

# PROGRAM POLICY PACKAGE NARRATIVE

REVISED VERSION 3-2-17

**Title:** Water Quality Permit Program Improvements (#125)

*(Note: The Governor's Recommended Budget modifies the proposal submitted in DEQ's Agency Request Budget. The original proposal included a Program Analyst 3 position funded on General Fund to assist with permit renewals. The revised package recommends phasing in four new positions funded by a combination of General Fund and Other Fund to support permit issuance and oversight by performing essential administrative and information management functions.)*

**Purpose:** This package provides resources needed to perform essential, foundational work in the water quality permitting program that will help DEQ achieve its objective of having a sustainable water quality permitting program that issues timely, high quality permits.

## **Background**

DEQ is responsible for issuing and managing federal and state water quality permits in Oregon. This includes administering approximately 6,000 permits for wastewater and stormwater discharges from industrial facilities, sewage treatment plants and municipal storm sewer systems. Fundamental administrative tasks, such as data and file management, compliance monitoring and complying with federal reporting requirements, require a tremendous amount of information management for a permit portfolio of this size. Unfortunately the permit program's information management systems and staffing to perform this work have not kept up as the permit portfolio has grown over the years. Existing systems and procedures are inefficient and inadequate to manage the workload, and lack adequate quality control. The new workload associated with recently enacted federal requirement for electronic intake and reporting of compliance-related data has made the situation worse. Two recent evaluations discussed below point to specific shortcomings of the permitting program.

## NPDES Permit Program Review

In 2015, the Oregon Legislature included a budget note in DEQ's budget due to concern about the quality and timeliness of National Pollutant Discharge Elimination System (NPDES) permits issued by DEQ. Pursuant to the note, the agency hired a contractor to review the NPDES permitting program and make recommendations to improve the efficiency and effectiveness of the program, particularly to reduce the permit backlog. The contractor submitted their final report and implementation plan in December 2016. These documents and other project information are available online beginning in February 2017 at <http://www.oregon.gov/DEQ/wq/wqpermits/Pages/WQ-Permitting-Program-Review.aspx>

The consultants recommended numerous actions and implementation approaches covering a number of different topic areas to address these issues. The recommendations include programmatic and administrative changes, as well as identifying the need for additional program resources in the short term in order to make headway on the permit backlog. This policy package directly addresses some of their recommendations, as described below.

One critical area of need involves the timely delivery of data to permit writers. The data needs for writing permits, such as discharge monitoring data and ambient water quality data, are largely predictable and the inability to deliver this data in a timely manner delays permit issuance and increases costs for both DEQ and permittees. They found that DEQ uses outdated data delivery systems that use information from multiple unintegrated systems, and permit writers do not have access to critical parts of the systems. To achieve the objective of reducing the permit backlog, they assert that the Water Quality program needs to establish a reliable and integrated system that ensures permit writers have the data they need when they need it. This system needs to:

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- include a system for electronically accepting discharge monitoring data that works well for permittees;
- deliver data in the form needed by permit writers and that complies with EPA's Electronic Data Reporting Rule; and,
- allow permit program information to be made available to the public.

The consultants also recommended that DEQ realign its resources so that permit writers are able to spend more time working on duties essential to the preparation of permits. They identify some functions now assigned to permit writers that could be re-assigned to other staff, such as certain compliance functions (e.g., reports and enforcement proceedings) and providing technical assistance to permittees.

## EPA's State Review Framework Report

Every five years EPA conducts a review of states' compliance and enforcement programs related to implementation of federal regulations, including the NPDES permitting program. EPA's 2016 State Review Framework report identified a number of deficiencies. Some of the deficiencies they identified will be directly addressed by this package, including missing or incomplete inspection reports, and inaccurate or incomplete tracking and reporting of violations data, which can result in a failure to take timely or appropriate enforcement actions.

**How Achieved** – In order to achieve the objective of having a sustainable water quality permitting program that issues timely, high quality permits, the Water Quality program needs additional resources to establish a functional, stable administrative foundation and a cohesive system for managing and reporting permit information and compliance data. This is necessary to ensure permit writers have timely and easily accessible information for permit writing and have more time to focus on writing permits and the tasks that directly support that work. It will also enable DEQ to fulfill its federal regulatory responsibilities related to NPDES permit issuance and compliance reporting, and be in compliance with federal electronic reporting requirements.

This policy option package establishes the following new positions:

- Program Analyst 3 to identify systems needed to integrate water quality data with permit information and compliance and enforcement data, assuring that permit writers have timely and easy access to the data needed for permit reissuance; be the program's expert for electronic reporting and ensuring staff and permittees have the training and tools needed to use the systems; work with permit writers, inspectors, permit holders, data staff and enforcement staff to create a coordinated approach for data management and reporting.
- Program Analyst 1 for data and program analysis, tracking permit compliance, setting up permit-specific information and data fields in the electronic reporting system, ensuring data quality and providing technical support to permittees for use of electronic reporting systems.
- Office Specialist 2 to provide administrative support for permit data input and reporting, and permit set-ups in electronic systems.
- Information Systems Specialist 5 to provide technical leadership in developing the data system input/output, automating compliance and enforcement reporting, producing customized reports to support permit development, facilitating records management and ensuring public access to permit-related data and information.

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**Results/Outcomes –**

- Reduced workload associated with permit writing and reporting requirements, allowing for increased productivity and a projected reduction in NPDES permit backlog
- Reengineered business systems and reporting procedures, and improved relationships with permittees
- Significant progress toward preparing DEQ and permittees for transition to a modern, enterprise business system that will benefit the permitting program
- Increased reliability, efficiency and access for permit holders to enter compliance data and receive reports
- Improved public access to permit-related information
- Timely and accurate uploading of compliance information into EPA’s data systems
- Compliance with federal electronic reporting requirements and associated benefits to DEQ and permittees, including electronic access to compliance information
- Timely identification and follow-up on significant non-compliance issues

**Quantifying Results**

DEQ will measure success through a variety of measures, including number of permits current, timely permit issuance, compliance with federal reporting requirements and timely completion of project tasks.

**Staffing Impact – 17-19:**

**Budget: \$714,286**

*The Governor’s Recommended Budget proposes to phase in four new positions, which replace the Program Analyst 3 proposed in DEQ’s Agency Request Budget:*

<u>Position Class</u>	<u>POS</u>	<u>FTE</u>	<u>Position Number</u>	<u>FTE by Division</u>
Program Analyst 3	1 PF	0.83	3288	0.83 Operations
Program Analyst 1	1 PF	0.83	3289	0.83 Operations
Office Specialist 2	1 PF	0.77	3290	0.77 Operations
Information Systems Specialist 5	1 PF	0.83	3292	0.83 Operations

**Revenue Source:** General Fund - \$500,000  
Other Fund - \$214,286

**Staffing Impact – 19-21:**

**Budget: \$920,246**

<u>Position Class</u>	<u>POS</u>	<u>FTE</u>	<u>Position Number</u>	<u>FTE by Division</u>
Program Analyst 3	1 PF	1.00	3288	1.00 Operations
Program Analyst 1	1 PF	1.00	3289	1.00 Operations
Office Specialist 2	1 PF	1.00	3290	1.00 Operations

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Information Systems Specialist 5

1 PF

1.00

3292

1.00 Operations

**Revenue Source:**

General Fund - \$644,172

Other Fund - \$276,074