HQ Land Quality Program

Oregon Dry Cleaner Program Stakeholder Meeting Notes

September 15, 2020 at 2:00pm - 3:00pm Web meeting and Conference Call

DEQ invited everyone interested in the Oregon Dry Cleaner Program to attend an online meeting. The purpose of the meeting was to check in with businesses, provide an update on the program's fee revenue, and begin conversations about the future of the program.

The meeting began with an overview by Cheryl Grabham and Abby Boudouris from Oregon DEQ. The Oregon State Legislature established the Oregon Dry Cleaner Program in 1995. Many meeting participants served on the DEQ Dry Cleaner Advisory Committee over the years. Since the program was established, a lot has changed with the dry cleaner industry and the program's fiscal resources.

There is currently not enough fee revenue to operate the Oregon Dry Cleaner Program. DEQ will do its best to fulfill its responsibilities using limited resources, and will complete cleanups already underway. Although DEQ cannot provide any new cleanups at this time, liability protection will remain in place for facilities that pay fees. DEQ will not ask the Legislature to sunset the program at this time.

DEQ is working to lower administrative costs for the Dry Cleaner Program, and will no longer provide a single point of contact for dry cleaner facilities. DEQ's Hazardous Waste Program and Air Quality Program each have specific resources to offer the dry cleaner industry. DEQ shared more information about those programs, and DEQ will update contact information on the Dry Cleaner Program website.

DEQ's Hazardous Waste Program promotes reducing and safely managing hazardous waste, issues permits to waste management facilities, inspects waste generators and used oil processors, and helps small businesses comply with regulations. The program has offices around Oregon with technical assistance staff available to help businesses by phone, email, and on-site visits. Free technical assistance services include:

- · Helping to identify possible hazardous waste
- Understanding the laws and rules that apply to those wastes
- Understanding proper hazardous waste management methods
- Exploring ways to reduce the use of toxic chemicals, such as PERC, which can save businesses money

Any dry cleaner using perchloroethylene (PERC) is required to obtain an ACDP air quality permit or registration from DEQ's Air Quality Program. All permits were renewed last March, so if a facility has not received its renewed permit, they must contact the DEQ for more information. This permit includes requirements for annual fees, an initial report, and annual compliance reports. Dry cleaners using PERC must complete weekly monitoring requirements for all equipment and check for leaks. The next annual report is due 3/21/2021.

If a facility switches to a non-PERC machine or the business closes, you must request to cancel your ACDP permit by filing the <u>Change of Dry Cleaning Activity Form</u>. Facilities will need to include documentation showing that the PERC machine was properly removed and the hazardous materials were properly disposed.

DEQ acknowledged that this is a very hard time for the industry. The moderator invited participants to share how things are going with their businesses and any ideas about future directions for the Oregon Dry Cleaner Program.



Cleanup Program

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DEQ is a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.

- Allan Wright, McMinnville Alpine Cleaners: Mr. Wright served on the Dry Cleaner Advisory Committee since 1990. He uses Green Earth solvent. His business is down 50% from last year, and every year they have noticed a decline.
- Michael Maggard, Five Star Cleaners: Mr. Maggard joined the meeting today to find out more about the Dry Cleaner Program. He feels we need to put our business owner caps on and come up with creative solutions. The way this program was created does not apply to the future. It is a declining industry right now, especially with COVID-19. All our numbers are down. Need to think about long-term revenues and expenses creatively. He wants to understand revenue and expenses of the program and how the dry cleaner fees are being used. He stated that a flat fee across the board for dry cleaners would simplify accounting. Flat fee dry cleaner money goes to escrow account and would take someone a few days a year to manage the checks that come in. Ms. Grabham stated DEQ is very mindful of every dollar spent.
- Jay Bleich, Bee Cleaners: Mr. Bleich said revenue is down 52%. His business has never used perchlorethylene (PERC) and does not think it is fair to have to pay a fee that he will never benefit from. He recommends sunsetting the program or allowing those who never used perc to opt out of the program. He said there is no money for cleanups anyway and for them it is like throwing money into the garbage. Ms. Grabham reiterated that DEQ will not sunset the Dry Cleaner Program at this time.
- Mark Ng: Mr. Ng asked how much money is available for cleanup. \$8.1 million has been spent on cleanups. DEQ is still working on cleaning up 12 sites estimated to cost over \$500,000. The dry cleaner fund has less than \$250,000. Before COVID-19 the program predicted a zero balance by this time next year.
- Tammy Thompson, President, Oregon Dry Cleaners Association: Ms. Thompson said business is down between 50-60%. They use Green Earth solvent and have former locations that did use PERC. She wants to see a funding mechanism we can all agree on and wants the program to continue for the liability purposes. She does not understand how the fees are administered and would like to see a cap on administrative expenses. Ms. Grabham stated we can provide more details on administrative costs.
- <u>Jim Kincaid, Cable, Huston, LLP</u>: Mr. Kincaid is an attorney and has served as the Dry Cleaner Advisory Committee Chair since the 1990's. Mr. Kincaid said there are a lot of new names and faces. He said the financial piece has had issues from the very beginning and appreciates what everyone said about cutting administrative costs. He believes the conversation should continue. He said it is hard because the industry has a lot of different interests. It has been a struggle from the beginning to have adequate funds for DEQ to fund the program and for cleanups to occur. He said it was good to keep the liability protection but also appreciates Jay Bleich's perspective, that the program was designed for cleanups and it is not fair to businesses such as his.
- <u>Mike Fassler, Linen Services:</u> Asked how many dry cleaners are in the program. There are 169 dry cleaners in the program, 56 of them use PERC.
- Kathey Butters, Past President, Oregon Dry Cleaners Association: Ms. Butters asked about funding from other sources. Ms. Grabham stated DEQ is looking at how other states are using services to investigate insurance policies to secure funding.

The meeting attendees were polled asking how they would like to hear from DEQ's Dry Cleaning Program in the future. The vast majority want to communicate by email (followed by quarterly meetings, annual report outs, newsletters and inserts with invoices).

Ms. Grabham thanked everyone for attending and the meeting was adjourned.

Attendees

Aeran Cho, interpreter

Alayna Brand, Brookings Cleaners

Allan Wright, McMinnville Alpine Cleaners

Amy Houghtaling, Dallas City Cleaners

Brad Berggren, PNG Environmental

Brittney Wendell, Pacific NW Pollution Prevention Resource Center

Elba Perez, Quality Fashion Cleaners

Guy Tanz, PNG Environmental

James Schaff, Criteria Properties

Jay Bleich, Bee Tailors and Cleaners

Jim Kincaid, Cable Huston LLP

Kathey Butters, Oregon Dry Cleaners Association

Kim Nguyen

Kwang Kim

Mark Ng, TECHNICHEM

Michael Maggard, Five Star

Mike Fassler, Linen Services

Paul Morimoto

Paul McBeth

Priscilla Thompson, Oregon Dry Cleaners Association

Russell Peterson, Peterson Equipment Co.

Tammy Thompson, Oregon Dry Cleaners Association

Tom Sjostrom, Building Owners and Managers Assn. Oregon

Varujan John Saganda, Midway Cleaners

Oregon DEQ Attendees

Abby Boudouris, Legislative Analyst

Cheryl Grabham, Cleanup Program Manager

Ellie Brown, Hazardous Waste Program

Hillarie Sales, Air Quality Program

Jacqueline Ross, Cleanup Program

Jennifer Flynt, Public Affairs

Nancy Cardwell, Cleanup Program

Raissa Scheller, Materials Management Program

Stephanie Caldera, Environmental Justice Liaison