

Water Reuse House Bill 2169 (2025) Legislative Report

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Executive Summary

As directed by House Bill 2169, which was established in July 2025, the Oregon Department of Environmental Quality (DEQ) has begun advancing efforts to identify reuse barriers, strengthen interagency coordination, develop partnerships with key agencies and interested parties, and plan the future of reuse in the state. This legislative report outlines key accomplishments to date and identifies future tasks and priorities. Some accomplishments predate HB 2169 and stem from ongoing efforts under Section 22 of House Bill 2010 (2023). This foundational work is closely aligned with the objectives of HB 2169 which has been incorporated into this 2025 Legislative Report.



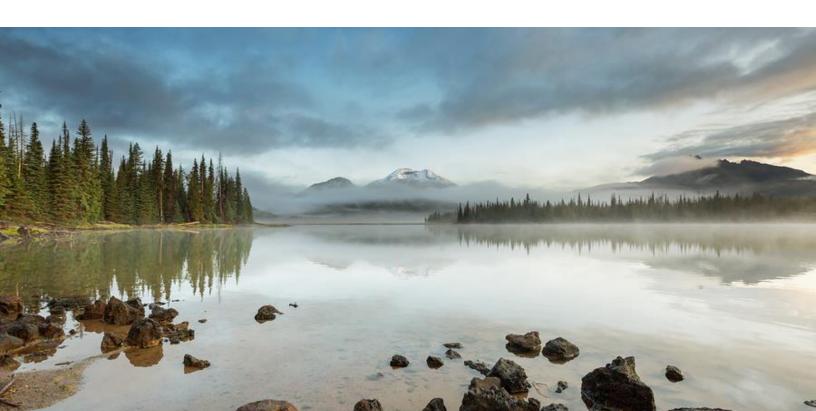
HB 2169 Summary

House Bill 2169 identifies the state's goal to promote and expand water reuse in a way that safeguards public health and the environment. Oregon state agencies including the Water Resources Department, Health Authority, Department of Agriculture, and Department of Fish and Wildlife are directed to develop an interagency water reuse team.

DEQ is tasked with leading this interagency water reuse team, in consultation with municipal wastewater utilities, industry groups, and other interested parties, to:

- Educate agencies, applicants, and the public on water reuse benefits;
- Conduct program analysis to remove barriers of water reuse;
- Evaluate regulatory frameworks from other states for appropriate models that can remove barriers in Oregon's program;
- Propose regulatory and policy changes;
- Strengthen interagency collaboration and responsiveness;
- Improve accessible and updated public information;
- Provide consistent and timely technical assistance to entities interested in developing water reuse;
- Establish goals and metrics on water reuse development in the state.

Through the actions listed above, the intent is to expand reuse opportunities throughout the state, create clear permitting pathways, and facilitate reuse options to conserve water and natural resources.



In the five months since HB2169 was enacted in July 2025, DEQ has initiated preliminary efforts to address most of the bill's stated objectives and is in the early stages of planning the significant work and collaborative engagement with interested parties. Importantly, an interagency Water Reuse Team has been established and began bimonthly meetings beginning in October 2025. DEQ will rely on this group to identify each agencies' regulatory authorities, permitting process, and perspectives to ensure the Water Reuse team's efforts are implemented in ways that efficiently and effectively promote water reuse projects in a manner that safeguards human health and environmental quality.

DEQ has leveraged resources authorized by the 2025 Legislature to improve internal cross-program coordination and establish a framework for external outreach and engagement and will initiate focused collaboration with key interests in early 2026. In order to ensure these efforts are developed in consultation with a breadth of interested parties, DEQ will establish and regularly convene a Water Reuse Advisory Group that will help inform and guide more detailed HB 2169 project plan development and the implementation of key deliverables.

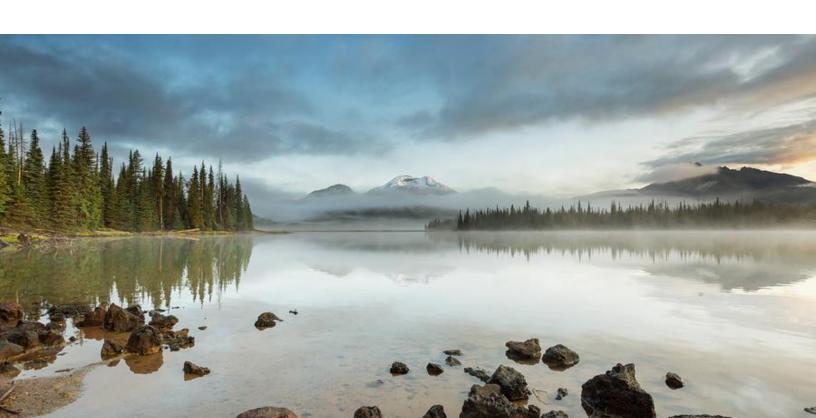


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Legislative Directive

<u>House Bill 2169</u> (2025) builds on Oregon's history of legislative, executive, and regulatory efforts to support water reuse. The bill provides a directive for understanding and resolving barriers to reuse project development and improving coordination among state agencies, municipal wastewater utilities, industry groups and other interested parties.

Prior water reuse initiatives that HB 2169 implementation efforts will build upon include:

- 2003 Senate Bill 820
- Governor's <u>Executive Order 05-04</u>, Water Reuse as an Integral Component of Economic Development, Water Conservation, and Environmental Sustainability in Oregon
- Adoption of Oregon Administrative Rules (OAR) 340 Division 55
- Adoption of OAR <u>340 Division 053</u>
- 2023 <u>House Bill 2010</u> (section 22)

These actions established policy, clarified agency roles, and highlighted opportunities and challenges related to reuse. HB 2169 builds on this groundwork by providing the resources and direction needed to establish clear and consistent water reuse policy across the state.

Primary Objectives for HB 2169 (2025) Implementation

1. Promote water reuse statewide

Establish a state policy that encourages water reuse and seeks to expand reuse opportunities.

2. Protect public health and the environment

Ensure that all water reuse efforts are implemented in ways that safeguard human health and environmental quality.

- 3. Consult with wastewater utilities, industries, and other interested parties via establishment of an advisory group and other communications to gain insights and feedback on the following:
 - Educate and Inform: Provide training and education on water reuse benefits and state policy.
 - Remove Barriers: Identify and resolve agency-level and interagency obstacles to project development.
 - Leverage Best Practices: Assess successful reuse approaches from other states.
 - Improve Regulations: Recommend policy, rule, and statutory changes to support water reuse while protecting health and the environment.
 - Enhance Collaboration: Strengthen coordination and conflict resolution among state agencies.
 - Increase Accessibility: Keep information and contacts current and easy to access for the public.
 - Ensure Responsiveness: Promote consistent and timely communication on water reuse inquiries.

- Support Implementation: Develop technical guidance and resources for local governments, industries, and other interested parties.
- Track Progress: Set goals and performance metrics to monitor water reuse development.

4. Improve interagency coordination via establishment of Water Reuse interagency team

State agencies will work collaboratively to advance water reuse by

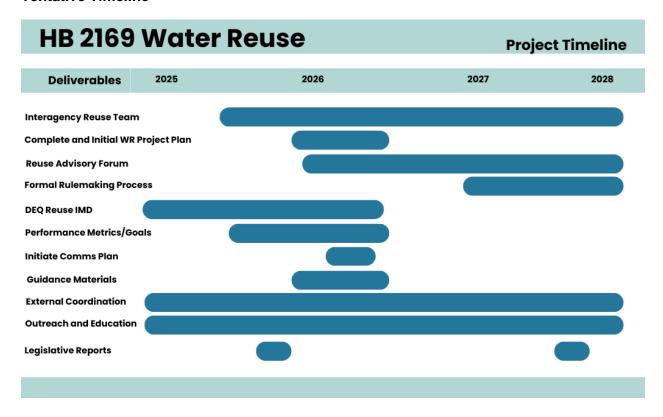
- Overcoming institutional and regulatory barriers
- Identify potential funding constraints
- Develop recommended policies and internal procedures related to water reuse

Project Plan Development

To support development of a project plan, the DEQ Water Reuse Team has been meeting with representatives from other DEQ programs to not only explore options for expanding water reuse but to draw on their expertise in shaping an effective interagency structure and identify the best approaches for engaging external advisory groups. This has included coordination with DEQ Regional Solutions, the Clean Water State Revolving Fund Program, DEQ's Water Integration Team, the agency rulemaking coordinator, and tribal liaison.

In parallel with these meetings, the Water Reuse Team prepared a draft project plan and shared it with selected internal partners and HB 2169 bill sponsors, such as the Oregon Association of Clean Water Agencies (ACWA). Based on the feedback received, the team is making significant revisions. The anticipated timeline for further coordination to establish a robust project plan is provided below.

Tentative Timeline



Activities Initiated in 2025

DEQ's Water Reuse Team has begun efforts addressing the directives and evaluating strategies for achieving the objectives of HB 2169, as well as exploring potential implementation approaches. As the project plan is further developed and the Water Reuse Advisory Group established, the specific work elements will be identified with a greater degree of specificity and input. DEQ recognizes the work needed to successfully achieve the objectives of this bill will require several years of collaboration with several state agencies, key partners and other interested parties. As such the efforts summarized below under core elements of the bill are only the preliminary efforts, with significant efforts still pending in 2026 and beyond.

Key Directives Established by HB 2169

Interagency Water Reuse Team

HB 2169 – Section 1: The Department of Environmental Quality shall establish and lead an interagency water reuse team. The Water Resources Department, the Oregon Health Authority,

the State Department of Agriculture and the State Department of Fish and Wildlife shall participate in the water reuse team.

Status Summary

DEQ has established an interagency water reuse team with representatives from the Water Resources Department, Oregon Health Authority, Department of Agriculture, and the Department of Fish and Wildlife. This interagency team was convened for its first meeting in October 2025 and is planning to meet bi-monthly or a higher frequency for the foreseeable future. The team is currently defining roles, responsibilities, and clear lines of communication. As part of this work an Interagency Agreement has been established and outlines the expectations and commitments for agencies participating in the Water Reuse Team, including collaboration, future planning, and meetings to align state agency goals related to water reuse. DEQ will rely on this group to identify each agency's regulatory authorities, permitting process, and perspectives to ensure the Water Reuse team's efforts are implemented in ways that efficiently and effectively promote water reuse projects in a manner that safeguards human health and environmental quality.

Training and Education

HB 2169 Section 2a: Provide training and education to state agency staff, potential reuse project applicants and the public on the benefits and drivers of water reuse projects and the state policy to encourage and expand opportunities for water reuse in a manner that protects public health and the environment

Status Summary

DEQ Water Reuse staff have engaged in various efforts to inform and promote awareness amongst other DEQ programs, as well as various professional organizations, who may be critical to successful implementation of HB 2169 objectives. Activities internal to DEQ have included presenting at an agency-wide webinar and hosting a reuse informational table at a DEQ Water Quality Programs statewide coordination event. Engagement with external organizations that may include potential reuse project applicants have included presentations at: the WateReuse Pacific Northwest Summer Summit; the Oregon Association of Clean Water Agencies Annual Conference; the Pacific Northwest Association of Clean Water Agencies Annual Conference; and a Deschutes Basin Water Collaborative Working Group Meeting.

To support improved communications to the general public about water reuse, DEQ is in the process of updating all agency webpages related to water reuse, recycled water, industrial water, and graywater. The agency expects that those updates will be completed and go live in early 2026. Additionally, DEQ staff have prepared a preliminary public communications plan to enhance the agency's education and engagement efforts with state agencies, municipal wastewater utilities, irrigation districts, industry groups, and other interested parties.

DEQ has created initial training materials to support these early outreach efforts. As the agency expands the interagency team's efforts and partners with groups like ACWA, Oregon State University Extension Services, environmental groups, and industrial trade organizations, these resources will be refined to reflect policy developments and program enhancements that further advance water reuse opportunities statewide.



Figure 1 – Water Reuse Booth at DEQ Making Waves Event

Identification of Internal Barriers and Information Needs

HB 2169 Section 2b: Identify and work toward resolution of, with respect to the development of water reuse projects, internal barriers within agencies, information needs within agencies and conflicts between agencies, to better enable state agencies to encourage and support expanded water reuse in this state.

Status Summary

This work is in the beginning phases and will require additional collaboration and planning. Early efforts have involved establishing the interagency reuse team and initial scoping of the framework to identify intra- and inter-agency barriers. Further progress to explore and identify fundamental challenges will be guided by consultation with state agencies, interested parties, and HB 2169 bill sponsors.

Through previously initiated efforts and including HB 2169 work, DEQ has established ongoing engagement with wastewater utilities, primarily via Oregon ACWA, and anticipates increased consultation to develop case studies of success and failures of previous recycled water projects, to identify barriers within DEQ's reuse program, and to develop a more detailed project plan to address the HB 2169 directives.

DEQ is also preparing to establish a Water Reuse Advisory Group that will provide an ongoing forum for interested parties to collaboratively guide and provide input to state agencies to advance water reuse program policies and implementation efforts. This group will also be an

important forum for informing development of statewide goals and performance metrics for expanding reuse in Oregon. DEQ anticipates convening this Advisory Group by Q2 of 2026 and inviting representation from wastewater utilities, irrigation districts, environmental groups, industries, Tribes and other interested parties.

In addition, DEQ's Water Reuse staff have established regular coordination meetings with other Water Quality Program staff engaged in Land Application Permitting and Artificial Recharge and Aquifer Storage and Recovery (AR/ASR) activities to identify permitting challenges, align agency direction, and establish a foundation upon which potential guidance or policy development efforts can be achieved in a consistent and successful manner throughout various DEQ programs.

Analysis of Other State Programs

HB 2169 Section 2c: Evaluate environmentally protective approaches that have been successfully employed by other state water reuse programs that may be appropriate for water reuse in this state.

Status Summary

DEQ is continuing its efforts to collaborate with water reuse professionals across the Pacific Northwest and the nation, expanding and strengthening partnerships to better understand other states' reuse programs and the lessons they have developed through their reuse experience. To support these efforts, DEQ staff have attended and participated in multiple conferences and meetings over the past year, including: the national Industrial WateReuse Conference; the annual meeting of national Water Reuse Regulators; and regular engagement with other Water Reuse Regulators in the Pacific Northwest.

In line with these efforts, DEQ has worked to identify specific regulations or regulatory pathways that create barriers to water reuse projects in Oregon. These efforts have been in collaboration with Oregon ACWA to conduct research on various state programs and case studies with the goal to improve Oregon's reuse program.

The formal gathering of information from other states, along with evaluation and interpreting potential applicability in Oregon, has begun and will continue in consultation with key agencies, organizations and interested parties. Findings will inform potential improvements or regulatory changes that could encourage and support future reuse initiatives.



Figure 2 - Pacific Northwest Regulators Conference

Identify and Propose Regulatory Changes

HB 2169 Section 2d: Identify and propose regulatory changes needed to overcome barriers to water reuse in a manner that protects public health and the environment, including, but not limited to, changes to state agency policies and internal guidance, administrative rules and state statutes.

Status Summary

Early identification of regulatory areas that may require updates to better support water reuse have begun, with additional work and coordination still needed. DEQ will continue reviewing agency policies, internal procedures, administrative rules, and statutes - and will closely consult with other involved state agencies, municipal wastewater utilities, industry groups, and other interested parties - to determine what regulatory changes may be appropriate to support water reuse activities and provide transparent and predictable processes while ensuring protection of public health and the environment. Specific efforts that have been initiated over the past year and since bill enactment in July:

Policy:

 Evaluating and identifying state agency policies which may be a barrier to water reuse. Evaluation of current administrative rules and state statutes with consideration of possible amendments is underway, with a preliminary goal of proposing administrative rule changes in 2027.

Guidance:

 Changes to DEQ's Internal Management Directive – Implementing Oregon's Recycled Water Use Rules (June 2009) are anticipated to be completed in spring of 2026 in consultation and collaboration with ACWA and other interested parties.

Improve Interagency Collaboration

HB 2169 Section 2e: Work to improve interagency collaboration and resolve conflicts, consistent with each agency's designated role and responsibilities, to encourage water reuse projects in a manner that protects public health and the environment.

Status Summary

The Interagency Water Reuse Team has been established, with agency points of contact identified and bimonthly meetings have commenced occurring. Future work will focus on continued collaboration with key state agencies, municipal wastewater utilities, industry groups, and other interested parties to enhance coordination and advance effective, sustainable water reuse practices to fulfill the objectives of HB 2169.

Information and Contacts

HB 2169 Section 2f: Ensure that information and agency contacts regarding water reuse are current and accessible to the public.

Status Summary

DEQ has completed an update to all agency webpages related to water reuse, recycled water, industrial water, and graywater, including providing relevant contacts for DEQ staff. The Water Reuse website also includes a contact form/box for submitting questions and inquiries to the program. DEQ staff listed as contacts monitor emails daily and provide auto-replies with alternative contacts if on extended leave. DEQ is committed to reviewing website content monthly and updating, as needed.

Consistent and Timely Responses

HB 2169 Section 2g: Promote consistent and timely responsiveness to requests for information from the public or other government agencies regarding water reuse.

Status Summary

DEQ Water Reuse team staff have established weekly meetings to discuss and align various efforts including coordination necessary to ensure responses to public and other interested parties are provided in a timely and consistent manner. Recent efforts to provide clear accessibility to a breadth of interests is the utilization of a generic programmatic email contact (WaterReuse@deq.oregon.gov) that is monitored regularly or auto-forwarded to responsible program staff. Response times to inquiries submitted via email or via the website contact form/box will be tracked and reported on in future legislative reports.

Technical Guides or Resources

HB 2169 Section 2h: Develop technical assistance guidance, or other resources, for local governments, industries and nongovernmental organizations seeking permitting and the development of water reuse programs.

Status Summary

DEQ has begun developing technical guidance and resources to support local governments, industries, and other organizations in establishing water reuse programs. Future work will include creating a comprehensive water reuse technical guidance document and updating applicable Internal Management Directives in collaboration with other state agencies, municipal wastewater utilities, industry groups, and other interested parties.

Goals and Performance Metrics

HB 2169 Section 2i: Establish goals and performance metrics on water reuse development in this state.

Status Summary

DEQ is in the beginning phases of developing statewide goals and performance metrics for reuse. Further development will occur following completion of the project plan and clear definition of the project goals and priorities. This will occur in conjunction with regulatory review and include meaningful engagement, planning, and collaboration with Oregon state agencies, municipal wastewater utilities, industry groups, and other interested parties.

Anticipated Project Deliverables (2026-2027)

Below is a projected timeline for HB 2169 planning activities from December 2025 through December 2027. The steps presented are included in an initial high level work plan; however, a more detailed work plan will be developed in collaboration with key agencies and organizations. This timeline and the associated deliverables will be refined through a collaborative process in consultation with other state agencies and the Water Reuse Advisory Group to ensure alignment with legislative directives. A detailed project work plan, including specific milestones, key deliverables, and accountability measures, will guide the effort and demonstrate progress in meeting the requirements set forth in the legislation. Timing may be adjusted based on evolving federal, state, or DEQ priorities, or guidance and recommendations provided by key interested parties.

Planned - 2026 Q1

- Develop Water Reuse Master Plan in consultation with key agencies and organizations, as a shared project plan to guide and prioritize HB 2169 implementation efforts
- Continue Interagency Water Reuse bi-monthly meetings

- In consultation with key partners, draft initial list identifying barriers to water reuse project implementation in Oregon
- Initiate and send invites for Water Reuse Advisory Group
- Launch DEQ communications plan (public and agency-wide)
- Continue efforts to update internal technical guidance (Internal Management Directive)

Planned - 2026 Q2

- Continue Interagency Water Reuse bi-monthly meetings
- Begin Water Reuse Advisory Group bi-monthly meetings
- Finalize updated Recycled Water GIS map
- Begin Recycled Water guidance document
- Finalize DEQ Internal Management Directive

Planned - 2026 Q3

- Continue Interagency Water Reuse bi-monthly meetings
- Continue Water Reuse Advisory Group bi-monthly meetings
- Collaborate with agency partners, advisory groups, and interested parties to compile list
 of key findings from evaluations of other states' programs and identify lessons relevant
 to implementation in Oregon.

Planned - 2026 Q4

- Continue Interagency Water Reuse bi-monthly meetings
- Continue Water Reuse Advisory Group bi-monthly meetings
- Finalize Recycled Water guidance document

Planned - 2027

- Continue Interagency Water Reuse bi-monthly meetings
- Continue Water Reuse Advisory Group bi-monthly meetings
- Q1 Initiate formal rulemaking process, including establishment of Rulemaking Advisory Committee (if interested parties and DEQ have identified scope of rulemaking changes at this time)
- Q4 Propose administrative rule revisions for consideration by the Environmental Quality Commission
- Q4 Submit HB 2169 2027 Legislative Report