



# Oregon

Kate Brown, Governor

Department of Environmental Quality  
Office of Compliance and Enforcement  
700 NE Multnomah Street, Suite 600  
Portland, OR 97232-4100  
(503) 229-5696  
FAX (503) 229-5100  
TTY 711

June 3, 2022

CERTIFIED MAIL: 7018 1830 0001 6172 5819

City of Hood River  
c/o Abigail Elder, City Manager  
211 2<sup>nd</sup> Street  
Hood River, OR 97031

Re: Notice of Civil Penalty Assessment and Order  
Case No. WQ/M-ER-2021-183

This letter is to inform you that the Oregon Department of Environmental Quality (DEQ) has issued you a civil penalty of \$7,700 for violating pollution limits in your wastewater discharge permit. Specifically, you discharged effluent that exceeded permit requirements for weekly and monthly limits for total suspended solids (TSS) and you discharged effluent with daily concentrations of *E. coli* bacteria greater than five times the permitted limit. Pollution limits are established in your permit to protect water quality and the beneficial uses of state waters. In addition, you failed to conduct required toxics monitoring for the second quarter of 2021.

The attached notice also cites you, without penalty, for the following additional violations of your permit: discharging effluent that exceeded permit requirements for weekly limits for BOD and discharging effluent outside the permitted pH range.

If you wish to appeal this matter, DEQ must receive a request for a hearing within 20 calendar days from your receipt of this letter. The hearing request must be in writing. Send your request to DEQ Office of Compliance and Enforcement:

Via mail – 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232

Via email – [DEQappeals@deq.oregon.gov](mailto:DEQappeals@deq.oregon.gov)

Via fax – 503-229-6762

Once DEQ receives your request, we will arrange to meet with you to discuss this matter. If DEQ does not receive a timely written hearing request, the penalty will become due. Alternatively, you can pay the penalty by sending a check or money order to the above address.

The attached Notice further details DEQ's reasons for issuing the penalty and provides further instructions for appealing the penalty. Please review and refer to it when discussing this case with DEQ.

DEQ may allow you to resolve part of your penalty through the completion of a Supplemental Environmental Project (SEP). SEPs are environmental improvement projects that you sponsor instead of paying a penalty. Further information is available by calling the number below or at <http://www.oregon.gov/deq/Regulations/Pages/SEP.aspx>.

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DEQ's rules are available at <http://www.oregon.gov/deq/Regulations/Pages/Statutes.aspx> or by calling the number below.

If you have any questions, please contact Jeff Bachman at 503-229-5950 or toll free in Oregon at 800-452-4011, extension 5950.

Sincerely,



Kieran O'Donnell, Manager  
Office of Compliance and Enforcement

Enclosures

cc: Justin Sterger, DEQ  
Shannon Davis, DEQ  
Accounting, DEQ

1 BEFORE THE ENVIRONMENTAL QUALITY COMMISSION

2 OF THE STATE OF OREGON

3 IN THE MATTER OF: ) NOTICE OF CIVIL PENALTY  
4 CITY OF HOOD RIVER, a municipal ) ASSESSMENT AND ORDER  
5 Corporation of the state of Oregon, )  
6 Respondent. ) CASE NO. WQ/M-ER-2021-183

6 I. AUTHORITY

7 The Department of Environmental Quality (DEQ) issues this Notice of Civil Penalty Assessment  
8 and Order (Notice) pursuant to Oregon Revised Statutes (ORS) 468.100, ORS 468.126 through 468.140,  
9 ORS Chapter 183 and 468B, and Oregon Administrative Rules (OAR) Chapter 340, Divisions 011, 012,  
10 and 045.

11 II. FINDINGS OF FACT

- 12 1. Respondent operates a wastewater collection, treatment, control and disposal system at 818  
13 Riverside Drive in Hood River, Oregon (the Facility).
- 14 2. The Facility is operated pursuant to a National Pollutant Discharge Elimination System  
15 Permit No. 101729 (the Permit), issued to Respondent by DEQ.
- 16 3. The Permit was in effect at all material times.
- 17 4. The Permit authorizes Respondent to operate a wastewater collection, treatment, control and  
18 disposal system and discharge adequately treated wastewater (effluent) to waters of the state only in  
19 conformance with the conditions and limitations of the Permit.
- 20 5. For the period between May 1 and October 31, Schedule A, Condition 1, Table A1 of the  
21 Permit limits weekly average effluent total suspended solids (TSS) concentration to 30 mg/L.
- 22 6. During the week ending on July 31, 2021, Respondent discharged effluent from its Facility  
23 with a weekly average TSS effluent concentration of 42 mg/L.
- 24 7. For the period between May 1 and October 31, Schedule A, Condition 1, Table A1 of the  
25 Permit limits monthly average effluent TSS concentration to 20 mg/L.
- 26 8. During the month of July 2021, Respondent discharged effluent from its Facility with a  
27 monthly average TSS effluent concentration of 25 mg/L.

1 9. During the month of September 2021, Respondent discharged effluent from its Facility with  
2 a monthly average TSS effluent concentration of 21 mg/L.

3 10. For the period between May 1 and October 31, Schedule A, Condition 1, Table A1 of the  
4 Permit limits weekly average effluent of biochemical oxygen demand (BOD<sub>5</sub>) concentrations to 30  
5 mg/L.

6 11. During the week of September 22, 2021, Respondent discharged effluent with a weekly  
7 average BOD concentration of 34 mg/L.

8 12. Schedule A, Condition 1, Table A1 of the Permit states that no single sample of *E. coli*  
9 bacteria may exceed 406 organisms per 100 mL.

10 13. Respondent discharged effluent with *e. coli* concentrations as follows:

Date	<i>E. coli</i> Concentration in Organisms per 100 m/L
May 4, 2021	2,214
September 14, 2021	1,021
September 16, 2021	2,419
September 18, 2021	2,419
September 22, 2021	548
September 23, 2021	2,419
September 24, 2021	1,414
September 25, 2021	2,419
September 26, 2021	1,733
September 27, 2021	548
September 28, 2021	2,419
September 29, 2021	1,733
September 30, 2021	2,419
October 1, 2021	411
October 28, 2021	613

1 14. Schedule A, Condition 1, Table A1 of the Permit limits monthly geometric mean of *E. coli*  
2 bacteria to 126 organisms per 100 mL.

3 15. During the month of September 2021, Respondent discharged effluent from its Facility with  
4 a monthly geometric mean of *E. coli* concentrations at 498.10 organisms per 100 mL, 3.95 times the  
5 Permit limit.

6 16. Schedule B, Condition 1, Table B1 of the Permit requires reporting for parameters in tables  
7 B6-B11: effluent toxics characterization. On a quarterly basis, Respondent must submit to DEQ  
8 effluent toxics characterization monitoring results for each of the first 4 quarters following the permit  
9 effective date of December 1, 2020. Schedule B, Condition 6, Table B10 of the Permit requires  
10 Respondent collect and analyze effluent samples for certain toxic pesticides and PCBs, including  
11 Mirex.

12 17. During the second quarter of 2021, Respondent failed to collect monitoring data for Mirex  
13 as required by Schedule B of the Permit.

14 18. Schedule B, Condition 1, Table A1 of the Permit requires daily pH to be within the range of  
15 6.0 to 8.5 standard units.

16 19. During the month of December 17, 2021, Respondent discharged effluent with a pH of 5.9  
17 standard units.

### 18 III. CONCLUSIONS

19 1. Respondent violated ORS 468B.025(2) by violating Schedule A, Condition 1, Table A1 of its  
20 Permit. Specifically, Respondent discharged effluent from its Facility that exceeded the weekly average  
21 TSS effluent limit of the Permit, as described in Section II, paragraphs 5 and 6 above. This is a Class II  
22 violation, according to OAR 340-012-0055(2)(a)(A). DEQ hereby assesses a \$2,600 civil penalty for this  
23 violation.

24 2. Respondent violated ORS 468B.025(2) by violating Schedule A, Condition 1, Table A1 of its  
25 Permit. Specifically, Respondent discharged effluent from its Facility that exceeded the monthly  
26 average TSS effluent limit of the Permit, as described in Section II, paragraphs 7, 8, and 9 above. The  
27 violation that was 20 percent above the limit, but less than 50 percent above the limit is a Class II

1 violation, according to OAR 340-012-0055(2)(a)(A). The violation that was less than 20 percent above the  
2 limit is a Class III violation, according to OAR 340-012-0055(3)(b)(A). DEQ assesses a \$2,400 civil  
3 penalty for this violation.

4 3. Respondent violated ORS 468B.025(2) by violating Schedule A, Condition 1, Table A1 of its  
5 Permit. Specifically, Respondent discharged effluent with *E. coli* bacteria concentrations in excess of  
6 permitted limits as described in Section II, paragraphs 12-15 above. The violations where Respondent  
7 exceeded the limit by a factor of five or more are Class II violations pursuant to OAR 340-012-  
8 0055(2)(a)(C). Those violations where Respondent exceeded the limit by less than a factor of five are  
9 Class III violations pursuant to OAR 340-012-0055(3)(b)(C). DEQ assesses a \$2,700 civil penalty for  
10 these violations.

11 4. Respondent violated ORS 468B.025(2) by violating Schedule A, Condition 1, Table A1 of its  
12 Permit. Specifically, Respondent discharged effluent from its Facility that exceeded the weekly average  
13 BOD<sub>5</sub> effluent limits of the Permit, as described in Section II, paragraphs 10 and 11 above. This is a  
14 Class III violation, according to OAR 340-012-0055(3)(b)(A). DEQ does not assessed a civil penalty for  
15 this violation.

16 5. Respondent violated ORS 468B.025(2) by violating Schedule B, Condition 1 of the Permit.  
17 Specifically, Respondent failed to collect second quarter 2021 monitoring data for Mirex as required by  
18 Tables B1 and B10 and described in Section II, paragraphs 16 and 17 above. This is a Class I violation,  
19 according to OAR 340-0055(1)(o). DEQ does not assess a civil penalty for this violation.

20 6. Respondent has violated ORS 468B.025(2) by violating Schedule A, Condition 1, Table A1  
21 of its Permit. Specifically, Respondent discharged effluent from its Facility with pH levels that were not  
22 within the range required by the Permit, as described in Section II, paragraphs 18 and 19 above. This is  
23 a Class III violation, according to OAR 340-012-0055(3)(b)(A). DEQ does not assessed a civil penalty  
24 for this violation.

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1 IV. ORDER TO PAY CIVIL PENALTY

2 Based upon the foregoing FINDINGS OF FACTS AND CONCLUSIONS, Respondent is  
3 hereby ORDERED TO: Pay a total civil penalty of \$7,700. The determination of the civil penalties are  
4 attached as Exhibits 1, 2, and 3 are incorporated as part of this Notice.

5 If you do not file a request for hearing as set forth in Section V below, your check or money  
6 order must be made payable to "State Treasurer, State of Oregon" and sent to the **DEQ, Business  
7 Office, 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232.**

8 V. NOTICE OF RIGHT TO REQUEST A CONTESTED CASE HEARING

9 You have a right to a contested case hearing on this Notice, if you request one in writing. DEQ  
10 must receive your request for hearing **within 20 calendar days** from the date you receive this Notice. If  
11 you have any affirmative defenses or wish to dispute any allegations of fact in this Notice or attached  
12 exhibits, you must do so in your request for hearing, as factual matters not denied will be considered  
13 admitted, and failure to raise a defense will be a waiver of the defense. (See OAR 340-011-0530 for  
14 further information about requests for hearing.) You must send your request to: **DEQ, Office of  
15 Compliance and Enforcement, 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232**, fax  
16 it to **503-229-6762** or email it to [DEQappeals@deq.oregon.gov](mailto:DEQappeals@deq.oregon.gov). An administrative law judge  
17 employed by the Office of Administrative Hearings will conduct the hearing, according to ORS  
18 Chapter 183, OAR Chapter 340, Division 011 and OAR 137-003-0501 to 0700. You have a right to be  
19 represented by an attorney at the hearing, however you are not required to be. If you are an individual,  
20 you may represent yourself. If you are a corporation, partnership, limited liability company,  
21 unincorporated association, trust or government body, you must be represented by an attorney or a duly  
22 authorized representative, as set forth in OAR 137-003-0555.

23 Active duty Service members have a right to stay proceedings under the federal Service  
24 Members Civil Relief Act. For more information contact the Oregon State Bar at 1-800-  
25 452-8260, the Oregon Military Department at 503-584-3571, or the nearest United States Armed Forces  
26 Legal Assistance Office through <http://legalassistance.law.af.mil>. The Oregon Military Department  
27 does not have a toll free telephone number.

1 If you fail to file a timely request for hearing, the Notice will become a final order by default  
2 without further action by DEQ, as per OAR 340-011-0535(1). If you do request a hearing but later  
3 withdraw your request, fail to attend the hearing or notify DEQ that you will not be attending the  
4 hearing, DEQ will issue a final order by default pursuant to OAR 340-011-0535(3). DEQ designates the  
5 relevant portions of its files, including information submitted by you, as the record for purposes of  
6 proving a prima facie case.

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10 6/3/2022

11 Date

Kieran O'Donnell

12 Kieran O'Donnell, Manager  
13 Office of Compliance and Enforcement  
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EXHIBIT 1

FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY  
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

- VIOLATION NO. 1 Exceeding the Permit's TSS effluent limits in violation of ORS 468B.025(2) and Schedule A, Condition 1, Table A1 of the Permit
- CLASSIFICATION: This is a Class II violation pursuant to OAR 340-012-0055(2)(a)(A) because Respondent exceeded the Permit limit by more than 20 percent but less than 50 percent.
- MAGNITUDE: The magnitude of the violation is minor pursuant to OAR 340-012-0135(2)(C)(i) because Respondent's effluent flow was diluted by a factor greater than 10 or more in the receiving stream.
- CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:  $BP + [(0.1 \times BP) \times (P + H + O + M + C)] + EB$
- "BP" is the base penalty, which is \$1,000 for a Class II, minor magnitude violation in the matrix listed in OAR 340-012-0140(3)(b)(B)(iii) and applicable pursuant to OAR 340-012-0140(3)(a)(E)(i) because Respondent's permitted design flow is more than two million gallons per day, but less than five million gallons per day.
- "P" is whether Respondent has any prior significant actions, as defined in OAR 340-012-0030(19), in the same media as the violation at issue that occurred at a facility owned or operated by the same Respondent and receives a value of 10 according to OAR 340-012-0145(2)(a), because Respondent has prior significant actions consisting of nine or more Class I equivalent violations stemming from case nos. WQ/M-ER-2016-100, WQ/M-ER-2017-207, WQ/M-ER-2019-099, and WQ/M-ER-2020-074.
- "H" is Respondent's history of correcting prior significant actions, and receives a value of 0 according to OAR 340-012-0145(3)(c) because there is insufficient information on which to base a finding under paragraphs (3)(a) or (b).
- "O" is whether the violation was repeated or ongoing and receives a value of 2 according to OAR 340-012-0145(4)(b) because there was more than one occurrence of the violation but less than seven. The violation occurred during the months of July and September 2021.
- "M" is the mental state of the Respondent and receives a value of 4 according to OAR 340-012-0145(5)(c) because Respondent's conduct was negligent. The TSS limits are express conditions of Respondent's Permit. By failing to take the action necessary to ensure compliance with the limits, Respondent failed to exercise reasonable care to avoid the foreseeable risk of committing the violation. In addition, Respondent was previously cited in case nos. WQ/M-ER-2017-207, WQ/M-ER-2019-099, and WQ/M-ER-2020-074 for exceeding the TSS limits set by the Permit.

"C" is Respondent's efforts to correct or mitigate the violation and receives a value of 0 according to OAR 340-012-0145(6)(f) because the violation or the effects of the violation could not be corrected or minimized.

"EB" is the approximate dollar value of the benefit gained and the costs avoided or delayed as a result of the Respondent's noncompliance. It is designed to "level the playing field" by taking away any economic advantage the entity gained and to deter potential violators from deciding it is cheaper to violate and pay the penalty than to pay the costs of compliance. In this case, "EB" receives a value of \$0 pursuant to OAR 340-12-0150(4) as DEQ does not have sufficient information as to the upgrades Respondent needs to make to its treatment system to arrive at a reasonable estimate of costs avoided or delayed as a result of Respondent's noncompliance.

PENALTY CALCULATION:  $\text{Penalty} = \text{BP} + [(0.1 \times \text{BP}) \times (\text{P} + \text{H} + \text{O} + \text{M} + \text{C})] + \text{EB}$

$$\begin{aligned} &= \$1,000 + [(0.1 \times \$1,000) \times (10 + 0 + 2 + 4 + 0)] + \$0 \\ &= \$1,000 + (\$100 \times 16) + \$0 \\ &= \$1,000 + \$1,600 + \$0 \\ &= \$2,600 \end{aligned}$$

EXHIBIT 2

FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY  
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

- VIOLATION NO. 2 Exceeding the Permit's monthly average TSS effluent limit in violation of ORS 468B.025(2) and Schedule A, Condition 1, Table A1 of the Permit
- CLASSIFICATION: This is a Class II violation pursuant to OAR 340-012-0055(2)(a)(A) because Respondent exceeded the Permit limit by more than 20 percent but less than 50 percent.
- MAGNITUDE: The magnitude of the violation is minor pursuant to OAR 340-012-0135(2)(C)(i) because Respondent's effluent flow was diluted by a factor greater than 10 or more in the receiving stream.
- CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:  $BP + [(0.1 \times BP) \times (P + H + O + M + C)] + EB$
- "BP" is the base penalty, which is \$1,000 for a Class II, minor magnitude violation in the matrix listed in OAR 340-012-0140(3)(b)(B)(iii) and applicable pursuant to OAR 340-012-0140(3)(a)(E)(i) because Respondent's permitted design flow is more than two million gallons per day, but less than five million gallons per day.
- "P" is whether Respondent has any prior significant actions, as defined in OAR 340-012-0030(19), in the same media as the violation at issue that occurred at a facility owned or operated by the same Respondent, and receives a value of 10 according to OAR 340-012-0145(2)(a), because Respondent has prior significant actions consisting of nine or more Class I equivalent violations stemming from case nos. WQ/M-ER-2016-100, WQ/M-ER-2017-207, WQ/M-ER-2019-099, and WQ/M-ER-2020-074.
- "H" is Respondent's history of correcting prior significant actions and receives a value of 0 according to OAR 340-012-0145(3)(c) because there is insufficient information on which to base a finding under paragraphs (3)(a) or (b).
- "O" is whether the violation was repeated or ongoing and receives a value of 0 according to OAR 340-012-0145(4)(a) because there was only one occurrence of the violation during the month of July 2021.
- "M" is the mental state of the Respondent and receives a value of 4 according to OAR 340-012-0145(5)(c) because Respondent's conduct was negligent. The TSS limits are express conditions of Respondent's Permit. By failing to take the action necessary to ensure compliance with the limits, Respondent failed to exercise reasonable care to avoid the foreseeable risk of committing the violation. In addition, Respondent was previously cited in

case nos. WQ/M-ER-2017-207, WQ/M-ER-2019-099, and WQ/M-ER-2020-074 for exceeding the TSS limits set by the Permit.

"C" is Respondent's efforts to correct or mitigate the violation and receives a value of 0 according to OAR 340-012-0145(6)(f) because the violation or the effects of the violation could not be corrected or minimized.

"EB" is the approximate dollar value of the benefit gained and the costs avoided or delayed as a result of the Respondent's noncompliance. It is designed to "level the playing field" by taking away any economic advantage the entity gained and to deter potential violators from deciding it is cheaper to violate and pay the penalty than to pay the costs of compliance. In this case, "EB" receives a value of \$0 pursuant to OAR 340-12-0150(4) as DEQ does not have sufficient information as to the upgrades Respondent needs to make to its treatment system to arrive at a reasonable estimate of costs avoided or delayed as a result of Respondent's noncompliance.

PENALTY CALCULATION:  $\text{Penalty} = \text{BP} + [(0.1 \times \text{BP}) \times (\text{P} + \text{H} + \text{O} + \text{M} + \text{C})] + \text{EB}$   
= \$1,000 + [(0.1 x \$1,000) x (10 + 0 + 0 + 4 + 0)] + \$0  
= \$1,000 + (\$100 x 14) + \$0  
= \$1,000 + \$1,400 + \$0  
= \$2,400

EXHIBIT 3

FINDINGS AND DETERMINATION OF RESPONDENT'S CIVIL PENALTY  
PURSUANT TO OREGON ADMINISTRATIVE RULE (OAR) 340-012-0045

VIOLATION NO. 3 Exceeding the Permit's single sample *E. coli* bacteria concentration limit in violation of ORS 468B.025(2) and Schedule A, Condition 1, Table A1 of the Permit

CLASSIFICATION: This is a Class II violation pursuant to OAR 340-012-0055(2)(a)(A) because Respondent discharged effluent with concentrations of *E. coli* bacteria greater than 5 times the single sample limit.

MAGNITUDE: The magnitude of the violation is minor pursuant to OAR 340-012-0135(2)(C)(i) because Respondent's effluent flow was diluted by a factor greater than 10 or more in the receiving stream.

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is:  $BP + [(0.1 \times BP) \times (P + H + O + M + C)] + EB$

"BP" is the base penalty, which is \$1,000 for a Class II, minor magnitude violation in the matrix listed in OAR 340-012-0140(3)(b)(B)(iii) and applicable pursuant to OAR 340-012-0140(3)(a)(E)(i) because Respondent's permitted design flow is more than two million gallons per day, but less than five million gallons per day.

"P" is whether Respondent has any prior significant actions, as defined in OAR 340-012-0030(19), in the same media as the violation at issue that occurred at a facility owned or operated by the same Respondent and receives a value of 10 according to OAR 340-012-0145(2)(a), because Respondent has prior significant actions consisting of nine or more Class I equivalent violations stemming from case nos. WQ/M-ER-2016-100, WQ/M-ER-2017-207, WQ/M-ER-2019-099, and WQ/M-ER-2020-074.

"H" is Respondent's history of correcting prior significant actions, and receives a value of 0 according to OAR 340-012-0145(3)(c) because there is insufficient information on which to base a finding under paragraphs (3)(a) or (b).

"O" is whether the violation was repeated or ongoing and receives a value of 3 according to OAR 340-012-0145(4)(c) because there were from seven to 28 occurrences of the violation. Respondent exceeded the *e. coli* single sample limit on the following days: May 4, 2021; September 14, 16, 18, 19, 22, 23, 24, 25, 26, 27, 28, 29 and 30, and October 1 and 28, 2021 for a total of 16 violations.

"M" is the mental state of the Respondent and receives a value of 4 according to OAR 340-012-0145(5)(c) because Respondent's conduct was negligent. The *e. coli* bacteria concentration limit is an express condition of Respondent's Permit. By failing to take the action necessary to ensure compliance with the limit, Respondent failed to exercise reasonable care to avoid

the foreseeable risk of committing the violation. In addition, Respondent was previously cited in case no. WQ/M-ER-2020-074 for discharging effluent with *e. coli* bacteria concentrations in excess of the permitted limits.

"C" is Respondent's efforts to correct or mitigate the violation and receives a value of 0 according to OAR 340-012-0145(6)(f) because the violation or the effects of the violation could not be corrected or minimized.

"EB" is the approximate dollar value of the benefit gained and the costs avoided or delayed as a result of the Respondent's noncompliance. It is designed to "level the playing field" by taking away any economic advantage the entity gained and to deter potential violators from deciding it is cheaper to violate and pay the penalty than to pay the costs of compliance. In this case, "EB" receives a value of \$0 pursuant to OAR 340-12-0150(4) as DEQ does not have sufficient information as to the upgrades Respondent needs to make to its treatment system to arrive at a reasonable estimate of costs avoided or delayed as a result of Respondent's noncompliance.

PENALTY CALCULATION:  $\text{Penalty} = \text{BP} + [(0.1 \times \text{BP}) \times (\text{P} + \text{H} + \text{O} + \text{M} + \text{C})] + \text{EB}$

$$\begin{aligned} &= \$1,000 + [(0.1 \times \$1,000) \times (10 + 0 + 3 + 4 + 0)] + \$0 \\ &= \$1,000 + (\$100 \times 16) + \$0 \\ &= \$1,000 + \$1,700 + \$0 \\ &= \$2,700 \end{aligned}$$