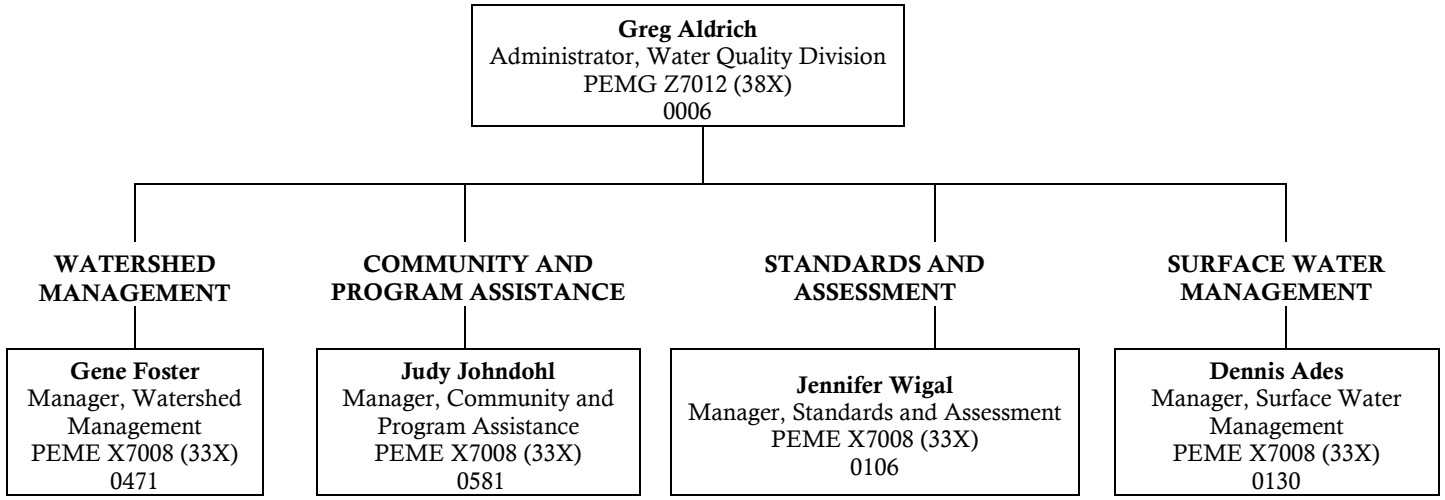
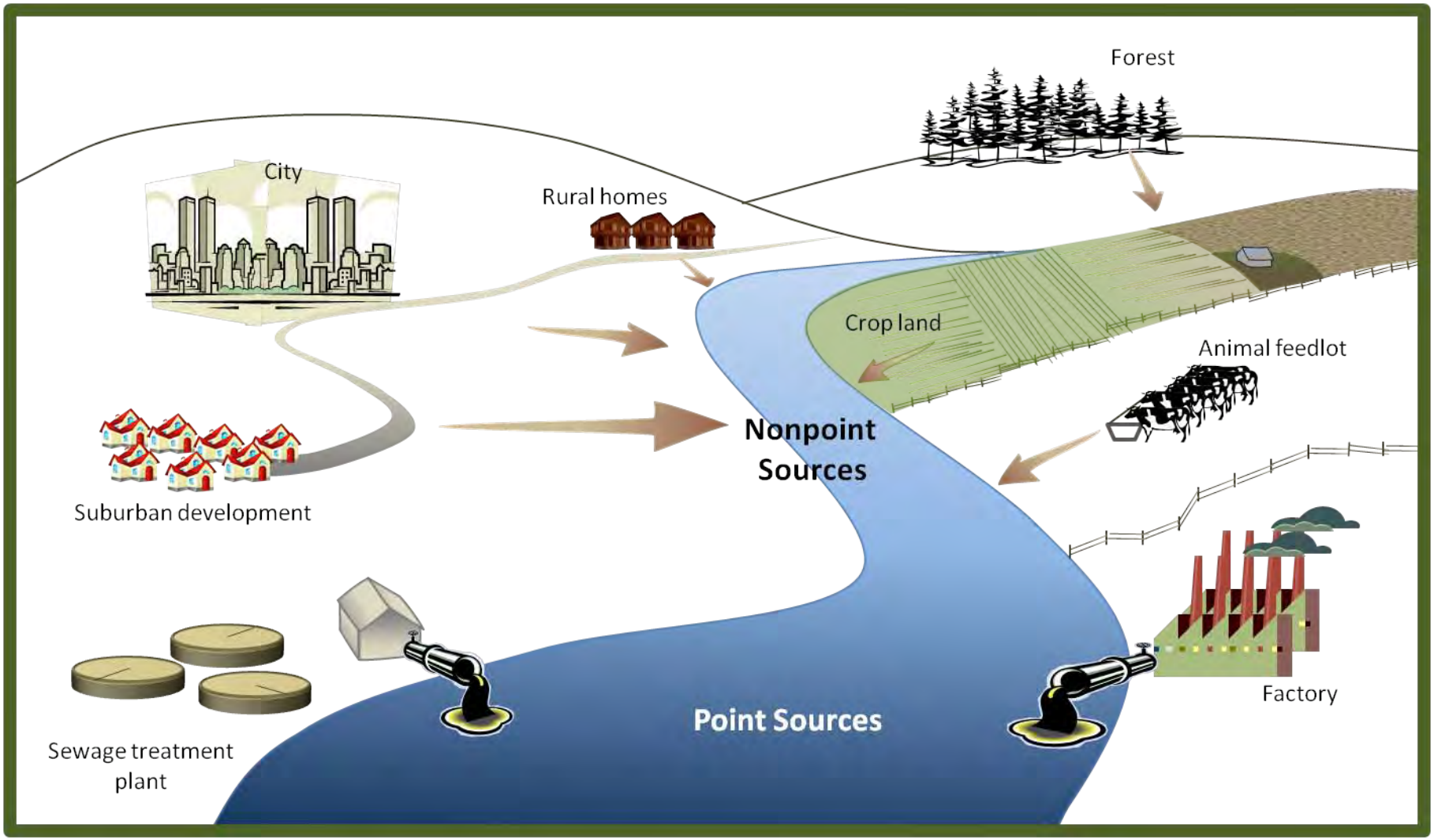
2013-2015 WATER QUALITY DIVISION



WATER QUALITY PROGRAM

	Total Positions	FTE	HQ	REG	LAB
2011-2013 Approved	209	201.83	58.21	105.29	38.33
2013-2015 Current Service Level	210	204.55	60.11	106.62	37.82
2013-2015 Adjustment Packages	(9)	(7.70)	(1.50)	(6.20)	0.00
2013-2015 Program Packages	17	12.86	0.50	6.95	5.41
Total 2013-2015 Governor's Balanced Budget	218	209.71	59.11	107.37	43.23

SOURCES OF WATER POLLUTION



WATER QUALITY PROGRAM NARRATIVE

I. OVERVIEW OF WATER QUALITY

A. Oregon's water resources

Oregon ranks as the tenth largest state with 96,981 square miles. Oregon has more than 100,000 miles of rivers, over 6,200 lakes (including many pure lakes in the High Cascade Mountain region), nine major estuaries and more than 360 coastal miles.

Groundwater is a less visible resource, but no less important. More than 95 percent of the available freshwater in the state resides underground in aquifers. As of 2005, groundwater uses accounted for 30 percent of all water used in Oregon. Seventy percent of all Oregonians and over 90 percent of rural residents rely on groundwater as their primary or secondary drinking water source. Groundwater also supplies the base flow for the state's rivers and streams.

Topic	Value
State surface area, square miles	96,981
Number of surface water bodies (1:100,000 scale)	37,600
Total miles of rivers and streams (EPA 1:100,000 scale)	
- Miles of perennial rivers/streams	51,695
- Miles of intermittent (non-perennial) streams	59,299
- Miles of ditches and canals	3,829
- Border miles of shared rivers/streams	649
Number of lakes/reservoirs/ponds (DEQ 1:24,000 scale)	6,223
Number of significant publicly owned lakes/reservoirs/ponds	203
Acres of lakes/reservoirs/ponds (DEQ 1:24,000 scale)	618,934
Acres of significant publicly owned lakes/reservoirs/ponds	491,518
Square miles of estuaries/harbors/bays	206
Miles of ocean coast	362
Acres of freshwater wetlands	1,200,000
Acres of tidal wetlands	55,600
Number of private groundwater wells installed for drinking water supply	230,000

WATER QUALITY PROGRAM NARRATIVE

B. Protecting water quality

Since 1938, Oregon has been a national leader in protecting and restoring water quality. DEQ assures that the state's waters are drinkable, fishable and swimmable. In partnership with other natural resource agencies, DEQ preserves and protects watershed health and helps restore salmon populations. DEQ plays an important part in protecting water quality in Oregon by:

- Setting water quality standards necessary to support all beneficial uses, including protection of public health, recreational activities, aquatic life and water supplies
- Requiring that the discharge of pollutants into public waters be minimized, and that the impact of human activities generally on water quality be minimized
- Assessing water quality in surface waters to determine if standards are met for protection of public health, fish and other aquatic life and other uses
- Where water quality is not acceptable, developing corrective actions and implementing them
- Re-assessing water quality and, as necessary, developing and implementing additional corrective actions

Water quality protection is based upon the protection of recognized beneficial uses. The major beneficial uses include domestic and industrial water supply, fisheries, aquatic life, wildlife, agriculture, navigation, hydroelectric power, recreation and aesthetics. The below table links these beneficial uses to the pollutants that threaten them.

Oregon's instream water quality standards

Pollutant	Most sensitive beneficial uses protected
Dissolved oxygen	Fish and aquatic life
Bacteria	Water contact recreation and shellfish harvesting
pH	Fish and aquatic life
Turbidity	Fish and aquatic life, domestic and industrial water supply
Total dissolved gas	Fish and aquatic life
Total dissolved solids	Drinking water supplies
Toxic compounds	Drinking water supplies, fish consumption, fish and aquatic life
Temperature	Fish and aquatic life
Chlorophyll-a	Recreation, drinking water supplies, fish and aquatic life

WATER QUALITY PROGRAM NARRATIVE

C. Clean Water Act and state water quality laws

1. Key federal requirements

The federal Clean Water Act requires that either the U.S. Environmental Protection Agency or states perform activities to protect water quality in rivers, streams, lakes and estuaries. Oregon carries out delegated authority by implementing mandatory requirements of the Clean Water Act. Many DEQ programs are referred to by the section number in the Clean Water Act, which provides regulatory authority or requires the activity, such as the 303(d) list or the 319 Program.

Key sections in the Clean Water Act	
Section 303:	Water quality standards, water quality limited streams, total maximum daily loads
Section 305:	Water quality inventory
Section 314:	Clean lakes program
Section 319:	Nonpoint source program (examples of nonpoint pollution are runoff from urban areas and farms)
Section 320:	National estuary program
Section 401:	Fill and removal certification and hydroelectric projects
Section 402:	National Pollutant Discharge Elimination System permits for industrial, domestic and stormwater discharges
Section 405:	Disposal of biosolids
Title VI:	State Revolving Loan Fund

303(d) List

Section 303(d) of the Clean Water Act requires states to develop a list of water bodies that do not meet the state's water quality standards. DEQ uses existing scientific data from a variety of sources (after reviewing it for quality assurance) to assess water quality and determine which water bodies should be listed. Not all water bodies have existing data to assess.

Once a list is developed, DEQ must prioritize the list and submit it to EPA for approval. There are approximately 37,600 water bodies in Oregon. The most recently approved 303(d) list (Oregon's 2010 303(d) list approved by EPA in December 2012) has a total of 1840 water quality limited segments. However, the total number of impaired water bodies is less than 1840 because water bodies can contain many segments and a segment may be listed for more than one pollutant. Temperature is the most common impairment and is found in water bodies throughout the state. Water temperature is a critical aspect of the freshwater habitat of Pacific Northwest salmonids, a number of which are listed as threatened or endangered under the Endangered Species Act.

It is important to remember that while the 303(d) list identifies stream segments that fail to meet water quality standards, it does not comprehensively represent the condition of Oregon's waters. That is assessed by the water monitoring program, which includes long-term trend sites and randomly selected sites for status assessment. A water body on the impaired list will need a total maximum daily load, or clean water plan, to determine which actions are needed in order to meet the water quality standard.

2. Key state requirements

Oregon's clean water laws are found in Oregon Revised Statues Chapter 468B and provide authority to DEQ to implement federal requirements. Federal requirements are primarily concerned with water pollution that flow directly into surface water, with a few exceptions. To regulate wastewater that is discharged onto land or underground, the state has adopted laws and rules covering land-applied wastewater, septic systems and groundwater protection. These state permits are called Water Pollution Control Facility permits.

D. Measuring results

1. Oregon Water Quality Index

The DEQ Laboratory develops methods for measuring environmental results. One principle indicator of water quality trends is the Oregon Water Quality Index. This index combines eight important water quality measurements into a single number that tell us about the general surface water quality. It is based on readily available conventional water quality indicators including nutrients, fecal bacteria, pH and dissolved oxygen. It does not include toxics primarily because such data is limited. Data from a network of approximately 130 ambient river monitoring sites are analyzed on a yearly basis. Trends in water quality are determined based on the most recent ten year period and then summarized for the entire state.

This index generally shows improvement in water quality throughout the state, although improvement is slowing. The most significant gains are at monitoring sites downstream of significant point sources, and in areas where water quality management plans have been implemented. Table 1 shows the results from the OWQI over time in the context of DEQ's water quality benchmarks.

2. Biological condition indexes

In addition to the OWQI, which assesses water chemistry, DEQ has developed indexes that assess the biological health of Oregon's streams. These indexes assess the condition of fish and aquatic insect communities and directly measure whether waters of the state support aquatic life and beneficial uses. Because biological indexes integrate the effects of multiple stressors over time, they are particularly useful for assessing non-point sources of pollution that traditional chemical monitoring may miss. The 2009 Legislature eliminated resources for assessing biological conditions.

Table 1. Calculated Surface Water Quality Benchmarks

Benchmark	*1995*	*1996*	*1997*	*1998*	*1999*	*2000*	*2001*	*2002*	*2003*	*2004*	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*
Percentage of monitored stream sites with significantly increasing trends in water quality	21%	32%	52%	70%	64%	70%	51%	37%	32%	24%	14%	8%	6%	3%	9%	9%
Percentage of monitored stream sites with significantly decreasing trends in water quality	8%	2%	0%	1%	1%	1%	5%	4%	6%	10%	14%	21%	24%	23%	35%	22%
Percentage of monitored stream sites with good to excellent water quality condition	28%	35%	32%	37%	41%	42%	46%	46%	48%	49%	51%	50%	49%	50%	48%	47%

II. WATER QUALITY PROGRAMS AND ACTIVITIES

The Water Quality program's primary functions and program activities have been grouped into seven major categories shown below. Each category is described in more detail on the following pages.

WATER QUALITY PROGRAM NARRATIVE

A. The Oregon Plan for Salmon and Watersheds **B. Water quality standards and assessment** **C. Total maximum daily loads** **D. Wastewater control** • **Industrial and domestic permitting** • **Pretreatment** • **Biosolids** • **Underground injection control** • **401 certification** • **Operator certification** • **Onsite sewage systems** • **Compliance and enforcement** • **Water reuse**	**E. Financial and technical assistance** • **Clean Water State Revolving Fund Loan Program** • **Nonpoint source program** **F. Groundwater** **G. Safe Drinking Water Act** **H. Water quality monitoring** **I. Watershed basin plans** **J. Interagency coordination**

A. The Oregon Plan for Salmon and Watersheds

The Oregon Plan for Salmon and Watersheds is designed to restore the healthy function of Oregon's natural aquatic systems. It represents commitments on behalf of government, interest groups and private citizens from all sectors and communities in Oregon. The plan originated as an effort to address declining populations of coastal coho salmon. DEQ's primary role is to cooperatively develop total maximum daily loads and obtain EPA's approval of them. DEQ collaborates with other state and federal agencies to collect and interpret water quality monitoring data. Local agencies and watershed councils have a key role in developing solutions and DEQ provides needed scientific information for understanding water quality problems and developing successful management plans and TMDLs. DEQ also provides feedback through ongoing monitoring on whether Oregon is making progress towards restoring healthy watersheds.

DEQ's major contributions to The Oregon Plan
❑ Establish water quality standards that are protective of salmonids
❑ Regulate discharges from industry and municipalities including permitting, monitoring, compliance assistance, technical assistance, and enforcement when necessary
❑ Regulate stormwater runoff from urban areas and construction sites

WATER QUALITY PROGRAM NARRATIVE

- Coordinate comprehensive nonpoint source pollution prevention programs under federal Clean Water Act
- Develop total maximum daily loads to bring water bodies into compliance with state standards
- Provide technical assistance to watershed councils, municipalities, industries, government agencies and others

B. Water quality standards and assessment

Establishing water quality standards for surface water is at the core of DEQ's water quality activities. The Water Quality program establishes standards to protect beneficial uses of water, such as drinking, aquatic life, and recreation and then acts to protect and restore water to the standards that allow those uses. Staff perform the following water quality standards and assessments activities:

- Conduct standards reviews and rule revisions to establish and update scientifically based water quality standards
- Identify waterbodies not meeting water quality standards
- Develop policy and procedures documents for implementing standards

C. Total maximum daily loads and water quality management plans

Once a waterbody is placed on the 303(d) list, the federal Clean Water Act requires states to develop a management plan to meet water quality standards. This plan is called a total maximum daily load (TMDL), which is also known as a clean water plan. TMDLs describe the maximum amount of pollutants from municipal, industrial, commercial and surface runoff sources, including natural background, which can enter the river or stream without violating water quality standards. DEQ develops TMDLs on a basin or sub-basin scale using a comprehensive approach for the pollutants listed on the 303(d) list for that waterbody.

Implementing a TMDL often includes revising industrial and municipal wastewater permits to incorporate revised permit limits. On agricultural land these implementation plans are developed through the Oregon Department of Agriculture's SB1010 process. On state and private forestlands, the Department of Forestry has the lead in providing water quality protection through the Forest Practices Act and long range management plans. In the urban landscape, local governments take the lead in developing TMDL implementation plans. The US Forest Service and the Bureau of Land Management develop water quality restoration plans for lands under their jurisdiction.

Under most circumstances, TMDL implementation plans rely on cooperation among landowners and land managers within a river basin. Local watershed councils, soil and water conservation districts or other organizations serve as community-based coordination points for implementation. Agencies and municipalities with jurisdiction over nonpoint source pollution are required to submit TMDL implementation plans to DEQ. These plans describe actions to reduce their contribution to water quality problems.

WATER QUALITY PROGRAM NARRATIVE

D. Wastewater control

1. Industrial and domestic wastewater permitting

DEQ's wastewater management program regulates and minimizes adverse impacts of pollution on Oregon's waters from point sources of pollution. The term "point source" generally refers to wastewater discharged into water or onto land though a pipe or a discernible channel. These point sources operate under the terms of a federal National Pollutant Discharge Elimination System or state Water Pollution Control Facilities wastewater discharge permit issued by DEQ.

DEQ has had authority for NPDES permit issuance since 1974. As a delegated program, DEQ's NPDES permitting activities are subject to EPA oversight. Effective implementation of the program is required for continued authorization of the water quality program and is essential to the continued receipt of federal funds. To effectively protect water quality, DEQ must carry out four activities:

- Issue discharge permits that adequately evaluate and limit pollution to prevent an impact on receiving waters and the beneficial uses of those waters (such as drinking, swimming, fishing and aquatic habitat)
- Inspect facilities and review monitoring results
- Take prompt and appropriate enforcement actions when violations occur
- Provide essential technical assistance for facility owners and operators to help assure ongoing compliance at minimum expense to permit holders

Each of these facilities needs a permit under state and federal rules. DEQ currently manages over 5,000 water quality permits. The challenges of implementing the wastewater permitting program have incrementally increased over the years, with the growing number and types of permit and their increasing complexity. Achievement of permit program objectives requires targeted and effective implementation of water quality standards following a watershed approach. Program staff require up-to-date tools and training to consistently develop and issue high quality permits statewide and ensure effective permit implementation. Targeted program implementation is based on source-specific and watershed-specific priorities.

Wastewater and stormwater program workload will expand in scope and complexity in the biennium. DEQ recently issued new pesticide, irrigation and gray water general permits and the administration of these permits will place additional demands on staff already tasked with renewal and administration of existing general permits. DEQ has also enhanced efforts to reduce the discharge of toxic pollutants from permitted sources into the environment. For example, implementation of the recently revised water quality criteria for human health (approved by EPA in October 2011) and other changes to the permitting process now require more detailed wastewater monitoring and analysis of toxic pollutants from major sources. To be successful in these toxic pollutant reduction efforts, DEQ will work closely with permitted sources that must develop strategies to comply with more stringent water quality criteria.

WATER QUALITY PROGRAM NARRATIVE

2. Pretreatment program

DEQ requires communities with a large industrial base or those that serve certain types of industries to develop and implement a management plan for controlling wastewater discharged from industries into publicly owned treatment works. The purpose is to prevent discharging of toxic wastes or wastes that could upset, inhibit, pass through without treatment or otherwise adversely affect the wastewater treatment system.

3. Biosolids program

The Biosolids program regulates wastewater solids and domestic septage that have undergone sufficient treatment to allow its beneficial use as a soil amendment or fertilizer through land application. Biosolids and domestic septage are regulated through NPDES or WPCF water quality permits issued by DEQ. DEQ also reviews and approves biosolids management plans and issues site authorization letters. Additionally, DEQ works with domestic wastewater treatment facilities to assure biosolids are adequately stabilized and land application operations and management meet federal and state regulations. DEQ requires wastewater treatment facilities to monitor and report on biosolids activities.

4. Underground injection control

The Underground Injection Control program protects drinking water sources and aquifers by providing oversight on the use of injection systems (such as dry wells, sumps and large onsite sewage systems) that discharge to the subsurface and may endanger groundwater quality. Federal regulation requires DEQ to keep an updated inventory of all injection wells and report them to the EPA. In Oregon, the majority of injection systems are associated with storm water discharge. Owners or operators of injection systems need to obtain written DEQ approval to operate through qualifying systems that are rule authorized, need a state permit or to properly close down an existing system (with written approval).

As of July 2012, Oregon's UIC database contains 42,753 injection systems, including an estimated 10,567 injection systems under a UIC WPCF permit and 5,474 authorized by rule. DEQ has 62 UIC WPCF permits pending, which will cover about 22,495 injection systems. The economic downturn has significantly curtailed the number of rule authorizations requested and reduced revenue for this primarily fee-supported program.

5. 401 certification

Section 401 of the federal Clean Water Act requires any federal license or permit to conduct an activity that may result in a discharge to waters of the Nation to receive a water quality certification from the state where the activity will occur. In Oregon, DEQ reviews proposed projects under this requirement. Nearly all such federal licenses or permits come from either the U.S. Army Corps of Engineers for dredge and fill activities or from the Federal Energy Regulatory Commission for hydroelectric projects.

Between June 2010 and June 2012, DEQ issued 133 removal-fill 401 water quality certifications. In addition, the program reviewed 46 stormwater management plans for projects authorized under the federal nationwide programmatic permit. These certifications included: USACE 2012 Nationwide Permit; Port of Newport, Zidell, Trimet-Bridge and Port of Portland maintenance dredging; coastal ports and small marina maintenance dredging projects;

several sewer, storm and water intake structure installations; multiple commercial, residential and school developments; Oregon Department of Transportation projects, including roads, bridges and culvert replacements; and various wetland and stream restoration projects. DEQ also participated in public meetings and various multi-agency stakeholder groups for projects such as the 404/401 Kaizen multi-state/federal streamlining project, Governor's Regulatory Streamlining and Simplification Project, Jordan Cove Liquefied Natural Gas terminal and Pacific Connector pipeline, Mitigation Banking Review and the Oregon Solutions-Tillamook Flooding projects.

DEQ is implementing conditions of Section 401 certifications issued since 2007 on licensed or relicensed hydropower projects including Applegate Dam, Bull Run, Clackamas, Dorena Dam, North Umpqua, Pelton-Round Butte, and Prospect Nos.1, 2, and 4. DEQ issued Section 401 certifications to hydroelectric projects which have not yet received FERC licenses including Carmen-Smith, Fall Creek, and Reedsport Ocean Power Technology Wave Park. DEQ is currently processing Section 401 certification applications for the Hells Canyon, Klamath and Wickiup hydroelectric projects, and is participating in pre-401 application consultation on the Bowman Dam, Warm Springs Irrigation District, Prospect No.3, and Wallowa Falls hydroelectric projects.

6. Operator certification

In 1987, the Oregon legislature adopted a law requiring that domestic sewage facilities operate under the supervision of a certified wastewater operator. DEQ determines requirements for certification, prepares and conducts exams and issues certificates. Fees cover all costs of implementing this program. As of August 2012, the program serves 328 systems/system owners and approximately 1,700 operators.

7. Onsite septic systems

More than 30 percent of Oregonians dispose of their wastewater through the use of onsite septic systems, primarily residential systems. DEQ regulates the siting, design, installation and ongoing operation and maintenance of onsite septic systems. Without careful maintenance, septic systems can fail prematurely and result in a public health hazard caused by polluted streams and groundwater. DEQ directly manages the onsite program in 12 counties, referred to as "direct service" counties. Twenty-four counties manage the program under contract with DEQ, referred to as "contract counties." DEQ and its contract agents also ensure that septic tank pumpers have the necessary equipment to safely pump and transport septage. In addition, DEQ certifies and licenses installers and pumpers, and reviews and approves products such as septic tanks, alternative treatment technologies and alternative drainfield products.

Each year, DEQ's onsite septic system program:

- Processes more than 1,300 septic system applications in the 12 counties where DEQ provides direct service
- Provides technical assistance and oversight to 24 local governments that contract with DEQ to conduct the onsite program within their jurisdictions
- Provides technical assistance, education and outreach to the public, other government agencies, manufacturers, licensed installers and pumper, maintenance providers and other organizations

- Completes over 500 license actions for over 300 onsite system installers and septic tank pumpers
- Responds to complaints, such as failing onsite systems and illegal installations of septic systems. Some complaints lead to formal enforcement and others are resolved with cooperation from the violator.
- Works with Chemeketa Community College, the Oregon Onsite Wastewater Association and other stakeholders to provide continuing education opportunities for installer and maintenance provider certifications
- Participates in stakeholder conferences and meetings to provide education and outreach
- Reviews more than 25 new products for use in septic systems in Oregon

8. Compliance and enforcement

DEQ ensures that permittees comply with permit conditions and stop illegal activities. DEQ periodically inspects permitted sources and responds to complaints about spills or dumping into waters of the state. When a permit violation occurs, DEQ initiates appropriate enforcement actions. In addition, as part of the its delegated responsibility to implement the federal NPDES program in Oregon, DEQ is required to provide EPA with regular reports on compliance activities.

9. Water reuse

Water reuse for non-potable purposes allows municipalities and industrial facilities an option for managing treated effluent. State regulations require a water quality permit for this option and allow treated effluent to be used for beneficial purposes, most of which occurs through land application to crops and on golf courses. DEQ works with the Oregon Health Authority and Water Resources Department on the permitting of this practice. DEQ staff also work with municipal and industrial facilities to ensure proper operation and management of wastewater treatment facilities that pursue water reuse. Facility permits require management plans for water reuse.

In 2012, DEQ began administering a new program that permits the reuse of graywater through a graywater reuse and disposal system. Graywater includes shower and bath wastewater, bathroom sink water, kitchen sink wastewater and laundry wastewater. If appropriately collected and handled, graywater can be safely reused for flushing toilets and urinals as well as irrigating certain trees and plants. Reuse of graywater reduces the demand on other sources of water, such as potable water, surface water and groundwater. The program was authorized by the 2009 Oregon Legislature with the passage of House Bill 2080, which authorized development and adoption of rules to create the graywater permitting program. Oregon's Environmental Quality Commission approved the rules on August 25, 2011. DEQ began accepting graywater permit applications in April 2012.

E. Financial and technical assistance

1. Clean Water State Revolving Fund Loan program

DEQ administers the Clean Water State Revolving Fund loan program which is capitalized through federal appropriations. The CWSRF program assists local governments with solving water quality problems and applying for financial assistance. DEQ issued its first CWSRF loan in 1990, and since then has

loaned more than $952 million to 146 Oregon communities, counties, irrigation districts and other public agencies and districts. At present, the program has a priority list of 18 communities for a total of about $62 million in requested funding. For 2013, DEQ will have approximately $127 million available to loan for eligible projects. DEQ will be providing increases to existing loans that are currently needed for very large capital projects addressing wastewater facility improvements. About $19 million of the total amount available in the fund will be set aside to assist small communities with a population of 5,000 or less. DEQ is also required to set aside a certain amount for green projects; this amount totals $1.5 million. To date, 93.5 percent of funded projects address point source improvements (such as wastewater treatment and collection systems) and 6.5 percent funded nonpoint source projects (such as irrigation improvements and stream bank vegetation).

2. Nonpoint source pollution control

Section 319 of the federal Clean Water Act requires states to have nonpoint source management programs based on assessments of the amounts and origins of nonpoint source pollution in the state. Nonpoint source pollution comes from numerous diffuse sources such as runoff from roads, farms and construction sites. This type of pollution is thought to be the largest source of water quality impairment in Oregon and for the country. Federal grants cover the majority of cost for Oregon's nonpoint source program, which protects and restores both surface water and groundwater. DEQ provides grant money to local organizations for nonpoint source projects such as public education and watershed restoration. DEQ also uses a portion of these funds to perform the following activities:

- Characterization of nonpoint source problems/concerns
- Monitoring
- Best management practices development/implementation
- Coordination with other agencies (e.g., ODA and ODF) and stakeholders
- Restoration activities
- Public education

F. Groundwater program

More than 90 percent of Oregon's available fresh water is stored beneath the earth's surface as groundwater. Groundwater is an integral part of every watershed, providing base flow for Oregon's rivers as well as providing domestic, irrigation, and industrial water for Oregonians. Seventy percent of Oregon's people depend on groundwater for their daily water needs via private, public and industrial water wells. Groundwater can travel very slowly, and once contaminated, can be very difficult or nearly impossible to clean up. It is also very expensive to clean up. As a result, contaminated groundwater may persist for tens, hundreds, or even thousands of years and may affect groundwater uses far from the origin of the contamination. This contamination affects not only the immediate uses of groundwater, such as drinking water supplies, but may also have pronounced effects on surface water quality.

Oregon's Groundwater Quality Protection Act of 1989 and the federal Safe Drinking Water Act establish elements for enhancing and protecting Oregon's groundwater. These elements include:

WATER QUALITY PROGRAM NARRATIVE

- Implementation of groundwater management areas where the water quality has been degraded, beneficial uses are seriously impaired and public health may be at risk in part from nonpoint source groundwater pollution
- Statewide groundwater assessment
- Technical assistance to communities and watershed councils engaged in groundwater pollution prevention efforts

DEQ has primary responsibility for implementing groundwater protection in Oregon. DEQ uses a combination of programs to help prevent groundwater contamination from point and non-point sources of pollution, clean up pollution sources, and monitor and assess groundwater and drinking water quality. DEQ implements some programs though partnerships with the Oregon Health Authority, Oregon Water Resources Department, Oregon Department of Agriculture, Oregon State University and other state, local, and private organizations, businesses and individuals.

Oregon currently has three groundwater management areas: the Lower Umatilla Basin, Northern Malheur County and the Southern Willamette Valley. The Groundwater program implements action plans and conducts regular groundwater monitoring and evaluation of groundwater quality trends in these areas. DEQ coordinates action plan activities with local stakeholders and agencies and the Groundwater Management Committees, and also evaluates the effectiveness of the action plans. DEQ staff continue to conduct education and outreach activities to increase awareness of groundwater issues within the three ground water management areas.

WATER QUALITY PROGRAM NARRATIVE

G. Safe Drinking Water Act implementation

The 1996 amendments to the federal Safe Drinking Water Act included funding for public drinking water supply system improvements to meet existing and future human health standards, identify public drinking water supply source areas and inventory possible contamination sources to reduce the risk of pollution to and loss of public water systems. DEQ receives federal funds through the Oregon Health Authority to conduct the source water assessments and provide technical services associated with protecting the source areas.

The assessment reports identify potential sources of contamination and provide the basis for communities to develop plans for protection of their drinking water sources. The site-specific data and maps from the assessments are used to provide input into many other water quality protection efforts. The location of well recharge areas and locations of the surface water intakes of all systems using lakes, rivers and reservoirs is available on a digital map so that this information can be easily incorporated into land use planning, designation of special areas and other program priorities at the local, county or state level. DEQ also uses the information in a variety of ways, including spill response, household hazardous waste collection, hazardous waste cleanup, underground storage tank cleanup, and pollution prevention technical assistance for preventing contamination of public water supplies.

H. Water quality monitoring

Water quality monitoring and assessment provides the foundation for water quality management. Water quality monitoring programs provide information on the status and trends of water quality in Oregon. Monitoring is conducted to determine if water quality supports beneficial uses and if water quality standards are met. Streams that do not meet water quality standards are placed on the 303d list and will have TMDLs developed for them. In order to develop TMDLs, studies must be conducted to determine the sources and quantities of pollutants affecting the water body and how those vary over time. DEQ is engaged in several other types of monitoring studies, including the following:

- Studies to determine the relationship between water quality, habitat conditions and biological condition
- Compliance monitoring studies to determine compliance with permit conditions
- Studies to determine threats to human and ecological health from persistent and/or bioaccumulating toxic compounds
- Studies to identify exceedences in bacteria standards along Oregon's coast
- Studies to measure the effectiveness of management actions to improve groundwater quality

The Laboratory and Environmental Assessment Division also collects and analyzes water samples to support other DEQ programs and respond to inquiries from the public. In addition, LEAD certifies drinking water labs in cooperation with the Oregon Health Authority and works with other agencies to coordinate and monitor Oregon's progress under the Oregon Plan for Salmon and Watersheds.

Water quality monitoring is necessary to understand how well Oregon is protecting its water. DEQ monitors water quality by collecting and analyzing water samples, including statistical analysis. The Water Quality Program is responsible for monitoring and assessing Oregon's 115,000 miles of rivers, 400,000 acres of lakes, 56,000 acres of tidal wetlands, 360 miles of coastal ocean and 206 square miles of estuaries, harbors and bays. DEQ augments its

water quality data by using monitoring data from a wide variety of sources, including watershed councils and federal agencies. DEQ reviews all data to ensure that proper quality control protocols were used.

Monitoring activities include:

- Regularly scheduled monitoring at the ambient river network of 131 fixed sites throughout the state
- Monitoring public water supply source areas for pesticides and emerging contaminants
- Monitoring at Groundwater Management Areas
- Working with the Oregon Health Authority to respond to harmful algae blooms in river, streams and lakes without designated management entities
- Partnering with Oregon Health Authority to implement the Beach Bacteria Monitoring Program
- Collecting monitoring data in support of TMDL program needs in basins around the state
- Providing training to watershed councils in monitoring techniques for stream assessments
- Implementing the toxics monitoring program
- Supporting the Pesticide Stewardship Partnership program by working with local stakeholders to collect stream samples from six watersheds during pesticide application periods and then analyzed the samples. Information is used to guide voluntary changes and local development of best management practices.
- Providing quality assurance sampling at approximately 30 landfills in Oregon
- Special studies

I. Watershed basin plans

DEQ develops watershed basin plans in order to guide the agency's efforts to help protect, improve and enhance the quality of Oregon waterways. Each of these plans describes water quality conditions within a basin and include recommended actions that DEQ and others can take to improve water quality. This comprehensive approach makes it easier to understand how the combined impact of potential pollution sources in a basin (such as point source dischargers, urban and rural land uses and septic systems) can affect surface water and groundwater, and the importance of addressing problems in a holistic manner. These reports are an effective communication tool DEQ uses when working with agency partners and local stakeholders to find solutions to local water quality issues. Examples of anticipated actions include:

- Identification of important watershed water quality issues and priorities
- Aggregating water quality information from various stakeholders
- Aligning water quality monitoring to basin needs
- Aligning individual permit issuance to the basin plans
- Aligning TMDL development and implementation to the basin plans
- Aligning nonpoint source implementation work to priorities in the basins

- Aligning drinking water and groundwater protection work with needs outlined in the basin plans
- Describing key watershed actions for each basin

J. Interagency coordination

The water quality program coordinates with other state agencies and organizations on many fronts. In general, these relationships evolve for several reasons:

Pooling or leveraging resources to achieve shared objectives. For example, the Pesticide Stewardship Partnership engages DEQ, Oregon Department of Agriculture, Extension Service, Soil and Water Conservation Districts, tribal and local governments, grower groups and watershed councils to use watershed monitoring data to inform and focus the implementation of pesticide best management practices to prevent water quality impacts. Similarly, this same group of entities are often involved in watershed restoration activities, where they pool their expertise and resources (human and financial) to design and implement restoration projects.

Partnering with another agency to implement a program. Under the Beach Monitoring Program, DEQ monitors coastal waters for bacteria to protect beach-goers from exposure to harmful bacteria, and the Oregon Health Authority issues beach advisories if bacteria levels exceed safe levels. The Drinking Water Protection Program is another example where DEQ and OHA combine resources to provide communities with information they can use to prevent contamination of their drinking water sources.

Taking advantage of another agency's field presence and expertise to implement programs more efficiently. This occurs in a numbers of ways in the wastewater and stormwater permitting programs. For example, the Department of Geology and Mineral Industries implements DEQ's stormwater permits at gravel mining sites, ODA implements DEQ's Confined Animal Feeding Operations permit at feed lots and various cities administer DEQ's industrial stormwater permit within their jurisdiction. Similarly, there are instances where DEQ's field crews may collect samples for another agency, or vice versa, to reduce travel and field staff expenses.

In addition, DEQ and Oregon Department of Fish and Wildlife are currently exploring ways to better align water quality improvement and salmon recovery efforts through their priority projects in the coastal watersheds. ODFW is participating on the local stakeholder advisory committee for DEQ's Mid Coast TMDL and has invited DEQ to participate on its implementation team for the Oregon Coast Coho Conservation Plan. Collaboration during the planning phases should result in more coordinated and effective investments in restoration and water quality improvement projects.

III. WATER QUALITY 2013-2015 EXPECTED RESULTS

In addition to ongoing program efforts, numerous specific goals are already slated for implementation or completion during the 2013-15 biennium. Several of these are described below.

WATER QUALITY PROGRAM NARRATIVE

Water quality monitoring

2011 – 2013 accomplishments

- Updated and reported data collected from the ambient monitoring network (131 sites) into the Oregon Water Quality Index. Added 13 additional ambient monitoring locations in collaboration with the Oregon Department of Agriculture.
- Analyzed and reported on water quality status and trends at ambient water quality monitoring locations in relationship to land use
- Routinely collected and analyzed bacteria samples at Oregon coast beaches to provide data for the Oregon Health Authority to issue beach bacteria advisories if warranted
- Contributed and summarized information on water quality status and trends for six basin reports
- Provided data for the 2012 303(d) assessment
- Collected water quality data to support TMDL development in the following areas: Tillamook Estuary, Yamhill River basin, Blue Lake, Coquille River Basin, Powder and Burnt River basins, Nestucca River basin, Mid-Coast river basins, Rogue River basin, Nehalem River basin and Sru Lake.
- With the Oregon Division of State Lands, completed surveys of 14 Oregon wetlands for the National Wetland Condition Assessment.
- Completed sampling of 31 Oregon lakes for the National Lakes Assessment
- Collected and analyzed water quality toxics samples in the Umpqua, Rogue, Klamath, Umatilla, Grande Ronde, Powder, Malheur and Owyhee basins (120 samples at 40 locations). Will be collecting and analyzing sample in the Hood, Sandy, Deschutes and John Day Basins in 2012.

2013 – 2015 expected results

- Collect data in the ambient water quality monitoring network and incorporate data into the Oregon Water Quality Index
- Monitor additional ambient monitoring locations for the Oregon Department of Agriculture and assist them with data analysis and reporting
- Collect and analyze bacteria samples at beaches in 2013 to provide data for the Oregon Health Authority to issue beach bacteria advisories if warranted, provided federal funding for the program continues to be available
- Collect, analyze and report on toxics monitoring data from coastal basins in 2013
- Collect data at approximately 25 sites statewide for the Nations Rivers and Stream Assessment in Oregon in 2013 and 2014
- Provide data and information support for three Basin Assessments and Action plans in 2013 and 2014
- Collect data to support total maximum daily load development in target waterbodies
- Hold a regional monitoring summit to share water quality information and facilitate better coordination of monitoring activities
- Update documentation and process for selecting reference sites

Groundwater program

2011 – 2013 accomplishments

- Monitored groundwater in Northern Malheur County, Lower Umatilla Basin and Southern Willamette Valley groundwater management areas
- Completed a third nitrate trend analysis for food processor wells in Lower Umatilla Basin groundwater management area, and completed a third nitrate trend analysis for the Northern Malheur County groundwater management area and evaluated action plan effectiveness

- Conducted a nitrate trend analysis for the entire Lower Umatilla Basin groundwater management area and evaluated effectiveness of the action plan.
- Developed a best management practices implementation report for the Northern Malheur County groundwater management area
- Worked with Oregon Department of Agriculture to develop advanced best management practices for combined animal feeding operation waste management and develop a research forum on determining nitrogen loading rates that are protective of groundwater
- For the Southern Willamette Valley groundwater management area, DEQ coordinated measurement goals for the action plan nitrate level, worked with realtors and health care providers to disseminate information about nitrate in groundwater and designed a planning tool kit for ground water protection for local jurisdictions

2013 – 2015 expected results

- Groundwater monitoring in Northern Malheur County, Lower Umatilla Basin and Southern Willamette Valley groundwater management areas to evaluate impacts and effectiveness of action plans
- Evaluation of action plans to determine what steps should be taken and implemented to protect groundwater quality
- Coordination with local stakeholders, groundwater management committees, and local agencies on action plan activities
- Outreach and education to increase awareness of groundwater vulnerability and best management practices

Drinking Water Protection program

2011 – 2013 accomplishments

- Worked with Oregon Health Authority to map the locations, detail source areas and inventory contaminant sources of five new (or modified) community water systems
- Updated DEQ's drinking water protection database, including integrating new GIS layers and locations and OHA well construction and hydrogeologic information
- Provided statewide GIS information related to drinking water protection areas, surface water sensitive areas, surface water intakes, wells and potential contaminant sources to agency partners and other DEQ programs
- Conducted several special projects, including an analysis of nitrates in public water systems, an analysis of nitrate levels in recharge zone of Eastern Oregon public water supply and waste pesticide collection events
- Completed assessment reports for communities relying on surface water and groundwater for drinking water
- Provided technical assistance for the development of local community-based drinking water protection plans for 25 public water systems
- Provided education on protecting the state's drinking water, including proper pesticide application and drinking water protection strategies
- Conducted water quality monitoring for 14 public water systems

2013 – 2015 expected results

- Provide statewide GIS information related to drinking water protection areas, surface water sensitive areas, surface water intakes, wells, springs and potential contaminant sources to agency partners and other DEQ programs.

- Complete assessment reports for new public water systems detailing the potential sources of contamination within drinking water protection areas for community water systems
- Provide technical assistance for the development of local community-based drinking water protection plans for at least 25 public water systems
- Provide education and outreach on drinking water protection and planning
- Develop and implement new special projects to address high priority drinking water protection challenges, including additional pesticide collection events and drug-take-back events in source areas

Standards and Assessment program

2011 – 2013 accomplishments

- Completed rulemaking to revise Oregon's human health criteria for toxic pollutants. The new criteria incorporate a revised higher fish consumption rate as well as other updates recommended by EPA.
- Completed rulemaking to revise human health criteria for iron, manganese and arsenic, resulting in more appropriate criteria for these pollutants for Oregon waters.
- Completed a rulemaking to revise the water quality standards for the West Division Main Canal, an irrigation canal near Hermiston. The rulemaking corrected the designated beneficial uses of the canal and included revised water quality criteria to protect the revised uses.
- Completed a rulemaking to adopt a water quality certification (Clean Water Act section 401) policy and procedures for evaluating the potential removal of J.C. Boyle dam on the Klamath River, should DEQ receive an application requesting DEQ certify that the activity meets water quality standards. The rule will allow DEQ to certify the project if it finds that the long term water quality and fish use benefits of dam removal will outweigh the expected and unavoidable short term water quality impacts.
- Conducted research and obtained input from technical and stakeholder groups to develop proposed revisions to Oregon's water quality standard for turbidity.
- Provided technical and policy analysis support to water quality standards litigation brought by Northwest Environmental Advocates v. EPA et al. DEQ is an intervener in this litigation.
- Developed a report for EPA and stakeholders describing how Oregon water quality programs manage nutrients and address water quality impacts that result from excess nutrients
- Completed and submitted Oregon's 2010 water quality assessment, reviewed EPA revisions to Oregon's list of impaired waters (also known as the 303(d) list) and made the final impaired waters database available to the public
- Planned and conducted the 2012 water quality assessment of Oregon water bodies and report, incorporating the first two years of basin assessments and consideration of ocean acidification
- Planned and began work on improvements for the 2014 water quality assessment and report

2013 – 2015 expected results

- Complete rulemaking to revise Oregon's water quality standards for turbidity
- Complete rulemaking to address prospective EPA disapproval of aquatic life criteria for toxics. DEQ expects that EPA will disapprove several aquatic life toxics criteria in response to concerns raised through EPA's Endangered Species Act consultation.

- Resolve issues and complete work resulting from the NWEA v. EPA (DEQ intervener) litigation on Oregon's temperature standard and antidegradation policy implementation plan, including any required rulemaking.
- Conduct rulemaking and write guidance to address multiple issues related to coastal waters
- Conduct the next water quality standards triennial review
- Complete the 2014 assessment of Oregon waters and submit a report to EPA, including updates to the impaired waters list

Wastewater Permitting program

2011 – 2013 accomplishments

- At the end of June 2012, 82 percent of individual and general NPDES and WPCF (non-onsite) were current (includes all individual and general permits, including stormwater; does not include onsite permits).
- Issued 53 permits on the watershed cycle in calendar year 2011 and expect to issue 61 permits on the watershed cycle in calendar year 2012.
- Inspected 79 percent of NPDES major permits, 93 percent of NPDES minor permits, 40 percent of general permits, 100 percent of municipal stormwater permits and 100 percent of WPCF permits.
- Reviewed 77 percent of monthly DMRs for major facilities within 30 days of receipt
- Conducted pre-permit application conferences for facilities going through permit renewal
- Responded to noncompliance situations in a timely manner

2013 – 2015 expected results (DEQ's ability to achieve these results could be affected by pending litigation)

- Work to have 90 percent of the WPCF (non-onsite) and NPDES permits current
- Continue moving toward issuing permits on a watershed basis.
- Inspect 100 percent of the majors and all minor permits within the targeted basins
- Review monthly DMRs for major facilities within 30 days of receipt
- Assign general permits within 30 days of receipt of application. For stormwater general permits, the target is to assign the permit 30 days after the close of the public comment period
- Conduct pre-permit application conferences for permit renewal planned for watershed basins scheduled two years in the future
- Respond to noncompliance situations in a timely manner

UIC program

2011 – 2013 accomplishments

- Completed a UIC individual permit template
- Developed a Mutual Agreement and Order for the City of Aurora that can also be a template to use with other cities
- Developed and issued a general UIC permit for geothermal exploration
- Completed an individual WPCF permit for Neal Hot springs geothermal power project
- Substantially reduced the backlog of applications for "rule authorization"

- Met legislative timelines for new applications
- Closed approximately six "sewage drill holes"
- Approved 187 sites for "rule authorization"
- Developed new UIC database framework that will allow transfer of UIC data to EPA through the Exchange Network

2013 – 2015 expected results

- Issue at least 20 individual municipal and industrial UIC permits
- Eliminate the backlog of applications for "rule authorization"
- Develop a general WPCF stormwater permit geared toward small communities
- Provide technical assistance to small communities
- Improve reporting efficiency of UIC program requirements to EPA through the exchange network, and improve efficiency of DEQ's database
- Improve outreach efforts

401 Certifications

2011 – 2013 accomplishments

- Led a Kaizen process improvement project with 10 state and federal agencies to streamline activities associated with 401 water quality certifications
- Began implementing the recommendations from the 404/401 Kaizen process improvement project
- Continued work on 401 Water Quality fee rule revisions including working with our advisory committee and stakeholders
- Reviewed, evaluated and prepared about 100 individual water quality certifications
- Completed water quality certification for the 2012 Nationwide permit for the United States Army Corps of Engineers
- Participated in transportation projects including TriMet/Milwaukie light-rail line and Columbia River Crossing planning
- Attended preconstruction meetings for Regional Solutions projects, provided technical assistance
- Multi program/agency participation in complicated Portland Harbor Cleanup site projects
- Involved in numerous commerce based projects, including the Federal Navigation Channel on the Columbia River and for Oregon ports
- Active member of multi-agency Portland Sediment Evaluation Team which evaluates sediment quality for dredging project

2013 – 2015 expected results

- Complete implementation of recommendations from the 404/401 Kaizen process improvement project
- Implement revised 401 Water Quality fee rule
- Participate in continuous improvement and streamlining projects with state and federal agencies
- Continue developing individual water quality certifications and reviewing nationwide post construction stormwater management plans
- Develop compliance procedures for 401 Water Quality program to ensure consistency
- Update 401 Water Quality Certification guidance documents

- Participate in pre-application meetings with applicants and appropriate state/federal agencies
- Continued participation in the Portland Sediment Evaluation Team which evaluates sediment quality for dredging project
- Involvement in numerous commerce-based projects, including the Federal Navigation Channel on the Columbia River and for Oregon ports

Onsite program

2011 – 2013 accomplishments

- Provided education and outreach on DEQ's onsite septic system program
- Conducted site evaluations, issue permits and conduct septic system inspections in 12 counties
- Provided technical assistance to contract county staff
- Developed proposed rules related to septic system maintenance, time of transfer evaluations in the coastal zone area, and the approval of alternative treatment technologies
- Coordinated with the Oregon Onsite Wastewater Association and Chemeketa Community College to provide education and training opportunities for installers, pumpers and maintenance providers
- Reviewed and approved onsite system components for use in Oregon
- Issue and renewed licenses and certifications for onsite system installers, pumpers and maintenance providers
- Began working with a county advisory committee to determine ideas for sustaining the onsite program

2013 – 2015 expected results

- Implement the time-of-transfer evaluation program in the Coastal zone
- Implement electronic reporting for time-of-transfer and maintenance reports
- Implement recommendations from the County Advisory Committee
- Provide education and information for the public on DEQ's onsite septic system program
- Conduct site evaluations, issue permits and conduct septic system inspections in 12 counties
- Provide technical assistance to and oversight of contract county staff
- Coordinate with the Oregon Onsite Wastewater Association and Chemeketa Community College to provide education and training opportunities for installers, pumpers and maintenance providers
- Review and approve onsite system components for use in Oregon
- Issue and renew licenses and certifications for onsite system installers, pumpers and maintenance providers

Nonpoint Source program

2011 – 2013 accomplishments

- Distributed $2.8 million in 319 grants to fund projects in Oregon's priority basins and groundwater management areas
- Prepared an annual report of Nonpoint Source program accomplishments

- Worked collaboratively with the Oregon Department of Agriculture and Oregon Department of Forestry to address nonpoint source issues associated with agriculture and forest land uses.
- Developed urban stormwater management guidance document.

2013 – 2015 expected results
- Distribute $1.8 to $2.0 million in 319 grants to fund projects in Oregon's priority basins and groundwater management areas
- Prepare an annual report of Nonpoint Source Program accomplishments

Total Maximum Daily Load program

2011 – 2013 accomplishments
- Continued to develop the Deschutes, Coquille and Mid-Coast basin TMDLs. Continued working on TMDL implementation and implementation plan development in the Willamette, Rogue, Umpqua, Klamath, Tillamook, North Coast and other basins with issued TMDLs.
- Completed implementation plan reviews for submitted TMDL implementation plans for the John Day, Wallowa (Imnaha, Lower Grand Ronde) and Malheur basins. These plans guide management practices and pollutant controls to meet load allocations in TMDLs.
- Continued characterization of mercury sources in Willamette Basin and collected data required for Phase 2 Mercury TMDL development.

2013 – 2015 expected results
- Submit Coquille, Deschutes, MidCoast and Powder/Burnt TMDLs to EPA for approval. Continue working on TMDL implementation and implementation plan reviews in the Willamette, Rogue, Umpqua, Klamath, Deschutes, John Day, Tillamook, North Coast and other basins with issued TMDLs.
- Continue to focus 319 grant activities in priority basins
- Submit Implementation Ready TMDL for the Coos subbasin

Watershed Basin Plans

2011 – 2013 accomplishments
- Basin plans completed in 2011 for the Deschutes, North Coast and Rogue basins
- Basin plans completed in 2012 for the Clackamas, Powder/Burnt and South Coast basins
- Basin plans will be completed in 2013 for the Upper Willamette, Tualatin and Umatilla basins

2013 – 2015 expected results
- Continue to develop watershed basin plans at the rate of three per year

Clean Water State Revolving Fund

2011 – 2013 accomplishments
- Provided approximately $156 million in loans during the 2011-13 biennium to help 30 communities improve their wastewater treatment systems and irrigation districts to mitigate nonpoint source pollution in Oregon's rivers

- Met federal and state tracking and reporting requirements for American Recovery and Reinvestment Act of 2009 for the 13 borrowers that received about $44.3 million in stimulus funding for water quality improvement projects
- Initiated rulemaking effort to improve DEQ's ability to provide financial assistance to public agencies for diverse water quality improvement projects needs, provide clarity about the program's funding process and ensure long-term solvency of the revolving fund.
- Provided outreach and assistance to applicants regarding the State Environmental Review Process
- Provided technical assistance to communities to assess their wastewater infrastructure needs, work collaboratively through problems and identify funding options through the CWSRF loan program or other agencies

2013 – 2015 expected results

- Increase the available fund amount to about $175 million that will be available for a variety of water quality improvement projects.
- Through the federal clean watersheds needs survey, identify and update information on the financial assistance needed for water quality improvement projects.
- Amended program rules adopted by the Oregon Environmental Quality Commission will better assist small communities, provide a more balanced approach for funding of point source and nonpoint source projects and encourage projects with multiple water quality benefits.
- Continued technical assistance will focus on small communities.

IV. WATER QUALITY PROGRAM OPTION PACKAGES

Summary of program option packages

#120 Onsite Septic System Program

This package raises revenue for the onsite program by increasing the surcharge on application fees and removing the surcharge exemption on licenses for installers and pumpers. These changes will provide sufficient revenue to restore one position, fund an additional position to implement the time-of-transfer evaluation program in the coastal zone and maintain an adequate balance for the operating budget.

#122 Oregon Plan Monitoring

This package establishes two new positions to implement a statewide biomonitoring program and produce information used to guide watershed restoration efforts and help ensure resources are strategically applied to achieve salmon recovery and water quality objectives. DEQ will collect and analyze aquatic insects, amphibians and/or fish to characterize and track general watershed health conditions. Monitoring would be coordinated with other agencies.

WATER QUALITY PROGRAM NARRATIVE

#124 Water quality 401 project certification

This package revises the fee table as directed HB 2185 (2009) and adds three positions to address the increased complexity of dredge and fill project applications submitted for certification, greater complexity of water quality regulations, and increased requests for technical assistance, pre-application meetings and site visits. The package fully funds the existing 0.40 FTE that we cannot currently afford and a portion of the manager position that is currently not aligned in the budget.

#126 Wastewater operator certification

This policy package increase fees for the Operator Certification program to cover projected costs of administering the program through 2019. The last fee increase was implemented in 2002. The proposed fee increase would result in a 60 percent increase in fee revenue for the program, enabling DEQ to continue to fund the 2.0 FTE that administer the program.

#127 IWRS Implementation

This policy package establishes three positions to implement Oregon's Integrated Water Resources Strategy. These positions will be located in each of DEQ's regional offices and will work with other agencies, tribal and local officials, community members, watershed councils and other stakeholders to accelerate achievement of environmental outcomes by collaborating cross-agency on development and implementation of salmon recovery plans and water quality improvement plans. Staff will also support local integrated water resource planning efforts by providing technical assistance and water quality information as needed during the development of plans.

#128 Statewide Groundwater Monitoring

This package establishes two new positions to implement a statewide groundwater monitoring program. Groundwater would be monitored for contaminants of concern, including nitrates and pesticides, in two geographic regions per year, resulting in characterization of groundwater quality statewide over a ten year period. The package also includes a capital outlay of $325,000 to purchase laboratory equipment for analyzing pesticides and other toxic compounds.

#320 Pesticide Stewardship Partnership

This package, in conjunction with an Oregon Department of Agriculture policy package, establishes a stable source of funding for the Pesticide Stewardship Partnership program, enabling its expansion to a statewide program. The package establishes five positions (4.0 FTE) at DEQ to provide leadership for the program, work with the ODA and stakeholders on implementation of PSPs and pesticide collection events, facilitate the monitoring activities and schedules, assist with stewardship activities, and evaluate, interpret and communicate pesticide monitoring data.

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Hydroelectric certification fees

Two fees fund DEQ's hydroelectric certification activities: annual fees (ORS 543, ORS 543A, and ORS 536) and application fees (ORS 543A and ORS 468.065(3)).The annual fee is an ongoing charge for the use of public waters. Hydroelectric project operators pay this fee to the Oregon Water Resources Department based on the theoretical horsepower a project can produce. Part of this fee is passed through to DEQ, which uses it primarily to pay for agency program policy development and ongoing programmatic expenses. Applicants for licensing or re-licensing of hydroelectric facilities pay application fees for individual projects regulated under the Federal Energy Regulatory Commission or for renewing expiring individual water rights. These fees are triggered at 30 to 50 year intervals for FERC licenses and 10 to 30 year intervals for projects that have only a water right. Once DEQ issues a certification, project operators pay DEQ an annual fee to oversee implementation of the certification conditions.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$169,442	$921,624	$91,436	$399,816	$599,814
7/1/13 - 6/30/15	$235,000	$944,524	$128,738	$214,194	$836,592

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Drinking water protection

The 1996 amendments to the federal Safe Drinking Water Act included funding for public drinking water supply system improvements to meet existing and future human health standards. Funding was included to enable public drinking water supply source areas to be identified and possible contamination sources inventoried in order to reduce the risk of pollution and/or loss of public water systems. DEQ will assist communities with protecting their public drinking water supplies through the use of the site-specific information derived from the assessment process, the development of outreach programs and tools, the integration of drinking water protection with other agency programs (such as emergency response and cleanup of hazardous waste sites), and working with county and community officials to integrate drinking water protection strategies into local planning and decisions. This work is done in partnership with the Oregon Health Authority.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$1,407,012	$193,334	$82,226	$1,131,452
7/1/13 - 6/30/15	$0	$1,436,805	$193,801	$98,118	$1,144,886

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Wastewater discharge permit fees

DEQ is authorized by ORS 468.065 to collect fees to pay for the cost of the Water Quality Permit program, which covers industrial, domestic and stormwater wastewater discharges. These fees fund over half of the cost of the Water Quality Permit program. State General Funds and federal funds cover the remaining costs.

DEQ collects permit processing fees for new permit applications and permit modifications, and annual fees from industrial, commercial and municipal facilities covered by National Pollutant Discharge Elimination System and Water Pollution Control Facilities permits. The fee schedule may be found in OAR 340-045-075 and OAR 340-071-0140(4).

A Blue Ribbon Committee convened during 2002 through 2004 recommended revisions to the fee schedule that were approved by the 2005 Legislature and adopted by the Environmental Quality Commission in August 2006. The fee revisions included annualizing the permit processing and renewal fees, realigning several of the fee categories, and increasing the fee revenue to restore and enhance the Wastewater Permitting program. The committee recommended additional fee increases to further enhance the Wastewater Permitting program in 2007-09. In June 2008, the Environmental Quality Commission adopted these fee increases as well as a fee increase on storm water permits to support improvements to DEQ's stormwater program. The EQC adopted up-to-three percent fee increases to cover increasing program costs in 2007, 2008, 2010 and 2011. In 2009, DEQ withdrew the proposed fee increase because anticipated program costs declined due to mandatory furlough days and salary freezes.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$2,730,336	$9,598,759	$1,762,766	$700,914	$9,865,415
7/1/13 - 6/30/15	$1,700,000	$11,219,119	$1,610,652	$1,281,582	$10,026,885

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Persistent pollutant control account surcharge fees

Chapter 696, 2007 Laws, allowed DEQ to impose a surcharge on permits issued by the department to permittees for the purpose of defraying the cost of conducting and administering a study of persistent pollutants discharged in the State of Oregon and reporting the results of that study to the Legislature by June 1, 2010. Permittees included municipalities in possession of National Pollutant Discharge Elimination System permits or water pollution control facility permits issued by the agency pursuant to ORS 468B.050 for a sewage treatment facility that has a dry weather design flow capacity of one million gallons per day or more. The surcharge was collected for FY2009 and FY2010 and has expired.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$0	$0	$0	$0
7/1/13 - 6/30/15	$0	$0	$0	$0	$0

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

401 certification – dredge and fill fees

Activities that are subject to federal permits or licenses and which may cause a discharge to waters of the state must obtain certification from DEQ under Section 401 of the Clean Water Act that the activity will be in compliance with state water quality requirements. When reviewing projects pursuant to issuance of a 401 certification, DEQ evaluates dredge and/or fill proposals to ensure compliance with state water quality standards, programs or other requirements. Fees may be collected to conduct this evaluation and provide the necessary certification. ORS 468B.047 authorizes the Environmental Quality Commission to establish, by rule, a schedule of fees required for state certification.

Policy package 124 proposes to ratify a revised fee schedule for DEQ's removal-fill 401 certification program that the EQC adopted in October 2012 to take effect on July 31, 2013. The fee schedule was adopted to implement the requirements of House Bill 2185 (2009), which requires DEQ to assess 401 certification fees according to project complexity and the amount of staff time needed to process a certification. The policy package also proposes to support additional positions for DEQ's 401 removal-fill program to better meet requests for technical assistance and customer service and to more equitably recover program costs by requiring all 401 certification applicants to pay a fee.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$43,343	$190,000	$22,932	$60,095	$150,316
7/1/13 - 6/30/15	$80,000	$1,257,827	$125,854	$331,179	$880,794

Oregon Environmental Laboratory Accreditation Program

Chapter 1063, 1999 Session Laws established the Oregon Environmental Laboratory Accreditation Program, and the Oregon Administrative Rules 333-64-005 through 0065 regulating this program were adopted in October 1999. According to these regulations, ORELAP is accrediting environmental testing laboratories through the joint efforts of the Oregon Health Authority, Oregon Department of Environmental Quality and the Oregon Department of Agriculture, with OHA's Public Health Laboratory serving as home for ORELAP's administrative office. All drinking water laboratories must be accredited. The EPA Drinking Water program has chosen to accept ORELAP accreditation. Oregon moved all drinking water labs under ORELAP and, in 2004, eliminated the separate drinking water certification program. EPA continues to provide drinking water grant money (through PHL) to help defray the cost of ORELAP. An interagency agreement provides the working agreement and funding arrangement to implement rules for accrediting laboratories that analyze drinking water samples from public water systems pursuant to OAR 333-061-0035. This agreement establishes a not to exceed amount for the

transfer of federal as other funds to DEQ. Accreditation is voluntary for other environmental testing laboratories, including those that analyze wastewater, solid and hazardous waste, and air samples. An interagency agreement between OHA and DEQ determines how accreditation fees are allocated. Because this is a voluntary program, accurate revenue projections are difficult to estimate.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$31,675	$300,475	$39,825	$49,566	$242,759
7/1/13 - 6/30/15	$35,000	$320,000	$44,109	$43,182	$267,709

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Miscellaneous Other Funds

ORS 468.073 allows DEQ to enter into agreements with any applicant, permittee or regulated party to enable the agency to expedite or enhance a regulatory process. The agreements must provide for payment to DEQ for cost of services voluntarily requested. Receipts authority may be used to enhance or expedite virtually any environmental activities which DEQ is now authorized to carry out, but excludes activities normally provided in the ordinary course of business. Examples of environmental services which may be eligible for receipts authority include: development of a Total Maximum Daily Load (TMDL) for a water body out of the priority order established by DEQ; studies to determine if pollution trading is feasible; development of temperature management plans; studies to determine actions which may qualify as supplemental environmental projects on request from a source (supplemental environment projects are performed in lieu of part of a civil penalty); and studies of groundwater impacts prior to submission of a wastewater discharge permit application.

ORS 468.035 allows DEQ to conduct and prepare, independently or in cooperation with others, studies, investigations, research and programs pertaining to the quality and purity of the air or the waters of the state and to the treatment and disposal of wastes, and directs DEQ to serve as the agency of the state for receipt of moneys from the federal government or other public or private agencies for the purposes of air and water pollution control, studies or research. The Water Quality Program collaborates with other state agencies, local and tribal governments, and private agencies. Examples include: cooperation with Oregon Health Authority to monitor coastal beaches for bacteria contamination; collaboration with Oregon Department of Agriculture and other state, local and tribal agencies to monitor and reduce pollution from pesticides, and to collect and safely dispose of legacy and surplus pesticides; working with other federal and state agencies and private organizations to develop water quality trading policies and protocols; and monitoring and analysis of water samples from other state, local and private agencies for water pollution, including persistent pollutants and blue-green algae.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$1,577,986	$212,459	$82,601	$1,282,926
7/1/13 - 6/30/15	$0	$2,433,226	$197,219	$351,068	$1,884,939

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Clean Water State Revolving Fund administration

An annual loan fee, equal to one-half of one percent of the unpaid balance of a loan, pays for administrative costs of operating the Clean Water State Revolving Fund program, including reviewing application materials, disbursing funds, managing construction, completing the performance certification process and managing the portfolio of loans during the repayment period. In December 2012, the Environmental Quality Commission adopted a fee revision that reduces the annual loan fee by half to 0.25 percent for the two year period from January 1, 2013 through December 31, 2014, to draw down the balance of the administrative fee fund. The fee is established in OAR 340-054-0065. The revenue estimate for 2013-15 is based upon the portfolio of loans that existed in 2011-13.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$6,964,203	$4,175,704	$470,492	$7,924,127	$2,745,288
7/1/13 - 6/30/15	$5,290,000	$2,656,479	$607,820	$3,748,306	$3,590,353

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Sewerage Works Operator Certification fees

ORS 448.410 authorizes collection of Sewage Treatment Works (wastewater system) Operator Certification fees. The statute requires the Environmental Quality Commission to adopt rules for operator certification and to establish fees. DEQ uses the fees to evaluate applicants' qualifications, identify skills and knowledge needed to operate wastewater systems, develop and administer examinations, issue and renew certificates, classify wastewater systems, maintain rosters of classified systems and certified persons, and track compliance with certification requirements. Fees come from two sources: certified operators and their employers. The complete fee schedules can be found in OAR 340-049-0065. Policy Package 126 proposes to ratify a revised fee schedule for the sewage works operator certification program the Environmental Quality Commission adopted in December 2012. The package increases revenue to maintain an adequate level of funding and staffing for the program through 2019. DEQ had not increased fees since 2002. The fee income and fee balance were no longer adequate to support implementation of the program, including the program's share of the cost to replace an obsolete information management system.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$131,372	$440,660	$61,273	$123,140	$387,619
7/1/13 - 6/30/15	$20,000	$783,110	$77,945	$215,992	$509,173

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Onsite septic system fees

Fees are assessed on a variety of activities in support of the Onsite Septic System program. These activities include:

- Licensing of wastewater treatment system installers and pumpers (ORS 454.695 and 454.745)
- Site evaluations and permits as required for the construction of onsite septic systems (ORS 454.655 and 454.745)
- Authorization Notices required for re-connection, increased flow, or change in use of an existing onsite septic system (ORS 454.625 and 468.020)
- Review and consideration of variance applications (ORS 454.657 and 454.660)
- Fees for certain reports (ORS 454.755)

With the exception of the licensing fees and product review/approval fees, all fees are paid by owners of onsite systems. The complete fee schedule may be found in Tables 9A-F as referenced in OAR 340-071-0140. DEQ is proposing to restore 1.0 FTE in 2013-15 that is responsible for assisting customers with the septic system applications and providing administrative support for the program. DEQ is also proposing to add 1.0 FTE in 2013-15 that will be responsible for implementing and providing oversight for the time of transfer program in coastal counties. These FTE are included in policy package #120-Restore and Maintain Onsite Septic System Program. These positions would be paid for by amending the onsite rules to increase the surcharge on application fees, remove the surcharge exemption on license applications, increase the new license application fee, restructure the pumper license fee schedule and establish a fee for public records requests.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$204,898	$4,418,687	$540,299	$610,904	$3,472,382
7/1/13 - 6/30/15	$40,000	$4,079,465	$524,653	$366,005	$3,228,807

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Enforcement procedures for water quality violations

ORS 468B.032 provides that a person who is served with a notice of civil penalty or other formal enforcement action may request an alternative enforcement proceeding if the person files a written request within 20 days from the date of service of the notice. A person who submits a request for alterative enforcement proceeding is required to submit with the request a basic process fee of $2,000 and a refundable hearings fee of $3,650 to pay the expenses of the department incurred in implementing the procedures of ORS 468B.032. The statute provides that DEQ shall return the refundable hearing fee to the person who submitted the request if a hearing is not conducted.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$1,318	$0	$0	$1,318	$0
7/1/13 - 6/30/15	$0	$0	$0	$0	$0

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Underground injection control fees

ORS 468B.195 establishes statutory authority for DEQ to charge fees for administering the underground injection control program of the federal Safe Drinking Water Act, 42 U.S.C. 300h et seq., and federal regulations or guidelines issued pursuant to the Safe Drinking Water Act. Fees are established in ORS 468B.196 until the Environmental Quality Commission adopts fees by rule under ORS 468B.195

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$37,621	$300,000	$41,751	$28,279	$267,591
7/1/13 - 6/30/15	$25,000	$300,000	$44,205	$34,617	$246,178

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Lottery Fund support for Total Maximum Daily Load development and implementation, water quality monitoring, and watershed-based toxics monitoring

In a 2001-03 Special Session, the Legislature directed DEQ to shift funding for the TMDL program and volunteer monitoring coordination from General Funds to Measure 66 operations Lottery Funds. The Legislature continued this Measure 66 operations Lottery Fund replacement in 2003-05, 2005-07, 2007-09 and 2009-11. The 2007 Legislature funded a portion of DEQ's new watershed-based toxics monitoring program on Measure 66 operations Lottery Funds. The 2011 Legislature shifted some of DEQ's TMDL implementation and nonpoint source implementation activities from Lottery Fund to Pacific Coastal Salmon Recovery Fund, and shifted some of DEQ's water quality monitoring activities from General Fund to Lottery Fund. DEQ's 2013-15 Governor's Balanced budget proposes to maintain portions of the Total Maximum Daily Load, water quality monitoring and watershed-based toxics monitoring programs on Lottery Funds.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$4,503,053	$336,261	$856	$4,165,936
7/1/13 - 6/30/15	$239,074	$3,710,822	$112,153	$750,187	$3,087,556

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Pacific Coastal Salmon Recovery Fund Support for TMDL implementation and nonpoint source implementation activities

In 2003-05, the Legislature directed DEQ to shift funding for its biomonitoring program from General Fund to Pacific Coastal Salmon Recovery Fund moneys transferred to DEQ by the Oregon Watershed Enhancement Board. The Legislature continued this PCSRF replacement in 2005-07, but shifted the funding back to General Fund in 2007-09. The biomonitoring program was eliminated in DEQ's 2009-11 budget as part of a General Fund reduction package. The 2011-13 Legislatively Adopted Budget shifted a portion of DEQ's Total Maximum Daily Load implementation and nonpoint source implementation activities from Lottery Fund to Other Fund using the PCSRF moneys. DEQ's 2013-15 Governor's Balanced budget proposes to shift these activities from PCSRF to General Fund.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$2,118,888	$309,665	$0	$1,809,223
7/1/13 - 6/30/15	$0	$0	$0	$0	$0

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Federal nonpoint source implementation funding (Section 319 grant)

Under Section 319 of the Clean Water Act, EPA provides grants to states to implement nonpoint source programs. These federal grants require a 40 percent state match (of cash or in kind services). Grants are used for high priority TMDL development and implementation activities, technical assistance and public outreach and education on watershed protection and improvement projects. The amount of annual funding and grant eligibility is subject to EPA's budget. Federal appropriations for the 319 grant program have declined 33 percent since federal fiscal year 2003.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$5,995,062	$393,272	$0	$5,601,790
7/1/13 - 6/30/15	$0	$5,341,412	$342,472	$298,984	$4,699,956

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Federal water pollution control program support funding (Section 106 grant)

DEQ has received an annual federal grant from the EPA and its predecessor agencies for many years to offset part of the costs of operating eligible portions of the state's Water Quality Control program. Eligible portions include permitting activities, standards, monitoring, assessment, enforcement, inspections, training, technical assistance and water quality planning. Grant amounts are determined by formula allocation of national appropriations authorized by Section 106 of the Federal Clean Water Act. DEQ estimates of federal funds are based on the President's budget and the most recent funding projections by EPA for Oregon. The base appropriation for the Section 106 Grant has remained virtually flat during federal fiscal years 2004 through 2010, requiring DEQ to submit General Fund restoration requests to maintain core programs in our 2007-09 and 2009-11 budgets. Congress has appropriated supplemental 106 moneys since federal fiscal year 2005 that have been earmarked for monitoring initiatives, including surveys of the nation's waters. Congress appropriated additional supplemental 106 moneys in FFY2010 for states to enhance their permitting and enforcement programs. Those moneys became a part of the base appropriation in FFY2011. Based on the President's FY2013 budget, DEQ expects the funding level to continue in 2013-15.

A minimum non-federal funding level for the Water Quality program (excluding subsurface and funds used to match other grants) of $512,951 per year must be maintained in order to qualify for the 106 program grant funds.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$6,197,632	$823,253	$0	$5,374,379
7/1/13 - 6/30/15	$0	$6,913,615	$844,818	$401,235	$5,667,562

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Federal underground injection control grant

The Federal Safe Drinking Water Act establishes funding to states for programs to regulate underground waste disposal, which may pollute public water, particularly groundwater. ORS Chapter 468 gives DEQ responsibility to control such waste discharges with state permits. EPA delegated the UIC program to DEQ on October 9, 1984. DEQ provides the 25 percent state match for this federal grant through in-kind services. DEQ's estimate of federal funds is based on the President's budget and the most recent funding projections by EPA for Oregon. The federal grant has been insufficient to adequately implement the program as required under federal primacy delegation requirements and state rules, and Oregon's appropriation has remained virtually flat since federal fiscal year 2001. Therefore, DEQ implemented fees in 2007-09 to restore and enhance the program.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$204,418	$30,415	$0	$174,003
7/1/13 - 6/30/15	$0	$206,112	$29,251	$1,870	$174,991

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Federal water quality management planning funding (Section 604(b) grant)

Clean Water Act, Section 604(b) funds are awarded to state water quality management agencies to carry out water quality management planning. EPA reserves under Section 604(b) for each state an amount not to exceed one percent of the amount allotted and available for obligation for water pollution control revolving loan funds or $100,000, whichever is greater, for the states to carry out water quality management planning. There are no match requirements associated with this funding source. This funding is used by DEQ for statewide planning and management of the Total Maximum Daily Load (TMDL) program and to support water quality management planning projects, including watershed status reports and action plans and water quality information system projects.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$365,172	$27,668	$0	$337,504
7/1/13 - 6/30/15	$0	$367,969	$29,426	$1,972	$336,571

LOTTERY, OTHER FUND, AND FEDERAL FUND REVENUE NARRATIVE: WATER QUALITY DIVISION

Federal water quality - other grants

EPA and other federal agencies periodically solicit proposals for a variety of federal grant programs. DEQ has historically applied for and been awarded grants to conduct water quality studies and other special projects and expects to expend some of these grant dollars in 2013-15, although federal appropriations for these grant programs have been drastically reduced in recent years. DEQ has used these funds to accomplish high priority agency work such as program improvement and streamlining efforts, augmenting existing water quality protection efforts, development and testing of innovative approaches to water quality protection, enhanced use of electronic databases and other information technology innovations, and clean water protection and enhancement activities, including water quality monitoring and Total Maximum Daily Load (TMDL) development. Match requirements on these grants range from no match to 100 percent match. Examples of projects funded by special grants include:

- Implement effluent trading in a wastewater permit
- Monitor mercury in the Willamette Basin, and characterize ambient and point source mercury levels
- Conduct activities in support of TMDL development, including data collection, modeling and water quality studies
- Coordinate watershed-based permitting, including the development of a permit issuance plan, rule revisions, performance measures and statewide policies or program guidance
- Populate and enhance the discharge monitoring system and conduct other activities necessary to meet water quality data management requirements
- Enable electronic reporting of discharge monitoring reports
- Develop guidance for mercury minimization plans for designated management agencies
- Enhance implementation planning guidance for designated management agencies
- Conduct activities to help implement the statewide monitoring strategy
- Improve data management and information systems
- Assess contaminant sources and ecological conditions along tributaries and the main stem of the Columbia River
- Monitor and assess the status and trends of ecological resources using the Environmental Monitoring and Assessment Program design; examples include the Coastal Environmental Monitoring and Assessment Program, which studied randomly selected sites from Oregon's estuaries and near-coast ocean, and the EMAP Western Pilot Project, which focused on wadeable streams in the John Day Basin and statewide
- Development of a TMDL strategy for addressing harmful algae blooms in Oregon lakes

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$653,225	$24,789	$0	$628,436
7/1/13 - 6/30/15	$0	$574,375	$25,875	$2,146	$546,354

WATER QUALITY PROGRAM ESSENTIAL PACKAGE NARRATIVE (13-15)

Title: Vacancy factor and non-PICS personal services (#010)

Purpose:

This package applies adjustments to personal services costs that are not generated by the Position Inventory Control System:

- Updates the vacancy factor to project budget savings reasonably expected from staff turnover
- Applies the standard general inflation factor of 2.8 percent to non-PICS generated personal services costs, such as temporaries, overtime and shift differential
- Adjusts for changes in the contribution for debt service on the PERS pension obligation bonds
- Adjusts for mass transit taxes (excluding federal funds)

Budget:		
	$ 163,065	General Fund
	$ 93,240	Lottery Fund
	$ 85,889	Other Fund
	$ 14,840	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	163,065	-	-	-	-	-	163,065
Total Revenues	**$163,065**	**-**	**-**	**-**	**-**	**-**	**$163,065**
Transfers Out							
Transfer Out - Indirect Cost	-	-	(4,869)	(2,820)	-	-	(7,689)
Total Transfers Out	**-**	**-**	**($4,869)**	**($2,820)**	**-**	**-**	**($7,689)**
Personal Services							
Temporary Appointments	276	-	7,547	-	-	-	7,823
Overtime Payments	172	-	502	-	-	-	674
Public Employees' Retire Cont	33	-	96	-	-	-	129
Pension Obligation Bond	(158,703)	(7,163)	164,831	34,295	-	-	33,260
Social Security Taxes	34	-	616	-	-	-	650
Unemployment Assessments	-	-	823	-	-	-	823
Mass Transit Tax	338	277	4,719	-	-	-	5,334
Vacancy Savings	320,915	100,126	(93,245)	(19,455)	-	-	308,341
Total Personal Services	**$163,065**	**$93,240**	**$85,889**	**$14,840**	**-**	**-**	**$357,034**
Total Expenditures							
Total Expenditures	163,065	93,240	85,889	14,840	-	-	357,034
Total Expenditures	**$163,065**	**$93,240**	**$85,889**	**$14,840**	**-**	**-**	**$357,034**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of **Cross Reference Name: Water Quality**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	(93,240)	(90,758)	(17,660)	-	-	(201,658)
Total Ending Balance	**-**	**($93,240)**	**($90,758)**	**($17,660)**	**-**	**-**	**($201,658)**

WATER QUALITY PROGRAM ESSENTIAL PACKAGE NARRATIVE (13-15)

Title: Cost of phased-in programs or one-time increases (#021)

Purpose:

To identify non-PICS related budget adjustments due to activities that phase-in for 2011-13 or are one-time costs.

How accomplished: This package reflects non-PICS related budget adjustments for activities that started in the 2011-13 biennium and have phase-in increases in the 2013-15 biennium. The Water Quality Program did not phase in any activities during 2011-13.

This package reflects a non-PICS related one-time budget adjustment for a phase-in of S&S to replace COPS DS from 0709 LAB Pkg. 806. $159,157 Other Fund is a phase-in of S&S to replace COPS DS from 0709 LAB Pkg. 806

Budget:			
	$	0	General Fund
	$	0	Lottery Fund
	$	172,349	Other Fund
	$	0	Federal Fund

Staffing impact: FTE phase-ins occur in the base budget (#000)

WATER QUALITY PROGRAM ESSENTIAL PACKAGE NARRATIVE

Title: Cost of phased-out programs or one-time eliminations (#022)

Purpose:

To identify non-PICS related budget adjustments due to activities that phase-out in 2013-15 or eliminate one-time expenditures from 2011-13.

How accomplished: This package reflects non-PICS related budget adjustments for the following activities from the 2011-13 biennium that have phase-out decreases in the 2013-15 biennium:

- This package makes adjustments for expenditures related to one limited duration position in Policy Option Package 123, "Drinking Water Protection."
- This package makes adjustments for expenditures related to three limited duration positions in Policy Option Package 120, "Improve the Onsite Septic System Program."

Budget:

$	0	General Fund
$	0	Lottery Fund
$	(34,652)	Other Fund
$	0	Federal Fund

Staffing impact: FTE phase-outs occur in the base budget (#000)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 021 - Phase-in

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	664	-	-	-	664
Employee Training	-	-	362	-	-	-	362
Office Expenses	-	-	783	-	-	-	783
Telecommunications	-	-	2,236	-	-	-	2,236
Data Processing	-	-	12	-	-	-	12
Publicity and Publications	-	-	126	-	-	-	126
Dues and Subscriptions	-	-	15	-	-	-	15
Facilities Rental and Taxes	-	-	4,908	-	-	-	4,908
Fuels and Utilities	-	-	224	-	-	-	224
Facilities Maintenance	-	-	40	-	-	-	40
Other Services and Supplies	-	-	161,596	-	-	-	161,596
Expendable Prop 250 - 5000	-	-	1,017	-	-	-	1,017
IT Expendable Property	-	-	366	-	-	-	366
Total Services & Supplies	**-**	**-**	**$172,349**	**-**	**-**	**-**	**$172,349**
Total Expenditures							
Total Expenditures	-	-	172,349	-	-	-	172,349
Total Expenditures	**-**	**-**	**$172,349**	**-**	**-**	**-**	**$172,349**
Ending Balance							
Ending Balance	-	-	(172,349)	-	-	-	(172,349)
Total Ending Balance	**-**	**-**	**($172,349)**	**-**	**-**	**-**	**($172,349)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 022 - Phase-out Pgm & One-time Costs | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	(1,533)	-	-	-	(1,533)
Employee Training	-	-	(2,537)	-	-	-	(2,537)
Office Expenses	-	-	(1,590)	-	-	-	(1,590)
Telecommunications	-	-	(4,021)	-	-	-	(4,021)
Data Processing	-	-	(1,211)	-	-	-	(1,211)
Publicity and Publications	-	-	(140)	-	-	-	(140)
Dues and Subscriptions	-	-	(15)	-	-	-	(15)
Facilities Rental and Taxes	-	-	(4,893)	-	-	-	(4,893)
Fuels and Utilities	-	-	(225)	-	-	-	(225)
Facilities Maintenance	-	-	(20)	-	-	-	(20)
Other Services and Supplies	-	-	(16,023)	-	-	-	(16,023)
Expendable Prop 250 - 5000	-	-	(1,014)	-	-	-	(1,014)
IT Expendable Property	-	-	(1,430)	-	-	-	(1,430)
Total Services & Supplies	**-**	**-**	**($34,652)**	**-**	**-**	**-**	**($34,652)**
Total Expenditures							
Total Expenditures	-	-	(34,652)	-	-	-	(34,652)
Total Expenditures	**-**	**-**	**($34,652)**	**-**	**-**	**-**	**($34,652)**
Ending Balance							
Ending Balance	-	-	34,652	-	-	-	34,652
Total Ending Balance	**-**	**-**	**$34,652**	**-**	**-**	**-**	**$34,652**

_____ Agency Request | **_____ Governor's Budget** | **_____ Legislatively Adopted**

2013-15 Biennium | **Page _____** | **Essential and Policy Package Fiscal Impact Summary - BPR013**

WATER QUALITY PROGRAM ESSENTIAL PACKAGE NARRATIVE

Title: Inflation and price list adjustments (#031, 033)

Purpose:

Apply inflation and price list adjustments to adjustments are applied to services and supplies, capital outlay and special payment amounts in the 2009-11 Base Budget.

How Accomplished:

Package 031 applies standard inflation, State Government Service Charge and other price list adjustments:

- General inflation of 2.4 percent
- Attorney general inflation of 14.9 percent
- State government service charge price list adjustments
- Central government service charge price list adjustments
- Self support rent agreement price list (DEQ Laboratory)

Package 033 applies inflation rates requiring Exception Committee approval, and includes only the amount over and above Package 031 amounts. For intra-agencies charges (General and Lottery Funds), which help fund the DEQ Central services, and a 10.6 percent rate for special payments to the State Police.

Budget:

Package	General Fund	Lottery Fund	Other Fund	Federal Fund
031	133,952	26,111	176,602	150,731
032	0	0	0	0
033	44,891	9,523	8,763	8,837

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**
Pkg: 031 - Standard Inflation | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	133,952	-	-	-	-	-	133,952
Total Revenues	**$133,952**	**-**	**-**	**-**	**-**	**-**	**$133,952**
Transfers Out							
Transfer Out - Intrafund	-	-	(38,305)	-	-	-	(38,305)
Transfer Out - Indirect Cost	-	-	41,328	15,976	-	-	57,304
Total Transfers Out	**-**	**-**	**$3,023**	**$15,976**	**-**	**-**	**$18,999**
Services & Supplies							
Instate Travel	1,656	397	3,918	1,602	-	-	7,573
Out of State Travel	123	43	565	34	-	-	765
Employee Training	1,277	437	2,818	654	-	-	5,186
Office Expenses	2,047	434	3,482	646	-	-	6,609
Telecommunications	2,368	648	6,433	1,882	-	-	11,331
Data Processing	583	466	1,507	138	-	-	2,694
Publicity and Publications	-	-	7	-	-	-	7
Professional Services	568	1,831	169	17,775	-	-	20,343
Attorney General	38,011	9,657	52,436	5,635	-	-	105,739
Employee Recruitment and Develop	16	10	26	7	-	-	59
Dues and Subscriptions	17	11	29	7	-	-	64
Facilities Rental and Taxes	60,907	2,959	73,696	28,213	-	-	165,775
Fuels and Utilities	198	125	361	71	-	-	755
Facilities Maintenance	27	18	42	10	-	-	97
Agency Program Related S and S	186	117	307	67	-	-	677

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 031 - Standard Inflation

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Intra-agency Charges	15,766	4,121	7,432	-	-	-	27,319
Other Services and Supplies	6,983	3,810	14,188	9,160	-	-	34,141
Expendable Prop 250 - 5000	672	484	1,656	147	-	-	2,959
IT Expendable Property	869	543	1,195	352	-	-	2,959
Total Services & Supplies	**$132,274**	**$26,111**	**$170,267**	**$66,400**	**-**	**-**	**$395,052**
Capital Outlay							
Technical Equipment	1,678	-	2,310	-	-	-	3,988
Data Processing Hardware	-	-	4,025	-	-	-	4,025
Total Capital Outlay	**$1,678**	**-**	**$6,335**	**-**	**-**	**-**	**$8,013**
Special Payments							
Dist to Other Gov Unit	-	-	-	52,129	-	-	52,129
Dist to Non-Gov Units	-	-	-	30,201	-	-	30,201
Spc Pmt to Police, Dept of State	-	-	-	2,001	-	-	2,001
Total Special Payments	**-**	**-**	**-**	**$84,331**	**-**	**-**	**$84,331**
Total Expenditures							
Total Expenditures	133,952	26,111	176,602	150,731	-	-	487,396
Total Expenditures	**$133,952**	**$26,111**	**$176,602**	**$150,731**	**-**	**-**	**$487,396**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 031 - Standard Inflation | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	(26,111)	(173,579)	(134,755)	-	-	(334,445)
Total Ending Balance	**-**	**($26,111)**	**($173,579)**	**($134,755)**	**-**	**-**	**($334,445)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 033 - Exceptional Inflation

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	44,891	-	-	-	-	-	44,891
Total Revenues	**$44,891**	**-**	**-**	**-**	**-**	**-**	**$44,891**
Services & Supplies							
Intra-agency Charges	44,891	9,523	8,763	-	-	-	63,177
Total Services & Supplies	**$44,891**	**$9,523**	**$8,763**	**-**	**-**	**-**	**$63,177**
Special Payments							
Spc Pmt to Police, Dept of State	-	-	-	8,837	-	-	8,837
Total Special Payments	**-**	**-**	**-**	**$8,837**	**-**	**-**	**$8,837**
Total Expenditures							
Total Expenditures	44,891	9,523	8,763	8,837	-	-	72,014
Total Expenditures	**$44,891**	**$9,523**	**$8,763**	**$8,837**	**-**	**-**	**$72,014**
Ending Balance							
Ending Balance	-	(9,523)	(8,763)	(8,837)	-	-	(27,123)
Total Ending Balance	**-**	**($9,523)**	**($8,763)**	**($8,837)**	**-**	**-**	**($27,123)**

WATER QUALITY PROGRAM ESSENTIAL PACKAGE NARRATIVE

Title: Fund shifts (#050)

Purpose:
The package records position/budget shifts among funding types within the program.

How accomplished:

The package makes shifts in the Water Quality program between fund types for individual positions to realign the fund source to the work performed by each position and to align positions with available funding.

This package shifts 9.08 FTE from Other Fund (Pacific Coastal Salmon Recovery Fund) onto General Fund. These positions were shifted from Lottery Fund to Other Fund in 2011-13 in package 090, "Analyst Recommended Changes."

Budget:	$	2,484,035	General Fund
	$	0	Lottery Fund
	$	(2,483,644)	Other Fund
	$	9,518	Federal Fund

Staffing impact: (1.00) FTE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 050 - Fundshifts

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	2,484,035	-	-	-	-	-	2,484,035
Tsfr From Watershed Enhance Bd	-	-	(2,118,888)	-	-	-	(2,118,888)
Total Revenues	**$2,484,035**	**-**	**($2,118,888)**	**-**	**-**	**-**	**$365,147**
Transfers Out							
Transfer Out - Indirect Cost	-	-	1,697	(1,823)	-	-	(126)
Total Transfers Out	**-**	**-**	**$1,697**	**($1,823)**	**-**	**-**	**($126)**
Personal Services							
Class/Unclass Sal. and Per Diem	1,180,545	(2)	(1,287,531)	10,507	-	-	(96,481)
Overtime Payments	120,193	-	-	238	-	-	120,431
Empl. Rel. Bd. Assessments	297	-	(357)	(7)	-	-	(67)
Public Employees' Retire Cont	248,046	-	(245,529)	2,051	-	-	4,568
Pension Obligation Bond	78,952	-	(78,952)	-	-	-	-
Social Security Taxes	99,503	(1)	(98,496)	824	-	-	1,830
Worker's Comp. Assess. (WCD)	435	-	(528)	(5)	-	-	(98)
Mass Transit Tax	7,807	-	(7,728)	-	-	-	79
Flexible Benefits	255,013	(1)	(271,289)	(4,076)	-	-	(20,353)
Vacancy Savings	(19,222)	-	19,222	-	-	-	-
Reconciliation Adjustment	7	-	(4)	(3)	-	-	-
Total Personal Services	**$1,971,576**	**($4)**	**($1,971,192)**	**$9,529**	**-**	**-**	**$9,909**
Services & Supplies							
Instate Travel	7,700	-	(7,700)	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 050 - Fundshifts

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Out of State Travel	132	-	(132)	-	-	-	-
Employee Training	5,990	-	(5,990)	-	-	-	-
Office Expenses	5,939	-	(5,939)	-	-	-	-
Telecommunications	10,910	-	(10,910)	-	-	-	-
Data Processing	11,634	-	(11,634)	-	-	-	-
Facilities Rental and Taxes	32,782	-	(32,782)	-	-	-	-
Fuels and Utilities	14	-	(14)	-	-	-	-
Facilities Maintenance	14	-	(14)	-	-	-	-
Intra-agency Charges	327,644	-	(325,860)	-	-	-	1,784
Other Services and Supplies	87,325	4	(89,102)	(11)	-	-	(1,784)
Expendable Prop 250 - 5000	7,028	-	(7,028)	-	-	-	-
IT Expendable Property	15,347	-	(15,347)	-	-	-	-
Total Services & Supplies	**$512,459**	**$4**	**($512,452)**	**($11)**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	2,484,035	-	(2,483,644)	9,518	-	-	9,909
Total Expenditures	**$2,484,035**	**-**	**($2,483,644)**	**$9,518**	**-**	**-**	**$9,909**
Ending Balance							
Ending Balance	-	-	366,453	(11,341)	-	-	355,112
Total Ending Balance	**-**	**-**	**$366,453**	**($11,341)**	**-**	**-**	**$355,112**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 050 - Fundshifts

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							
Total Positions							(1)
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**(1)**
Total FTE							
Total FTE							(1.00)
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**(1.00)**

WATER QUALITY PROGRAM ESSENTIAL PACKAGE NARRATIVE

Title: Technical adjustments (#060)

Purpose:

The package records technical adjustments that do not fit in the standard Essential Packages.

How accomplished: Move unemployment limitation from the Programs to Agency Management.

Budget:	$	0	General Fund
	$	0	Lottery Fund
	$	($34,268)	Other Fund
	$	0	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 060 - Technical Adjustments

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Transfers Out							
Transfer Out - Indirect Cost	-	-	6,511	-	-	-	6,511
Total Transfers Out	**-**	**-**	**$6,511**	**-**	**-**	**-**	**$6,511**
Personal Services							
Unemployment Assessments	-	-	(34,268)	-	-	-	(34,268)
Total Personal Services	**-**	**-**	**($34,268)**	**-**	**-**	**-**	**($34,268)**
Total Expenditures							
Total Expenditures	-	-	(34,268)	-	-	-	(34,268)
Total Expenditures	**-**	**-**	**($34,268)**	**-**	**-**	**-**	**($34,268)**
Ending Balance							
Ending Balance	-	-	40,779	-	-	-	40,779
Total Ending Balance	**-**	**-**	**$40,779**	**-**	**-**	**-**	**$40,779**

WATER QUALITY PROGRAM ADJUSTMENT PACKAGE NARRATIVE

Title: Analyst Adjustments (#090)

Purpose:

This package includes the following adjustments:

1. Restores Lottery Fund reductions in package 070 (Revenue Shortfalls) with General Fund,
2. Restores some of the Other Fund and Federal Fund reductions in package 070 (Revenue Shortfalls) with General Fund, and
3. Reflects the impact on agency management indirect charges from PERS rate changes.

How accomplished:

This package restores on General Fund 3.0 FTE in the Wastewater Permitting sub-program that were cut in package 070 due to Other Fund and Federal Fund revenue shortfalls. These positions:

- Write water quality permits and ensure permit compliance in Western Oregon
- Oversee the beneficial reuse of biosolids, domestic septage, industrial solids and wastewater generated by sources within DEQ's Northwest Region to ensure the protection of public health and the environment
- Evaluate land management and waste disposal activities in Eastern Oregon to determine and prevent risks to natural groundwater systems

The Governor's Balanced Budget modified package 070 of the Agency Request Budget by reducing Lottery Fund support for 3.00 FTE in the TMDL sub-program. Package 090 restores the 3.00 FTE on General Fund. These positions:

- Provide logistical planning, data quality documentation, sample collection and data management for priority TMDL development areas
- Develop the Phase 2 mercury TMDL for the Willamette Basin and participate in toxics reduction activities in the Columbia Basin
- Conduct temperature modeling for the Willamette temperature TMDL and other temperature TMDLs

Staffing Impact – 2013-15 **Budget: $ 1,506,454**

Position Class	Position Authority	Position Number	FTE by Division
Restoration			
NRS3 Water Quality Specialist	1 PF	0544	1.00 Western Region
NRS3 Soils/Land Application Specialist	1 PF	1147	1.00 Northwest Region
NRS4 Columbia Basin Coordinator	1 PF	1400	1.00 Water Quality Division
NRS4 Water Quality Monitoring Coordinator	1 PF	1623	1.00 Laboratory Division
NRS4 Water Quality Analyst	1 PF	1906	1.00 Water Quality Division

WATER QUALITY PROGRAM ADJUSTMENT PACKAGE NARRATIVE

NRS4 Hydro	1 PF	2182	1.00 Eastern Region
Natural Resource Specialist - Hydrogeologist			
Total	6		6.00

Budget:	$	1,507,451	General Fund
	$	(997)	Lottery Fund
	$	0	Other Fund
	$	0	Federal Fund

Staffing impact: 6.00 FTE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,507,451	-	-	-	-	-	1,507,451
Total Revenues	**$1,507,451**	**-**	**-**	**-**	**-**	**-**	**$1,507,451**
Transfers Out							
Transfer Out - Indirect Cost	-	-	10,414	4,026	-	-	14,440
Total Transfers Out	**-**	**-**	**$10,414**	**$4,026**	**-**	**-**	**$14,440**
Personal Services							
Class/Unclass Sal. and Per Diem	696,072	-	-	-	-	-	696,072
Empl. Rel. Bd. Assessments	200	-	-	-	-	-	200
Public Employees' Retire Cont	132,740	-	-	-	-	-	132,740
Social Security Taxes	53,249	-	-	-	-	-	53,249
Worker's Comp. Assess. (WCD)	295	-	-	-	-	-	295
Mass Transit Tax	5,107	-	-	-	-	-	5,107
Flexible Benefits	152,640	-	-	-	-	-	152,640
Reconciliation Adjustment	226,944	-	-	-	-	-	226,944
Total Personal Services	**$1,267,247**	**-**	**-**	**-**	**-**	**-**	**$1,267,247**
Services & Supplies							
Intra-agency Charges	230,057	(997)	-	-	-	-	229,060
Other Services and Supplies	10,147	-	-	-	-	-	10,147
Total Services & Supplies	**$240,204**	**($997)**	**-**	**-**	**-**	**-**	**$239,207**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	1,507,451	(997)	-	-	-	-	1,506,454
Total Expenditures	**$1,507,451**	**($997)**	**-**	**-**	**-**	**-**	**$1,506,454**
Ending Balance							
Ending Balance	-	997	10,414	4,026	-	-	15,437
Total Ending Balance	**-**	**$997**	**$10,414**	**$4,026**	**-**	**-**	**$15,437**
Total Positions							
Total Positions							6
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**6**
Total FTE							
Total FTE							6.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**6.00**

WATER QUALITY PROGRAM ADJUSTMENT PACKAGE NARRATIVE

Title: Statewide Administrative Savings (#091)

Purpose:

This package implements adjustments to the budget that represent an estimate of savings from administrative efficiencies.

How accomplished:

The Governor's budget requires increased efficiency in the operation of state government, calls for additional savings in administrative expenditures, and allows for the reinvestment of some of the savings realized through efficiencies into agency programs or to other initiatives that will further improve the administrative operations of state government.

Package 091 was included in all agency budgets as a placeholder for administrative efficiencies to be found in Finance, IT, HR, Accounting, Payroll, and Procurement activities. The Improving Government subcommittee of the Enterprise Leadership Team will be identifying proposed efficiencies or changes in the delivery of service to meet the funding level in the Governor's budget, and will work with individual agencies on the impact to their budget, along with reinvestment opportunities.

Agencies have been asked not to develop implementation plans for Package 091 until those proposed changes have been identified.

Budget:		
	$ (100,884)	General Fund
	$ (14,715)	Lottery Fund
	$ (151,890)	Other Fund
	$ (1,479)	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 091 - Statewide Administrative Savings | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(100,884)	-	-	-	-	-	(100,884)
Total Revenues	**($100,884)**	**-**	**-**	**-**	**-**	**-**	**($100,884)**
Transfers Out							
Transfer Out - Indirect Cost	-	-	26,359	-	-	-	26,359
Total Transfers Out	**-**	**-**	**$26,359**	**-**	**-**	**-**	**$26,359**
Personal Services							
Undistributed (P.S.)	(30,930)	-	(138,730)	-	-	-	(169,660)
Total Personal Services	**($30,930)**	**-**	**($138,730)**	**-**	**-**	**-**	**($169,660)**
Services & Supplies							
Undistributed (S.S.)	(69,954)	(14,715)	(13,160)	(1,479)	-	-	(99,308)
Total Services & Supplies	**($69,954)**	**($14,715)**	**($13,160)**	**($1,479)**	**-**	**-**	**($99,308)**
Total Expenditures							
Total Expenditures	(100,884)	(14,715)	(151,890)	(1,479)	-	-	(268,968)
Total Expenditures	**($100,884)**	**($14,715)**	**($151,890)**	**($1,479)**	**-**	**-**	**($268,968)**
Ending Balance							
Ending Balance	-	14,715	178,249	1,479	-	-	194,443
Total Ending Balance	**-**	**$14,715**	**$178,249**	**$1,479**	**-**	**-**	**$194,443**

_____ Agency Request | **_____ Governor's Budget** | **_____ Legislatively Adopted**

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WATER QUALITY PROGRAM ADJUSTMENT PACKAGE NARRATIVE

Title: PERS Taxation Policy (#092)

Purpose:

This package implements adjustments to the budget that represent an estimate of savings from a PERS policy change on tax relief calculations.

How accomplished: This package supports a policy change to limit tax relief calculations to PERS retirees that are Oregon residents. Non-resident retirees will no longer receive the tax relief benefit. The policy change saves approximately 40 basis points on the PERS employer rate. It also includes the impact on the agency management indirect resulting from this policy.

Budget:	$	(35,713)	General Fund
	$	(10,328)	Lottery Fund
	$	(47,500)	Other Fund
	$	(18,716)	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 092 - PERS Taxation Policy

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(35,713)	-	-	-	-	-	(35,713)
Total Revenues	**($35,713)**	**-**	**-**	**-**	**-**	**-**	**($35,713)**
Transfers Out							
Transfer Out - Indirect Cost	-	-	6,319	2,443	-	-	8,762
Total Transfers Out	**-**	**-**	**$6,319**	**$2,443**	**-**	**-**	**$8,762**
Personal Services							
PERS Policy Adjustment	(32,303)	(9,723)	(47,500)	(18,716)	-	-	(108,242)
Total Personal Services	**($32,303)**	**($9,723)**	**($47,500)**	**($18,716)**	**-**	**-**	**($108,242)**
Services & Supplies							
Intra-agency Charges	(3,410)	(605)	-	-	-	-	(4,015)
Total Services & Supplies	**($3,410)**	**($605)**	**-**	**-**	**-**	**-**	**($4,015)**
Total Expenditures							
Total Expenditures	(35,713)	(10,328)	(47,500)	(18,716)	-	-	(112,257)
Total Expenditures	**($35,713)**	**($10,328)**	**($47,500)**	**($18,716)**	**-**	**-**	**($112,257)**
Ending Balance							
Ending Balance	-	10,328	53,819	21,159	-	-	85,306
Total Ending Balance	**-**	**$10,328**	**$53,819**	**$21,159**	**-**	**-**	**$85,306**

_____ Agency Request **_____ Governor's Budget** **_____ Legislatively Adopted**
2013-15 Biennium **Page _____** **Essential and Policy Package Fiscal Impact Summary - BPR013**

WATER QUALITY PROGRAM ADJUSTMENT PACKAGE NARRATIVE

Title: Other PERS Adjustments (#093)

Purpose:

This package implements adjustments to the budget that represent an estimate of savings from PERS policy changes.

How accomplished: This package supports policy changes that reduce the PERS employer rate by approximately 320 basis points. It also includes the impact of the policy package change on agency management indirect charges.

Budget:	$	(28,537)	General Fund
	$	(8,252)	Lottery Fund
	$	(37,957)	Other Fund
	$	(14,955)	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 093 - Other PERS Adjustments

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(28,537)	-	-	-	-	-	(28,537)
Total Revenues	**($28,537)**	**-**	**-**	**-**	**-**	**-**	**($28,537)**
Transfers Out							
Transfer Out - Indirect Cost	-	-	5,049	1,952	-	-	7,001
Total Transfers Out	**-**	**-**	**$5,049**	**$1,952**	**-**	**-**	**$7,001**
Personal Services							
PERS Policy Adjustment	(25,812)	(7,769)	(37,957)	(14,955)	-	-	(86,493)
Total Personal Services	**($25,812)**	**($7,769)**	**($37,957)**	**($14,955)**	**-**	**-**	**($86,493)**
Services & Supplies							
Intra-agency Charges	(2,725)	(483)	-	-	-	-	(3,208)
Total Services & Supplies	**($2,725)**	**($483)**	**-**	**-**	**-**	**-**	**($3,208)**
Total Expenditures							
Total Expenditures	(28,537)	(8,252)	(37,957)	(14,955)	-	-	(89,701)
Total Expenditures	**($28,537)**	**($8,252)**	**($37,957)**	**($14,955)**	**-**	**-**	**($89,701)**
Ending Balance							
Ending Balance	-	8,252	43,006	16,907	-	-	68,165
Total Ending Balance	**-**	**$8,252**	**$43,006**	**$16,907**	**-**	**-**	**$68,165**

_____ Agency Request **_____ Governor's Budget** **_____ Legislatively Adopted**
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WATER QUALITY POLICY OPTION PACKAGE 120 NARRATIVE (13-15)

Title: Restore and Maintain Onsite Septic System Program (#120)

Purpose

DEQ's onsite septic system program is fully supported by fees. At present, the revenue stream from fees is not sufficient to sustainably fund the program and enable DEQ to deliver core services. These services include program implementation in direct service counties (counties where DEQ implements the program), program oversight in contract counties (counties implement the program), and statewide policy development and program administration. To address this problem, this package proposes to raise revenue by increasing the surcharge on application fees and removing the surcharge exemption on licenses for installers and pumpers. These changes will provide sufficient revenue to restore one position, fund an additional position to implement the time of transfer evaluation program and maintain an adequate balance for the operating budget.

Background

Approximately 30 percent of Oregon households rely on septic systems to treat their sewage. Under state law, DEQ is responsible for ensuring that septic systems are sited, installed and operated so that Oregon's land, water and public health is protected. Improperly functioning septic systems can pollute streams and groundwater and be a public health hazard.

DEQ directly manages the program in 12 counties, referred to as "direct service" counties. Twenty-four counties manage the program under contract with DEQ, referred to as "contract counties." Counties decide for themselves whether to administer the program or have DEQ administer it. Typically, DEQ implements the program in counties where there is a small number of applications and large, remote areas of land. These conditions make the costs too high for the county to administer the program.

The onsite program is fee supported, with fees predominately coming from applications for site evaluations, permits, and licenses for installers and pumpers. DEQ establishes fees for its services through rulemaking and the contract counties adopt their own fee schedules. To pay for administration of the statewide program (such as policy development, rulemaking and oversight of contract counties) there is a $60 surcharge on all application fees paid to either DEQ or a county, with the exception of license-related applications.

Fees also cover the costs of complaint response and enforcement. Gaining compliance can often take considerable staff time and expense, and any civil penalties that are assessed and collected are sent to the General Fund rather than coming back to the program. Compliance work over the past three years has increased significantly in the licensing section of the program. This includes review of septage management activities, record keeping, and ensuring the proper certification of individuals working for licensed businesses. DEQ is not able to provide adequate oversight of these activities.

Since the beginning of the economic recession in 2008 there has been a precipitous decline in onsite applications, resulting in a significant revenue shortfall in the program. Annual fee revenue declined from over $2.6 million in FY2007 to $1.4 million in FY2012, despite a fee increase over that time period. This led DEQ to eliminate 7.8 FTE from the onsite program in the 2011-13 budget (including five vacant positions eliminated by the legislature), and to propose to permanently eliminate 2.25 FTE in the 2013-15 Governor's Balanced Budget. It has also caused DEQ to redirect a portion of the surcharge revenue from statewide program management duties to help pay for administration of the program in direct service counties. In essence, DEQ needs to trade-off

statewide program management duties against the desire to provide customer service in direct service counties. This is not a sustainable model for the program.

Furthermore, following adoption of the 2011-13 budget, DEQ determined it lacked the authority to adopt a proposed septic tank pumping event reporting fee. The inability to establish this fee resulted in the elimination of a large portion of the revenue needed to support a new position to implement the time of transfer program. DEQ must implement the time of transfer program in order to be in compliance with the federal Coastal Zone Management Act. This program requires septic system evaluations at the time of property transfer in Oregon's coastal counties. DEQ obtained authorization from the Legislature during the 2011 session to proceed with rulemaking for this program and to establish one limited duration position to implement and oversee the program. DEQ has been unable to fill that position due to the revenue shortfall.

DEQ has struggled for some time to maintain stable and adequate funding for the onsite program. The agency is currently engaged in conversations internally and externally, including with the Governor's Regulatory Streamlining Taskforce, to explore new and different models for delivering services in a financially sustainable way that ensures there will be adequate protection of the environment and public health. In the meantime, DEQ needs to continue to manage the program in a manner that meets the public's needs and fulfills its regulatory responsibilities.

How Accomplished

DEQ proposes to adopt the following fee changes in order to generate sufficient revenue to restore a position that provides customer service and administrative support for the program in direct service counties, and establish a position to implement the time of transfer program.

- Increase the surcharge fee from $60 to $100
- Apply the surcharge fee to all new licenses and to license renewals, reinstatements and transfers
- Increase the new license application fee from $355 to $425 (license fees have not been increased since 1999)
- Restructure the license application fee for septage pumpers so that the fee would vary based upon the number of trucks they operate
    - New license fees would increase from $355 to $525 plus $15 for each additional pumper truck
    - License renewals would increase from $320 to $420 plus $15 for each additional pumper truck
- Establish a $7.50 base fee for onsite program public records request. DEQ would need to revise its Division 011 rules in order to implement this fee. (Currently, DEQ may only charge for public records requests if they require more than 15 minutes of staff time. DEQ estimates that public records request require anywhere from 50 to 75 hours of staff time per month, but few requests exceed the 15 minute threshold so DEQ receives little revenue for this work.)

Results/Outcome

If this package is adopted:

- DEQ would be able to maintain its current level of customer service and presence in direct service counties by restoring a position that assists customers with the septic system applications and provides administrative support for the program. Most onsite program customers are first-time applicants who have a lot of questions about the application process and septic systems in general. DEQ's ability to provide face-to-face assistance is an effective way to ensure their needs are met and to protect environmental quality.

WATER QUALITY POLICY OPTION PACKAGE 120 NARRATIVE (13-15)

- DEQ would establish one position to implement and provide oversight for the time of transfer program in coastal counties. This position would be responsible for effective implementation of the electronic report submittal and tracking system, working with training providers that certify private sector inspectors to ensure there is a qualified pool of professionals to conduct inspections and submit reports on behalf of property owners, and ensure that property owners follow up when septic systems are determined to be in need of repair or replacement.

If the package is not adopted:

- DEQ would need to centralize administration for the onsite program and would no longer provide local application assistance to the public in Coos Bay, Pendleton, Grants Pass and Medford. Customers would only be able to receive application assistance by phone, email or fax. This could make the process more challenging for homeowners and lengthen the period of time it takes to get approval for installing a septic system.
- Although the requirement to evaluate septic systems and submit reports will be in place, DEQ would not be able to provide oversight to ensure that evaluations are being done and that failing systems are repaired. Therefore, environmental and public health hazards could go unmitigated.

Staffing Impact – 2013-15 **Budget: $ 310,857**

Position Class	Position Authority	Position Number	FTE by Division
Restoration			
AS 1 Onsite Permit Coordinator	1 PF	0207	1.00 Eastern Region
Continuation			
NRS2 Onsite Program Specialist	1 PF	3021	1.00 Western Region
Total	2		2.00

Revenue Source: Other Fund

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**
Pkg: 120 - Onsite Septic System Program | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Non-business Lic. and Fees	-	-	514,298	-	-	-	514,298
Total Revenues	**-**	**-**	**$514,298**	**-**	**-**	**-**	**$514,298**
Transfers Out							
Transfer Out - Indirect Cost	-	-	(52,336)	-	-	-	(52,336)
Total Transfers Out	**-**	**-**	**($52,336)**	**-**	**-**	**-**	**($52,336)**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	167,376	-	-	-	167,376
Empl. Rel. Bd. Assessments	-	-	80	-	-	-	80
Public Employees' Retire Cont	-	-	31,918	-	-	-	31,918
Social Security Taxes	-	-	12,804	-	-	-	12,804
Worker's Comp. Assess. (WCD)	-	-	118	-	-	-	118
Mass Transit Tax	-	-	1,004	-	-	-	1,004
Flexible Benefits	-	-	61,056	-	-	-	61,056
Reconciliation Adjustment	-	-	1	-	-	-	1
Total Personal Services	**-**	**-**	**$274,357**	**-**	**-**	**-**	**$274,357**
Services & Supplies							
Instate Travel	-	-	1,391	-	-	-	1,391
Out of State Travel	-	-	164	-	-	-	164
Employee Training	-	-	1,511	-	-	-	1,511
Office Expenses	-	-	2,216	-	-	-	2,216
Telecommunications	-	-	2,632	-	-	-	2,632

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**
Pkg: 120 - Onsite Septic System Program | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Data Processing	-	-	752	-	-	-	752
Publicity and Publications	-	-	11	-	-	-	11
IT Professional Services	-	-	840	-	-	-	840
Dispute Resolution Services	-	-	40	-	-	-	40
Employee Recruitment and Develop	-	-	15	-	-	-	15
Dues and Subscriptions	-	-	73	-	-	-	73
Facilities Rental and Taxes	-	-	15,042	-	-	-	15,042
Fuels and Utilities	-	-	248	-	-	-	248
Facilities Maintenance	-	-	62	-	-	-	62
Agency Program Related S and S	-	-	91	-	-	-	91
Other Services and Supplies	-	-	9,817	-	-	-	9,817
Expendable Prop 250 - 5000	-	-	504	-	-	-	504
IT Expendable Property	-	-	1,091	-	-	-	1,091
Total Services & Supplies	**-**	**-**	**$36,500**	**-**	**-**	**-**	**$36,500**
Total Expenditures							
Total Expenditures	-	-	310,857	-	-	-	310,857
Total Expenditures	**-**	**-**	**$310,857**	**-**	**-**	**-**	**$310,857**
Ending Balance							
Ending Balance	-	-	151,105	-	-	-	151,105
Total Ending Balance	**-**	**-**	**$151,105**	**-**	**-**	**-**	**$151,105**

_____ Agency Request | **_____ Governor's Budget** | **_____ Legislatively Adopted**
2013-15 Biennium | **Page _____** | **Essential and Policy Package Fiscal Impact Summary - BPR013**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 120 - Onsite Septic System Program

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							
Total Positions							2
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**2**
Total FTE							
Total FTE							2.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**2.00**

_____ **Agency Request** _____ **Governor's Budget** _____ **Legislatively Adopted**
2013-15 Biennium **Page** _____ **Essential and Policy Package Fiscal Impact Summary - BPR013**

WATER QUALITY POLICY OPTION PACKAGE 122 NARRATIVE (13-15)

Title: Oregon Plan Monitoring (#122)

Purpose

This package will enable DEQ to implement a statewide biomonitoring program and produce information used to guide watershed restoration efforts and help ensure resources are strategically applied to achieve salmon recovery and water quality objectives.

Background

In 1997, the Oregon Legislature and Governor established the Oregon Plan for Salmon and Watersheds to address the listings of coastal coho and other salmon species under the federal Endangered Species Act. Oregon Plan monitoring activities were initially focused on developing a better data set for understanding the relative importance of factors contributing to salmon run declines along the Oregon Coast. The plan also provides funding to landowners and other private citizens, community organizations, interest groups and others for on the ground activities designed to restore critical habitat areas for coho salmon. Local engagement and participation in Oregon Plan activities is critical for land use based restoration activities to take hold and have the desired environmental outcomes.

The OPSW is a model of coordinated, interagency environmental monitoring designed to understand the complex combination of factors that threaten watershed health and salmon habitat. Evaluating stream habitat conditions, water quality, and biological integrity together is necessary to develop a complete picture of watershed health and to understand which types of restoration actions provide the most environmental benefit. Coordinated monitoring activities and study designs were the foundation of the 2005 "Oregon Coastal Coho Assessment" that evaluated the factors for the decline of coho along Oregon's coastal watersheds. Data collection for this assessment was a coordinated effort among Oregon Department of Fish and Wildlife, Department of State Lands, Oregon Department of Forestry, Oregon Department of Agriculture, watershed councils and others. Monitoring coordination maximizes data collection efficiency, reduces costs, and provides more robust data sets for linking water quality, watershed health, biological condition and fish abundance to land management activities. The information from the Coastal Coho Assessment was used to develop the "Oregon Coast Coho Conservation Plan for the State of Oregon" in 2007.

This policy package reestablishes DEQ's ability to collect and assess data on aquatic biological communities in Oregon's rivers and streams. Information on aquatic insect, fish and amphibian communities can be used for assessing the combined effects of water quality impacts and habitat disturbance in streams and rivers. DEQ and others have developed tools that use this information to identify the most critical factors that are impairing fish and other aquatic organisms, such as sediment or water temperature, so that restoration efforts can be focused on addressing those specific problems. Restoring healthy fish runs and aquatic communities are a common objective for multiple state and federal agencies as well as representing an important environmental value for Oregonians.

WATER QUALITY POLICY OPTION PACKAGE 122 NARRATIVE (13-15)

How Achieved

This policy package will provide information necessary to better protect watershed health in Oregon through the:

1. Collection of macroinvertebrate and/or aquatic fish community data in two basins annually on a rotating basis
2. Coordination of biological and water quality monitoring activities through Oregon Plan monitoring team
3. Analysis of macroinvertebrate data using an assessment tool developed for Oregon
4. Incorporation of information into an environmental report card and DEQ's Basin Assessment reports
5. Provision of watershed health information to state and federal agencies, tribes, watershed councils, land owners and others involved in watershed restoration activities, to inform the design of restoration and land management activities to maximize the environmental benefit

DEQ proposes to add two permanent positions to carry out a statewide biomonitoring program. Each year, two geographic areas will be identified for biomonitoring activities beginning in 2014 with complete coverage of the state over a ten year cycle. Biomonitoring locations and timing will be prioritized to complement the information needed for writing comprehensive basin assessments that DEQ uses for planning geographically targeted water quality protection activities. DEQ will consult with other state and federal agencies to help identify risk factors and to identify opportunities for leveraging resources to more efficiently meet multiple agency objectives. Data collection events will be coordinated with other natural resource agencies and basin groups to fill data gaps, interpret the effectiveness of restoration activities and water quality management plans and to interpret biological conditions on urban, agricultural and forest land uses. DEQ will collect and analyze macroinvertebrate and/or aquatic vertebrate samples to characterize and track general watershed health conditions. Data would be assessed using the Predictive Assessment Tool for Oregon. Summary information would be incorporated into an environmental report card and in DEQ's basin assessments.

Results/Outcomes

If this package is approved DEQ expects to deliver the following results:

- Assessment of overall watershed conditions using aquatic macroinvertebrates and/or fish community information for two basins per year. Statewide coverage in ten years.
- An understanding of the conditions of aquatic biological communities on predominantly urban, agricultural and forested land uses.
- Incorporation of biological condition information into an environmental report card.
- Incorporation of biological condition information into DEQ basin assessments.
- Feedback for land use managers on the biological findings.

If this package is not funded:

- Consistent, high quality macroinvertebrate and/or aquatic vertebrate information would not be available to evaluate watershed health at the basin level
- Information on the status and trends of biological conditions on different land use types would be limited and incomplete

WATER QUALITY POLICY OPTION PACKAGE 122 NARRATIVE (13-15)

- Oregon would be lacking a tool for evaluating the effectiveness of watershed protection programs in restoring aquatic life uses.

Staffing Impact – 2013-15: **Budget: $ 238,161**

Position Class	Position Authority	Position Number	FTE by Division
Position phasing in April 1, 2014			
NRS 2 Water Quality Monitoring Specialist	1 PF	3019	0.625 Laboratory
NRS 2 Water Quality Monitoring Specialist	1 PF	3020	0.625 Laboratory
Total	2		1.25

Staffing Impact – 2015-17: **Budget: $ 381,058**

Position Class	Position Authority	Position Number	FTE by Division
NRS 2 Water Quality Monitoring Specialist	1 PF	3019	1.00 Laboratory
NRS 2 Water Quality Monitoring Specialist	1 PF	3020	1.00 Laboratory
Total	2		2.00

Revenue Source: General Fund

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 122 - Oregon Plan Monitoring

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	238,161	-	-	-	-	-	238,161
Total Revenues	**$238,161**	**-**	**-**	**-**	**-**	**-**	**$238,161**
Personal Services							
Class/Unclass Sal. and Per Diem	104,610	-	-	-	-	-	104,610
Empl. Rel. Bd. Assessments	50	-	-	-	-	-	50
Public Employees' Retire Cont	19,950	-	-	-	-	-	19,950
Social Security Taxes	8,002	-	-	-	-	-	8,002
Worker's Comp. Assess. (WCD)	74	-	-	-	-	-	74
Mass Transit Tax	628	-	-	-	-	-	628
Flexible Benefits	38,160	-	-	-	-	-	38,160
Total Personal Services	**$171,474**	**-**	**-**	**-**	**-**	**-**	**$171,474**
Services & Supplies							
Instate Travel	1,874	-	-	-	-	-	1,874
Employee Training	432	-	-	-	-	-	432
Office Expenses	410	-	-	-	-	-	410
Telecommunications	800	-	-	-	-	-	800
Agency Program Related S and S	5,678	-	-	-	-	-	5,678
Intra-agency Charges	32,712	-	-	-	-	-	32,712
Other Services and Supplies	17,377	-	-	-	-	-	17,377
Expendable Prop 250 - 5000	5,614	-	-	-	-	-	5,614

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**
Pkg: 122 - Oregon Plan Monitoring | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	1,790	-	-	-	-	-	1,790
Total Services & Supplies	**$66,687**	**-**	**-**	**-**	**-**	**-**	**$66,687**
Total Expenditures							
Total Expenditures	238,161	-	-	-	-	-	238,161
Total Expenditures	**$238,161**	**-**	**-**	**-**	**-**	**-**	**$238,161**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							2
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**2**
Total FTE							
Total FTE							1.26
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**1.26**

WATER QUALITY POLICY OPTION PACKAGE 124 NARRATIVE (13-15)

Title: Water Quality 401 Project Certification (#124)

Purpose

This policy package proposes to ratify a revised fee schedule for the DEQ's removal-fill 401 certification program that was adopted by the Environmental Quality Commission in October 2012. The fee schedule, which will take effect on July 31, 2013, was adopted to implement the requirements of House Bill 2185 (2009) which requires DEQ to assess 401 certification fees according to project complexity and the amount of staff time needed to process a certification. The policy package also proposes to support additional positions for DEQ's 401 removal-fill program to better meet requests for technical assistance and customer service and to more equitably recover program costs by requiring all 401 certification applicants to pay a fee.

Background

Section 401 of the federal Clean Water Act requires that any federal license or permit to conduct an activity that may result in a discharge to waters of the United States receive a water quality certification from the state in which the activity will occur. In Oregon, DEQ reviews proposed projects under this requirement. Nearly all such federal licenses or permits come from either the U.S. Army Corps of Engineers for dredge and fill activities or from the Federal Energy Regulatory Commission for hydroelectric projects. This proposal is for DEQ's removal-fill 401 Water Quality Certification program, not hydroelectric project certification work.

DEQ's 401 removal-fill program works only on projects that need a federal license or permit. Many removal-fill projects also need, or only need, a state permit, issued by the Oregon Department of State Lands. This policy package and the revised fee schedule do not affect DSL permits.

DEQ receives about 100 applications for individual 401 certifications annually for federal actions involving removal-fill projects such as dredging, filling of wetlands for development, decommissioning of dams, transportation projects and stream and wetland restoration projects. Size and complexity of these projects vary from small wetland fills for private driveways to many acres of fill or disturbance for development projects. Staff currently work on many high priority projects statewide including in-stream aggregate removal, liquefied natural gas terminals, pipelines, housing, commercial and industrial development and road construction/maintenance, post-construction stormwater management plan reviews and programmatic certifications covering multiple activities such as stream restoration and road construction.

The 401 certification process work includes: application evaluation; identification of conditions necessary to protect water quality which, if met, will result in project approval as well as achievement of state water quality protection regulations; technical assistance, including guidance documents that describe how to meet the identified conditions; and participation in pre-application meetings and site visits for some proposed projects. Site visits allow development of certification conditions that are customized to best suit the project and the site. The 401 certification work also involves administrative tasks such as database management, responding to information requests and conducting research about best management practices and other technical aspects of proposed projects.

WATER QUALITY POLICY OPTION PACKAGE 124 NARRATIVE (13-15)

DEQ works closely with a number of agencies including U.S. Army Corps of Engineers, Oregon Department of State Lands, National Marine Fisheries Service, U.S. Fish and Wildlife Service, Oregon Department of Land Conservation and Development, Oregon Department of Fish and Wildlife, Oregon Water Resources Department and many local jurisdictions. DEQ also works with the Joint Stream Restoration Partnership, which includes DSL, private entities, environmental organizations and other state and federal natural resource agencies, to develop better procedures for coordinating and streamlining the permitting process for stream restoration.

The fee structure in effect at the publication of this budget document was adopted by the Environmental Quality Commission in 2004. Fees are charged in increasing values based on proposed fill or removal amounts. No fees are charged for projects that propose to fill less than 2 acres of wetlands or remove less than 500 cubic yards of material. Approximately 52 percent of the projects receiving a 401 certification do not pay a fee. When DEQ can assess fees for a project, the fee often does not align with the costs of the associated certification work. For example, a small removal project with lower fees can take more staff time than a large dredge project with higher fees, because project review depends more on the waters/wetlands being impacted and the background and experience of the applicant than amounts removed or filled.

The 2009 Legislature passed HB 2185 which removed 401 certification program fee exemptions, requires that DEQ base fees on project size and estimated or actual costs and requires the Environmental Quality Commission to establish procedures for applicants to elevate issues associated with DEQ's fee assessments. The initial version of the bill included a new fee schedule but it was not included in the final bill. The Legislature asked DEQ to re-analyze the initially proposed fee schedule and consider lowering fees for the lower tiers, which most of the projects fall into, and then reconvene the advisory committee to get input on the proposed adjusted fees and move forward to rulemaking. DEQ began meeting regularly with an advisory committee in December 2007 on the existing 401 fee table and associated positions.

While the number of removal-fill projects has been fairly static over time, the work associated with the 401 program has increased. This is due to increased complexity of projects for certification, such as Liquefied Natural Gas projects, pipeline and some mining applications, greater complexity of water quality regulations, requirements from other DEQ programs such as the Total Maximum Daily Load program and stormwater management plan reviews. Requests for technical assistance, pre-application meetings and site visits have also increased. There is also more administrative work associated with issuing public notices and hosting public hearings and meetings for proposed projects, data base maintenance and policy and program development work. Public demand for participation has also increased over the past several years.

Currently, two full-time technical staff conduct all 401 program work. One position is funded by General Fund and the other is intended to be funded fully by fees. Fees currently generate only enough revenue to fund 60 percent of the 1.0 FTE intended to be fee funded. The existing staff level is inadequate to run the statewide 401 program. DEQ has not been able to develop key program implementation policy, including best management practices, guidance for monitoring, guidelines for incorporating stormwater or Total Maximum Daily Load requirements into projects; nor guidance on how to develop projects that use effective best management practices to ensure water quality standards are achieved. Applicants advise DEQ that delays in project reviews periodically result in increased costs. In addition, DEQ has not been able to conduct any follow-up on projects to track compliance, determine if 401 conditions are being implemented or are effective, and initiate enforcement action, if necessary. To date, DEQ has only been able to conduct limited compliance inspections, primarily in response to complaints.

WATER QUALITY POLICY OPTION PACKAGE 124 NARRATIVE (13-15)

As part of an ongoing process to streamline the program, DEQ led a Kaizen 404/401 process improvement project in 2011 with 10 state and federal agencies. The outcome of the Kaizen was 29 action items to reduce redundancy while still protecting water quality in the current joint application process. DEQ and all the other participating entities committed to and have implemented most of the outcomes of the Kaizen recommendations. As an example, one outcome was a commitment by the action agencies to hold regularly scheduled pre-application sessions where potential applicants could discuss their projects with all agencies early in the process. Getting feedback early in the process could result in better designed projects that are able to get through the permitting process more quickly and at less cost to the applicant.

The purpose of this package is to deliver on customer service outcomes as directed by the Legislature, the advisory committee and the Kaizen recommendations. The proposed fee structure will be based on projected program costs and is designed to ensure sufficient revenue and staff to improve guidance documents, provide greater technical assistance to applicants, with an emphasis on timeliness, and to establish a field presence to evaluate program effectiveness. DEQ met with the advisory committee in March 2012 to discuss the revised proposed fee table, rulemaking plan and draft policy package elements.

How Achieved

HB 2185, passed by the 2009 Legislature, removed the statutory exemptions for the types of removal-fill projects that must pay a fee for 401 Certifications. Beginning July 31, 2013, all 401 certification applicants will pay a fee approved by the Environmental Quality Commission in October 2012. The fee structure will assess fees for individual certifications based upon workload associated with the scale and complexity of the proposed projects.

DEQ anticipates the new fee structure accurately represents the workload of the program while more evenly spreading the costs of the program to all applicants. This new fee structure is intended to fully fund existing staff, proposed new positions, and associated database and Web work.

Work Realignment

This policy package proposes to fully fund the existing 0.40 FTE that we cannot currently afford and a portion of the manager position that is currently not aligned in the budget but oversees the technical staff who perform the work in the 401 certification program.

Enhancement

DEQ proposes to enhance the program by 2.5 FTE in 2013-15. One of the new positions will be located in DEQ's Western Region where approximately 55 percent of projects are located. The existing program staff located in DEQ's Northwest Region are unable to attend many meetings and site visits that are requested in the Western Region. This would give Western Region a dedicated staff person to work on proposed projects in that area. The proposed technical position in DEQ's Northwest Region Office will perform lower-complexity project reviews, conduct compliance activities and work on program guidance. The administrative position will work on database maintenance, web page development and work with applicants to help them through the process and will be located in DEQ's Northwest Region Office. These positions will allow other technical staff to focus on larger, more complex project review and policy development responsibilities.

WATER QUALITY POLICY OPTION PACKAGE 124 NARRATIVE (13-15)

Results

Approval of this package will benefit Oregonians and the environment by ensuring that DEQ will be able to:

- Improve customer service by ensuring all applications are receiving the required attention from DEQ for processing in a timely manner
- Provide detailed information about the 401 program and associated requirements by developing guidance documents and updated website so applicants have more knowledge up front
- Increase efficiency and improved customer service by having one staff member located in Western Region, closer to where many projects are proposed
- Participate in pre-application meetings when requested
- Participate in state and federal streamlining efforts with other agencies
- Increase compliance monitoring and enforcement activities
- Ensure appropriate database and website support to help track and maintain project status
- Improve ability to consider cross-program requirements within the agency, such as stormwater management, total maximum daily load and solid waste requirements to help ensure regulatory consistency and certainty for applicants in compliance.
- Maintain protection of water quality while reducing redundant steps in the process for applicants

If this package is not funded, water quality might not be adequately protected and technical assistance and timely review of projects will be greatly reduced. These potential delays typically result in increased costs and time for project applicants, and delays in economic development. The 401 program will not be able to develop key guidance documents, attend many of the requested pre-application meetings and site visits, and conduct compliance activities. Additionally, DEQ will likely increase the number of 401 certifications that are waived, which may result in lack of adequate best management practices to protect water quality in project areas.

WATER QUALITY POLICY OPTION PACKAGE 124 NARRATIVE (13-15)

Staffing Impact – 2013-15 **Budget: $544,677**

Position Class	Position Authority	Position Number	FTE by Division
NRS 3 Water Quality Specialist	1 PF	3006	1.000 WR
NRS 2 Water Quality Certification Specialist	1 PF	3007	1.000NWR
AS 1 401 Water Quality Certification Coordinator	1 PP	3008	0.500 NWR
Total	3		2.500

Other Costs:
Professional Services: $72,000 (one-time limitation requested for database and web development)

Revenue Source: Other Fund

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 124 - Water Quality 401 Certification | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Non-business Lic. and Fees	-	-	1,067,827	-	-	-	1,067,827
Total Revenues	**-**	**-**	**$1,067,827**	**-**	**-**	**-**	**$1,067,827**
Transfers Out							
Transfer Out - Indirect Cost	-	-	(68,724)	5	-	-	(68,719)
Total Transfers Out	**-**	**-**	**($68,724)**	**$5**	**-**	**-**	**($68,719)**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	209,303	1,513	-	-	210,816
Empl. Rel. Bd. Assessments	-	-	122	(3)	-	-	119
Public Employees' Retire Cont	-	-	39,913	288	-	-	40,201
Social Security Taxes	-	-	16,013	116	-	-	16,129
Worker's Comp. Assess. (WCD)	-	-	180	(4)	-	-	176
Mass Transit Tax	-	-	1,257	-	-	-	1,257
Flexible Benefits	-	-	93,532	(1,947)	-	-	91,585
Reconciliation Adjustment	-	-	2	-	-	-	2
Total Personal Services	**-**	**-**	**$360,322**	**($37)**	**-**	**-**	**$360,285**
Services & Supplies							
Instate Travel	-	-	3,299	-	-	-	3,299
Out of State Travel	-	-	390	-	-	-	390
Employee Training	-	-	3,585	-	-	-	3,585
Office Expenses	-	-	5,256	-	-	-	5,256
Telecommunications	-	-	6,243	-	-	-	6,243

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 124 - Water Quality 401 Certification | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Data Processing	-	-	1,784	-	-	-	1,784
Publicity and Publications	-	-	26	-	-	-	26
IT Professional Services	-	-	73,992	-	-	-	73,992
Attorney General	-	-	25,765	-	-	-	25,765
Dispute Resolution Services	-	-	95	-	-	-	95
Employee Recruitment and Develop	-	-	35	-	-	-	35
Dues and Subscriptions	-	-	173	-	-	-	173
Facilities Rental and Taxes	-	-	35,684	-	-	-	35,684
Fuels and Utilities	-	-	589	-	-	-	589
Facilities Maintenance	-	-	147	-	-	-	147
Agency Program Related S and S	-	-	216	-	-	-	216
Other Services and Supplies	-	-	23,292	37	-	-	23,329
Expendable Prop 250 - 5000	-	-	1,195	-	-	-	1,195
IT Expendable Property	-	-	2,589	-	-	-	2,589
Total Services & Supplies	**-**	**-**	**$184,355**	**$37**	**-**	**-**	**$184,392**
Total Expenditures							
Total Expenditures	-	-	544,677	-	-	-	544,677
Total Expenditures	**-**	**-**	**$544,677**	**-**	**-**	**-**	**$544,677**
Ending Balance							
Ending Balance	-	-	454,426	5	-	-	454,431
Total Ending Balance	**-**	**-**	**$454,426**	**$5**	**-**	**-**	**$454,431**

_____ **Agency Request** _____ **Governor's Budget** _____ **Legislatively Adopted**

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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 124 - Water Quality 401 Certification | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							
Total Positions							3
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**3**
Total FTE							
Total FTE							2.50
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**2.50**

_____ **Agency Request** | _____ **Governor's Budget** | _____ **Legislatively Adopted**

2013-15 Biennium | **Page** _____ | **Essential and Policy Package Fiscal Impact Summary - BPR013**

WATER QUALITY POLICY OPTION PACKAGE 126 NARRATIVE (13-15)

Title: Proposed Fee Increase for Wastewater System Operator Certification Program (#126)

Purpose

This policy package proposes to increase fees for DEQ's Operator Certification Program to cover projected costs of administering the program through 2019. The last fee increase was implemented in 2002. The proposed fee increase would result in a 60 percent increase in fee revenue for the program, enabling DEQ to continue to fund the 2.0 FTE that administer the program.

Background

The purpose of the operator certification program is pollution prevention. The program helps protect public health, the environment and water resources of Oregon through proper operation and maintenance of wastewater collection and treatment systems by establishing certification requirements. Operators of wastewater systems in Oregon take an exam to demonstrate proficiency, and pay certification and renewal fees to obtain and maintain their certificate(s). Operators are certified as Grade I through Grade IV, depending upon the complexity of the system they operate, and fees are structured based on the level of certification. Once certified, operators are required to demonstrate professional growth in the field through continued education, and maintain their license through a biennial license renewal. Trained and certified operators ensure effective and efficient system operation and maintenance which has significant potential to improved effluent quality and reduce direct and indirect costs to system owners. An annual program support fee is assessed to owners of National Pollutant Discharge Elimination System and Water Pollution Control Facility permitted wastewater systems. These fees are scaled to the size of the facility. This proposed certification and program support fee increase will cover the revenue shortfall to enable continuation of program administration.

The program staff includes a certification program coordinator (Natural Resources Specialist 3) and a certification clerical support (Office Specialist 2). Program administration activities include, but are not limited to, application processing and exam proctoring, issuance of certifications, license renewal, providing technical expertise in areas of wastewater system classification and program requirements, tracking compliance, interfacing with training providers, reviewing and approving training courses for continued education, providing information to the regulated community and working with the regional staff on certification compliance, variance and revocation. The program currently has 2,240 active certificates. Certification activity in the current and next biennium is expected to remain static. The program will continue to make efficiency efforts in application review, certification and renewal process. There will be continued effort in working closely with the regulated community, operators, and educators and trainers in providing the highest level of service.

Historically, the Department funded the program with both operator certification fees and general funds. In 2001, the Legislature shifted the certification program general funds to the wastewater management program and structured the program to be completely fee-funded. In 2002, a comprehensive fee structure and increase was established to maintain certification program costs for the staff level of 2.0 FTE. The cost of funding 2.0 FTE has risen gradually over the past 10 years. In addition, the amount that DEQ pays an outside vendor for each exam has increased and a major upgrade to the program's computer software in 2011-13 will further reduce the program fund balance. The revenue from this increase is necessary to maintain the operating expenses of the program through 2019. DEQ will continue to utilize the same level of staff to operate the program.

WATER QUALITY POLICY OPTION PACKAGE 126 NARRATIVE (13-15)

How Accomplished

ORS 448.425 requires the Environmental Quality Commission to establish certification fees sufficient to pay costs incurred by DEQ to carry out the provisions of the certification law. In March 2012, DEQ convened an external advisory committee to solicit input on the proposed fee increase. The advisory committee recommended that DEQ proceed with the proposed fee increase to continue program administration and ensure an appropriate level of service. The EQC adopted the proposed fee increase in December 2012, which will become effective on March 1, 2013.

Results

Approval of this package will ensure:

- Continued assurance that Oregon's public wastewater treatment plants will be properly managed, minimizing the likelihood of upset at treatment facilities and the risk of undertreated sewage entering Oregon's waters
- Timely application and examination processing benefiting operators and wastewater system owners
- Short turn-around time in processing requests for reciprocity with other states and provinces
- Preventing risks to legal liability with respect to certified persons and examinations
- System owners will be able to hire qualified personnel leading to effective and efficient system operation and maintenance
- Operators will be able to find appropriate training for continued education and carrier advancement
- Compliance with certification requirements under statue and rule, and NPDES/WPCF permit
- Timely and appropriate wastewater system classifications that is consistent with the rule requirement
- Increased level of representation and coordination with educators, trainers, certifying authorities on state and national level
- Stronger public trust that DEQ and certified operators are acting in areas of pollution prevention, protection of public health and water resources of the state

WATER QUALITY POLICY OPTION PACKAGE 126 NARRATIVE (13-15)

Staffing Impact – 2013-15: **Budget: $71,195**

Position Class	Position Authority	Position Number	FTE by Division
Office Specialist 2	0 PF	0682	0.20 NWR
Wastewater Operator Certification Assistant			

Revenue Source: Other Fund
This package anticipates $293,920 of increased revenue from a fee revision adopted by the Environmental Quality Commission in December 2012. The revenue increase restores the fund balance and is expected to fund the program for three biennia before requiring another fee increase.

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 126 - Wastewater Operator Certification | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Business Lic and Fees	-	-	293,920	-	-	-	293,920
Total Revenues	**-**	**-**	**$293,920**	**-**	**-**	**-**	**$293,920**
Transfers Out							
Transfer Out - Indirect Cost	-	-	(2,729)	-	-	-	(2,729)
Total Transfers Out	**-**	**-**	**($2,729)**	**-**	**-**	**-**	**($2,729)**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	13,609	(1)	-	-	13,608
Empl. Rel. Bd. Assessments	-	-	(4)	-	-	-	(4)
Public Employees' Retire Cont	-	-	2,596	-	-	-	2,596
Social Security Taxes	-	-	1,041	-	-	-	1,041
Worker's Comp. Assess. (WCD)	-	-	(5)	(1)	-	-	(6)
Mass Transit Tax	-	-	82	-	-	-	82
Flexible Benefits	-	-	(3,051)	(1)	-	-	(3,052)
Reconciliation Adjustment	-	-	(2)	-	-	-	(2)
Total Personal Services	**-**	**-**	**$14,266**	**($3)**	**-**	**-**	**$14,263**
Services & Supplies							
Instate Travel	-	-	823	-	-	-	823
Out of State Travel	-	-	97	-	-	-	97
Employee Training	-	-	894	-	-	-	894
Office Expenses	-	-	1,311	-	-	-	1,311
Telecommunications	-	-	1,558	-	-	-	1,558

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 126 - Wastewater Operator Certification | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Data Processing	-	-	445	-	-	-	445
Publicity and Publications	-	-	6	-	-	-	6
IT Professional Services	-	-	497	-	-	-	497
Dispute Resolution Services	-	-	24	-	-	-	24
Employee Recruitment and Develop	-	-	9	-	-	-	9
Dues and Subscriptions	-	-	43	-	-	-	43
Facilities Rental and Taxes	-	-	8,902	-	-	-	8,902
Fuels and Utilities	-	-	147	-	-	-	147
Facilities Maintenance	-	-	37	-	-	-	37
Agency Program Related S and S	-	-	54	-	-	-	54
Other Services and Supplies	-	-	41,141	-	-	-	41,141
Expendable Prop 250 - 5000	-	-	298	-	-	-	298
IT Expendable Property	-	-	646	-	-	-	646
Total Services & Supplies	**-**	**-**	**$56,932**	**-**	**-**	**-**	**$56,932**
Total Expenditures							
Total Expenditures	-	-	71,198	(3)	-	-	71,195
Total Expenditures	**-**	**-**	**$71,198**	**($3)**	**-**	**-**	**$71,195**
Ending Balance							
Ending Balance	-	-	219,993	3	-	-	219,996
Total Ending Balance	**-**	**-**	**$219,993**	**$3**	**-**	**-**	**$219,996**

_____ Agency Request | **_____ Governor's Budget** | **_____ Legislatively Adopted**

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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of **Cross Reference Name: Water Quality**

Pkg: 126 - Wastewater Operator Certification **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total FTE							
Total FTE							0.20
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**0.20**

_____ **Agency Request** _____ **Governor's Budget** _____ **Legislatively Adopted**

2013-15 Biennium **Page** _____ **Essential and Policy Package Fiscal Impact Summary - BPR013**

WATER QUALITY POLICY OPTION PACKAGE 127 NARRATIVE (13-15)

Title: Integrated Water Resources Strategy Implementation (#127)

Purpose: This policy package establishes three positions to support the implementation of Oregon's Integrated Water Resources Strategy and help ensure Oregon can meet its future water needs.

Background

The Integrated Water Resources Strategy was developed at the Legislature's direction through House Bill 3369 and adopted by the Water Resources Commission in August, 2012. The strategy is designed to help Oregon meet its future water needs in terms of water quantity, water quality and ecosystem functions. Not surprisingly, virtually all of DEQ's Water Quality program activities are reflected in the strategy and are essential to achieving the strategy's long term objectives. Numerous recommended actions identified in the strategy will require improved alignment and integration of DEQ programs and activities with those of other state and federal agencies, tribal and local officials, community members, watershed councils and others. DEQ's support and technical assistance will also be essential for the development of place-based integrated water resources plans. The strategy offers an opportunity to take a long term approach to water resource management, setting forth a work plan and budget according to five- and ten-year outcomes.

DEQ has been using existing staff to assist the Water Resources Department with development of the strategy. Now that we are moving into the implementation phase, DEQ's responsibilities will increase. DEQ will continue to participate in the multi-agency project team that worked together to develop the strategy and will provide policy-level support using existing staff. These responsibilities will include developing a framework for place-based water resources planning, tracking and reporting on the implementation of recommended actions and continuing to shape and refine the strategy as lessons are learned during the course of implementation.

Implementation of the strategy also requires DEQ to do more field work with state and federal agencies, tribes, local governments and other stakeholders to integrate the various water quantity, water quality and habitat restoration activities in a basin, and to strategically target monitoring, technical assistance and implementation efforts to achieve the desired outcomes as efficiently as possible. If the agencies integrate their efforts as described in the strategy, Oregon will be more successful at meeting Oregon's current and future water needs.

How Achieved/Results

This policy package establishes three positions to implement Oregon's Integrated Water Resources Strategy. These positions will be located in each of DEQ's regional offices and will work with other agencies, tribal and local officials, community members, watershed councils and other stakeholders to accelerate achievement of environmental outcomes by collaborating with other natural resource agencies on development and implementation of salmon recovery plans and water quality improvement plans. Staff will also support local integrated water resource planning efforts by providing technical assistance and water quality information as needed during the development of plans. Approval of this package will benefit Oregonians and the environment by enabling DEQ to improve upon its efforts to strategically align programs and activities with state and federal agencies and other partners to leverage resources and implement projects that achieve multiple environmental objectives.

If this package is not funded, DEQ would have very limited ability to undertake new work that arises out of implementation of the IWRS unless staff are reassigned to do this work. That would be a self-defeating approach, however, because essentially all of the existing work of the water quality program is

essential to achieve IWRS objectives (for example, monitoring, TMDL development and technical assistance for development of water quality improvement plans and projects). Failure to fund this package would significantly delay achievement of IWRS objectives because DEQ houses the expertise and information that is an essential element of the integrated approach.

Staffing Impact – 2013-15 **Budget: $ 474,187**

Position Class	Position Authority	Position Number	FTE by Division
NRS 3 Basin Specialist	3 PF	3016, 3017, 3018	0.75 WR, 0.75 NWR, 0.75 ER
	3		2.25

Staffing Impact – 2015-17: **Budget: $ 632,249**

Position Class	Position Authority	Position Number	FTE by Division
NRS 3 Basin Specialist	3 PF	3016, 3017, 3018	1.00 WR, 1.00 NWR, 1.00 ER
	3		3.00

Revenue Source: General Fund

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 127 - IWRS – Implementation

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	474,187	-	-	-	-	-	474,187
Total Revenues	**$474,187**	**-**	**-**	**-**	**-**	**-**	**$474,187**
Personal Services							
Class/Unclass Sal. and Per Diem	217,080	-	-	-	-	-	217,080
Empl. Rel. Bd. Assessments	90	-	-	-	-	-	90
Public Employees' Retire Cont	41,397	-	-	-	-	-	41,397
Social Security Taxes	16,608	-	-	-	-	-	16,608
Worker's Comp. Assess. (WCD)	132	-	-	-	-	-	132
Mass Transit Tax	1,302	-	-	-	-	-	1,302
Flexible Benefits	68,688	-	-	-	-	-	68,688
Reconciliation Adjustment	1	-	-	-	-	-	1
Total Personal Services	**$345,298**	**-**	**-**	**-**	**-**	**-**	**$345,298**
Services & Supplies							
Instate Travel	2,331	-	-	-	-	-	2,331
Out of State Travel	276	-	-	-	-	-	276
Employee Training	2,532	-	-	-	-	-	2,532
Office Expenses	3,711	-	-	-	-	-	3,711
Telecommunications	4,410	-	-	-	-	-	4,410
Data Processing	1,260	-	-	-	-	-	1,260
Publicity and Publications	18	-	-	-	-	-	18
IT Professional Services	1,407	-	-	-	-	-	1,407
Attorney General	1,857	-	-	-	-	-	1,857

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 127 - IWRS – Implementation

Cross Reference Name: Water Quality
Cross Reference Number: 34000-002-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Dispute Resolution Services	66	-	-	-	-	-	66
Employee Recruitment and Develop	24	-	-	-	-	-	24
Dues and Subscriptions	123	-	-	-	-	-	123
Facilities Rental and Taxes	25,203	-	-	-	-	-	25,203
Fuels and Utilities	417	-	-	-	-	-	417
Facilities Maintenance	105	-	-	-	-	-	105
Agency Program Related S and S	153	-	-	-	-	-	153
Intra-agency Charges	65,877	-	-	-	-	-	65,877
Other Services and Supplies	16,446	-	-	-	-	-	16,446
Expendable Prop 250 - 5000	843	-	-	-	-	-	843
IT Expendable Property	1,830	-	-	-	-	-	1,830
Total Services & Supplies	**$128,889**	**-**	**-**	**-**	**-**	**-**	**$128,889**
Total Expenditures							
Total Expenditures	474,187	-	-	-	-	-	474,187
Total Expenditures	**$474,187**	**-**	**-**	**-**	**-**	**-**	**$474,187**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**

_____ Agency Request **_____ Governor's Budget** **_____ Legislatively Adopted**
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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 127 - IWRS – Implementation | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							
Total Positions							3
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**3**
Total FTE							
Total FTE							2.25
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**2.25**

WATER QUALITY POLICY OPTION PACKAGE 128 NARRATIVE (13-15)

Title: Statewide Groundwater Monitoring Program (#128)

(Note: DEQ proposed to add three permanent positions in this package beginning July 1, 2013. The Governor's Balanced Budget recommends adding two of the positions, and phasing them in November 2014. This package has been revised to reflect that change.)

Purpose

In order to advance the objectives of the 1989 Oregon Groundwater Quality Protection Act (prevent contamination of groundwater and to conserve, restore and maintain Oregon's groundwater resource for present and future uses), a comprehensive groundwater quality assessment program throughout Oregon is needed. This need has been identified as a priority in the Integrated Water Resource Strategy. In addition, in the 10 Year Plan for Oregon, the Healthy Environment Policy Vision identifies the need to "develop and sustain a coordinated monitoring system that provides a scientifically sound foundation for developing solutions that will provide the greatest return in environmental benefit" and to reduce risks to human health by reducing exposure to chemicals through domestic drinking water wells.

This package would enable DEQ to monitor groundwater for contaminants of concern, including nitrates and pesticides, in two geographic regions per year. Groundwater quality throughout the state would be characterized over a ten year period. The data and information developed will be used to determine: areas of the state that are especially vulnerable to groundwater contamination; long term trends in groundwater quality; status of ambient groundwater quality; emerging groundwater quality problems; and to inform groundwater users of potential risks from contamination.

Background

Protecting groundwater quality is critically important to Oregonians. Groundwater makes up 99 percent of available freshwater resources. Over 70 percent of all Oregonians get their drinking water solely or in part from groundwater. Ninety percent of public water supplies get their water from groundwater. Over 700,000 rural Oregonians not on public water supplies are almost completely dependent on groundwater.

Groundwater will play an increasingly important role in our water portfolio in years to come. Surface water sources are almost completely allocated. If climate and population predictions hold true, coupled with land use changes and water infrastructure needs, our ability to meet clean water supply needs in the future will be challenged. Maintaining, protecting and restoring the quality of the groundwater resources of the state is essential for meeting Oregon's current and future water demands.

We need data to understand the status and trends of groundwater areas that are vulnerable to contamination so that we can implement activities to protect this valuable resource. Groundwater contamination can come from many sources including failing septic systems, improper agricultural practices, improper hazardous waste storage or disposal, abandoned wells and other human factors. Protecting groundwater is essential because mitigating contamination is extremely difficult and costly, and can pose a threat to human health.

Currently groundwater quality monitoring is only routinely conducted in Oregon's three Groundwater Quality Management Areas located in northeast Malheur County, the Lower Umatilla Basin and the Southern Willamette Valley. Past studies have indicated groundwater contamination is common in

many other areas of the state, including the Southern Deschutes and Northern Klamath County area. The most commonly detected contaminants are nitrates, arsenic and pesticides.

Many Oregonians are being unknowingly exposed to contaminants because there is no routine or required monitoring of the quality of private well water. Information acquired through the proposed groundwater monitoring program would be used to notify local residents of groundwater contamination problems in their local areas and provide information on the types of treatment or other options they can take to reduce health risks. DEQ would also incorporate this information into an environmental report card depicting the status of environmental issues statewide. The information could also be used to prioritize areas for potential grant funding opportunities that target groundwater vulnerabilities.

How Achieved

This package proposes to add two permanent positions to carry out a statewide groundwater monitoring program. Each year, a minimum of two geographic areas will be identified for groundwater monitoring activities beginning in 2014 with complete coverage of the state over a ten year cycle. Groundwater monitoring locations and timing will be prioritized to complement the information needed for developing the Basin Assessment reports DEQ uses for planning geographically-targeted water quality protection activities. Landscape risk factors such as urban stormwater runoff, agricultural practices, septic system information and other potential risk factors will be identified to aid in selecting groundwater monitoring locations. DEQ will consult with the Oregon Water Resources Department, the Oregon Department of Agriculture and the Oregon Health Authority to help identify risk factors and to identify opportunities for leveraging resources to more efficiently meet multiple agency objectives. DEQ will collect and analyze samples for nitrates, pesticides of concern and general water quality parameters from existing wells to characterize the condition of groundwater supplies. Data would be assessed using applicable groundwater quality reference levels identified in the Oregon Administrative Rules (OAR 340-40-020) and other appropriate benchmarks if available.

Results/Outcomes

If this package is approved:

- Oregonians would have the information they need to identify areas that are vulnerable to groundwater contamination so they can take preventative measures to protect groundwater quality and avoid costly clean-ups or point-of-use treatment
- The 700,000 Oregonians that rely on groundwater as their drinking water source would know if there are contaminants in their drinking water and can use this information to determine the appropriate steps to take to avoid health risks

If the work is not funded:

- Oregon would continue to lack important information on the quality and status of critical groundwater resources which is necessary for wisely managing the resource so that it can meet the future water needs of Oregonians
- Groundwater contamination would occur in more areas of the state, exposing Oregonians to potential health risks of which they likely will be unaware, and requiring costly clean ups

WATER QUALITY POLICY OPTION PACKAGE 128 NARRATIVE (13-15)

Staffing Impact 13-15 **Budget: $460,000**

The 2013-15 Governor's Balanced Budget proposes to fund two positions included in the Agency Request Budget. These positions would phase in November 2014.

Position Class	Position Authority	Position Number	FTE by Division
Chemist 2	1 PF	3012	0.33 Laboratory
NRS 2	1 PF	3013	0.33 Laboratory
Total	2		0.66

The Governor's Balanced Budget does not propose to fund this position included in the Agency Request Budget.

Position Class	Position Authority	Position Number	FTE by Division
Chemist 3	1 PF	3014	1.00 Laboratory

Staffing Impact 15-17 **Budget: $**

Position Class	Position Authority	Position Number	FTE by Division
Chemist 2	1 PF	3012	1.00 Laboratory
NRS 2	1 PF	3013	1.00 Laboratory
Total	2		2.00

Other Costs:
Capital Outlay: $325,000 requested in 2013-15 to purchase equipment to analyze pesticides and other organic toxic compounds; $50,000 in 2015-17 and beyond for maintenance of the equipment

Revenue Source

General Fund

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 128 - Statewide Groundwater Monitoring | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	460,000	-	-	-	-	-	460,000
Total Revenues	**$460,000**	**-**	**-**	**-**	**-**	**-**	**$460,000**
Personal Services							
Class/Unclass Sal. and Per Diem	57,859	-	-	-	-	-	57,859
Empl. Rel. Bd. Assessments	26	-	-	-	-	-	26
Public Employees' Retire Cont	11,033	-	-	-	-	-	11,033
Social Security Taxes	4,426	-	-	-	-	-	4,426
Worker's Comp. Assess. (WCD)	40	-	-	-	-	-	40
Mass Transit Tax	347	-	-	-	-	-	347
Flexible Benefits	20,352	-	-	-	-	-	20,352
Reconciliation Adjustment	(16)	-	-	-	-	-	(16)
Total Personal Services	**$94,067**	**-**	**-**	**-**	**-**	**-**	**$94,067**
Services & Supplies							
Instate Travel	1,246	-	-	-	-	-	1,246
Employee Training	288	-	-	-	-	-	288
Office Expenses	274	-	-	-	-	-	274
Telecommunications	532	-	-	-	-	-	532
Agency Program Related S and S	3,778	-	-	-	-	-	3,778
Intra-agency Charges	17,874	-	-	-	-	-	17,874
Other Services and Supplies	12,015	-	-	-	-	-	12,015
Expendable Prop 250 - 5000	3,734	-	-	-	-	-	3,734

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 128 - Statewide Groundwater Monitoring | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	1,192	-	-	-	-	-	1,192
Total Services & Supplies	**$40,933**	**-**	**-**	**-**	**-**	**-**	**$40,933**
Capital Outlay							
Technical Equipment	325,000	-	-	-	-	-	325,000
Total Capital Outlay	**$325,000**	**-**	**-**	**-**	**-**	**-**	**$325,000**
Total Expenditures							
Total Expenditures	460,000	-	-	-	-	-	460,000
Total Expenditures	**$460,000**	**-**	**-**	**-**	**-**	**-**	**$460,000**
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Positions							
Total Positions							1
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**1**
Total FTE							
Total FTE							0.66
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**0.66**

_____ **Agency Request** _____ **Governor's Budget** _____ **Legislatively Adopted**

2013-15 Biennium **Page** _____ **Essential and Policy Package Fiscal Impact Summary - BPR013**

WATER QUALITY POLICY OPTION PACKAGE 320 NARRATIVE (13-15)

Title: Pesticide Stewardship Partnership Collaboration (#320)

Purpose

This policy package requests funds for the development of a statewide Pesticide Stewardship Partnership (PSP) Program to provide an effective collaborative approach to addressing pesticide-related water quality issues across all land uses and a more cost-efficient alternative to possible regulatory approaches. This package in conjunction with a package submitted by the Oregon Department of Agriculture (ODA) would establish a joint collaborative program between ODA and the Oregon Department of Environmental Quality (DEQ) and is funded with $1.5 million in revenue comprised of $750,000 General Funds and $750,000 Other Funds obtained from pesticide registration and pesticide user license fees. The agencies have agreed that any decrease in General Funds would result in an equal reduction in Other Funds. The package includes a revenue transfer of $747,942[1] from ODA to DEQ.

Background

DEQ, ODA and other agencies use a collaborative watershed-based approach called Pesticide Stewardship Partnerships to identify pesticide-related water quality issues. PSPs engage the expertise and knowledge of multiple state agencies, local organizations and pesticide users to create awareness and support voluntary actions to improve water quality. The PSP approach is used as an alternative to more regulatory-focused measures.

In 2000, the first PSP proved successful in the Hood River Basin by collaborating with the local soil water conservation districts, watershed council, growers, OSU Extension Services, agricultural and natural resource agencies, and others. Analysis of water samples showed that pesticides used in the orchards were getting into some local creeks at concentrations that could adversely affect fish. The data was used to inform growers of the concern and encourage improved management practices that resulted in lower concentrations and less detection of pesticides. The Hood River experience demonstrated that using local data to create local solutions and working collaboratively with local stakeholders could improve stream quality. The project was so successful that one-time grant funding was obtained to implement the same type of project in five other watersheds around Oregon. These on-going PSPs are built around four key elements which include (1) monitoring to assess local pesticide-related conditions and evaluating the data against water quality criteria or non-regulatory benchmarks, (2) sharing monitoring results early and often with local stakeholders, and (3) engaging the pesticide user community and technical assistance providers to focus the identification and implementation of improved management measures when and where necessary, and (4) follow-up monitoring to provide feedback on the effectiveness of various management practices and to document progress and success.

As of August 2012, Oregon has seven active PSPs in the Willamette and Columbia River basins. Each PSP has strong support and participation from a wide range of stakeholder groups. Partner groups contribute time, expertise and other non-monetary resources to the projects. To date, the current PSPs have been funded through in-kind and financial support from partners, DEQ's nonpoint source grant program, ODA pesticide program funds and a one-time competitive federal grant. Each of these sources is small and uncertain, which means that the availability and amount of funds for the PSPs varies each year. Consistent, long-term support for pesticide monitoring and collaboration in Oregon watersheds is critical for identifying water quality concerns,

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[1] ***For this package, DEQ will be requesting a technical adjustment in the Legislative Adopted Budget to: 1) Increase revenue transfer-out for indirect to the budgeted rate for 2013-15; and 2) Increase revenue transfer-in from ODA to $116,009 to cover both limitation and indirect transfer-out.***

promoting voluntary actions, determining water quality trends, and assessing the effectiveness of ongoing stewardship work.

The PSP is successful because of the expertise and resources that each partner brings to the table. ODA provides leadership and expertise on pesticide policy, management and use in Oregon and DEQ provides expertise on water quality monitoring, data analysis and communication. Together, the two agencies provide leadership for the PSP effort and are the catalysts for bringing place-based partnerships together and ensure their success. Partner organizations, including OSU, grower groups, soil water conservation districts, watershed councils, chemical suppliers, and others have expertise in pesticide application and management techniques, pest management and other stewardship measures that will prevent pesticides from moving off the intended target and into Oregon's waters. They also have people in the field to work directly with pesticide users to develop and implement effective application methods.

A statewide PSP program is an innovative approach intended to optimize limited resources and reduce regulatory burdens by focusing on a local watershed or sub-watershed for five to eight years, depending on the complexity of pesticide sampling results, land uses and sources, then scaling down to a reduced "maintenance" monitoring level as pesticide concerns are identified and voluntarily addressed at the community level. Scaling back in one to two watersheds would allow a new PSP to begin in another watershed. By implementing PSPs on a rotating basis, the interagency team would be able to address pesticide issues statewide over time, and have the flexibility to address emerging pesticide concerns relevant to each watershed with customized local solutions instead of statewide regulations. A statewide program would, at a minimum, involve fully active PSPs in 10 watersheds, with maintenance monitoring in one to two other watersheds in a given year, and could be expanded beyond the initial focus on agricultural areas to include more urban, industrial, forestland and rights-of-way areas. The statewide program would also identify, evaluate and address potential pesticide concerns related to groundwater and sediment.

A statewide PSP program would address the most sensitive watersheds and sub-watersheds in every region in Oregon as the majority of watersheds in the state are not represented in the current program. The interagency Water Quality Pesticide Management Team would determine selection of additional watersheds for PSPs and priority pesticides. This team is comprised of individuals from the ODA, DEQ, Oregon Department of Forestry, Oregon Health Authority and OSU-Extension Service. The purpose of the WQPMT is to protect surface and ground water in Oregon from pesticide impacts, using a statewide plan to guide its decisions and actions. The Oregon Water Quality Pesticide Management Plan was completed by the WQPMT and approved by EPA in 2011.

Under the proposed statewide stewardship program regularly scheduled pesticide collection events would also be included. Pesticide collection events provide a non-regulatory opportunity for farmers and commercial or public pesticide applicators to dispose of unusable pesticides. "Legacy" chemicals such as DDT and chlordane, as well as current-use pesticides that are no longer usable are examples of pesticides to be collected. Many of these pesticides are stored in deteriorating containers, and if spills, leaks or other releases of these pesticide wastes were to occur, the pollution impacts to surface and ground water could be significant. State and local partnering organizations have worked together to conduct 10 such events since February 2006, which have resulted in over 200,000 pounds of waste pesticides collected. These events are currently funded through a variety of mechanisms that are usually a combination of small fund sources for a one-time event. In areas where multiple events have been held in successive years, the quantities of waste collected have actually increased over time, demonstrating that a small percentage of the total quantity of unusable or unwanted pesticides have been collected in the state. To address the potential accumulations of waste pesticides, a consistent source of funds is needed to conduct routine pesticide collection events

statewide. These events could also include the collection of recyclable plastic pesticide containers. Providing this disposal opportunity to pesticide users at no or low cost offers them an incentive to dispose of these products in a responsible and ecologically-sound manner.

How Achieved

DEQ is requesting 4.0 additional FTE to fully support and enhance the development of a statewide PSP program through conducting water quality monitoring activities, analyzing and assessing monitoring data, communicating water quality monitoring findings, representing DEQ with other agencies and entities involved in the identification, design and implementation of PSPs, working with ODA to engage local partners in PSP actions, and supporting the implementation of pesticide waste collection and container recycling events.

Results/Outcomes

If this package is approved DEQ and ODA expect to deliver the following results:

- Prioritization of Oregon watersheds to adequately identify watersheds where a PSP would be most valuable
- Provide leadership and direction for the interagency WQPMT for the PSP, pesticide data evaluation and subsequent actions
- Reduction of pesticide concentrations and detection frequencies in water. This package will allow DEQ to maintain pesticide stewardship partnerships in the seven current watersheds: This work includes the following:
    - Working with those already involved in the project on planning PSP activities and collaborating on implementing stewardship actions
    - Conducting regular sampling and analysis during peak pesticide application and runoff periods in the spring and fall to assess water quality impacts of pesticides in surface water, groundwater and sediment
    - Providing outreach with timely sample results so the results can be used to evaluate successes and next steps needed for local action, such as improvements or modifications in pesticide management practices
- Establishment of pesticide stewardship partnerships in two new watersheds. The new watersheds will be determined in consultation with the WQPMT. DEQ and ODA will establish partnership teams in the new watersheds, identify monitoring locations, and begin implementing a PSP work plan for the watersheds.
- Development and refinement of laboratory analytical methods for additional pesticides and water sediments
- Facilitate or encourage pesticide stewardship technical assistance activities in PSP watersheds as necessary. ODA, OSU Extension, SWCDs, DEQ and other agencies will work together to communicate data and information to address the presence of pesticides in water and mitigate potential adverse effects.
- Provide routine waste/unwanted pesticide collection events throughout the state on an annual basis

If this package is not funded:

- Lack of stable funding for the PSP projects currently implemented would result in a significant reduction in, or the suspension of, monitoring activity in certain watersheds. Agencies, researchers, local community members and other stakeholders would not be able to determine whether water quality trends are in jeopardy, improving, or declining, or whether pesticide best management practices are effective. Without credible

quantitative data from pesticide samples, it would not be possible to determine the need to engage stakeholders at the local level to invest their resources in projects and to serve as a catalyst for collaborative implementation of best management practices.

- The PSP program would not expand into new watersheds where pesticides, unknowingly, may be impairing beneficial uses of surface and groundwater. Interest in expanding the PSPs to assess and address water quality concerns in other parts of the state has been expressed by a diverse range of stakeholder groups. Without funding, PSP collaboration and expansion to a statewide program would not be able to respond to the potential water quality and technical assistance needs identified by the interested stakeholders.
- The success of the WQPMT would be severely limited in its ability to implement the Oregon Pesticide Management Plan due to the inability to identify watersheds at risk and to implement mitigation measures without sampling data.
- The PSP program data would not be available to be used to address concerns of pesticide adverse effects on water quality, endangered species or other areas of natural resource protection. Therefore, current use pesticides found in waterways at concentrations that exceed regulatory thresholds would be addressed through implementation of applicable regulatory mechanisms.
- Pesticide collection events would not occur with any regularity or be available to areas of the state that are not as well funded as others. This lack of a safe and legal way to dispose of unwanted or waste pesticides has the potential to result in environmental contamination including contamination of the waters of the state.

Staffing Impact – 2013-15: **Budget: $747,942**

Position Class	Position Authority	Position Number	FTE by Division
NRS3	1PP	3024	0.50 WQD
Chem 1	1 PF	3009	1.00 Laboratory
Chem 3	1 PF	3010	1.00 Laboratory
NRS3	1 PF	3022	1.00 Laboratory
Chem 1	1 SF	3023	0.50 Laboratory
Total	5		4.00

Revenue Source: Other Fund

This package in conjunction with a package submitted by ODA would establish a joint collaborative program between DEQ and ODA and is funded with $1.5 million in revenue comprised of $750,000 General Funds and $750,000 Other Funds obtained from pesticide registration and pesticide user license fees. ODA and DEQ have agreed that any decrease in General Funds would result in an equal reduction in Other Funds. The package includes a revenue transfer of $747,942 from ODA to DEQ.

Limitation:
Other Fund - $747,942

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 320 - Pesticide Stewardship Partnership | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Tsfr From Agriculture, Dept of	-	-	747,942	-	-	-	747,942
Total Revenues	**-**	**-**	**$747,942**	**-**	**-**	**-**	**$747,942**
Transfers Out							
Transfer Out - Indirect Cost	-	-	(17,549)	-	-	-	(17,549)
Total Transfers Out	**-**	**-**	**($17,549)**	**-**	**-**	**-**	**($17,549)**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	371,316	-	-	-	371,316
Empl. Rel. Bd. Assessments	-	-	180	-	-	-	180
Public Employees' Retire Cont	-	-	70,810	-	-	-	70,810
Social Security Taxes	-	-	28,405	-	-	-	28,405
Worker's Comp. Assess. (WCD)	-	-	265	-	-	-	265
Mass Transit Tax	-	-	2,227	-	-	-	2,227
Flexible Benefits	-	-	137,376	-	-	-	137,376
Reconciliation Adjustment	-	-	2	-	-	-	2
Total Personal Services	**-**	**-**	**$610,581**	**-**	**-**	**-**	**$610,581**
Services & Supplies							
Instate Travel	-	-	7,343	-	-	-	7,343
Out of State Travel	-	-	61	-	-	-	61
Employee Training	-	-	2,134	-	-	-	2,134
Office Expenses	-	-	2,319	-	-	-	2,319
Telecommunications	-	-	3,892	-	-	-	3,892

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 320 - Pesticide Stewardship Partnership | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Data Processing	-	-	280	-	-	-	280
Publicity and Publications	-	-	4	-	-	-	4
IT Professional Services	-	-	313	-	-	-	313
Dispute Resolution Services	-	-	15	-	-	-	15
Employee Recruitment and Develop	-	-	5	-	-	-	5
Dues and Subscriptions	-	-	27	-	-	-	27
Facilities Rental and Taxes	-	-	5,600	-	-	-	5,600
Fuels and Utilities	-	-	92	-	-	-	92
Facilities Maintenance	-	-	23	-	-	-	23
Agency Program Related S and S	-	-	20,722	-	-	-	20,722
Other Services and Supplies	-	-	66,966	-	-	-	66,966
Expendable Prop 250 - 5000	-	-	20,639	-	-	-	20,639
IT Expendable Property	-	-	6,926	-	-	-	6,926
Total Services & Supplies	**-**	**-**	**$137,361**	**-**	**-**	**-**	**$137,361**
Total Expenditures							
Total Expenditures	-	-	747,942	-	-	-	747,942
Total Expenditures	**-**	**-**	**$747,942**	**-**	**-**	**-**	**$747,942**
Ending Balance							
Ending Balance	-	-	(17,549)	-	-	-	(17,549)
Total Ending Balance	**-**	**-**	**($17,549)**	**-**	**-**	**-**	**($17,549)**

_____ Agency Request | **_____ Governor's Budget** | **_____ Legislatively Adopted**

2013-15 Biennium | **Page _____** | **Essential and Policy Package Fiscal Impact Summary - BPR013**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Water Quality**

Pkg: 320 - Pesticide Stewardship Partnership | **Cross Reference Number: 34000-002-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							
Total Positions							5
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**5**
Total FTE							
Total FTE							4.00
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**4.00**

DETAIL OF OTHER FUNDS AND FEDERAL FUNDS REVENUE

Source	Fund	2009-2011 Actuals	2011-2013 Legislatively Approved	2013-2015		
				Agency Request	Governor's Balanced	Legislatively Adopted
Water Quality						
WQ 401 Dredge & Fill	OF	180,728	150,316	886,436	880,794	0
WQ 401 Hydro Certification	OF	590,472	599,814	842,560	836,592	0
WQ Drinking Water Protection	OF	977,676	1,131,452	1,156,081	1,144,886	0
WQ Laboratory Certification Fees	OF	250,939	242,759	269,864	267,709	0
WQ Miscellaneous Other Funds	OF	1,202,459	1,282,926	1,382,814	1,884,939	0
WQ Pacific Coastal Salmon Recovery Fund	OF	40,356	2,118,888	0	0	0
WQ Persistent Bioaccumulative Pollutants	OF	237,515	0	0	0	0
WQ Sewerage Works Operator Certification	OF	414,125	387,619	512,648	509,173	0
WQ SRF Loan Fees	OF	2,891,442	2,745,288	3,625,115	3,590,353	0
WQ Subsurface/On-Site	OF	2,355,130	3,472,382	3,252,754	3,228,807	0
WQ Underground Injection Control Fees	OF	260,624	267,591	248,536	246,178	0
WQ Violations Public Process	OF	216	0	0	0	0
WQ Waste Water Permitting Fees	OF	8,276,327	9,865,415	10,119,954	10,042,469	0
Subtotal		17,678,009	22,264,450	22,296,762	22,631,900	0
Water Quality						
WQ Lottery	LF	5,415,717	4,502,197	4,766,561	3,899,218	0
Subtotal		5,415,717	4,502,197	4,766,561	3,899,218	0
Water Quality						
WQ 604 (b)(3) Management Planning Grants	FF	599,108	337,504	338,033	336,571	0
WQ Base Grant	FF	5,421,862	5,374,379	6,002,065	5,959,192	0
WQ Non-Point Source Implementation	FF	4,550,099	5,601,790	4,950,553	4,931,966	0
WQ Other Federal	FF	461,625	628,436	548,051	546,354	0
WQ Underground Injection Control	FF	190,027	174,003	176,356	174,991	0
Subtotal		11,222,721	12,116,112	12,015,058	11,949,074	0

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
LIMITED BUDGET (Excluding Packages)						
PERSONAL SERVICES						
General Fund	11,030,066	8,305,865	8,172,292	9,411,583	9,371,037	-
Lottery Funds	3,929,488	3,565,251	3,566,428	3,697,963	3,681,939	-
Other Funds	14,648,463	18,495,712	18,495,712	21,401,247	21,312,147	-
Federal Funds	7,108,958	6,838,893	6,838,893	7,503,076	7,471,351	-
All Funds	36,716,975	37,205,721	37,073,325	42,013,869	41,836,474	-
SERVICES & SUPPLIES						
General Fund	6,546,892	4,831,746	4,796,316	4,796,316	4,796,316	-
Lottery Funds	1,482,768	936,946	935,769	935,769	935,769	-
Other Funds	3,028,836	3,504,776	3,504,776	3,504,776	3,504,776	-
Federal Funds	1,246,282	1,763,423	1,763,423	1,763,423	1,763,423	-
All Funds	12,304,778	11,036,891	11,000,284	11,000,284	11,000,284	-
CAPITAL OUTLAY						
General Fund	84,270	69,919	69,919	69,919	69,919	-
Lottery Funds	3,461	-	-	-	-	-
Other Funds	710	263,962	263,962	263,962	263,962	-
Federal Funds	239	-	-	-	-	-
All Funds	88,680	333,881	333,881	333,881	333,881	-
SPECIAL PAYMENTS						
General Fund	2,924	-	-	-	-	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Federal Funds	2,867,242	3,513,796	3,513,796	3,513,796	3,513,796	-
All Funds	2,870,166	3,513,796	3,513,796	3,513,796	3,513,796	-
TOTAL LIMITED BUDGET (Excluding Packages)						
General Fund	17,664,152	13,207,530	13,038,527	14,277,818	14,237,272	-
Lottery Funds	5,415,717	4,502,197	4,502,197	4,633,732	4,617,708	-
Other Funds	17,678,009	22,264,450	22,264,450	25,169,985	25,080,885	-
Federal Funds	11,222,721	12,116,112	12,116,112	12,780,295	12,748,570	-
All Funds	51,980,599	52,090,289	51,921,286	56,861,830	56,684,435	-
AUTHORIZED POSITIONS	249	209	209	211	211	-
AUTHORIZED FTE	240.59	201.83	201.83	205.55	205.55	-
LIMITED BUDGET (Essential Packages)						
010 NON-PICS PSNL SVC / VACANCY FACTOR						
PERSONAL SERVICES						
General Fund	-	-	-	163,066	163,065	-
Lottery Funds	-	-	-	93,240	93,240	-
Other Funds	-	-	-	85,892	85,889	-
Federal Funds	-	-	-	14,840	14,840	-
All Funds	-	-	-	357,038	357,034	-
021 PHASE-IN						
SERVICES & SUPPLIES						
Other Funds	-	-	-	172,349	172,349	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
022 PHASE-OUT PGM & ONE-TIME COSTS						
SERVICES & SUPPLIES						
Other Funds	-	-	-	(34,652)	(34,652)	-
031 STANDARD INFLATION						
SERVICES & SUPPLIES						
General Fund	-	-	-	154,579	132,274	-
Lottery Funds	-	-	-	30,066	26,111	-
Other Funds	-	-	-	170,267	170,267	-
Federal Funds	-	-	-	66,400	66,400	-
All Funds	-	-	-	421,312	395,052	-
CAPITAL OUTLAY						
General Fund	-	-	-	1,678	1,678	-
Other Funds	-	-	-	6,335	6,335	-
All Funds	-	-	-	8,013	8,013	-
SPECIAL PAYMENTS						
Federal Funds	-	-	-	84,331	84,331	-
033 EXCEPTIONAL INFLATION						
SERVICES & SUPPLIES						
General Fund	-	-	-	44,891	44,891	-
Lottery Funds	-	-	-	9,523	9,523	-
Other Funds	-	-	-	8,763	8,763	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
All Funds	-	-	-	63,177	63,177	-
SPECIAL PAYMENTS						
Federal Funds	-	-	-	8,837	8,837	-
050 FUNDSHIFTS						
PERSONAL SERVICES						
General Fund	-	-	-	1,980,161	1,971,576	-
Lottery Funds	-	-	-	(4)	(4)	-
Other Funds	-	-	-	(1,979,690)	(1,971,192)	-
Federal Funds	-	-	-	9,600	9,529	-
All Funds	-	-	-	10,067	9,909	-
SERVICES & SUPPLIES						
General Fund	-	-	-	512,459	512,459	-
Lottery Funds	-	-	-	4	4	-
Other Funds	-	-	-	(512,452)	(512,452)	-
Federal Funds	-	-	-	(11)	(11)	-
All Funds	-	-	-	-	-	-
AUTHORIZED POSITIONS	-	-	-	(1)	(1)	-
AUTHORIZED FTE	-	-	-	(1.00)	(1.00)	-
060 TECHNICAL ADJUSTMENTS						
PERSONAL SERVICES						
Other Funds	-	-	-	(34,268)	(34,268)	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
TOTAL LIMITED BUDGET (Essential Packages)						
General Fund	-	-	-	2,856,834	2,825,943	-
Lottery Funds	-	-	-	132,829	128,874	-
Other Funds	-	-	-	(2,117,456)	(2,108,961)	-
Federal Funds	-	-	-	183,997	183,926	-
All Funds	-	-	-	1,056,204	1,029,782	-
AUTHORIZED POSITIONS	-	-	-	(1)	(1)	-
AUTHORIZED FTE	-	-	-	(1.00)	(1.00)	-
LIMITED BUDGET (Current Service Level)						
General Fund	17,664,152	13,207,530	13,038,527	17,134,652	17,063,215	-
Lottery Funds	5,415,717	4,502,197	4,502,197	4,766,561	4,746,582	-
Other Funds	17,678,009	22,264,450	22,264,450	23,052,529	22,971,924	-
Federal Funds	11,222,721	12,116,112	12,116,112	12,964,292	12,932,496	-
All Funds	51,980,599	52,090,289	51,921,286	57,918,034	57,714,217	-
AUTHORIZED POSITIONS	249	209	209	210	210	-
AUTHORIZED FTE	240.59	201.83	201.83	204.55	204.55	-
LIMITED BUDGET (Policy Packages)						
PRIORITY 0						
070 REVENUE SHORTFALLS						
PERSONAL SERVICES						
General Fund	-	-	-	(78)	72	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Lottery Funds	-	-	-	-	(674,724)	-
Other Funds	-	-	-	(1,703,180)	(1,696,138)	-
Federal Funds	-	-	-	(220,044)	(219,082)	-
All Funds	-	-	-	(1,923,302)	(2,589,872)	-
SERVICES & SUPPLIES						
General Fund	-	-	-	77	77	-
Lottery Funds	-	-	-	-	(138,348)	-
Other Funds	-	-	-	(37,389)	(37,389)	-
All Funds	-	-	-	(37,312)	(175,660)	-
CAPITAL OUTLAY						
Other Funds	-	-	-	(43,824)	(43,824)	-
SPECIAL PAYMENTS						
Federal Funds	-	-	-	(729,187)	(729,187)	-
AUTHORIZED POSITIONS	-	-	-	(11)	(14)	-
AUTHORIZED FTE	-	-	-	(10.71)	(13.71)	-
090 ANALYST ADJUSTMENTS						
PERSONAL SERVICES						
General Fund	-	-	-	-	1,267,247	-
SERVICES & SUPPLIES						
General Fund	-	-	-	-	240,204	-
Lottery Funds	-	-	-	-	(997)	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
All Funds	-	-	-	-	239,207	-
AUTHORIZED POSITIONS	-	-	-	-	6	-
AUTHORIZED FTE	-	-	-	-	6.00	-
091 STATEWIDE ADMINISTRATIVE SAVINGS						
PERSONAL SERVICES						
General Fund	-	-	-	-	(30,930)	-
Other Funds	-	-	-	-	(138,730)	-
All Funds	-	-	-	-	(169,660)	-
SERVICES & SUPPLIES						
General Fund	-	-	-	-	(69,954)	-
Lottery Funds	-	-	-	-	(14,715)	-
Other Funds	-	-	-	-	(13,160)	-
Federal Funds	-	-	-	-	(1,479)	-
All Funds	-	-	-	-	(99,308)	-
092 PERS TAXATION POLICY						
PERSONAL SERVICES						
General Fund	-	-	-	-	(32,303)	-
Lottery Funds	-	-	-	-	(9,723)	-
Other Funds	-	-	-	-	(47,500)	-
Federal Funds	-	-	-	-	(18,716)	-
All Funds	-	-	-	-	(108,242)	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
SERVICES & SUPPLIES						
General Fund	-	-	-	-	(3,410)	-
Lottery Funds	-	-	-	-	(605)	-
All Funds	-	-	-	-	(4,015)	-
093 OTHER PERS ADJUSTMENTS						
PERSONAL SERVICES						
General Fund	-	-	-	-	(25,812)	-
Lottery Funds	-	-	-	-	(7,769)	-
Other Funds	-	-	-	-	(37,957)	-
Federal Funds	-	-	-	-	(14,955)	-
All Funds	-	-	-	-	(86,493)	-
SERVICES & SUPPLIES						
General Fund	-	-	-	-	(2,725)	-
Lottery Funds	-	-	-	-	(483)	-
All Funds	-	-	-	-	(3,208)	-
120 ONSITE SEPTIC SYSTEM PROGRAM						
PERSONAL SERVICES						
Other Funds	-	-	-	275,462	274,357	-
SERVICES & SUPPLIES						
Other Funds	-	-	-	36,500	36,500	-
AUTHORIZED POSITIONS	-	-	-	2	2	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
AUTHORIZED FTE	-	-	-	2.00	2.00	-
122 OREGON PLAN MONITORING						
PERSONAL SERVICES						
General Fund	-	-	-	172,164	171,474	-
SERVICES & SUPPLIES						
General Fund	-	-	-	66,687	66,687	-
AUTHORIZED POSITIONS	-	-	-	2	2	-
AUTHORIZED FTE	-	-	-	1.26	1.26	-
124 WATER QUALITY 401 CERTIFICATION						
PERSONAL SERVICES						
Other Funds	-	-	-	361,703	360,322	-
Federal Funds	-	-	-	(27)	(37)	-
All Funds	-	-	-	361,676	360,285	-
SERVICES & SUPPLIES						
Other Funds	-	-	-	184,355	184,355	-
Federal Funds	-	-	-	27	37	-
All Funds	-	-	-	184,382	184,392	-
AUTHORIZED POSITIONS	-	-	-	3	3	-
AUTHORIZED FTE	-	-	-	2.50	2.50	-
126 WASTEWATER OPERATOR CERTIFICATION						
PERSONAL SERVICES						

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
Other Funds	-	-	-	14,356	14,266	-
Federal Funds	-	-	-	(3)	(3)	-
All Funds	-	-	-	14,353	14,263	-
SERVICES & SUPPLIES						
Other Funds	-	-	-	56,932	56,932	-
AUTHORIZED FTE	-	-	-	0.20	0.20	-
127 IWRS – IMPLEMENTATION						
PERSONAL SERVICES						
General Fund	-	-	-	346,731	345,298	-
SERVICES & SUPPLIES						
General Fund	-	-	-	128,889	128,889	-
AUTHORIZED POSITIONS	-	-	-	3	3	-
AUTHORIZED FTE	-	-	-	2.25	2.25	-
128 STATEWIDE GROUNDWATER MONITORING						
PERSONAL SERVICES						
General Fund	-	-	-	446,181	94,067	-
SERVICES & SUPPLIES						
General Fund	-	-	-	190,863	40,933	-
CAPITAL OUTLAY						
General Fund	-	-	-	325,000	325,000	-
AUTHORIZED POSITIONS	-	-	-	3	1	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
AUTHORIZED FTE	-	-	-	3.00	0.66	-
320 PESTICIDE STEWARDSHIP PARTNERSHIP						
PERSONAL SERVICES						
General Fund	-	-	-	520,667	-	-
Other Funds	-	-	-	92,364	610,581	-
All Funds	-	-	-	613,031	610,581	-
SERVICES & SUPPLIES						
General Fund	-	-	-	229,333	-	-
Other Funds	-	-	-	6,954	137,361	-
All Funds	-	-	-	236,287	137,361	-
AUTHORIZED POSITIONS	-	-	-	5	5	-
AUTHORIZED FTE	-	-	-	4.00	4.00	-
TOTAL LIMITED BUDGET (Policy Packages)						
General Fund	-	-	-	2,426,514	2,514,814	-
Lottery Funds	-	-	-	-	(847,364)	-
Other Funds	-	-	-	(755,767)	(340,024)	-
Federal Funds	-	-	-	(949,234)	(983,422)	-
All Funds	-	-	-	721,513	344,004	-
AUTHORIZED POSITIONS	-	-	-	7	8	-
AUTHORIZED FTE	-	-	-	4.50	5.16	-
TOTAL LIMITED BUDGET (Including Packages)						

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
General Fund	17,664,152	13,207,530	13,038,527	19,561,166	19,578,029	-
Lottery Funds	5,415,717	4,502,197	4,502,197	4,766,561	3,899,218	-
Other Funds	17,678,009	22,264,450	22,264,450	22,296,762	22,631,900	-
Federal Funds	11,222,721	12,116,112	12,116,112	12,015,058	11,949,074	-
All Funds	51,980,599	52,090,289	51,921,286	58,639,547	58,058,221	-
AUTHORIZED POSITIONS	249	209	209	217	218	-
AUTHORIZED FTE	240.59	201.83	201.83	209.05	209.71	-
OPERATING BUDGET						
General Fund	17,664,152	13,207,530	13,038,527	19,561,166	19,578,029	-
Lottery Funds	5,415,717	4,502,197	4,502,197	4,766,561	3,899,218	-
Other Funds	17,678,009	22,264,450	22,264,450	22,296,762	22,631,900	-
Federal Funds	11,222,721	12,116,112	12,116,112	12,015,058	11,949,074	-
All Funds	51,980,599	52,090,289	51,921,286	58,639,547	58,058,221	-
AUTHORIZED POSITIONS	249	209	209	217	218	-
AUTHORIZED FTE	240.59	201.83	201.83	209.05	209.71	-
TOTAL BUDGET						
General Fund	17,664,152	13,207,530	13,038,527	19,561,166	19,578,029	-
Lottery Funds	5,415,717	4,502,197	4,502,197	4,766,561	3,899,218	-
Other Funds	17,678,009	22,264,450	22,264,450	22,296,762	22,631,900	-
Federal Funds	11,222,721	12,116,112	12,116,112	12,015,058	11,949,074	-
All Funds	51,980,599	52,090,289	51,921,286	58,639,547	58,058,221	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
AUTHORIZED POSITIONS	249	209	209	217	218	-
AUTHORIZED FTE	240.59	201.83	201.83	209.05	209.71	-