

Meeting Minutes

December 4, 2014
Headquarters
811 SW 6th Ave. Room EQC-A
Portland, Ore.



State of Oregon
Department of
Environmental
Quality

Operations Division Surface Water

811 SW 6th Avenue
Portland, OR 97204
Phone: 503) 229-5696
800) 452-4011
Fax: 503) 229-6762
Contact: William Knight
www.oregon.gov/DEQ

*DEQ is a leader in
restoring, maintaining and
enhancing the quality of
Oregon's air, land and
water.*

Meeting Attendees

Committee Members Participating

Ed Butts, Board Member, Oregon Assn. of Water Utilities Board
Michael Campbell, Partner, Stoel Rives LLP
Janet Gillespie, Executive Director, Assn. of Clean Water Agencies
Teresa Huntsinger, Water Program Director, Oregon Environmental Council
Gerald Linder, General Counsel at Clean Water Services
Peggy Lynch, Natural Resources Coordinator, League of Women Voters
Tracy Rutten, Intergovernmental Relations Associate, League of Oregon Cities
Eric Strecker, Principal Water Resources Engineer, Geosyntec Consultants
Dorothy Sperry, Environmental Affairs Manager, Port of Portland
Kathryn Van Natta, Dir. of Government and Regulatory Affairs, Northwest Pulp and Paper

DEQ Staff Participating

Jennifer Wigal, Manager, DEQ Surface Water Program
Greg Aldrich, Manager, Office of Policy and Analysis
Lydia Emer, Administrator, Operations Division
Wendy Wiles, Administrator, Environmental Solutions Division

DEQ Regional WQ Permit Managers

Don Butcher, Manager, ER Water Quality Permits
Ranei Nomura, Manager, WR Water Quality Permits
Tiffany Yelton-Bram, Manager, NWR Water Quality Source Control

DEQ Staff Attending

Sonja Biorn-Hansen, Senior Permit Writer, Surface Water Program
Ron Doughten, Manager, NWR Stormwater
William Knight, Operations and Policy Analyst, Surface Water Program
Karen Tarnow, Legislative Analyst, Office of Policy and Analysis
Lisa Cox, Municipal Stormwater Coordinator, Surface Water Program

Observers and Citizen Commenters

Dale Feik, Citizen

List of Handouts

- ❖ Agenda
- ❖ Blue Ribbon Committee Update
- ❖ Notes from Nov. 17 Blue Ribbon Water Quality Priorities Work Session
- ❖ DRAFT: Eastern Region Water Quality Permit Renewal and Inspection Plan

Meeting Notes and Highlights

Overview Governor's Recommended Budget

Greg Aldrich, Manager, Office of Policy and Analysis presented an overview of the Governor's Recommended Budget. The 'GRB' is recommended to the Legislature who can adopt or amend. Included in the recommended budget are six policy option packages proposed by DEQ that affect the water quality permitting program. The table below was produced from a [DEQ report to the Environmental Quality Commission](#) at the commission's Aug. 7, 2014 meeting:

Policy Option	Description of Need	What the Option Will Do	Budget
Replacing wastewater permit system (WQSIS)	The system currently in use was put in place in 1999-2001, and both the technology used and the processes it was designed support have become obsolete. Consequently, maintaining the system is very burdensome and increasingly ineffective in supporting the permitting program. WQSIS is a potential single point of failure for the water quality program, and delay in replacing it has been identified as a substantive business risk.	Replace WQSIS with a contractor-configured, commercial off-the-shelf product, capable of supporting water quality permitting in the near term and serve as the foundation/initial module of an agency wide permitting system in the future.	\$558,392
Water quality assessment	DEQ is unable to produce timely and comprehensive water quality assessments to guide Oregon's efforts and investments in water quality improvement and watershed health and meet federal requirements. DEQ needs dedicated staff with the right skill sets to develop and maintain a data management system and to interpret the data and related information to develop water quality assessments and reports for Oregon's waters. These products will enable DEQ and other agencies, as well as local partners, to guide and evaluate water quality restoration efforts and ensure permits are based on relevant information.	Enable DEQ to meet its statutory requirements and provide information needed by state agencies, decision makers and Oregonians to protect and restore water quality throughout the state by providing resources to (1) develop and maintain a water quality data management system and (2) analyze and interpret the data and related information to develop assessments and report findings. The new system is necessary to enable DEQ to produce transparent and reproducible assessments to support decision-making and ensure this information can be made available to the public.	\$491,435
Restoring the wastewater permitting program	DEQ faces an approximately \$1.5 million revenue shortfall in the wastewater permitting program because neither federal funds nor permit fees are keeping up with program costs. DEQ will need to reduce the program by 7.3 FTE unless this shortfall is addressed. The loss of these positions affects several different areas of the permitting program, including wastewater permit issuance, program/guidance development, stormwater permitting, pretreatment, biosolids and water reuse.	This package would restore 6.0 FTE through a combination of General Fund and fee increases that, in conjunction with the revenues proposed in Policy Package #120 (WQSIS), will restore the wastewater permitting program to the 60/40 split between fees and public funds.	\$1,220,384
Reducing nonpoint source pollution	Land management and development activities can produce nonpoint sources of pollution and some of these are the greatest contributor to some of Oregon's water quality impairments. The magnitude of these impacts are projected to increase as population increases and more land becomes developed. DEQ plays a pivotal role in reducing nonpoint source pollution by analyzing water quality data to pinpoint the key pollution sources and providing technical expertise for the design and evaluation of water quality improvement projects. DEQ is also responsible for ensuring those responsible for reducing nonpoint source pollution are doing so in a timely and effective manner. Current staffing levels fall far below what is needed to be successful.	Restore two positions that would be reduced due to a Federal Fund shortfall and phase-in two new positions to provide water quality data and expertise to guide water quality improvement efforts. These positions monitor Oregon's waterways and provide technical assistance to communities, watershed councils and other stakeholders on the design and implementation of water quality restoration projects. They also work with federal, state and local governments, watershed councils, businesses and landowners to ensure those with roles and responsibilities for reducing nonpoint source pollution do so in an effective and timely manner.	\$680,000
Quantifying conservation outcomes	Oregonians place a high value on water quality and watershed health. This is demonstrated by millions of dollars of conservation investments annually from state and federal agencies, local governments, businesses, municipalities, land owners, conservation groups and others. However, Oregon lacks a consistent way of setting priorities, tracking and reporting on conservation efforts and determining the environmental response. This makes it difficult to know what these investments have achieved, in terms of environmental outcomes, and ensure money is being spent wisely.	Enable DEQ to work collaboratively with OWEB, ODA, ODF and ODFW as well as other relevant agencies and local entities to achieve agreement and adoption of consistent metrics and reporting methods for planning, implementing, tracking, and reporting on watershed restoration and evaluation activities. State-supported watershed planning and implementation efforts (i.e., Agricultural Water Quality Management Plans, Forest Practices Act implementation, watershed council action plans, and TMDLs) will utilize these methods and information to set specific place-based priorities for investments, education and other actions, along with specific expected environmental outcomes they will achieve over particular timeframes. In the realm of water quality, this will include specific target dates for attaining water quality standards where they are not currently met.	\$1,054,524

Clean Water SRF time extension	Existing statute [ORS 468.429 2(a)] limits bond purchase agreements for terms up to 30 years to treatment works projects. Non-treatment works projects, including “green” projects such as irrigation system upgrades or other nonpoint source pollution projects, are not eligible for 30 year agreements. For some communities seeking financing for a green project, the debt terms associated with a 20 year repayment period present a hardship for ratepayers whose rates are generally increased to pay for project costs. This can be especially significant to small communities where the high cost of projects is covered by relatively few ratepayers.	Allow longer-term financing associated with bond purchase agreements for terms up to 30 years to all eligible projects, not just treatment works projects. This change would provide more affordable repayment term options to all eligible project types.	N/A
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Q: Will the *Water quality assessment* option use General Funds?

A: Yes. The water quality assessment policy option package is proposed only on General Funds. The options associated with the water quality permitting packages however, are designed to preserve the committee’s recommended 60/40 split of *General Fund/Permit Fee* revenue to fund the water quality permitting program.

Q: Does the *Reducing non-point source pollution* option address NOAA and EPAs proposal to find that Oregon has failed to submit an approvable coastal nonpoint program under the Coastal Zone Act Reauthorization Amendments (CZARA). If the finding is upheld Oregon could lose 30 percent of 319 grant funds.

A: No this is a separate package. EPA plans to announce a decision Jan. 30, 2015

Q: Do the efforts around the *Quantifying conservation outcomes* option include timing with 303d listing and TMDL development efforts?

A: Yes. Very close tie to the TMDL process. Quantifiable metrics and data will better allow the agencies to identify areas where investments into conservation efforts that can give the highest return.

Q: Would new data lead to opening up TMDLs and related implementation plans for revisions?

A: Currently TMDLs are intended to be reviewed every 5 years. One of the goals of this option is to have better data to guide implementation decisions.

Replacing wastewater permit system (SIS) is related to an agency-wide option. A project manager will be needed to manage a transition to an updated system. That position is part of the following option:

Agency infrastructure (business analysts)	DEQ has many business processes that are not documented and many basic infrastructure elements (e.g., records management; invoicing) are not fully developed or integrated. Also, until recently, individual programs and divisions developed their own processes to respond to stakeholder demand, resulting in redundant, dissimilar processes and systems to address the same concern (e.g., invoicing). This is proving to be an obstacle to moving toward consistent business processes and an e-government model.	New positions are needed to evaluate agency’s major processes and look for improved efficiency and effectiveness, including program areas (such as permitting), common infrastructure needs (recordkeeping, procurement and invoicing) and human capital areas (such as workforce development and succession planning). Staff with expertise in these areas will better ensure DEQ invests wisely in its technology improvements, including alignment with any Enterprise direction taken, and better ensure that technology supports documented business processes.	\$1,000,000
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There will be a meeting in Salem on Dec. 11th from 1:30 – 3 p.m. on this process improvement package and DEQ’s budget. More specific information on this option will be presented. Please contact [Greg Aldrich](#), Manager, Office of Policy and Analysis for more details.

Also committee members are encouraged to contact Greg and share questions they would like Greg to pose at the meeting and while discussing DEQ’s budget and options. Also any issues committee members feel should be addressed as we near the next legislative session are welcome.

Recommendations from the committee for presenting DEQ’s budget and options:

- Create a one pager and clearly show the historic reductions in staff and the losses to the water quality permitting program.
- Show where those cuts were taken and clearly describe the results of those losses.
- Tell the restoration story clearly. What does it take to restore Oregon’s water quality permitting program?
- Identify work that’s been added.
- Let them know that many other states have already updated their database systems. Oregon is behind.
- It would be useful to show trends in permit issuance compared to budget cuts taken.

Program Policy and Tool development Priorities and Initiatives to Improve the WQ Permitting Program

Five priorities and initiatives have been mentioned most often in conversations and work sessions with staff and stakeholders:

- 1) Cumulative Effects Analysis
- 2) Water Quality Trading
- 3) Antibacksliding
- 4) Permitting in Impaired Waters
- 5) Developing Variances to Address Toxics, Temperature, Aquatic Life, etc.

Jennifer Wigal, Manager, DEQ Surface Water Program indicated the list above is not intended to be exclusive of other priority items and initiatives identified to improve the water quality permitting program. DEQ still needs to consider needed resources, competing needs for resources, and develop potential timelines for these initiatives in relation to other program needs.

Committee members expressed interest in knowing the schedule and timeline for addressing and implementing initiatives and developing policies. It is key for their represented communities, and committee members are under pressure to report timelines. Businesses, municipalities are attempting to plan.

DEQ will provide an update at an upcoming special session of the committee to be scheduled in the second half of January 2015. Additionally, DEQ is developing a work plan in the next 2-3 months that will include agency priorities and schedules.

Committee members expressed concern about DEQ staff levels and capacity to carry out the initiatives. Does DEQ have the expertise? The committee is willing to help and provide expertise.

The agency's work plan will be based on DEQ's current capacity to carry out initiatives.

Overview of Permit and Inspection Issuance Plan

Don Butcher, Manager, ER Water Quality Permits led a presentation along with WR and NWR permit managers Ranei Nomura and Tiffany Yelton-Bram on DEQ's recently completed project to establish a statewide permitting and inspection plan for water quality. Don provided copies of Eastern Region's draft permit and inspection plan and described the improved planning processes the regional programs will be using.

Committee members received a draft timeline for permits to be issued in FFY 2015. DEQ noted some updates and changes that it will make prior to posting the schedule. This timeline, based on the three regions respective permitting plans will be updated periodically and as needed throughout the year. The plan is based on the Federal Fiscal Year cycle (Oct. 1 – Sept. 30) and permit issuance is identified within Quarters. DEQ will post on DEQ's website a current statewide water quality permitting schedule next week and alert the committee.

Special Committee Session in January

DEQ will also contact committee members to set up a special session in January to address the following suggested topics:

- Review results of DEQ's internal audit of the Water Quality Permitting Program and DEQ's action plan to address the recommendations.
- Update on DEQ's reorganization efforts.
- Follow-up discussion on the Governor's Recommended Budget

Public Comment

Citizen observer **Dale Feik** addressed the committee and submitted the following summary of his comments:

I support the permit staff's identified items to improve the permit issuance problem. I like the time line listed also. In my ranking of my priorities Nov. 17, I came up with a similar priority list but not with the clarity of DEQ staff.

Lobbying to get only a 2.9% increase in staffing to do this work, and then being told by Commissioner Colleen Johnson that improvements are expected even though the Blue Ribbon

Committee may not totally support the increase seems very counterproductive to your mission – protecting and restoring Oregon’s waters while carrying out the federal Clean Water Act.

I am particularly concerned about DEQ’s permitting program that protects Oregon’s waters from pollution discharged by “point sources”, wastewater into surface water or onto land through a pipe or a discernible channel; following EPA “Point Source” rules is mandatory in order to protect and restore our waters.

The Electronic Date Delivery (EDD) seems critical to meet deadlines and to get permits issued in a timely manner. EDD would help integrate multiply water quality programs as well as applicable programs that focus on air and land quality; for instance, coordinating the writing of air and water permits of large industrial polluters like Intel.

I am on a steep learning curve – TMDL, NPDES, and how those all relate to “EPA’s disapproval of temperature natural conditions provision.”

Adjourn