Water Quality Fee Increase Rulemaking 2020

Environmental Quality Commission meeting
May 7, 2020

Justin Green, Water Quality Administrator
Water Quality Permitting

Permitting program

Permit Categories:
• Individual permits (NPDES and WPCF)
• General permits (NPDES and WPCF)

Permitted Types:
• Domestic wastewater (NPDES and WPCF)
• Domestic onsite (WPCF)
• Industrial wastewater (NPDES and WPCF)
• Stormwater (NPDES and WPCF)
Data as of Mar.27, 2020
Water Quality Permitting
Permitting program

WPCF Permits

- Individual Domestic Onsite, 674, 42%
- General Industrial wastewater discharges, 633, 40%
- General Domestic Onsite sewage system, 48, 3%
- Individual Industrial Wastewater, 145, 9%
- Individual Domestic Wastewater, 53, 3%
- Individual Industrial Stormwater, 44, 3%

Data as of Mar. 27, 2020
# Water Quality Permitting

## Budget Scenario Comparison (Base vs. 3% increase)

**July 1, 2020**

Effective date of last fee increase: Oct. 2019

EQC adopted fee changes: Sept. 2019

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>2017-2019 Legislatively Adopted Budget</th>
<th>2019-2021 Legislatively Adopted Budget (excluding POPs¹)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program costs covered by fees</td>
<td>$12,782,995</td>
<td>$14,254,336</td>
</tr>
<tr>
<td></td>
<td>58%</td>
<td>59%</td>
</tr>
<tr>
<td>Program costs covered by General and Lottery Funds</td>
<td>$7,671,236</td>
<td>$8,229,707</td>
</tr>
<tr>
<td></td>
<td>35%</td>
<td>34%</td>
</tr>
<tr>
<td>Program costs covered by Federal Funding</td>
<td>$1,609,781</td>
<td>$1,716,369</td>
</tr>
<tr>
<td></td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

These numbers have passed Department of Administrative Services’ audit, and include packages 000 through 070, and adjustments made by the legislature in DEQ’s budget bill (package 801) and the end-of-session bill (package 810).
Water Quality Permitting

### Proposed Budget Scenario, July 1, 2020 (Includes 3% and 18% increases)

Effective date of last fee increase: Oct. 2019  
EQC adopted fee changes: Sept. 2019

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>2019-2021 Legislatively Adopted Budget (excluding POPs(^1))</th>
<th>2019-2021 Legislatively Adopted Budget (POPs only)</th>
<th>Total 2019-21 Legislatively Adopted Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program costs covered by fees</td>
<td>$14,254,336</td>
<td>$1,329,378</td>
<td>$15,583,714</td>
</tr>
<tr>
<td>Program costs covered by General and Lottery Funds</td>
<td>$8,229,707</td>
<td>$1,334,828</td>
<td>$9,564,535</td>
</tr>
<tr>
<td>Program costs covered by Federal Funding</td>
<td>$1,716,369</td>
<td>$0</td>
<td>$1,716,369</td>
</tr>
</tbody>
</table>

These numbers have passed Department of Administrative Services’ audit, and include packages 000 through 070, and adjustments the legislature made in DEQ’s budget bill (package 801) and the end-of-session bill (package 810).
Water Quality Permitting

Budget by major cost category

Wastewater Permitting Budget*
Legislatively Adopted Budget for 2019-21 excluding program enhancements

- Personal Services, $17,255,927 71%
- Services and Supplies, $4,296,566 18%
- Capital Outlay, $125,076 1%
- Special Payments, $116,648 0%
- Indirect (for Other Fund and Federal Fund), $2,406,195 10%

*Updated April 10, 2020, to reflect Legislatively Adopted Budget
## Water Quality Permitting

### Budget costs

**July 1, 2020**

**Effective date of last fee increase: Oct. 2019**

**EQC adopted fee changes: Sept. 2019**

<table>
<thead>
<tr>
<th>Budget Period</th>
<th>Cost per FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-19 Legislatively Adopted Budget</td>
<td>$301,956</td>
</tr>
<tr>
<td>2019-21 Legislatively Adopted Budget (Modified current service level(^2))</td>
<td>$331,340</td>
</tr>
<tr>
<td>Percent increase over a two-year period</td>
<td>9.73%</td>
</tr>
</tbody>
</table>

\(^2\) These numbers include packages 000 through 070, and adjustments made by the legislature in DEQ’s budget bill (package 801) and the end-of-session bill (package 810).
Water Quality Permitting

Overview of proposed changes

• 21% proposed increase to water quality fees for fiscal year 2021 on most water quality permit fees.
  – 3% increase authorized by ORS 468B.051.
  – 18% increase to support program enhancements authorized in policy option packages 122 and 127 of the 2019-21 Legislatively Adopted Budget in the 2019 Oregon legislative session.

• The annual MS4 permit fees are excluded from the 18 percent increase, but not the 3 percent fee increase allowable by statute.
Water Quality Permitting

Overview of proposed changes

Clarification

DEQ proposes the following clarification to the fee language OAR 340-045-0075 fee table 70B, permit type B17, for permits that DEQ covers under this fee type.

Current: “Dairies, fish hatcheries and other confined feeding operations on individual permits . . . .”

Proposed clarification: Dairies, fish Fish hatcheries and other confined feeding operations on individual permits except permits the Oregon Department of Agriculture administers.
Water Quality Permitting
Changes from the Draft Rule

Implementation Timeline:

Effective June 1, 2020 – May 31, 2021
• 3% annual increase
• Plus, 10% increase to support portion of Legislatively approved enhancements

Effective June 1, 2021
• Remaining 8% increase to support 2019-21 Legislative approved budget
DEQ recommends that:

The commission adopt the proposed rule amendments as seen in Attachment A, including the fee tables seen in Attachments B and C, as part of Chapter 340 of the Oregon Administrative Rules Divisions 45 and 71.