



*Working with community wastewater treatment and stormwater management agencies
across the state to protect Oregon's water quality since 1987.*

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March 8, 2023

Representative Helm, Chair
Committee Members
House Committee on Agriculture, Land Use, Natural Resources, and Water

Subject: Testimony in Favor of HB 3208—Providing Authority to the Oregon Environmental Quality Commission (EQC) to Increase Certain Water Program Permit Fees by Up To 3% Annually

Chair Helm and Committee Members:

The Oregon Association of Clean Water Agencies (ACWA) appreciates the opportunity to submit written testimony in support of House Bill 3208, which would enable the EQC to administratively increase fees by up to 3% annually for certain water quality permits. ACWA is a not-for-profit organization of Oregon's wastewater treatment and stormwater management utilities, along with associated professional consulting firms, which are dedicated to protecting and enhancing Oregon's water quality. Our members provide wastewater and stormwater services to over 3 million Oregonians, serving over 75% of Oregon's homes and businesses.

ACWA member agencies provide wastewater and stormwater facilities and programs that operate under water quality permits from the Oregon Department of Environmental Quality (DEQ). For most of these water quality permits, like National Pollutant Discharge Elimination (NPDES) and Water Pollution Control Facility (WPCF) permits, the EQC already has statutory authority to increase the fees by up to 3% by rule. However, EQC does not have the same authority for certain other water quality programs, such as those supporting onsite septic permitting and inspections, CWA Section 401 dredge and fill certifications, underground injection control permits, and wastewater operator certifications. HB 3028 would apply the same fee authority to these programs.

Oregon ACWA supports HB 3028 for the following reasons.

- Like other state agencies, DEQ costs associated with maintaining existing programs increase at rates much higher than 3%, driven by insurance costs, PERS increases, wage increases, general inflation, and other factors. By not having some level of mitigating annual revenue increases, DEQ is forced to leave positions vacant, eliminate positions, and reduce levels of service. These service reductions result in delays in issuance of permits as well as other negative implications for permittees.
- Without an annual increase available, each of these water quality programs has to periodically muster the staffing/resources to put together legislative requests for fee increases independently. Because this is an administratively time consuming process, the programs go without fee increases for years and then must request large fee increases to make up the gap. This is an inefficient and ineffective means of maintaining stable funding for core functions.

- Public agencies that provide water quality services with associated DEQ permitting fees must plan for fee increases as part of their annual budgeting processes. Small incremental fee increases that are predictable on an annual basis are much easier for utilities and other public agencies to plan for in their budgets and local utility rates than large sporadic spikes in fees. Annual water quality permitting fees amount to tens or hundreds of thousands of dollars for the medium sized and larger sized communities, so large fee increases can significantly impact their budgets and their ability to meet regulatory and customer service expectations.

HB 3208 provides a sensible approach that would improve the administrative efficiency and effectiveness of several DEQ water quality programs and a more predictable, less fiscally disruptive approach to imposing fees on permittees. ACWA urges your support for this bill.

Thank you for your consideration of ACWA's comments. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Susan L. Smith".

Susan L. Smith
Executive Director