

Date: July 14, 2022

To: Environmental Quality Commission

From: Richard Whitman, Director

Subject: Item Q: Director's Report (Informational)
July 21-22, 2022, EQC meeting

1. Director's Office

1.1. Environmental Justice

DEQ is hiring three new environmental justice positions. The Oregon legislature passed the Environmental Justice for All measure (HB 4077) in 2022. This bill establishes a statewide Environmental Justice Council (EJC) to advise state agencies and the Governor on environmental justice policy and directs the council, with support from various agencies and with significant community engagement, to develop an environmental justice mapping tool. As part of this bill, DEQ received funding for two positions, a coordinator to support the work of the EJC and a research analyst to support the development of the mapping tool. In addition, DEQ is hiring a coordinator who will support DEQ-specific environmental justice work, including staffing the agency's environmental justice workgroup, documenting ongoing best practices for DEQ programs, and assisting with community engagement.

DEQ is currently finalizing job descriptions for each position, with input from the EJC and DEQ's work group. DEQ will post the positions and start recruitment process for all three positions in the near future. We hope to have interviews later this summer and have staff in place early in the fall.

1.2 Strategic Planning

The strategic plan steering committee met several times in June and July 2022. With help from consultants Engage to Change and BerryDunn, the planning process and the plan itself is centered in principles of equity and inclusion. The team has focused on laying a foundation for a collaborative, equitable and transparent process, including working through:

- Roles and responsibilities;
- Relationship building;
- Healthy conflict/tensions in strategic planning;
- Ground rules and quorum;
- Characteristics of white-centered organizational culture; and

- Foundation for strategic planning.

Currently, the team is reviewing work completed in 2020 by our strategic planning consultant, BerryDunn. The Environmental Scan provides a reference for use throughout the strategic planning process, and is a compilation of interested party interviews, a review of DEQ planning, policy and budget documents, and a survey of DEQ employees. The steering committee, working with our consultants, will use the Environment Scan to identify information gaps and further define how the committee will consult with important voices inside and outside of DEQ.

1.3 EPA Performance Partnership Agreement

The 2022-2024 Performance Partnership Agreement between DEQ and EPA Region 10 was finalized June 13th, 2022. This agreement will be in effect July 1, 2022 through June 30, 2024 and is accessible on our external [DEQ Online PPA website](#).

The PPA describes how Oregon DEQ and EPA R10 will work together to protect Oregon's environment over the next biennium. The PPA is an opportunity for DEQ and Region 10 to be in alignment for strategic goals and enhances or agencies collaborations.

The agreement also serves as the work plan for the Performance Partnership Grant. The PPG allows for several grants to be combined into one flexible grant package to help reduce the administrative burden, enhance efficiency, and allow states flexibility to direct resources to the highest environmental and public health priorities.

Completing the PPA and PPG was no small effort and took a good portion of the last year. Staff from air quality, water quality, hazardous waste programs, environmental justice, tribal engagement, and financial services from both agencies worked diligently to complete these documents.

1.4 GreenState Podcast Award

Our DEQ Communications team produces a monthly podcast called "GreenState." Topics covered have ranged from wildfire smoke to electric vehicles. The topic of the current episode is harmful algal blooms. "GreenState" has been selected for a national "Difference Maker" award by Granicus, the company that provides our main GovDelivery platform. Congratulations to Dylan Darling and Lauren Wirtis, two of our public affairs specialists who produce and host the podcast.

2. Air Quality

2.1. Cleaner Air Oregon (CAO)

2.1.1. Triennial Review of Toxicity Reference Values

Staff have begun work to initiate the first review of Toxicity Reference Values; these values are used in the CAO program, as well as references for other air toxics initiatives. Key activities include:

- Advancing proposed members for the reconstituted Air Toxics Science Advisory Committee. This committee will advise DEQ and Oregon Health Authority (OHA) staff on potential revisions, removal, and additions to Toxicity Reference Values.
- In November 2021 the EQC adopted rules governing the petition process for stakeholders to petition the agencies to consider changes to Toxicity Reference Values. OAR 340-247-0040(4) details minimum requirements for petitions. DEQ anticipates launching the process in late summer where staff will establish a webpage, relevant forms, and communicate the petition process to stakeholders.

2.1.2. Existing Source Risk Assessments

In addition to evaluating and approving risk assessments for new sources across the state as part of the permitting process, program staff have also issued a number of approval letters for existing facility risk assessments. The program is now actively working to incorporate the resulting requirements and conditions into these facilities' air quality permits. Highlights include:

- **Collins Pine.** DEQ approved a Level 3 Risk Assessment for Collins Pine, a sawmill located in Lakeview. The level of risk demonstrated in the assessment requires DEQ to notify the surrounding community of the results and will result in source-specific permit conditions. Staff are working to incorporate permit conditions into the facility's Air Contaminant Discharge Permit, which will be released for public comment this Summer.
- **Roseburg Forest Products – Medford.** DEQ approved a Level 3 Risk Assessment for Roseburg Forest Products, Medford facility. The wood products manufacturing facility demonstrated emissions pose de minimis risk. Staff are preparing modifications to the facility's Title V operating permit to incorporate general conditions related record-keeping and reporting.
- **Packaging Corporation of America.** DEQ approved a Level 3 Risk Assessment for PCA, a paper and packing manufacturing facility. The source demonstrated emissions pose de minimis risk. Staff are preparing modifications to the facility's Air Contaminant Discharge permit to incorporate general conditions related record-keeping and reporting.
- **Owens-Brockway.** DEQ approved a Level 4 Risk Assessment for Owens-Brockway, a glass bottle manufacturing facility. The level of risk demonstrated in the assessment will result in source-specific permit conditions. Staff are working to incorporate permit

conditions into the facility's Title V operating permit, which is expected to be released for public comment in late-2022.

- **Oil Re-Refining Company – Klamath Falls.** DEQ approved a Level 3 Risk Assessment for ORRICO, an oil re-refining facility. The source demonstrated emissions pose de minimis risk. Staff are preparing modifications to the facility's Air Contaminant Discharge permit to incorporate general conditions related record-keeping and reporting.

2.1.3. Area Risk Pilot Program

When the Oregon Legislature established the CAO program in 2018, the legislation (SB 1541) also authorized a pilot program for evaluating the cumulative risk from multiple stationary sources in an area. CAO is actively recruiting for an Air Toxics Coordinator to facilitate the development of this pilot program. Staff anticipate conducting community and stakeholder engagement to inform the development of this pilot program and how it may interact with potential revisions Oregon's existing air toxics program and regulations in OAR Chapter 340 Division 246.

2.2. Air Quality Permitting Updates Rulemaking

The DEQ Air Quality Division is undertaking rulemaking to strengthen the air quality permitting program, streamline the rules, and improve Oregon's permitting process, which will increase regulatory certainty for regulated businesses. The changes will allow DEQ to protect air quality with efficient and effective permitting programs, allowing DEQ to focus resources to address environmental justice issues.

A public hearing was held on June 27, 2022. The comment period has been extended to August 1, 2022, in response to a request. The proposed rules will be presented to the EQC in November 2022.

2.3. West Virginia v. EPA (U.S. Supreme Court Case No. 20-1530) Decision

In its decision in *West Virginia v. EPA* (U.S. Supreme Court Case No. 20-1530) the U.S. Supreme Court limited the EPA's power to regulate greenhouse gas emissions from power plants under Section 111 of the Clean Air Act. A 6-3 decision written by Chief Justice John Roberts, (joined by Justices Alito, Thomas, Barrett and Kavanaugh, with a concurring decision by Justice Gorsuch,) found that EPA had exceeded the authority given to it by Congress when it promulgated its proposed Clean Power Plan rule in 2015. Justice Roberts' decision states, "This is a major questions case. EPA claimed to discover an unheralded power representing a transformative expansion of its regulatory authority in the vague language of a long-extant, but rarely used, statute designed as a gap filler. That discovery allowed it to adopt a regulatory program that Congress had conspicuously declined to enact itself. Given these circumstances, there is every reason to 'hesitate before concluding that Congress' meant to confer on EPA the authority it claims under Section 111(d)." At issue was the October 2015 Clean Power Plan (80 Fed. Reg. at 64,510), which used Section 111 of the Clean Air Act to establish a program by

which power companies would use market-based and other regulatory instruments to transition away from fossil fuels to generate power, thereby reducing emissions of greenhouse gases from the sector. The Clean Power Plan was replaced with the Affordable Clean Energy (ACE) Rule in 2019 (84 Fed. Reg. 32,520), but on January 19, 2021, the U.S. Court of Appeals for the District of Columbia Circuit vacated the ACE Rule (U.S. Court of Appeals Case No. 19-1140, *American Lung Association v. EPA*) and remanded the case to the EPA. In April 2021, West Virginia sued to overturn that decision, and on October 29, 2021, the U.S. Supreme Court agreed to hear the case, consolidated with the cases *North American Coal Corporation v. EPA*, *Westmoreland Mining Holdings v. EPA*, and *North Dakota v. EPA*. While the EPA had subsequently expressed that it would not put the Clean Power Plan back into effect and would begin work on a new rule, the Supreme Court's decision in *West Virginia v. EPA* found that the petitioners nonetheless had standing to bring the case because no regulatory rulemaking had been undertaken to rescind the Clean Power Plan.

The court opinion says that “The EPA’s view of its authority was not only unprecedented; it also effected a ‘fundamental revision of the statute, changing it from [one sort of] scheme of . . . regulation’ into an entirely different kind.” It concludes that, “Capping carbon dioxide emissions at a level that will force a nationwide transition away from the use of coal to generate electricity may be a sensible ‘solution to the crisis of the day.’ . . . But it is not plausible that Congress gave EPA the authority to adopt on its own such a regulatory scheme in Section 111(d). A decision of such magnitude and consequence rests with Congress itself, or an agency acting pursuant to a clear delegation from that representative body.” In a separate concurrence joined by Justice Alito, Justice Gorsuch writes to “provide some observations about the underlying doctrine” – the major questions doctrine – and its relationship to the delegation of authority by congress to administrative agencies. “When Congress seems slow to solve problems, it may be only natural that those in the Executive Branch might seek to take matters into their own hands,” Gorsuch wrote. “But the Constitution does not authorize agencies to use pen-and-phone regulations as substitutes for laws passed by the people’s representatives.” A dissent written by Justice Elena Kagan (joined by Justices Beyer and Sotomayor) argues that Section 111 gives EPA the authority set emission reduction programs of the kind at issue in the case, “Congress knows that systems of emission reduction lie not in its own but in EPA’s ‘unique expertise.’” Kagan’s dissent predicts that the result of the decision will be that “The Court will not allow the Clean Air Act to work as Congress instructed. The Court, rather than Congress, will decide how much regulation is too much. The subject matter of the regulation here makes the Court’s intervention more troubling. Whatever else this Court may know about, it does not have a clue about how to address climate change. And let’s say the obvious: The stakes here are high. Yet the Court today prevents congressionally authorized agency action to curb power plants’ carbon dioxide emissions. The Court appoints itself—instead of Congress or the expert agency—the decisionmaker on climate policy. I cannot think of many things more frightening.” With this decision, the Supreme Court reverses the U.S. Court of Appeals for the D.C. Circuit’s decision and remands it to that court for further proceedings. EPA is expected to continue its development of approaches to reducing carbon emissions from power plants, but it is not clear at this time how the agency will proceed with that effort.

3. Land Quality

3.1. Hazardous Waste 2022 Rulemaking

The Hazardous Waste Program is conducting a rulemaking involving three separate and unique rules. The first, is adopting the updated federal Definition of Solid Waste. This rule will allow Oregon to maintain its authorization to administer our hazardous waste program in lieu of EPA.

The second rule implements Senate Bill 57 (2021) which modernized and streamlined hazardous waste disposal fees. The new provisions direct DEQ to move these fees into rule to be responsive to future needs. The rulemaking will align the rules with the 2021 statutory changes effective January 1, 2022. Revenue from these fees supports both the Hazardous Waste and Cleanup Programs.

The final rulemaking package includes two technical corrections to previously adopted rules:

- A clarification on how to apply newly adopted requirements for episodic hazardous waste generation. This clarification aligns to the federal rule 30-day notification period.
- An amendment to Division 12 enforcement rule language to correct an error in phrasing related to hazardous waste pharmaceuticals.

In May 2022, the Hazardous Waste Program convened a rules advisory committee, representing affected small and large businesses, industry, affected communities and environmental representatives. The committee provided their support for full rule package. The public comment period will open from late July through early August. The goal is to bring the rule package before the Commission in November 2022.

3.2. Underground Storage Tank Program Document Scanning Project

The COVID-19 virus reduced Underground Storage Tank (UST) program field work for approximately 18 months, which allowed the UST program to leverage inspectors' expertise to sort and clean over 2,500 paper regional UST facility files. In consultation with DEQ's Agency Records Officer, our inspectors scanned and uploaded those files into the Oregon Records Management Solution (ORMS) system adding metadata for searching via the Webdrawer portal in ORMS. This process cleared out over 140 linear feet of paper files, which equated to over 10 large file cabinets. Since then, over 4,000 unique visits to our UST Webdrawer portal have been recorded. UST inspectors now download facility files to prepare for inspections while working remotely, and members of the public can investigate UST sites of interest without having to make a public records request. UST fuel releases have long-term impacts to soil and groundwater. The retention schedule of these records has been extended to 100 years after a UST site is decommissioned. These electronic records are official public records. When the UST module in Your DEQ Online goes live next year, it will be the other repository for the program's official records.

3.3. Materials Management Program – Testifies at U.S. House Subcommittee on Environment and Climate Change

The U.S. House of Representatives Subcommittee on Environment and Climate Change invited Materials Management's Senior Policy Analyst, David Allaway, to provide expert testimony. On June 30, 2022, Allaway provided the history and status update on the topic of recycling at a virtual hearing titled "No Time to Waste: Solutions for America's Broken Recycling System." The testimony included an overview of Oregon's Plastic Pollution and Recycling Modernization Act (SB 582, 2021) which is grounded on extended producer responsibility (EPR), along with answering questions from the house subcommittee members. The Subcommittee invited Oregon as one of the first three states in the U.S. to require producers to share in the responsibility for a modernized and responsible recycling system for packaging. Allaway also responded to questions on topics including data, waste prevention, alternatives to plastics, chemical recycling, domestic end markets, social equity, recycling economics, and labeling. Committee members thanked Allaway and other panelists for answering questions and sharing their perspectives.

3.4. Cleanup Program – Fuel Tank Seismic Stability (SB 1567)

In March 2022, [Senate Bill 1567](#) gave DEQ the authority to develop a program that evaluates the vulnerability of large above ground fuel tanks to earthquakes and requires facilities to develop a plan to reduce risk. These rules will apply to facilities that store over 2 million gallons of fuel in Lane, Multnomah, and Columbia counties. There are 17 facilities involved, 14 of which are located along the Willamette River in Northwest Portland. These fuel tank farms provide over 90 percent of the gasoline, diesel, and jet fuel to Oregon. However, many tanks in Oregon are located on ground that may be unstable during an earthquake, which presents a risk to local communities, the environment and Oregon's entire economy. The facilities' plans will include actions to protect public health, life safety, and environmental safety within the facility, in areas adjacent to the facility and in other areas that may be affected because of damages to the facility. The plans must also consider the impacts of a magnitude 9.0 Cascadia Subduction Zone earthquake, the potential consequences of that event and the resources needed to respond.

This work on fuel tank seismic stability is being combined with our UST work in a new Fuel Tank Inspection Section in the Land Quality Division. SB 1567 provides authority for four new staff who will be responsible for implementing the program and reviewing plans from the facilities. DEQ is preparing to set up a rules advisory committee that will provide input and suggestions during the development of these new rules. DEQ will develop this program in consultation with the Oregon Department of Geology and Mineral Industries and the Oregon Department of Energy. An email mailing list for interested parties has been established. A rule proposal to the EQC is planned for mid-2023.

4. Water Quality

4.1. Oregon Resource Water Petition for Metolius River

On June 27, 2022, DEQ received a petition for rulemaking from Friends of the Metolius and co-petitioner the Northwest Environmental Defense Center, requesting that the EQC designate the Metolius River from its headwaters downstream to Monty Campground in Jefferson County as an Outstanding Resource Water (ORW) of Oregon. The EQC has 90 days to act on the petition, OAR 137-001-0070(3). If no action is taken within this period, the petition is deemed denied.

DEQ is evaluating the petition and will provide a recommendation to the EQC. If the EQC grants the petition and directs DEQ to initiate rulemaking to designate the specific portions of the Metolius Rivers as ORW, DEQ will follow the standard rulemaking process.

4.2. Water Data Portal Scoping Project

The 2021 Legislature appropriated \$350,000 and directed DEQ as the lead agency to begin initial scoping and design of a database framework for water and water-related infrastructure data. The long-term vision for this *Oregon Water Data Portal* project is to bring together Oregon's water data in a single point of access website to make it easier for decision makers and the public to find the data and information necessary to support better water-related decision-making. The need for this project was identified and articulated as part of early planning efforts associated with the Governor's 100-year water vision and related inter-agency and stakeholder discussions on how to best implement Oregon's Integrated Water Resources Strategy.

This project will require a multi-biennial investment to be fully realized, but the initial phase of this project, to be completed by June 2023, will involve:

- Planning and defining the full project and its outputs;
- Determining which data and information state agencies should be able to make available;
- Planning the central data portal, including an assessment of suitable technologies and options that may be available;
- Devising a plan for interacting with Counties and Municipalities, Special Service Districts, and other key partners to receive and offer water decision data; and
- Reporting to the Oregon Legislature on project discoveries, recommended plans and resource needs to further develop the project in 2023-25 and beyond.

DEQ has undertaken project management and contracting responsibilities and has formed three multi-agency teams to support project development. These include: an interagency Steering Committee to guide and oversee the project; an interagency Subject Matter Expert (SME) team to inventory state-level water data and information needs, and to assess business process and system changes that need to be made at the agency level in order support the project; and a Technical team, including membership from multiple agencies and contractors, to plan the single-point-of-access data portal and assess technology and software needs.

DEQ has procured several project contractors that provide distinct roles and functions necessary to support project scoping and development. The contractors include OSU's Center for Applied Systems and Software, the Institute for Natural Resources, and Duke University's Internet of Water. The multi-agency teams and contractors have started defining and planning the project, including determining how this effort interacts with Oregon's Open Data Standards and Environmental Equity mandates. Internet of Water has begun working with the SME team to evaluate the state's data and information inventory. DEQ is working with the various project teams and participants to develop several listening sessions to solicit project development input from potential platform users, local and tribal governments, and other key stakeholders. The Steering Committee expects to have preliminary findings that will be ready to share with the Legislature by February 2023, and a final scoping report completed in June 2023.

4.3. Coastal Zone Act Reauthorization Amendments (CZARA) Update

In 1998, under Section 6217 of the CZARA, EPA/NOAA provided conditional approval of Oregon's Coastal Nonpoint Pollution Control Program, while identifying a need for the state to address multiple areas of improvement, primarily in the realm of measures to control nonpoint source water pollution on non-federal forest lands. EPA/NOAA granted interim approvals in 2004 and 2008 for all but six management measures: four additional management measures for non-federal forest lands, stormwater management for new urban area development, and management of existing onsite disposal systems. In 2015, EPA/NOAA provided interim approval for two of the remaining six management measures, but determined that the state had not fully met requirements for management measures on non-federal forestlands and therefore had not submitted a fully approvable coastal nonpoint program. As a result - since FFY 2015 - Oregon has been subject to penalty reductions in grant funding eligibility for Coastal Zone Management Act Section 306 and Clean Water Act Section 319 programs.

The state has restarted CZARA discussions with EPA and NOAA to address the interim management measures and forestry gaps so that the federal agencies can fully approve Oregon's coastal program and restore funding. DEQ and Department of Land Conservation & Development (DLCD) discussed with EPA and NOAA the review and approval process and how the increased aquatic protections in the Private Forest Accords legislation contribute to addressing the need for additional forestry management measures. DLCD and DEQ staff will serve as the points of contact for the state and collect information from other state agencies as needed to confirm or add to the previous interim approvals. The process and staff coordination has begun very recently, and NOAA/EPA have indicated that the process could take three years or more. EPA and NOAA have indicated that they expect to review nine program elements and provide for public notice and comment prior to the agencies' action.

5.0. Eastern Region

5.1. Lower Umatilla Basin Groundwater Management Area (Northern Morrow and Umatilla Counties)

5.1.1. Morrow County Emergency Declaration

On June 9, Morrow County [declared a state of emergency](#) due to concerns about nitrate contamination affecting drinking water in private domestic wells. Morrow County requested assistance from state agencies in meeting the emergent needs of impacted residents related to unsafe drinking water. The emergency declaration did not include city or community water systems, which are regulated and tested regularly by the Oregon Health Authority (OHA), but for private drinking water wells, which are not regulated and are the responsibility of the well owner.

The Oregon Department of Emergency Management coordinated the state-level support, which was provided by teams from DEQ, OHA, Department of Human Service, Department of Agriculture, and Water Resources Department. DEQ continues work with state agency partners and Morrow County to develop short-term solutions, which may include water filters installation on private wells, connect residents to public water systems, and enhance outreach in both Morrow and Umatilla County to ensure both English- and Spanish-speaking residents are aware of potential well safety issues and recommendations and resources for testing their well water. State agencies will also meet with Governor's office and local government staff to discuss longer term solutions for the area including funding opportunities.

5.1.2. Amended Port of Morrow Penalty

DEQ [issued a revised penalty](#) June 17 to the Port of Morrow for additional violations involving over-application of wastewater containing nitrogen to agricultural fields in the Lower Umatilla Basin. DEQ issued the original penalty in January. The additional violations increase the fine by over \$800,000, from \$1.3 million to \$2.1 million.

The Port of Morrow is one of many sources contributing to nitrate contamination in the Lower Umatilla Basin Groundwater Management Area, which spans northern Morrow and Umatilla counties. Other sources include fertilizer use on irrigated production farmland, according to the Second Local [LUBGWMA Action Plan](#) (p. 17). Additional contributors are dairy and cattle farms, food processing facilities like the Port of Morrow that reuse vegetable-wash wastewater to irrigate fields, and residential septic systems and other sources.

5.1.3. J.R. Simplot Water Quality Permit Renewal

DEQ is [seeking public comment](#) on a water quality permit renewal for the J.R. Simplot facility in Hermiston, which also land-applies wastewater in the Lower Umatilla Groundwater Management Area. The wastewater managed by Simplot does not include food processing

wastewater and consequently is low in nitrogen. Simplot's potato processing facility closed in 2004 and the facility only applies within the crop growing season. Currently, the facility aggregates and reuses non-contact cooling water from the CalPine gas-fired electric generation facility and plans to add data center cooling water from an existing Amazon data center (PDX-80). The draft wastewater permit requires Simplot to track all nitrogen sources used on the properties where it land-applies wastewater (such as bulk fertilizer application and manure) to ensure applications are within appropriate agronomic rates. It also requires a review of groundwater trends and remedial action at the sites.

5.2 Proposed Lake County Landfill

DEQ has participated in meetings with Lake County officials regarding the potential for siting and permitting a new regional landfill in the northern part of the county, in the vicinity of Christmas Valley. DEQ has provided general information on solid waste permitting, and the county is working with a consultant to identify potential parcels. The local news media have published stories about the potential project because Deschutes County is currently in the planning phase for its own municipal landfill. Lake County officials have indicated that any landfill in Lake County would be heavily reliant on waste from Deschutes County, and it's not clear if the market is able to support both projects. DEQ will continue to provide information to Lake County as the consultant considers permitting and site selection criteria.

5.3 Proposed Grassy Mountain Gold Mine (Malheur County)

DEQ has contributed to the multi-agency review of both the groundwater and geochemistry baseline data reports required to document existing conditions at the proposed gold mine and processing site in Malheur County. DEQ has completed its review of the Cleaner Air Oregon emissions inventory and modeling protocol risk assessment work plan, with conditions, for the project.

State agencies, including DEQ, are poised to review the revised consolidated permit application – the successor application after 124 DEQ comments in early 2020 that contributed to the determination the initial application was incomplete.

Land use, acid rock drainage mitigation, engineering plan and specifications review, financial security and bonding, and the determination of best available, practicable, and necessary technologies are on the horizon for 2022.

6.0. Northwestern Region

6.1. Northwest Region Administrator Nina DeConcini Announces Her Retirement

On June 30th NW Region Administrator Nina DeConcini announced her retirement later this year after many years with the agency in multiple roles. Nina has contributed enormously to the agency over the years, and we will miss her energy, her dedication to the agency and to Oregon.

We will plan an opportunity to recognize Nina later this year before she slips out the door to a well-deserved quieter phase of life. Recruiting for Nina's replacement will be underway in the near future.

6.2. NEXT Renewable Fuel, Clatskanie

NEXT Renewable Fuels, Inc. is proposing to construct a renewable diesel, renewable naphtha, and renewable jet fuel manufacturing facility at the Port of Columbia County's Port Westward Industrial Park in Clatskanie.

The proposed facility will receive, and process recycled organic materials and raw oil feedstocks including used cooking oil, vegetable oils and animal fats to produce renewable fuel products that work just like their petroleum-based equivalents. NEXT Renewable Fuels expects to produce 37,500 barrels (1.58 million gallons) a day at start-up and anticipates growing to more than 50,000 barrels (2.1 million gallons) a day at full capacity. Renewable fuel products will be shipped offsite via pipelines, trucks, and railcars, pending market conditions.

NEXT Renewable Fuels is required to obtain DEQ air and water quality permits. DEQ put the facility's draft air quality permit out on public notice on March 25, 2022. DEQ held a virtual public hearing on April 27 and the comment period closed on May 26.

DEQ is currently reviewing and drafting responses to the more than 5,500 public comments received in consideration of a permitting decision.

NEXT Renewable Fuels has also applied for a 401-water quality certification, as part of the U.S. Army Corps of Engineers 404 permitting process and will be submitting permit applications for a construction stormwater discharge general permit (1200-C), which regulates stormwater runoff to surface waters of the state from construction activities. The facility also is applying for an industrial stormwater discharge general permit (1200-Z), which regulates industrial stormwater discharges to surface waters or to conveyance systems that discharge to surface waters of the state.

6.3. Owens-Brockway, Portland

On June 3, 2021, [DEQ issued a \\$1 million civil penalty and order to Owens-Brockway](#) for air quality violations, including ongoing exceedances of the total particulate matter and opacity limits in the permit.

On October 22, 2021, DEQ signed an [agreement](#) with Owens-Brockway resolving the enforcement action and giving Owens-Brockway two options: install pollution controls or shut down.

Owens-Brockway notified DEQ on June 30, 2022, that they intend to install pollution controls. Under the signed agreement between the facility and DEQ, Owens-Brockway submitted a Notice

of Approval application, permit modification and associated materials. Their application proposes installation of a catalytic ceramic filter, to control particulate matter. In addition, the filter will control emissions of nitrogen oxides and sulfur dioxide. DEQ is currently reviewing this application for completeness and compliance with the agreement. Pollution controls reduce emissions and are one of the best ways a facility can protect the health of those living and working nearby.

In accordance with the agreement, Owens-Brockway will continue operating under restricted interim limits until they install the specified air pollution controls. Once the application is approved, Owens-Brockway has 18 months to complete the installation, with interim deadlines to ensure progress is made in a timely manner. DEQ is reaching out to interested community and environmental groups to discuss next steps in the public process for the application.

Another part of the enforcement was for Owens-Brockway to spend \$529,404 of the penalty on one or more projects that will provide air quality benefits to the surrounding community. In March 2022, DEQ approved [Owens-Brockway's application for a supplemental environmental project](#) to contribute these funds to Friends of Trees for tree planting efforts. DEQ incorporated this into Owens-Brockway's agreement with DEQ. The project will pay to plant trees in the Sumner neighborhood, where the facility is located, as well in the adjacent neighborhoods of Cully, Parkrose, Argay and Wilkes, and within the nearby Columbia Slough Watershed in northeast Portland. This work should take place in fall 2022 when planting conditions will support the health of the trees.

7. Western Region

7.1. Onsite Septic Financial Aid Program

DEQ was allocated \$15 million in federal American Rescue Plan Act funds during the 2021 legislative session to provide financial assistance for septic system repairs, replacements, and improvements to old and failing systems. Public agencies, community lenders and other organizations will receive subawards to establish and implement these financial aid programs. DEQ has awarded \$2.1 million of this funding to Craft3, a community lender, to provide grant and loan packages for victims of the 2020 wildfires. DEQ will provide additional grants to support financial aid programs run by local agencies and other eligible organizations, with a priority on wildfire recovery. A call for wildfire-related proposals opened June 15, 2022 and closes August 5, 2022. DEQ expects to issue decision letters by the end of August and enter into agreements with successful sub-awardees in fall 2022. If funds are available, a second call for proposals that will include any unmet fire recovery needs as well as other statewide priorities is expected to open in fall 2022.

7.2. Riverbend Landfill

DEQ put a draft solid waste landfill closure permit out for public comment on May 23, 2022. A virtual public meeting and hearing were held on June 22nd. The public meeting consisted of a

DEQ presentation followed by a question-and-answer session. Four people provided comments during the public hearing. There was a request to extend the public comment period to allow time for DEQ to provide additional documents and for the public to have time to review them. DEQ extended the end of the public comment period from June 27th to July 11th and made the documents available on June 23rd. The draft permit requires the Riverbend Landfill to stop accepting waste and have completed final closure eight years from the date of permit issuance. DEQ will consider and respond to all comments received at the conclusion of the public comment period. DEQ may modify the permit based on comments received in accordance with applicable rules and statutes. DEQ may also issue the permit as currently drafted. DEQ anticipates a final permit to be issued in August.

8. Laboratory

8.1. Wildfire Smoke Trends and the Air Quality Index

The Wildfire Smoke Trends and the Air Quality Index report provides the annual number of unhealthy days or worse for 26 communities across Oregon. The report reaches back to 1985 for a few areas, but most have data going back to 2000. Not surprisingly, the trends show increases in wildfire smoke frequency and intensity. The 2022 version of this report will be released in July.

8.2. The 2017 Survey of Oregon Lakes

DEQ is finalizing work on the Oregon Lakes Assessment. This report is an overview of the water quality in lakes across the state. Samples were collected in 2017. Oregon's report is part of the larger EPA National Lakes Assessment.

The agency created a partnership between two water quality monitoring programs. The Biomonitoring Program (which oversees sampling for the NLA) and the Toxics Monitoring Program combined efforts to collect samples simultaneously at Oregon lakes as part of the NLA. This provided DEQ the opportunity to maximize resources and boost the sample size from 29 randomly selected lakes to 49 lakes. It also represents the first statewide assessment of toxic compounds in Oregon's lakes and reservoirs. The full report on this work is expected to be released by the end of July.

8.3. PFAS in Small Drinking Water Systems

In conjunction with the Oregon Health Authority the laboratory will be wrapping up its sampling of vulnerable small drinking water systems this month. There are four samples remaining to collect. These remaining sources are only utilized in the summer months. Data are publicly available on OHA's website, <https://yourwater.oregon.gov/pfascounty.php>.