



Regulatory Streamlining Initiative

Office of Regulatory Streamlining, Department of Consumer and Business Services

WATER-RELATED PERMITTING

**Improving the State of Oregon's Process
for Permitting Development Projects
that Affect Oregon's Water Resources**

Project Report

October 2006

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State of Oregon
Theodore R. Kulongoski, Governor

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Office of Regulatory Streamlining Recommendations to State Agencies

To Whom It May Concern,

The Water-Related Permitting Process Improvement Team (WRPPIT) project was a large, multi-agency undertaking that required much planning, communication, expertise, and commitment. The WRPPIT and the Office of Regulatory Streamlining hope other projects can benefit from the practices and techniques developed for this project. Throughout the report, you will find descriptions of those practices and techniques so you can duplicate them for other multi-agency projects. We also included samples of reports, process maps, and other tools in the appendices.

Below are some of the key elements that made the WRPPIT project successful.

Sponsorship

The role of project sponsorship cannot be overemphasized. The WRPPIT project had sponsorship from both the executive and legislative branches. The participating agencies also were committed to the project, which resulted in a high level of collaboration. That collaboration helped produce quality products and communication and outreach efforts, and, ultimately, a positive outcome for the project.

Planning and Communication

Careful planning and project management helped the project move forward with relative ease and order. Timely and consistent communication is crucial to any project — especially multi-agency projects that involve a variety of stakeholders. Thorough documentation and distribution of materials, meeting notes, decisions, and action plans resulted in a high level of trust and transparency. The project team also ensured that people interested in WRPPIT had access to information.

Expertise

Having appropriate expertise is necessary for every project. The project team included people with technical and organizational expertise and people who were willing to do the research needed to make informed decisions and solve problems. Knowledge of process improvement and facilitation also was key to this project.

Transitions

With any lengthy project involving a variety of organizations, you should be prepared for transition in project staff and leaders. It is important to have methods and materials ready to bring new participants up to speed on the project. New participants will need to know the background and purpose of the project, what data has been collected, and what decisions have been made. It also is helpful to have existing team members available to answer questions.

Background and Climate

Having a thorough understanding of policies, participating agencies, and the stakeholder climate is important to a project like WRPPIT. We recommend reviewing policy origins and the constraints of the various participating agencies or organizations. We also recommend staying abreast of the stakeholder climate, since new issues can affect the project.

Challenges

A major challenge of any multi-agency project is reconciling the different agency missions, cultures, policies, authorities, and funding methods. Participating agencies must understand these differences so they can anticipate barriers and find ways to work together to accomplish the project goals. Sometimes, such differences can limit the agencies' ability to respond to stakeholder concerns, necessitating additional leadership support or administrative rule or legislative changes.

If you have questions or would like additional background concerning this project or other regulatory streamlining projects in Oregon, feel free to contact the Office of Regulatory Streamlining as noted on the cover of this report or visit our Web site at www.dcbs.oregon.gov/RSL.

We wish you all the best,
The Office of Regulatory Streamlining

A. Project Initiation

Project Initiation. In March of 2005 the following individuals joined together to ask a multi-agency team to identify ways to improve Oregon's processes for permitting development projects that affect Oregon waters:

Lindsay Ball, Director, Oregon Department of Fish and Wildlife
Michael Carrier, Natural Resources Policy Director, Governor's Office
Ann Hanus, Director Department of State Lands
Stephanie Hallock, Director, Department of Environmental Quality
Vicki McConnell, Director, Department of Geology and Mineral Industries

Holly Schroeder, Water Quality Division, Department of Environmental Quality
Lane Shetterly, Director, Department of Land Conservation and Development
Phillip Ward, Director, Water Resources Department
Tim Wood, Director, Parks and Recreation Department
Pat Allen, Manager, Office of Regulatory Streamlining, Department of Consumer
and Business Services

At the time, someone who wanted to modify a property connected to Oregon waterways or wetlands -- such as constructing a building, stabilizing a stream bank, installing an irrigation ditch, or constructing a road -- might be required to approach as many as seven state agencies for multiple water-related permits or reviews. Each regulated activity had a different timeframe and some authorizations could require developers to do conflicting things. In addition, unknown requirements could unexpectedly surface late in a project, requiring significant rework and added cost.

Beginning on March 15, 2005 and ending on April 14, 2005, a twelve member Removal-Fill Process Improvement Team (Improvement Team) met to address customer concerns. The Improvement Team began by documenting the “as-is” process for obtaining a removal-fill permit. With the process map the team was able to identify overlaps and gaps in the way permits are authorized. The map is provided in Attachment 1.

In order to identify improvement possibilities, the Improvement Team also benchmarked other processes. The team reviewed processes implemented of Washington state, Michigan, and Portland as well as successful efforts of the Oregon Departments of Environmental Quality, Forestry, and State Lands; the Governor’s Economic Revitalization Team (ERT); the Water Resources Hydroelectric Application Review Team (HART); Oregon Department of Transportation’s PARIT team for implementation of the OTIA III Bridge Delivery Program Environmental Streamlined Permitting Process; and the Collaborative Environmental and Transportation Agreement for Streamlining (CETAS), a state/federal collaboration.

At the conclusion of its work the Improvement Team identified 34 recommendations to make the permitting process more user-friendly for project proponents without reducing natural resource protections. A summary of the Improvement Team’s report is provided in Attachment 2. Of the Improvement Team’s 34 recommendations, the team’s most far reaching recommendation was to consolidate the applicable state agency processes to the greatest extent possible so all agency requirements are known at the beginning of the process and so that permit decisions are clear, non-conflicting and delivered within a known timeframe. The Natural Resources Cabinet endorsed the team’s recommendations and asked the team to pursue them. The team was instructed to focus on streamlining the process, not changing the standards or levels of natural resource protection; to focus on state, not federal or local processes; and if legislative changes were needed, to develop them for consideration by the 2007 Legislature. Elements of change expected to be achieved included the following:

- Reduced paperwork and duplication
- Increased customer service
- Improved timeliness and certainty

- Clarity about whether and how a project gets to yes, and
- Transition to a state permit process that feels consolidated to applicants
 - the permit would look like one state permit and
 - the applicant would obtain all state decisions at one time
- Assistance to applicants through the process

Building on this Natural Resource Cabinet directive, the 2005 Legislature adopted a budget note in August of 2005 requiring the applicable agencies to work with the Office of Regulatory Streamlining to streamline water-related permitting associated with removal/fill projects. The Legislature asked for progress reports to the Joint Legislative Audit Committee on April 30, 2006 and December 31, 2006. The Legislative Budget Note is displayed in Figure 1.

Figure 1. 2005-2007 Legislative Budget Note

The Department of Environmental Quality, the Department of Geology and Mineral Industries, the Department of State Lands, the Department of Fish and Wildlife, the Department of Land Conservation and Development, and the Water Resources Department will work with the Office of Regulatory Streamlining on one or more projects to streamline the delivery of water-related permitting programs and projects including water-related permitting associated with removal/fill projects and on permitting associated with aggregate mining activities.

The agencies will report back on their plans and progress to the Joint Legislative Audit Committee not later than April 30, 2006 and December 31, 2006. To the greatest extent practical, the Office of Regulatory Streamlining will involve the co-chairs of the Joint Legislative Audit committee, or their designees, in any work group activities needed to implement this budget note.

This report describes the steps taken by the natural resource agencies to address the water-related permit aspects of the budget note. A separate report has been prepared regarding aggregate mining activities.

B. Project Roadmap and Resources

In order to accomplish the objectives established by the Legislature and the Natural Resource agency directors, the Improvement Team began by ensuring that all necessary agencies were represented on the team. Core members of the team were agency representatives that would participate throughout the project:

Pat Allen, Office of Regulatory Streamlining
Ken Franklin, Oregon Department of Transportation
Kim Grigsby, Water Resources Department
Kirk Jarvie, Department of State Lands
Laura Leshner, Office of Regulatory Streamlining
John Lilly, Department of State Lands (replaced by Kevin Moynahan)
Gary Lynch, Department of Geology and Mineral Industries
Patty Snow, Department of Fish and Wildlife
Christine Svetkovich, Department of Environmental Quality

Jas Adams, Assistant Attorney-in-charge of the Natural Resources Section of the Department of Justice's General Counsel Division was also asked to participate as needed to identify and facilitate necessary statutory and administrative rule changes and to help draft the Memorandum of Agreement (MOA).

Other team members identified to participate as needed throughout the project included:

Dale Blanton, Land Conservation and Development Department
Tony Stein, Parks and Recreation Department
Susan White, State Historic Preservation Office

The Improvement Team developed a road map for its work. That roadmap is displayed in Figure 2 on the next page.

The Improvement Team met once almost every week from September, 2005 through October, 2006. The Office of Regulatory Streamlining appointed an Advisory Committee to provide advice regarding proposed changes during the project. The Improvement Team also consulted regularly with the Natural Resource Directors who had commissioned the project. A mid-project check-in with the Joint Legislative Audits Committee also occurred in the spring of 2006. A complete record of the work of the Improvement Team can be found at <http://www.oregon.gov/DCBS/RSL/feature.shtml>. Some key resource tools developed and used by the Improvement Team during the course of its work are also documented in Attachment 3 of this report. A written report will be submitted to the Joint Legislative Audit Committee in December, 2006, as required.

Figure 2. Product and Process Redesign ROAD MAP

Nov 05	Step 1. Team Charge and Assumptions
	<input type="checkbox"/>
	Step 2. New Product and Process Specifications
	<input type="checkbox"/>
	Step 3. Redesigned Product Options
	<input type="checkbox"/>
	Step 4. Optimum Task Flow and Timing
	<input type="checkbox"/>
Dec 05	Step 5. Early Stakeholder, Applicant, Staff and Director Input
	<input type="checkbox"/>
Jan 06	Step 6. Refined Proposal(s)
	<input type="checkbox"/>
Feb 06	Step 7. Redesign the Production Line Staffing needs for new product and process. Space, equipment and location needs. Supporting resources and technology.
	<input type="checkbox"/>
Feb 06	Step 8. Stakeholder, Applicant, Staff and Director Input
	<input type="checkbox"/>
Feb 06	Step 9. Working Proposal
	<input type="checkbox"/>
Mar 06	Step 10. Stakeholder, Applicant, Staff and Director Input
	<input type="checkbox"/>
Summer 06	Step 11. Implementation Plan Actions without statutory/rule changes, statutory/rule/resource proposals, evaluation/continuous improvement plan, implementation timeline, change management, and other implementation requirements.
	<input type="checkbox"/>
Fall 06	Step 12. Stakeholder, Applicant, Staff and Director Input
	<input type="checkbox"/>
06 and 07	Step 13. Implementation Including MOU
	<input type="checkbox"/>
07 and 08	Step 14. Evaluation and Continuous Improvement

C. Customer Concerns

After establishing a Roadmap for its work, the Improvement Team examined customer concerns about water-related permitting. In September 2005, the Improvement Team invited 77 organizations and 70 consultant firms to information and input sessions regarding the project. Thirty-two individuals attended five meetings to learn more about the project and provide input. Additionally, members of the Improvement Team conducted individual outreach to specific stakeholders that were unable to attend the larger meetings. Members of the Improvement Team also gathered input from permit staff regarding needed improvements. Based on the input received, the Improvement Team gathered lists of customer concerns.

The Office of Regulatory Streamlining also appointed a Water Related Permit Advisory Group consisting of attendees at the September meetings. Members of the Advisory Group included:

Tim Acker	Applied Technology (consultant)
Rich Angstrom	Oregon Concrete and Aggregate Producers Association
Chris Bayham	Association of Oregon Counties
Amy Connors	HDR Inc.(consultant)
Steve Downs	Chair, Association of Clean Water Agencies
Katie Fast	Farm Bureau
Frank Flynn	Perkins Coie, LLP
Liz Frankel	League of Women Voters
Tom Gallagher	Legislative Advocates
Harlen Levy	Oregon Association of Realtors
John McDonald	Oregon Association of Conservation Districts
Willie Tiffany	League of Oregon Cities

The purpose of the Advisory Group was to:

- confirm desired changes in how the state authorizes activities in Oregon waterways and wetlands.
- prioritize desired changes, and
- provide input to the Improvement Team so changes expected by stakeholders are achieved.

The Advisory Group reviewed lists of removal-fill permit process concerns and identified the customer priorities displayed in Figure 3:

Figure 3. Advisory Group Improvement Priorities

<u>Priority</u>	<u>What project proponents want to be able to say:</u>
1	<p><i>Clear information at the beginning</i></p> <p><i>It was clear at the beginning of the process what information and design features I needed to include in my application to:</i></p> <ul style="list-style-type: none"> <i>a. have it processed in a timely manner</i> <i>b. receive a favorable permit decision, or</i> <i>c. learn early on that my project may not be legally feasible.</i>

2	Clear authorities and non-conflicting decisions	<i>State requirements were clear and definitive. The requirements did not conflict with each other and represent consistent application of statutes, rules, and policies. There is a high level of internal consistency within an agency. Consistency is balanced with flexibility. Federal or local permits are substituted if they require the same thing as a state permit.</i>
3	Outcome/compliance focus	<i>The state focused on outcomes and I clearly understand what the outcomes are designed to achieve. I know what I will be held accountable for. Requirements proportional to project impact.</i>
4	Unified state process	<i>All of the state agencies involved in permitting my project worked in a unified manner to deliver a timely and responsive decision.</i>
5	Faster and known timeline	<i>It was great to know how long it was going to take to get through the state process. I was able to plan accordingly and begin on time. The process today is a lot faster than it used to be. Wetland delineation was approved early enough so I could avoid wetlands.</i>
6	Permitting costs estimated	<i>I knew ahead of time approximately how much the permits and permitting process were going to cost so I could plan appropriately.</i>
7	One Stop and Specialized Assistance	<i>I was able to go to one place to get information and assistance with my project but could also get specialized assistance on specific issues. As staff transition decisions are tracked and committed to.</i>
8	Single Application	<i>The state application process was straight-forward. I submitted all my info at once and provided additional detail without having to start over. I had one project number and was able to track it through the process.</i>

The Advisory Committee concurred that the Improvement Team should pursue a more customer-oriented state regulatory process that maintained current levels of resource protection, but that also defined all requirements early in the process and led to clear, non-conflicting permits within a known timeframe.

D. Early Actions

Early on, the Improvement Team took some specific steps to make the process better for project proponents:

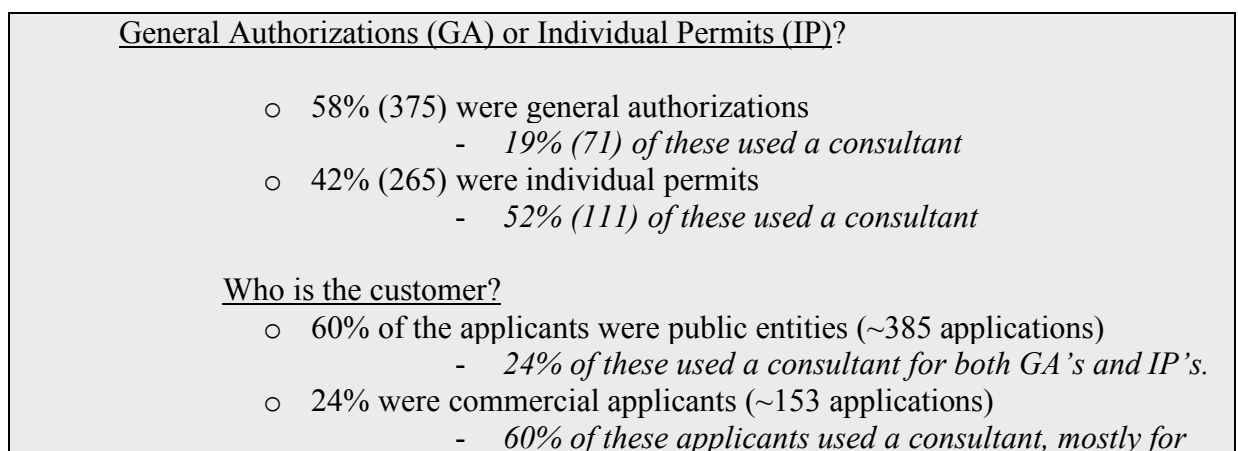
- **Brochure.** The team created a brochure describing all state authorizations associated with development projects that affect Oregon waters. 8,300 copies of the pamphlet were circulated throughout the state to be available to local, state, and federal agencies. The brochure was created to help property owners understand, at the beginning of their project, all government requirements that could apply. This brochure is widely used today by property owners as well as state, local and federal agencies. A copy is provided in Attachment 4.
- **Staff Training.** The team also facilitated geographically based multi-agency customer service and negotiation training sessions for more than 170 staff from seven natural resource agencies to promote quality service to water-related permit customers. The customer service training included effective tools for improving communication while speaking, listening and writing. Participants used relevant examples of work conflicts and issues to practice skills that were presented.

E. Measurement

The Improvement Team approached measurement needs for the project from three directions.

- First of all, in order to create a better experience for the customer, all state permits, authorizations, and reviews were identified. Please see Attachment 5 for a listing of the “Universe of Authorizations that are the Focus of the Redesign”.
- Secondly, a “Project Impact Measurement Plan” was prepared that will enable the involved agencies to assess the impact of the improvement project on customer concerns at three points in time: the end of 2006, 2007, and 2008. This plan is provided in Attachment 6.
- The Improvement Team conducted an assessment for the period April 1, 2003 through March 31, 2006 DSL issued an average of 640 removal-fill authorizations annually (excluding emergency authorizations and small-scale placer mining permits). From this analysis the team identified characteristics about the permits and their customers. A summary of this analysis is provided in Figure 4.

Figure 4. Characteristics of Removal-Fill Permits and Removal-Fill Customers



IP's

- 16% were individual applicants (~102 applications)
 - 14% of these used a consultant for both GA's and IP's

Type of project?

The dominant project types were

- road/bridge culvert – 25%
- fish habitat enhancement – 21%

The remainder are a mix of wetland permanent impact, removal-fill, erosion, wetland enhancement, pipeline/cable, minimal disturbance, and miscellaneous.

Additional measurement efforts are planned as part of the recommendations from this project and will be described later in this report.

F. Redesign Principles

As the Improvement Team examined possibilities for streamlining the various state agency water-related permitting processes, they began by adopting the following foundational principles:

- The permit product should be:
 - Consistent . . . decisions within and between agencies should be reconciled
 - Concurrent . . . decisions should happen in the same time period whenever possible
 - Coordinated . . . agencies should coordinate throughout the process
 - Multiple . . . some authorizations need to be granted by individual agencies where specialized authority exists.
- The team would approach streamlining the work for applicants by:
 - redesigning the product
 - redesigning the process
 - redesigning agency roles

Based on these agreements the Improvement Team began to design a coordinated state process that provides comprehensive information to project proponents early and delivers an internally consistent package of permits within a known timeframe.

G. Redesigned Product

The team developed a redesigned product and named it the **Oregon Removal Fill Permit (ORFP)**. As in past removal-fill permits, the new ORFP would cover DSL removal-fill requirements, SHPO archeological requirements, ODFW in-water-work period conditions, ODFW habitat mitigation conditions, and ODFW fish passage conditions if applicable. A new element will be to ensure that DSL, SHPO, and ODFW reach agreement on conditions related to these requirements. Another new feature of the permit would be that other permits, previously issued separately and at different times, would be attached to the ORFP, if applicable. These attached permits could include an ODFW In-Water Blasting Permit, ODFW Scientific Take Permit, ODFW ESA Incidental Take Permit, DOGAMI Operating Permit, or WRD Limited License if applicable. Attached permits would be signed by the authorizing agency and within the overall timeframe of the ORFP.

The team found that four state authorizations could not be bundled with the new ORFP: water right permits from OWRD, 401 water quality certification from DEQ, coastal zone management certification from DLCDC, and the 1200-C NPDES permit from DEQ or designated agent. The timeframes for the first three certifications are significantly longer than the process for consolidated removal-fill permit. In addition, the 401 water quality certification and coastal zone certification are state components of federally-driven processes. Advisory Committee members indicated a preference to not include the 1200-C NPDES permit with the ORFP because the content of this permit is better decided at a later stage in most projects.

However, to ensure that applicants are aware, early on, of all potential state requirements that may affect their project, DEQ, DLCDC, and OWRD will participate as appropriate with other agencies in the redesigned removal-fill permit process described later in this report. This participation will include reconciling anticipated requirements with the ORFP and informing applicants of their agency’s anticipated requirements if the project does not change.

A summary of authorizations previously included in a Removal-Fill Permit and authorizations that can be included in the proposed Oregon Removal Fill Permit is displayed in Figure 5.

Figure 5. Content of the Proposed Oregon Removal-Fill Permit (ORFP)

Agency/Program	Included Now in RF Process	Potentially Included in ORFP
DSL		
RF Permit Conditions	X	X
ODFW		
In water Work Period Review	X	X
Habitat Mitigation Review	X	X
ESA Permit		X
Scientific Take Permit		X
Blasting Permit		X

Fish Passage Review	X	X
WRD		
Water Use Permit		
Limited License		X
OPRD		
Archeological Review	X	X
Ocean Shore Permit		
DEQ		
401 Certification		
1200-C Permit		
DLCD		
CZMA Consistency		
DOGAMI		
Operating Permit		X
TOTAL	5	10

H. Redesigned Process, Agency Roles, and Blue Print

Once agreement was reached regarding the permit product, the Improvement Team redesigned the permitting process. The proposed process is provided in Attachment 8. Key features of the proposed redesigned process and changes in agency roles are compared to today’s experience for project proponents in Figure 6 below:

Figure 6. Comparison of Project Proponent Experience

Today	Proposed Redesigned Process
1. ONE STOP FOR EARLY & COMPREHENSIVE INFORMATION	
<ul style="list-style-type: none"> ▪ Project proponents may need to contact as many as 7 agencies to gather information on as many as 15 state water-related authorizations and reviews, or hire professionals to do it for them in order to determine what is required for their project. 	<p>DSL will offer one stop service for early information on the range of state agency requirements that are likely to apply to a project.</p>
<ul style="list-style-type: none"> ▪ A single resource does not exist to provide concise information on all state requirements for water-related projects. 	<p>A User Guide has been written for project proponents as well as staff administering state regulations. This is the first time comprehensive information has been available in one place on state water-related requirements for a broad range of project types.</p>

<ul style="list-style-type: none"> Few opportunities exist for early design input from the state. 	<p>Early guidance will be available allowing a project proponent to design a project with all state requirements in mind.</p>
<ul style="list-style-type: none"> The quality of a pre-application meeting is solely the responsibility of the project proponent. Participation by state agencies is uneven. 	<p>DSL will ensure pre-application meeting quality including mandatory involvement by applicable agencies, dissemination of briefing materials, and documentation of meeting results.</p>
<p>2. INTEGRATED APPLICATION PACKET AND PROCESS</p>	
<ul style="list-style-type: none"> Seven agencies manage multiple separate approval or review processes often with separate application requirements. 	<p>DSL will manage one process with a project specific application package covering many state requirements. Separate applications and processes will continue to exist for DEQ erosion control permits and 401 water quality certifications, DLCDC Coastal Zone Management Act (CZMA) consistency certifications, and most WRD water use authorizations because they are more appropriate later in a project, have a longer timeframe, or because they are part of federal processes. However, applicants will be informed early in the process if these requirements apply to their project.</p>
<ul style="list-style-type: none"> DSL assesses removal-fill applications for completeness based solely on DSL's needs. 	<p>DSL will assess a consolidated application packet for completeness including other applicable agencies' key requirements.</p>
<p>3. NON-CONFLICTING REQUIREMENTS</p>	
<ul style="list-style-type: none"> Agencies review and comment on removal-fill applications independently, issue separate authorizations, and are sometimes unaware of other agencies' issues and requirements. Project proponent is responsible for reconciling conflicting/overlapping requirements. 	<p>Applicable agencies will review applications as a resource team and prepare one set of reconciled comments for the project proponent. The team will do its work with the benefit of public comments. Agencies will reconcile permit conditions. A conflict resolution process will exist for agencies and for applicants.</p>
<ul style="list-style-type: none"> Overlapping agency jurisdictions can result in redundant and conflicting requirements for project proponents. 	<p>An agreement will be in place that identifies DEQ's erosion control requirements as the only conditions needed when an erosion control permit is required.</p>
<p>4. INTEGRATED FINAL PRODUCT</p>	
<ul style="list-style-type: none"> The DSL Removal-Fill Permit addresses needs and requirements of primarily DSL only. 	<p>An Oregon Removal-Fill Permit (ORFP) will integrate multiple state water-related regulatory requirements as agreed to for the Pilot.</p>
<p>5. CONCURRENT VS. SEQUENTIAL TIMEFRAMES</p>	
<ul style="list-style-type: none"> Many and distinct authorizations can be done sequentially resulting in an extensive time window to obtain all 	<p>Up to eleven authorizations will be included in the ORFP Pilot Process as required by a particular project within a known timeframe,</p>

<p>permits. Currently, the DSL Removal-Fill Permit includes up to 4 reviews.</p> <ul style="list-style-type: none"> ▪ If permits are not issued concurrently a project may proceed without all requirements known. When a requirement is identified late in the process, compliance can cause costly project delays. The project may also be required to wait for sequential approvals. 	<p>any other requirements expected to apply will be identified early in the Pilot Process.</p>
<p>6. CONTINUOUS IMPROVEMENT INFRASTRUCTURE</p>	
<ul style="list-style-type: none"> ▪ Agencies administer separate processes that have evolved over time. No single agency is responsible for improving process coordination among the natural resource agencies. 	<p>With DSL as lead, a multi-agency Pilot Management Team will be evaluating the effectiveness of the redesigned integrated process and will be responsible to continuously improve the pilot results.</p>

- Once the proposed product, process, and agency roles were clear the Improvement Team moved on to assess how changes might be implemented. The team used a tool called the “Work Definition Blue Print”. The blue print identified the activities, deliverables, annual work volume, responsible party or product lead, nature of the deliverable, new or eliminated work, implications for statutory or regulatory changes, and implications for the Memorandum of Agreement.

A copy of the completed “Blue Print” is provided in Attachment 7.

I. Stakeholder Input Regarding the Redesign

Once the redesigned product, process, and agency roles were developed the Improvement Team met with the Advisory Group to obtain their input. The Advisory Group was supportive of the recommendations, they encouraged the team to take the following additional steps:

- Further integration with federal requirements. The Improvement Team's scope from the Natural Resource Directors was limited to improvement of state processes, not federal. Given the Legislature's past reticence to pursue merger of federal and state water-related regulatory authorities, and the significant need to improve the state's processes in and of themselves, the team, with the concurrence of the Natural Resource Directors, decided to continue its focus on state processes. The team would expect, however, that once the redesigned process was working well, integration with federal requirements could be pursued. In addition, the team would invite federal agencies to participate in pre-application meetings and technical reviews as appropriate. This level of coordination could occur without changing legal authorities.
- Further integrations of agency staff. The team considered possibilities for greater integration of agency staff. The team agreed that it would be better to evaluate whether the proposed redesign could meet customer expectations without moving staff from one agency to another.
- Evaluate options for users to pay for the proposed level of service. At a result of the team's work, DSL developed proposed legislation to pay for faster wetland delineations through a fee bill and to pay for the additional state coordination involved in the redesigned process through a policy option legislative package.

J. Proposed Pilot

As the Improvement Team continued its work, it developed a recommendation to test the proposed redesigned product, product and agency roles. The team is recommending a Pilot for the following reasons:

- Will enable the agencies to test the value of this approach before going to full implementation
- Existing resources are too limited to apply to all removal-fill applications.
- The concept can be tested with state processes first and if successful it can then be discussed with federal and local partners.

The team developed the following proposed parameters for a Pilot Project:

- a. The pilot would focus on projects that could most benefit from multi-agency coordination. It would include about 50 removal-fill applications a year (approximately 20% of individual permit applications received per year). Participation in the Pilot would be on a voluntary basis. To be eligible, a project will

- require substantive involvement by at least one other state agency besides DSL and involve a significant aquatic resource.
- b. Implementation of the Pilot would depend on passage of a 2007-2009 policy option package for a Pilot Process Manager for DSL, and 2007 legislation authorizing the pilot and allowing adjustments to statutory timelines governing the removal-fill process to provide for coordination of all agency requirements within the allowed timeframes. The Pilot Process Manager would assume responsibility for the DSL lead role in the proposed redesign. This person would also manage all applications that would be part of the pilot.
 - c. Participating agencies would sign a Memorandum of Agreement (MOA) outlining expectations of all agencies participating in the pilot.
 - d. The Pilot would be managed by an inter-agency team responsible for implementation of the Pilot and the MOA.
 - e. Every participating agency would identify one or more Technical Point(s) of Contact for the Pilot. These Technical Points of Contact would be responsible for their agency's participation in the Pilot at the permit application level.
 - f. DSL and other agencies would develop administrative rules changes necessary to implement the Pilot.

K. User Guide

During the course of the project the Improvement Team also developed a new User Guide for anyone seeking state authorization to work on property that touches Oregon waterways or wetlands. This Guide provides, for the first time, a written description of all state requirements. The guide will also provide information on application requirements and tools, permitting timeframes and costs, standards for approval, and design considerations for getting to “yes”. In the next few months this Guide will be set up for web usage and will contain active links to appropriate department information. The Department of Business and Consumer Services is assisting with document formatting, web conversion, beta testing, and rollout.

The User Guide has been written for project proponents as well as staff administering state regulations. This is the first time comprehensive information has been available in one place on state water-related requirements for a broad range of project types.

L. Wetland Delineations

The Advisory Group consistently emphasized that an important improvement to the water-related permit processes would be timely wetland delineation reviews. Project proponents cannot evaluate wetland impact avoidance and minimization strategies with assurance of accuracy, nor can a final permit be issued until wetland delineations are approved by DSL. The Department of

State Lands (DSL) will be submitting a proposed fee bill to the 2007 Legislature to fund two new FTE to perform wetland delineation reviews on a more timely basis.

M. Stakeholder Input Regarding Final Team Recommendations

Individual and group project updates were held with the WRPPIT Advisory Committee Members in September and early October. The response was generally positive with emphasis in the following areas:

Stakeholders agreed that providing project proponents early information regarding the natural resource issues applicable to the type and location of their project at pre-application meetings with mandatory attendance by the effected state agencies was a solid improvement. They also saw the written summary of the natural resource issues and options for addressing natural resource concerns as value added to project proponents.

In addition stakeholders saw value in the multi-agency technical review to coordinate the natural resources concerns and should result in consistent conditions across the various state permits and authorizations.

Stakeholders were also clear, however, that they needed to see demonstrated improvements in the process before they would be willing to consider support for expanded resources for DSL or other agencies. As a direct result, an implementation plan has been developed in an effort to deliver preliminary results prior to budget discussions in the 2007 legislative session.

N. Project Results to Date

The most significant achievement of this project to date is to outline a model for delivery of a multi-agency regulatory process that better takes into consideration the needs of those who are regulated. Instead of going to multiple agencies, multiple times, for multiple and sometimes conflicting permits and timelines, project proponents will have one place to go to obtain information on State of Oregon water-related regulatory requirements related to their project. In addition proponents of qualifying projects will have one place to go for most of these authorizations, and guidance about all of them. This approach should also provide greater opportunity for development of project designs that effectively meet both project proponent needs and natural resource protections.

O. Implementation Mechanisms

Several mechanisms are underway to implement the proposed pilot process:

1. Memorandum of Agreement. A Memorandum of Agreement between participating agencies has been developed to implement the Pilot and is currently under review for signature by all agencies. A copy of the document that is being circulated is provided as Attachment 8.

2. Pilot Management Team. A multi-agency Pilot Management Team has been established to implement, monitor and evaluate the Pilot. This group will test the redesigned process on a pilot basis, assure continuous improvement, and evaluate broader application.
3. Proposed Legislation. DSL will be submitting a 2007 fee bill to authorize 2 FTE to expedite wetland delineations. DSL is also submitting a policy option package for 1 FTE to the 2007 Legislature to equip DSL to fulfill the coordinating role outlined in the proposed redesign on a pilot basis. Once the policy option package is approved, it is the intent of DSL and other participating agencies to initiate the pilot. The pilot period will begin after Legislative approval and continue through December 31, 2009.

If the pilot is successful, Oregon's natural resource agencies will evaluate whether to apply the redesigned process to a broader group or potentially all removal-fill permit projects and related permits, and determine the staffing levels necessary to effectuate the program on this broader scale. Efforts will also be made to working with local and federal agency partners to create beneficial connections.

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