draft rules will have a significant adverse impact on small businesses, provide recommendations about how DEQ can comply with ORS 183.540 to reduce the rule's economic impact on those businesses.

Racial Equity

Adoption of the proposed rule would affect water quality fees statewide - across various sectors, public and private. Since the proposed fee increases 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 proposed rule adoption, there is no expected impact on racial equity in the state. Increasing the fees, as proposed, will help maintain uniform program services critical to protecting public health and the environment, such as permit compliance assurance, inspections and enforcement.

Public input

- Please raise your hand to comment
- We'll call folks in the order their hand was raised
- Remember *9 if you're listening by phone
- State and spell your first and last name



Thank You

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