

2015-17 Governor's Recommended Budget

Ways and Means Subcommittee on Natural Resources March 2015





DEQ mission

To be a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.



1960 to 1970s

- •Clean Air Act
- •DEQ formed
- •Clean Water Act
- •Air Contaminant Discharge Permit program
- •Vehicle inspection begins in Portland
- •Solid waste disposal permits
- •Bottle bill

1980s

- Oregon Toxics Use and Hazardous Waste Reduction Act
- Underground Storage Tank program
- Oregon Cleanup program
- Oregon woodstove certification program
- Oregon
 Groundwater
 Protection Act

1990s

- Permits issued for Umatilla chemical agent destruction
- Title V permitting
- Drinking water program
- Oil spill planning
- Oregon Recycling Act
- Oregon Plan for Salmon and Watersheds

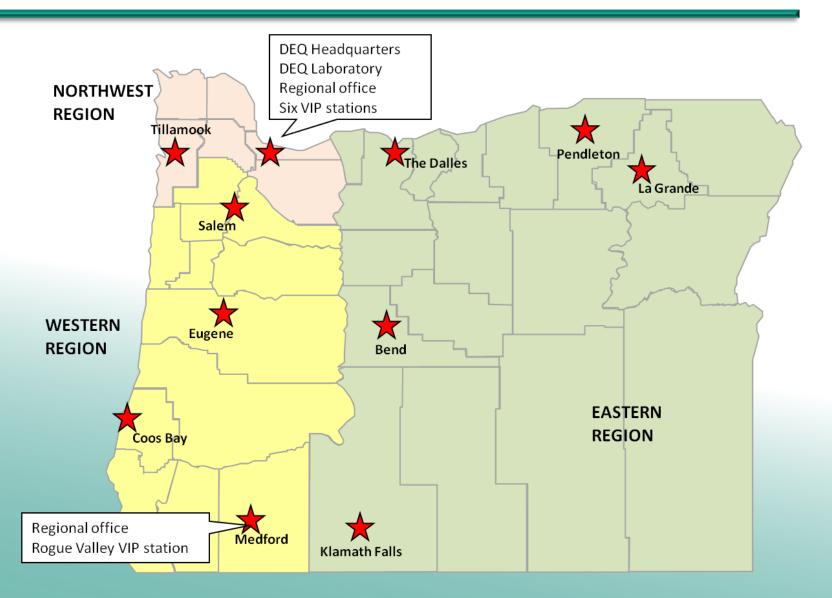
2000 to present

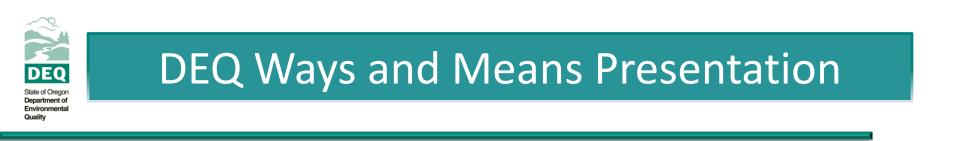
- TMDLs
- Materials
 Management 2050
 Vision
- Toxics reduction
- Low emission vehicle program
- Pesticide
 Stewardship
 Partnerships











DEQ priorities

- Improve and protect water and air quality
- Streamline and modernize systems and processes
- Meet community needs
- Reduce environmental impacts of materials and products







DEQ programs





Air Quality

Ensure healthy air to breathe, clear views of scenic vistas and reduced greenhouse gases



- Permitting and Inspections
- Burning and Woodstoves
- Asbestos Abatement



- Vehicle Inspection
- Clean Diesel
- Clean Cars and Fuels

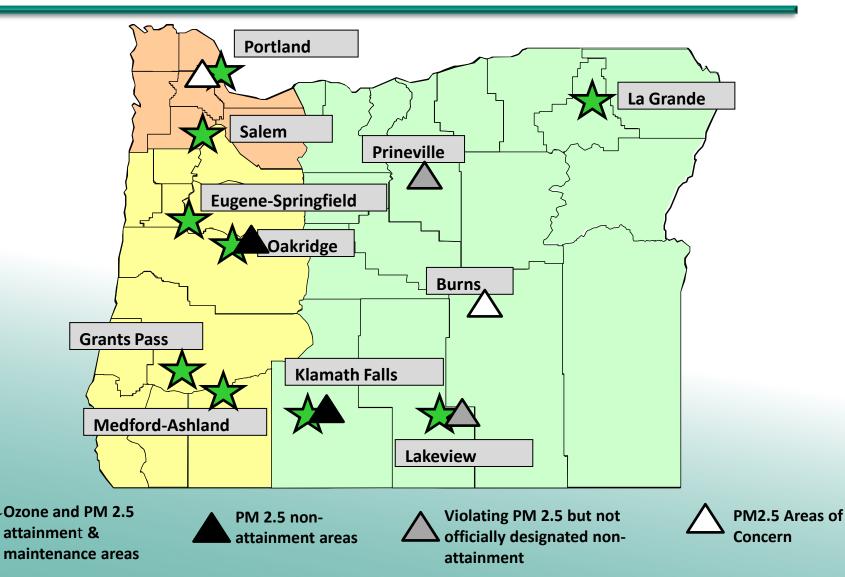
Assist Communities and Businesses



Air Quality by the numbers

- Permits **2,600** industrial sources
- In 2014:
 - Emissions tested approximately 575,000 vehicles
 - Responded to more than 2,000 air complaints
 - Reviewed more than 600 asbestos removal notifications and licensed almost 1,000 asbestos workers
 - Issued more than 1,500 tanker truck vapor certifications
 - Assisted hundreds of small businesses
 - Worked with 5 communities on fine particulate reduction

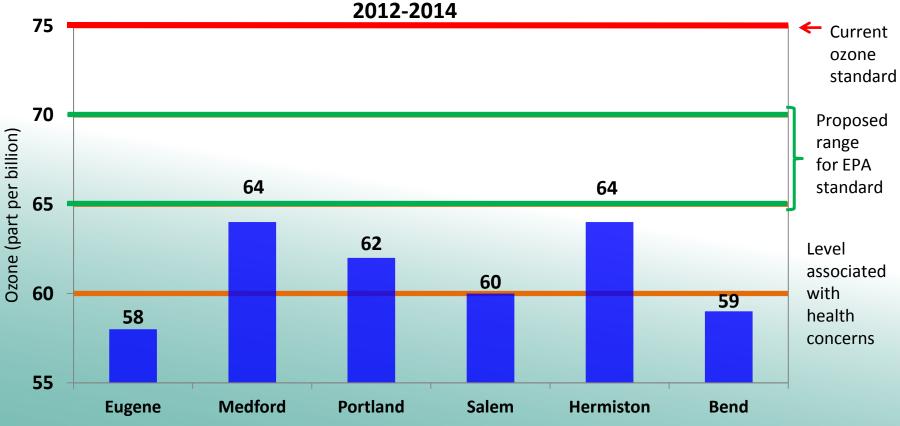






Ozone Pollution Statewide

Ozone Levels in Oregon



Three Year Average of Fourth Highest Eight Hour Average Ozone



Sources of toxic air pollutants







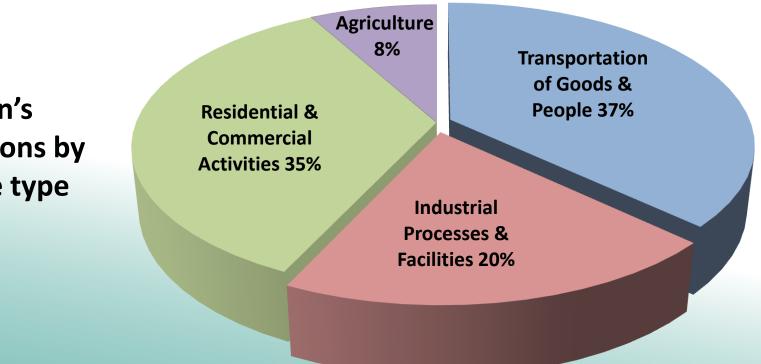






Reduce greenhouse gas emissions

Oregon's emissions by source type





Reduce haze

Good visibility day



Bad visibility day



Crater Lake National Park





Columbia River Gorge National Scenic Area



	Particulate	Air Toxics	Ozone	Greenhouse Gases	Regional Haze/Visibility
Clean engines	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
Clean fuels	\checkmark	\checkmark			\checkmark
Smoke controls	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
Industrial regulations					



Water Quality

Ensure Oregon's waters are drinkable, fishable and swimmable



- Surface Water/Groundwater
- Nonpoint Source
- Clean Water Plans

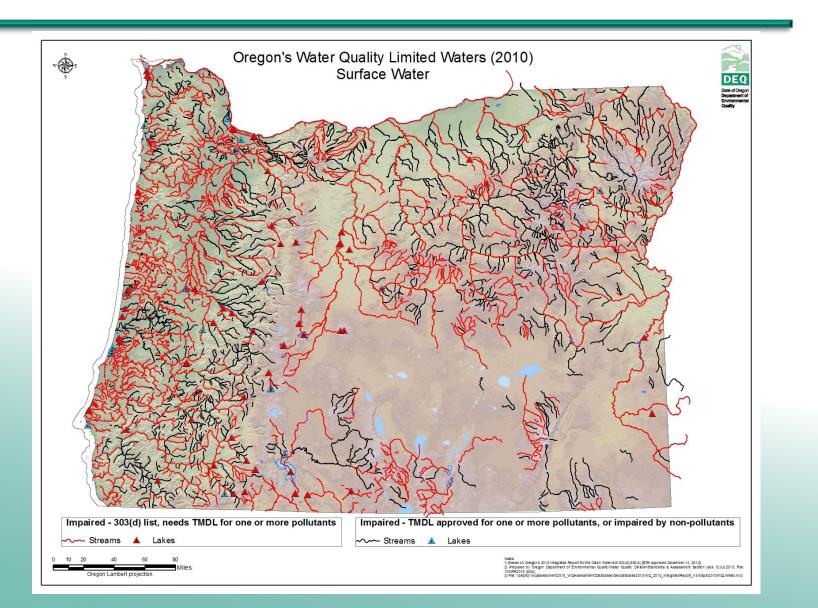


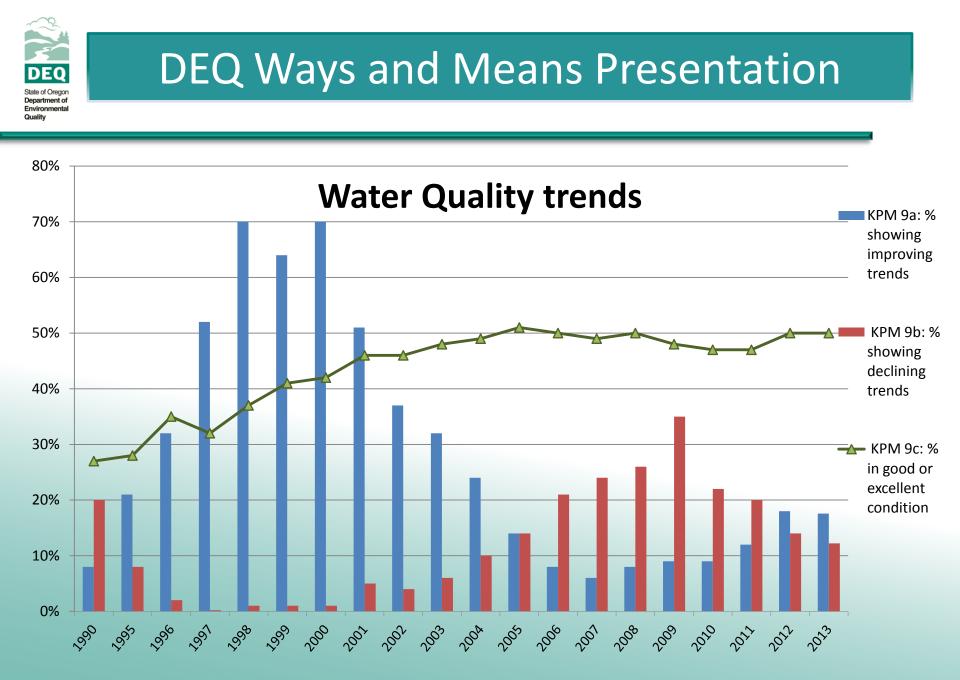
- Grants and Loans
- Permitting and Inspections
- Certification and Licensing

Water Quality by the numbers

- Permit more than **6,300** point sources
- Permit more than **1,900** sources for industrial and construction stormwater runoff
- Worked with counties to permit and evaluate about
 800 onsite septic systems per year
- Licensed more than 700 onsite septic system installers and service providers
- Certified more than 1,700 wastewater system operators

























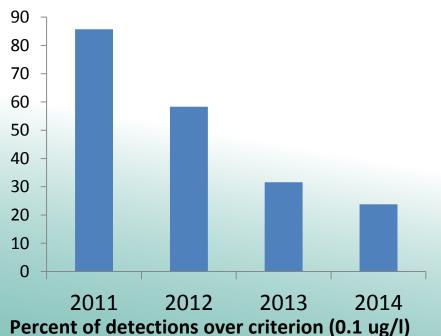
Oregon's Groundwater Management Areas







Pesticide Stewardship Partnership: Malathion in Wasco Watersheds





Clean Water State Revolving Fund

Supports communities and improves water quality statewide





Land Quality

Ensure healthy landscapes where Oregonians live, work and play



- Materials Management
- Hazardous Waste and Tanks
- Cleanup



- ✤ Ballast Water
- Permitting/Inspections
- Emergency Response

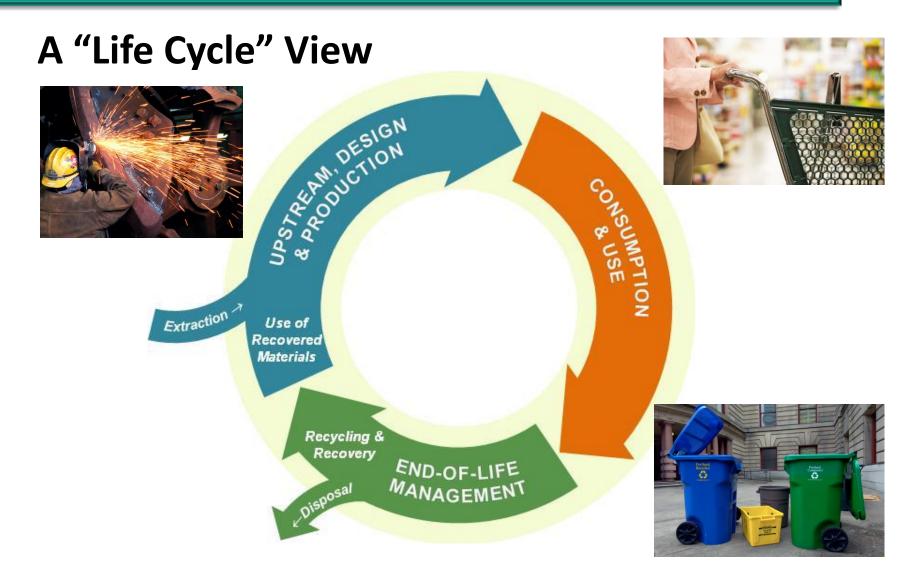
DEQ State of Oregon Department of Environmental Quality

DEQ Ways and Means Presentation

Land Quality by the numbers

- Permit **366** Solid Waste and Hazardous Waste facilities
- License **265** Underground Storage Tank service providers
- Oversaw cleanup of **1,200** contaminated sites since 1991
- Recycled **120 million** tons of Electronic Waste since 2009
- In 2014:
 - Conducted 1,250 inspections
 - Responded to **1,500** spills
 - Provided 49 trainings and drills
 - Issued 1,700 gas station operating certificates







Materials Management Project Examples





Helping businesses improve packaging

Reducing food waste

Recovering plastics for best uses



Ballast Water Management

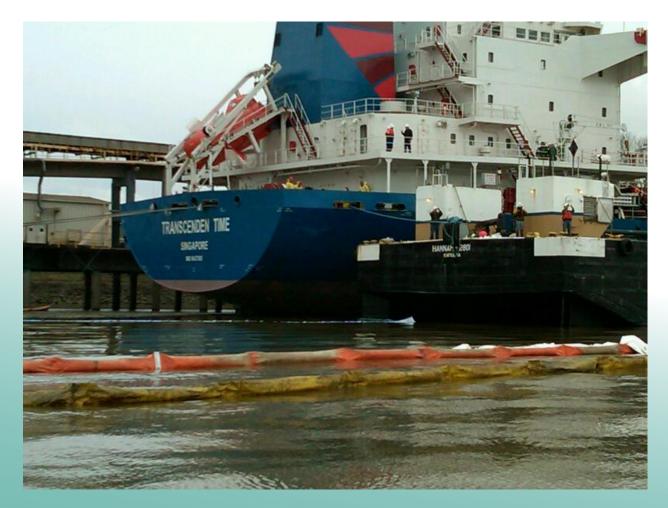


Ballast water discharge

Aquatic invertebrate hitchhikers Destabilization/erosion by burrowing marine invertebrates – Coos Bay, OR



Respond to spills









Restore contaminated land – Minto Island, Salem





After: Habitat, natural area integral to economic, community, tourism initiatives; also to recreation and education goals

Before: Former pulp and paper plant site



Restore contaminated land – Hawthorne Building



Before: Former railway depot and parking garage



After: Office space facilitating expansion needs of Viewpoint Software







Regional Solutions Teams



- Streamlined process for economic development projects
- Enhanced collaboration among agencies and communities

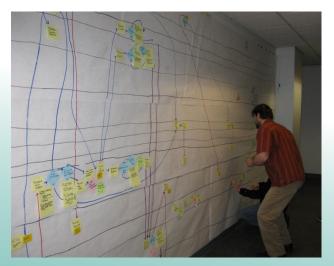


Agency support services



Agency Management

Supports efficient and effective service delivery by providing information services, financial management and employee and organizational advancement



- Financial Management
- Human Resources
- Health and Safety



- Information Technology
- Business Systems Development
- Organizational Development

Agency Management by the numbers

In 2014:

- Led **eight** process improvement projects
- Completed **58** recruitments
- Received its 20th consecutive DAS accounting gold star
- Processed about **2.5 million** accounting records
- Received clean Secretary of State annual audits
- Completed **3,989** public records requests
- Ensured information technology systems had an uptime of about 99.7 percent



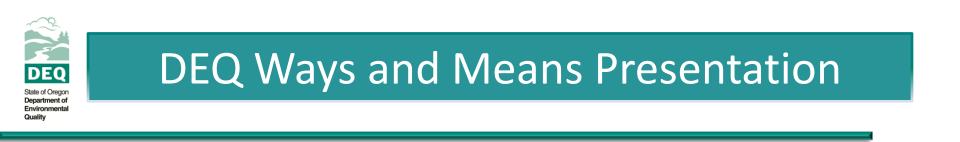
DEQ Laboratory

DEQ's laboratory monitors the quality of Oregon's air, land and water statewide



DEQ Laboratory by the numbers

- Monitors water and air quality at more than 1,500 locations
- Collects approximately 8,000 samples annually
 - Performs more than 75,000 analyses
 - Reports more than 250,000 data points
 - Covers more than 1,100 different chemicals
- Operates more than 45 air monitoring stations throughout Oregon
 - Reports over **350,000** data points monthly
 - Continuously updates the Air Quality Index

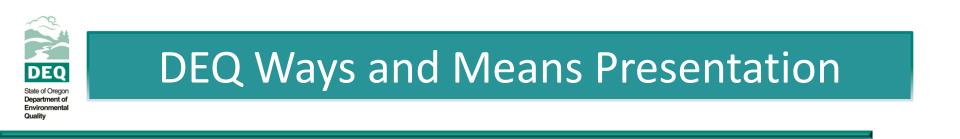


Current challenges

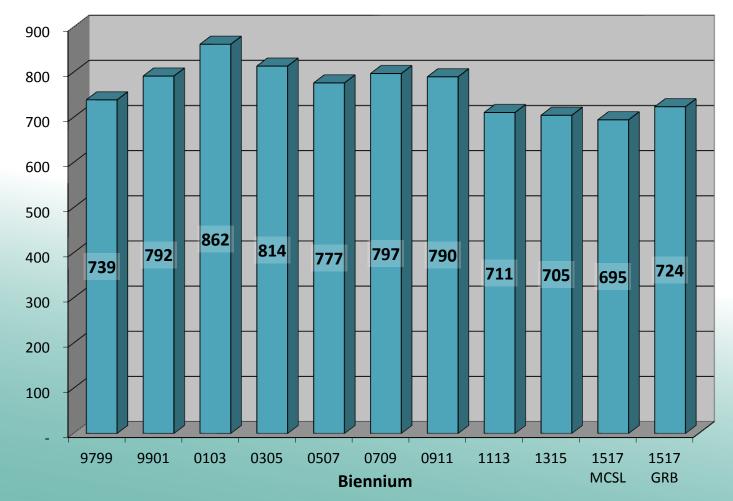
- Nonpoint and area-wide sources
- More stringent federal standards
- Small community needs
- Toxics in the environment



Significant changes over time



DEQ Staffing Over Time



E



Changes in how we accomplish our goals

- Increased collaboration and more partnerships
- Greater community engagement
- More creative, efficient problem solving
- Holistic approach to environmental solutions
- More emphasis on solutions tailored to local needs
- Making our work and decisions more transparent
- Outcome-based management

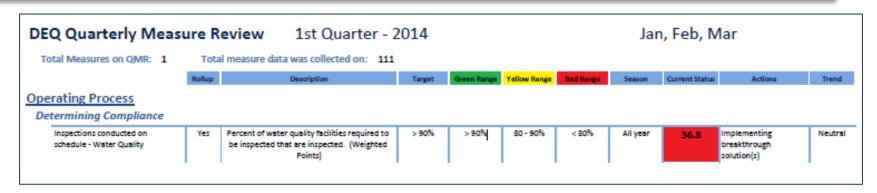


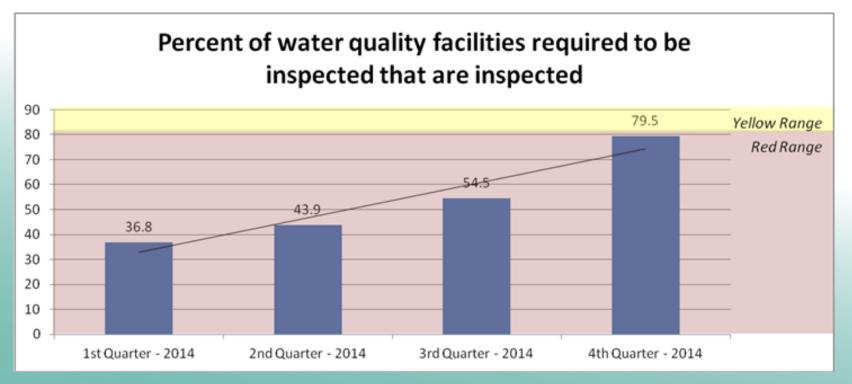
Managing to outcomes



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Core Work Map		 Developing Married Interpretati interpretating rates and classifier Interpretating rates and classifier Accessing accessing anneology programs 				 Pageauting DFG # Contributions Supporting terms/ meritigations 	1 Drazmybodycs aw połcki, an akywi	Inspenses distances Inspenses distances Inspenses Inspense Inspense Inspenses Inspense Inspense Inspense Inspenses Inspense Inspense		Manaperient Dysam T Continuancenting (DEC-direction) antivides and programs B Perceptionness Accompliancents		 4 Developed point several particular and particular statistics 5 Managing ana 8 Managing atyacal assails 	mantanag etomatos etrastructure a frustructure calaborates and descale rang magaza traganostegangets etactivate etactivate etactivate etactivate	Process performance Process measures in the Green Outcome measures in the Green	Percent of core process measures being reported on that are within their green range. Percent of core Outcome measures being reported on that are within their green range.	80%	> 80%	50 - 80% 50 - 80%	< 50% < 50%	All year All year	51.8 40	None	Improving Declining
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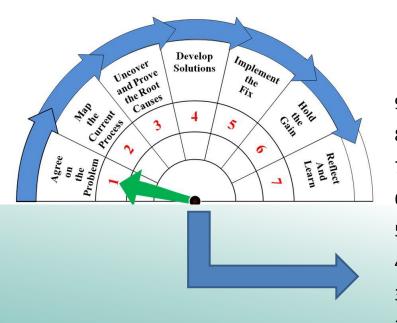








Process improvement



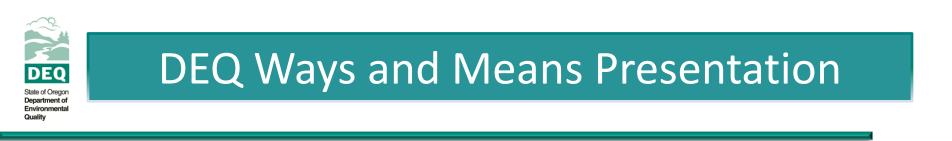
Contacting the complainant within 2 working days





KPM Results

КРМ	Measures	Results
1	Customer satisfaction	Red
2	ACDP permit timeliness	Yellow
3	Individual wastewater discharge permits timeliness	Red
4	Percent of wastewater permits current	Red
5	Impaired waterbody miles for which a TMDL has been approved	Green
6a	Hazardous substance sites cleaned up: overall	Green
6b	Hazardous substance sites cleaned up: tanks	Green
6c	Hazardous substance sites cleaned up: hazardous substances	Green
7	Mercury removed through DEQ's efforts	Red
8	Municipal solid waste landfilled or incinerated per capita	Green
9a	Significantly increasing trends in water quality of streams sites	Green
9b	Decreasing trends in water quality of stream sites	N/A
9c	Stream sites with water quality in good to excellent condition	Green
10	Quantity of diesel particulate emissions	Red
11a	Number of days when air is unhealthy for sensitive groups	Red
11b	Number of days when air is unhealthy for all groups	Red
12a	Air toxics trends in larger communities	Red
12b	Air toxics trends in smaller communities	Red
13	Satisfaction with DEQ's participation in Regional Solutions Team	Green
14	Title V permit timeliness	Green
15	Environmental Quality Commission use of best practices	Green



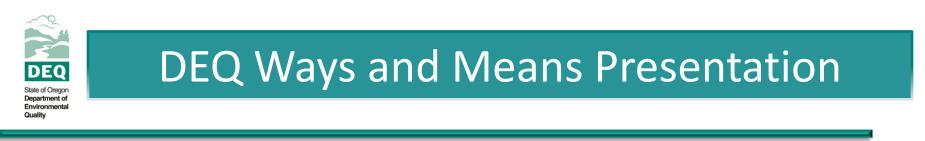
Proposed KPM changes

- **Delete KPM 5:** Percent of impaired waterbody miles for which a TMDL has been approved
- Delete KPM 7: Pounds of mercury removed from the environment through DEQ's efforts
- **Delete KPM 10:** Quantity of diesel particulate emissions

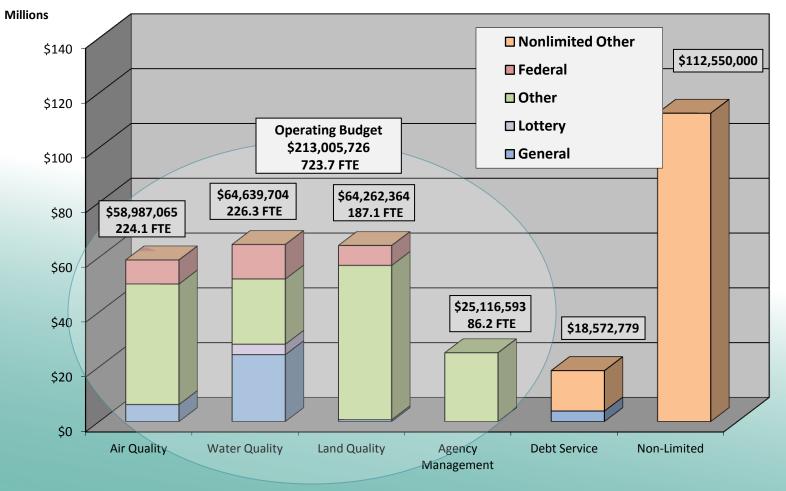


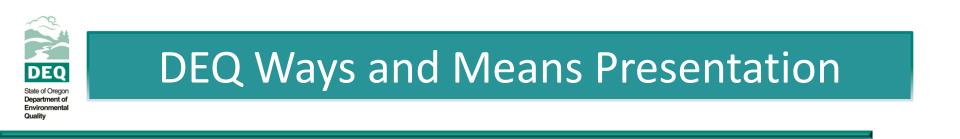
2015-17

Governor's Recommended Budget

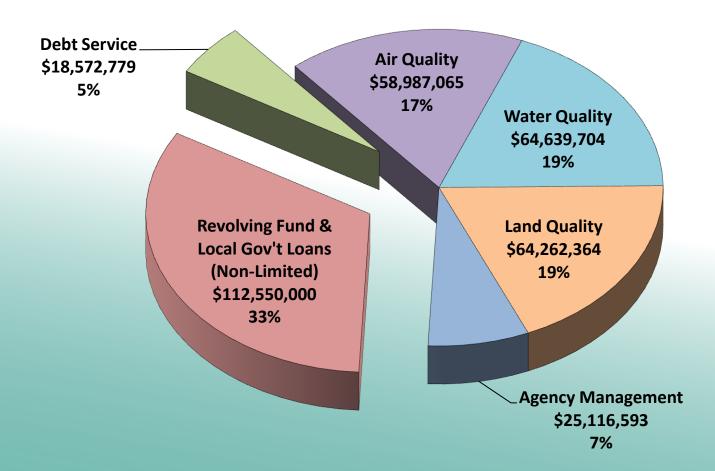


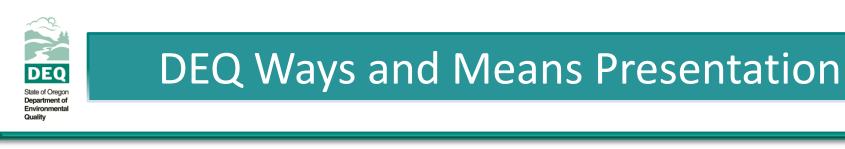
2015-2017 Governor's Recommended Budget, By Program \$344,128,505



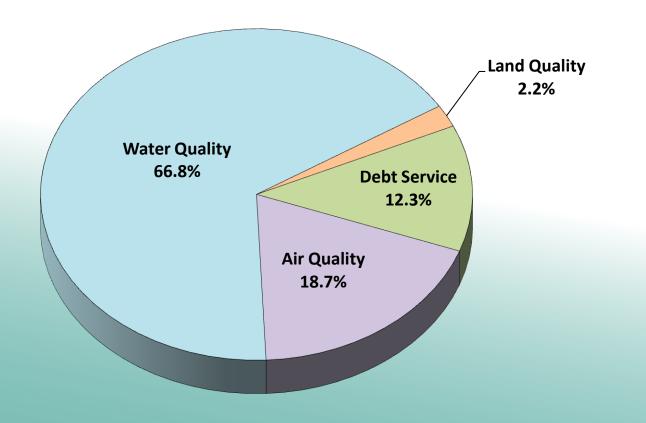


2015-2017 Total Governor's Recommended Budget \$344,128,505





2015-2017 Governor's Recommended Current Service Level Budget General Fund - \$31,296,253





Budget Reductions – Package 070

	R	eductio	ns	
	Dollars	FTE	FUND	PKG
Aligning to Conditions				
Repurposing positions to Materials Management	\$ (1,280,095)	-7.00	FF/OF	070
	\$ (1,280,095)	-7.00		
Impacting Services				
Ballast Water inspections & compliance	\$ (42,911)	-0.20	OF	070
Marine Oil Spill prevention	\$ (212,786)	-0.90	OF	070
WQ Monitoring and Nonpoint Source	\$ (278,887)	-2.00	FF	070
Wastewater Permitting	\$ (1,147,072)	-7.29	OF/FF	070
	\$ (1,681,656)	-10.39		



Reduction Options – General Fund

Priority	Program	Description	\$\$ GF	Pos	FTE
1	Land	Hazardous waste compliance program	36,151	0	-
2	Water	LEAP office specialist	94,322	1	1.00
3	Water	Water Quality program office specialist	101,896	1	1.00
4	Air	Lane Regional Air Protection Agency	25,736	0	-
5	Air	Fine particulate analysis	293,929	2	1.50
6	Water	Eastern Region TMDL implementation	150,093	1	1.00
7	Water	Groundwater data collection and reporting	177,214	1	1.00
8	Water	Capacity for water quality sample analysis	177,428	1	1.00
9	Air	Air Quality Planning	129,437	0	0.50
10	Air	Emission Inventory work	87,346	0	0.50



Reduction Options – General Fund

Priority	Program	Description	\$\$ GF	Pos	FTE
11	Water	Statewide groundwater and IWRS coordination	174,416	1	1.00
12	Water	401 dredge and fill permit coordination	67,987	1	0.50
13	Air	Air Quality Program Manager	227,016	1	1.00
14	Water	Administrative support for Office of Policy and Analysis and director's office	164,840	1	1.00
15	Water	Statewide nonpoint source policy development and coordination	253,079	1	1.00
16	Air	Air quality permits - ACDP	87,346	0	0.50
17	Water	Water Quality data analysis (standards and assessments)	171,068	1	1.00
18	Water	TMDL development and implementation in eastern Oregon	167,611	1	1.00
19	Air	Air Quality planning work	239,272	1	1.00
20	Water	Reorganize laboratory QA/ORELAP	254,144	1	1.00
		Total GF Reduction Options	3,080,331	16	16.50



Reduction Options – Lottery Fund

Priority	Program	Description	\$\$ LF	Pos	FTE
1	Water	Reduced capacity for pesticides, volatiles	211,517	1	1.00
2	Water	Reduced fequency of state wide toxics monitoring	195,267	1	1.00
		Total LF Reduction Options	406,784	2	2.00



Senate Bill 5520-A (2013)Budget Note:

Air Quality Standards

Submitted to:

2015 Natural Resources Ways and Means sub-committee

February 2015



Policy option packages and proposed legislation



Package 111- Continue Air Toxics Monitoring

Program	Package Type	FUND	Amount	Pos	FTE
Air	Service Continuation	GF	361,562	3	1.52

- Provides operational funding to monitor in other areas of the state once the yearlong Swan Island air toxics study is complete.
- The monitoring data will identify and quantify the source of air toxics in problem areas and provide citizens with good scientific information about air toxics in their neighborhoods.
- Continues three positions, 1.52 FTE.

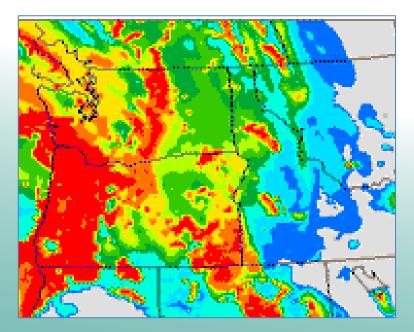


DEQ State of Oregon Department of Environmental Quality

DEQ Ways and Means Presentation

Package 115 - Coordinate AQ Scientific Data Contract

Program	Package Type	FUND	Amount	Pos	FTE
Air	Service Continuation/Expansion	FF	680,000	0	0.00



- Provides federal limitation for Oregon DEQ to coordinate a tri-state contract for meteorological, emissions and modeling data with the Northwest International Air Quality Environmental Science and Technology Consortium (NW-AIRQUEST).
- Washington Department of Ecology and Idaho Department of Environmental Quality have coordinated the contract and it is Oregon's turn to take coordination responsibilities.



Package 120 - Replacing Wastewater Permitting System

Program	Package Type	FUND	Amount	Pos	FTE
Water	New Work	GF/OF	558,392	1	1.00

- Supports replacement of an outdated and inadequate wastewater permitting information management system with a commercial offthe-shelf product.
- New system would be capable of supporting water quality permitting in the near term and serve as the foundation of an agency-wide permitting system in the future.
- Includes one permanent, full-time position and \$325,000 for professional services.

Package 121 - Water quality assessment -Transforming Data into Information and Knowledge

Program	Package Type	FUND	Amount	Pos	FTE
Water	New Work	GF	491,435	3	2.25



- Supports development of data management system and new resources for analyzing data and related information to develop water quality assessments.
- Necessary to produce transparent and reproducible assessments of Oregon's waters to inform the public and support decision-making.
- Phases in three permanent, full-time positions.



Package 123 - Restoring the Wastewater Permitting Program

Program	Package Type	FUND	Amount	Pos	FTE
Water	Service Continuation	GF/OF	1,106,011	5	6



- Restores 6 FTE that are unaffordable due to shortfalls in federal funds and fee funds.
- Loss of these positions would reduce the program's ability to issue permits in a timely manner, provide technical assistance to permit holders and ensure compliance with permit conditions.



Package 124 - Portland Harbor coordinator

Program	Package Type	FUND	Amount	Pos	FTE
Water	New Work	GF	363,199	1	1.00

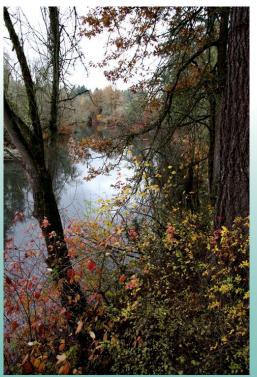


- Establishes a senior-level Regional Solutions position housed at DEQ but reporting to the Governor's natural resources advisor.
- Will represent the Governor's interests and help facilitate statefederal coordination on the Portland Harbor cleanup and other high priority projects.



Package 126 - Reducing Nonpoint Source Pollution

Program	Package Type	FUND	Amount	Pos	FTE
Water	Service Continuation/Expansion	GF	684,249	4	3.17



 Restores two positions and creates two new positions to work with public agencies, local organizations and individuals to reduce nonpoint source pollution by assisting them with developing, implementing and evaluating plans and projects to improve water quality.



Package 128 - Quantifying conservation outcomes

Program	Package Type	FUND	Amount	Pos	FTE
Water	New Work	GF	1,863,021	6	5.63



- Cross-agency effort to develop new tools to quantify trends in watershed health and water quality.
- Information will be available to watershed partners and the public and used to identify funding priorities.
- Phases in six permanent, full-time positions.
- Includes \$300,000 for development of quantification tools and \$250,000 for INR to develop a data management portal.



Package 132 - Materials Management, Toxics Coordinator and Green Chemistry Executive Order Implementation

Program	Package Type	FUND	Amount	Pos	FTE
Land	Service Enhancement	OF	1,878,724	7	7.00



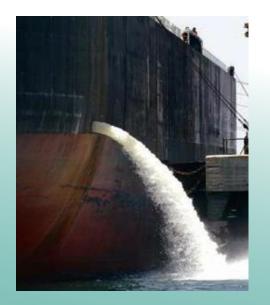
- Stabilized funding to improve recycling, prevent waste, reduce toxic pollutants, improve state purchasing, conserve resources, and advance other resource conservation and pollution activities.
- Seven positions will be repurposed from other DEQ programs.
- Includes \$492,960 in grants and contracts to fund local projects.

DEQ DEQ State of Oregon Department of Environmental Quality

DEQ Ways and Means Presentation

Package 136 - Continue Ballast Water Inspection/Enforcement

Prog	ram	Package Type	FUND	Amount	Pos	FTE
Lar	nd	Service Continuation	GF/OF	47,301	0	0.20



- Maintains vessel inspection, compliance verification and enforcement activities at current service level of 1.5 FTE
- Supports a 50/50 cost share of ballast program activities between general fund and revenue generated from vessel arrival fees



Package 138 - Continue Oil Spill Planning

Program	Package Type	FUND	Amount	Pos	FTE
Land	Service Continuation	OF	290,940	1	1.35

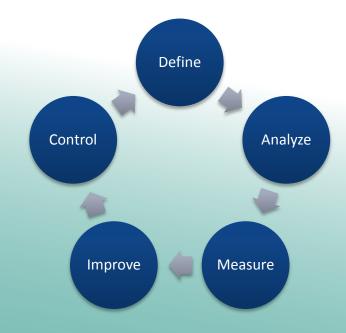


- Supports staffing to carry out established oil spill contingency planning and preparedness activities for marine environments
- Restores program to 3.35 FTE



Package 150 - Process Improvement

Program	Package Type	FUND	Amount	Pos	FTE
Agency Management	New Work	OF	1,098,213	6	5.40



- Supports staffing to improve agency efficiency and effectiveness through business analyses and process improvement work
- Supports staffing to implement training to ensure staff have all the skills needed to meet today's and future needs



Package 181/191- Clean Water State Revolving Fund

Program	Package Type	Fund	Amount	Pos	FTE
Non Limited	Service continuation	OF	30,150,000	-	-
Debt	Service continuation	OF	10,020,000	-	-



- Non-limited expenditure approval
 - \$30 million from federal capitalization grants
 - \$10 million in bonds to provide 20 percent match
 - \$150,000 bond issuance costs



Proposed Legislation

- HB 2451 Longer-term Financing for Clean Water Projects
- SB 261 Ballast Water Fees
- SB 262 Marine Oil Spill Contingency Planning Fees
- SB 263 Materials Managements Goals and Measures and Recycling Program Updates
- SB 245 Stable Funding for Materials Management
- SB 246 Onsite Septic System Loan Program



Conclusion

