



April 12, 2021

Senator Kathleen Taylor, Co-Chair
Representative Jeff Reardon, Co-Chair
Joint Ways and Means Committee Natural Resources Subcommittee

Subject: Department of Environmental Quality (DEQ) Water Quality Program Budget for Fiscal Year (FY) 2021-2023 (SB 5516 and SB 5517)

Dear Co-Chairs Taylor and Reardon and Members of the Committee:

The Oregon Association of Clean Water Agencies (ACWA), League of Oregon Cities (LOC) and the Special Districts Association of Oregon (SDAO) submit this letter of testimony regarding DEQ's Water Quality Programs FY 2021-23 budget on behalf of the public agencies providing wastewater treatment and stormwater management services across the state of Oregon.

Our statewide associations and member agencies are DEQ's local government partners in protecting Oregon's water quality. We share DEQ's and the Governor's objective and commitment to protect public health and improve water quality throughout Oregon. We are also stewards of our local communities' economic, social and environmental quality.

Local governments pay a substantial portion of DEQ's Water Quality Program budget through permitting and annual fees, and it is important that the services provided by DEQ produce implementable, feasible, and affordable outcomes for our communities and for water quality. Our three organizations have worked with DEQ leadership over the last several decades to address Department fiscal and programmatic needs, as well as the needs for continued performance improvements, transparency, and accountability to the local government sector. While we believe DEQ has more work to do in its ongoing efforts to improve its work quality, efficiency and its accountability to stakeholders, these continued improvements can only be anticipated if the Department is supported with adequate funding to adequately execute its core functions.

The recent economic downturn has necessitated that DEQ hold numerous positions vacant to produce cost savings and has required that the Department submit budget reductions that are contemplated in SB 5516 and SB 5517. These reductions are not helpful during a time when all expectations are for DEQ to increase production and work quality. We support the budget and fee bills, because they will maintain staff in key DEQ Water Quality Program areas, including water quality permitting and development of clean water plans (i.e. Total Maximum Daily Loads). We also support Policy Option Package (POP) 160, which was submitted as part of the DEQ Agency Request Budget (ARB), but not included in the Governor's Requested Budget.

We strongly support the following POPs:

POP 121—Clean Water Plans (TMDLs). This POP adds 2 positions to support development of TMDLS. These positions are vital to enable DEQ to develop TMDLS on the schedule mandated by the courts, and to make timely progress on TMDLS needed to address water quality impairments across the state. Without the addition of these positions, DEQ would be required to use short cuts, with a likely consequence of establishing new water quality requirements based on insufficient data and analysis.

POP 125—Lottery Fund Restoration. Five existing positions proposed for elimination under early projections of lottery fund short falls can and should be maintained based on current lottery fund revenue projections. Otherwise elimination of these positions would reduce DEQ’s continued ability to implement non-point source pollution programs.

POPs 124, 181/191—Clean Water State Revolving Fund (CWSRF) Programs and Software. CWSRF funding is an essential tool for local government agencies to construct the infrastructure needed to maintain water quality and to support community growth.

POP 160—Maintenance of Lab Infrastructure. This POP, submitted in the DEQ ARB, includes \$550,000 for maintenance and eventual replacement of existing lab equipment. This funding is needed to stop the deterioration and loss of existing equipment vital to DEQ’s ability to carry out its core water quality program functions.

Summary:

Water infrastructure and water quality programs have been underfunded by the federal government and by the State of Oregon for too long, and the needs for additional investment are becoming critical at all levels. The regular cycle of annual costs increasing at a faster pace than revenue creates a structural problem in DEQ’s budget that results in ongoing erosion of their basic service capacity. The consequences of this problem have become readily apparent in the backlog of expired permits and litigation over timely issuance of TMDLS. SB 5516 and SB 5517 include additional budget reductions, while maintaining the highest priority program needs. We believe these funding and fee bills should be adopted, with the inclusion of POP 160, which provides for cost-effective maintenance of equipment that is vital to DEQ’s water quality programs.

DEQ’s Water Quality Permitting Program is making strides to improve its performance and needs to be supported with adequate resources to continue on this path. We look forward to continuing to partner with DEQ in addressing the State’s water quality improvement needs in a manner that is feasible and affordable to Oregonians. Thank you for your consideration of our testimony.

Sincerely,

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