

RULE IMPACT STATEMENT

Title 785. Oklahoma Water Resources Board Chapter 4. Rules of Practice and Hearings

I. Statement of need and legal basis

The Oklahoma Water Resources Board proposes the amendments to the Oklahoma Administrative Code, Title 785, Chapter 4, to address rising administrative costs and to modernize its application and hearing procedures. These rule changes provide clarity for both the agency and citizens appearing in an individual proceeding before the agency. These rule changes also modernize the methods for official communication, saving agency and citizens' time and money while still adhering to common procedural safeguards.

Additionally, to address rising administrative costs associated with conducting individual proceedings, and pursuant to the authority granted by 82 O.S. 1085.2(9)(m), the Board proposes to add a hearing fee payable by the applicant whose application is the subject of such proceedings. Implementing a Hearing Fee is a necessary and justifiable change to the Board's administrative rules. It is a reasonable and proportionate measure to recover ever-increasing costs directly associated with the hearing process, including mailing and substantial staff time. This change will help the Board maintain its operational efficiency and continue to provide effective and timely services to the public. The rule change for the hearing fee is further codified in Title 785, Chapter 5 "Fees", please see Title 785. Oklahoma Water Resources Board; Chapter 5. Fees Rule Impact Statement for further analysis of the proposed fee.

II. Classification of the rule(s) and justification for classification.

Non-Major Rule. There are no direct costs associated with compliance with the proposed rules other than what the Board already incurs to provide hearings as required.

III. Description of the proposed rule(s).

The changes to the Board's hearing rules primarily address a hearing examiners ability to rule on matters in advance of a hearing, as well as, adopting rules similar to those adopted by the Oklahoma Supreme Court to allow for electronic filing of documents, and allowing official communication and notices to take place via electronic mail, and eliminating the need to keep hard copies of records stored electronically. The proposed rules are not mandated by federal law. The proposed rules do not exceed the requirements of any applicable federal law. No federal law is directly applicable.

IV. Description of the classes of persons who most likely will be affected by the proposed rule(s), including classes that will bear the costs of the proposed rule(s), and any information on cost impacts received by the agency from any private or public entities.

All persons with business before the Board, including permit holders, applicants, license holders,

and protestants, will be affected by the rule changes and will benefit from increased clarity and efficiency.

V. Description of the classes of persons who will benefit from the proposed rule(s).

All persons will benefit from the proposed rule changes. The rules will provide clarity of process and speed up the processing of applications, allowing both applicants and protesters to receive a faster resolution to matters before the board. The people of the State of Oklahoma will generally benefit from the reduced cost of bearing the administrative burden associated with hearings and record-keeping inefficiencies eliminated by these rule changes. Namely, the elimination of postage costs and delays in response processes associated therewith.

VI. Comprehensive of the rules' economic impact.

The proposed rule changes will not require an increase in the full-time employee count and should allow for a reduction in the number of contract hearing examiners employed by the Board. The Board will incur no new costs associated with the benefits of the proposed rules. There will be an estimated benefit to the Board, measured by new fee income and cost reduction. Moving to an electronic notice system is estimated to reduce annual postage costs by at least \$3,772.80 in the first year. Any person or entity who wishes to file a protest will incur the cost of certified mailing of the protest to the applicant.

VII. Detailed explanation of methodology and assumptions used to determine the economic impact.

The methodology focused on **direct, measurable impacts**, primarily concerning fees and administrative costs, and found negligible secondary impacts on the state economy, public utility ratepayers, and local government units.

The analysis was conducted under the assumption that the costs (new hearing fees) were balanced by the benefits (Board revenue/savings), and that the rule change itself does not induce market-wide behavioral changes that would significantly affect the larger economy.

VIII. Determination of whether implementation of the proposed rule(s) will have an economic impact on any political subdivisions or require their cooperation in implementing or enforcing the rule(s).

No impact foreseen.

IX. Determination of whether implementation of the proposed rule(s) may have an adverse economic effect on small business as provided by the Oklahoma Small Business Regulatory Flexibility Act.

No impact foreseen.

X. Measures taken to minimize the cost and impact of the proposed rule on business

and economic development in this state, local government unites of this state, and individuals.

The proposed rule changes have been specifically tailored to impact only those persons and businesses with matters pending before the Board, and further tailored to assess costs only on those directly benefiting from the services provided by the Board. Further, the rules have been drafted to create procedural efficiencies which will ultimately benefit all entities of the State.

XI. Determination of the effect of the proposed rule(s) on the public health, safety and environment and, if the proposed rule(s) is/are designed to reduce significant risks to the public health, safety and environment, an explanation of the nature of the risk and to what extent the proposed rule will reduce the risk.

There is no foreseen impact on public health, safety or the environment, nor are the proposed rules designed to reduce risks to the public health, safety and environment.

XII. Determination of any detrimental effect on the public health, safety and environment if the proposed rule(s) is/are not implemented.

There is no foreseen impact on public health, safety or the environment, nor are the proposed rules designed to reduce risks to the public health, safety and environment.

XIII. Analysis of Alternatives to Adopting the Rule(s)

The alternative to adopting the proposed rules is to continue operating as the Board has had in the past. This would mean continuing antiquated procedures such as printing and storing hard copies of emails, only communicating with applicants and parties by U.S. Mail, and conducting hearings where no party has standing to proceed, because current rules do not allow for such prehearing determinations.

XIV. Estimated Time Spent by State Employees to Develop Rule and Other Resources Used in Developing Rule

OWRB Staff, including legal staff, spent approximately 40 hours developing these rule changes and analyzing the impacts.

XV. Summary and Preliminary Comparison of Any Existing or Proposed Federal Regulations Intended to Address the Activities to be Regulated by Proposed Administrative Rules

There are no federal regulations intended to address the activities to be regulated by the proposed rules.

XVI. Date the rule impact statement was prepared and if modified, the date modified.

The Oklahoma Water Resources Board prepared this rule impact statement on October 13, 2025.