

Dry Cleaning Advisory Committee

Meeting Minutes

Wednesday, September 30, 2015
Northwest Region - Portland
700 NE Multnomah Street
Portland, OR 97232



State of Oregon
Department of
Environmental
Quality

List of Attendees

Committee members:

Jim Kincaid, Chair, Cable Huston Benedict & Haagensen
Allan Wright, Oregon Dry Cleaners Association
Gary Campbell, Oregon Dry Cleaners Association
James Gengler, City of Salem
Kathey Butters, Oregon Dry Cleaners Association
Steve Young, Oregon Dry Cleaners Association
Sam Kim, Korean American Dry Cleaners Association
Tae-Hwan Kim, Korean American Dry Cleaners Association

DEQ Staff:

Bruce Gilles, Manager, Cleanup and Emergency Response
Joe Westersund, Dry Cleaner Program Coordinator
Ed Patnode, Dry Cleaner Program Staff
Abby Boudouris, Senior Legislative Analyst

Others:

Jay Bleich, Bee Tailors and Cleaners

1:30pm Start of meeting

At this meeting, DEQ requested that the ODCA and KADCA make presentations to explain their groups' interests and preferred path forward for the dry cleaner program.

ODCA Presentation

The ODCA members of the committee made a statement including the points below. Some points were supported by some but not all ODCA members of the committee.

- ODCA prefers that program funding be based on a fixed fee that doesn't depend on dry cleaning revenue, because they believe facilities are not reporting their revenue correctly. A fixed fee would eliminate the need to audit dry cleaners' reported revenue.
- The fee paid by a dry cleaner should vary with the potential liability posed by using that solvent

Dry Cleaner Program

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

By: Joe Westersund

- ODCA would prefer that DEQ enforcement penalties collected from dry cleaners go into the dry cleaner program rather than into the general fund as they do now.
- They stated that listed inactive sites should pay the same as dry cleaners, because the cleanup liability is due to past practices and isn't correlated with the current site use.
- Some members felt that dry cleaner sites should be able to opt out of the program, partially or fully, if sampling shows that their site is "clean".
- ODCA stated that they have retained Cindy Roberts as their lobbyist for the legislative changes.
- ODCA stated that there was "90% agreement" among their members that it would be worth it to pay higher dry cleaner program fees in order to keep the program functioning. They stated that it is an "insurance policy we can't buy" and that they "couldn't get lease renewal without it".
- ODCA stated that they preferred that a potential bill be carried by DEQ rather than introduced to the Legislature independently of DEQ.

KADCA Presentation

Tae Kim spoke on behalf of the KADCA.

- Tae stated that KADCA had sent a survey to all 150 members. The survey had 5 options for a future dry cleaner program fee structure:
 1. A flat fee that is the same no matter whether the site is currently a perchloroethylene ("perc") dry cleaner, nonperc dry cleaner, dry store or listed inactive site
 2. 2% of dry cleaning revenue (up from 1% now)
 3. [I was not clear what the 3rd option was]
 4. A flat fee that depends on the solvent used, as proposed by the ODCA
 5. A fee based on 1.5% of the business's total revenue (instead of 1% of the business's dry cleaning revenue, as now)
- Tae stated that they received 30 responses, representing 35-40 facilities. The topic was brought up at KADCA meetings in March and April 2015.
- Most KADCA members preferred a fee structure based on 2% of dry cleaning revenue, plus \$500/year for dry cleaners that use perc.
- KADCA members did not like a flat fee concept, because many of their members have low revenues.
- KADCA believed that they could make a fee structure based on business revenue more enforceable by requiring businesses to supply tax returns or credit card statements to document their reported revenue.
- The benefit that KADCA members see in the dry cleaner program is that it helps them secure a lease. Even with the

current program, some property owners refuse to lease to dry cleaners, and they believe that would be worse if the dry cleaner program were to end.

- Tae stated that 80% to 90% of respondents to the KADCA survey preferred a fee structure option based on “2% of dry cleaning revenue”.
- KADCA said that they were willing to match ODCA funds in order to jointly hire a lobbyist to promote proposed legislation.

Discussion

Steve Young stated that he felt fees should increase over time to maintain a constant \$800k/year in revenue

Gary Campbell stated that if a fee structure is based on reported revenue, then that revenue must be verifiable. Tae-Hwan Kim stated that 80% to 90% of revenue at dry cleaners is done with credit cards. Tae-Hwan said he only knows of one dry cleaner that does not take credit cards.

Gary Campbell asked KADCA how many of their members have computerized point of sale (POS) systems, which can make revenue reporting more verifiable. Tae-Hwan Kim said that more than 90% have POS systems. Allan Wright said that he knows of one dry cleaner that does not have a POS system.

Non-Industry Viewpoints

Members of the committee that don't operate dry cleaning businesses were also asked for their views. James Gengler of the City of Salem stated that Salem is still finding dry cleaners discharging wastewater to the sewer system, and the dry cleaner program is needed to help limit this. He feels that while perc is the current focus for cleanups, that other solvents also eventually find their way into the ground and may be a worry in the future. He said that Salem has found 5 cleaners with problems in the last 4 years.

Action items for the next meeting

Members of the committee asked DEQ to gather the following information:

- A prediction of how much further the dry cleaning industry will decline in the future
- Does DEQ support enforcement fines going to the program rather than the general fund?
- What are DEQ's priorities for the program? What are the non-negotiable items?
- Does DEQ believe Green Earth is safer than other alternative solvents such as DF-2000 and Rynex?
- Does DEQ support an opt-out for facilities that have data to show they are “clean”?

- Is “perchloroethylene” on the DEQ Agency Toxics Focus List?

4:00 End of meeting

Scheduling the next meeting: The committee requested that the next meeting be scheduled in December 2015.