



# 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

November 10, 2022

CERTIFIED MAIL: 7020 2450 0000 3349 5543

David Hawkins  
Plant Superintendent  
Oak Lodge Water Services  
14496 SE River Road  
Oak Grove, OR 97267

Re: Notice of Civil Penalty Assessment and Order  
Case No. WQ/M-NWR-2022-049

This letter is to inform you that the Oregon Department of Environmental Quality (DEQ) has issued Oak Lodge Water Services a civil penalty of \$26,700 for violating the Technology Based Effluent Limits (TBELs) for BOD<sub>5</sub> and TSS set forth in its prior and renewed National Pollutant Discharge Elimination System (NPDES) permits and for causing pollution to waters of the state by discharging approximately 475,000 gallons of untreated wastewater mixed with stormwater into the Willamette River during three SSO events.

DEQ issued this penalty because Oak Lodge previously received a Warning Letter for BOD<sub>5</sub> and TSS TBEL exceedances and compliance with NPDES permit limits is critically important to maintaining water quality. Additionally, the discharge of untreated sewage is harmful to aquatic life and a hazard to human health.

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.state.or.us](mailto:DEQappeals@deq.state.or.us)

Via fax – 503-229-5100

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>.

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 Erin Saylor at 503-229-5422 or toll free in Oregon at 800-452-4011, extension 5422.

Sincerely,



Kieran O'Donnell, Manager  
Office of Compliance and Enforcement

Enclosures

cc: Michael Pinney, DEQ NWR  
Mark Bentz, DEQ NWR  
Accounting, DEQ

1 BEFORE THE ENVIRONMENTAL QUALITY COMMISSION  
2 OF THE STATE OF OREGON  
3

4 IN THE MATTER OF: ) NOTICE OF CIVIL PENALTY  
OAK LODGE WATER SERVICES ) ASSESSMENT AND ORDER  
5 )  
6 Respondent. ) CASE NO. WQ/M-NWR-2022-049  
7 )

8 I. AUTHORITY

9 The Department of Environmental Quality (DEQ) issues this Notice of Civil Penalty Assessment  
10 and Order (Notice) pursuant to Oregon Revised Statutes (ORS) 468.100, ORS 468.126 through 468.140,  
11 ORS Chapter 468B, ORS Chapter 183 and Oregon Administrative Rules (OAR) Chapter 340, Divisions  
12 011, 012, and 045.

13 II. FINDINGS OF FACT

- 14 1. Respondent is the owner and operator of the Oak Lodge Water Services District Water  
15 Reclamation Facility located at 13750 SE Renton Avenue in Oak Grove, OR (the Facility).
- 16 2. Respondent was issued renewed coverage under National Pollutant Discharge Elimination  
17 System (NPDES) Permit #101063 on December 30, 2004 (the Prior Permit). The Prior Permit expired  
18 on November 30, 2009, but was administratively extended because Respondent submitted a timely  
19 renewal application on June 1, 2009.
- 20 3. Respondent's current NPDES Permit (#100962) (the Current Permit) was issued on April 7,  
21 2022, with an effective date of May 1, 2022.
- 22 4. Respondent discharges treated domestic wastewater to the Willamette River, which is a  
23 water of the state pursuant to ORS 468B.005(10).
- 24 5. Schedule A.1.a(2) of the Prior Permit established the following technology based effluent  
25 limitations (TBELs) that applied November 1 – April 30 of each year:

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Parameter	Average Effluent Concentrations		Monthly Average lb/day	Weekly Average Lb/day	Daily Maximum lbs
	Monthly	Weekly			
BOD <sub>5</sub>	30 mg/L	45 mg/L	1500	2250	3000
TSS	30 mg/L	45 mg/L	1500	2250	3000

6. DEQ's review of the Facility's Discharge Monitoring Reports (DMRs) from December 2021 through January 2022, identified the following three violations of the BOD<sub>5</sub> TBELs established in the Prior Permit:

Date	Violation	Violation Class
January 17, 2022	The reported daily maximum BOD <sub>5</sub> loading of 8,061 lb/d violated the permit limit by 168%.	I
January 2022 (3rd week)	The reported weekly average BOD <sub>5</sub> loading of 2,599 lb/d violates the permit limit by 15%.	III
January 2022	The reported monthly average BOD <sub>5</sub> concentration of 84.7 mg/L violates the permit limit by 88%.	I

7. DEQ's review of the Facility's DMRs from December 2021 through January 2022, identified the following five violations of the TSS TBELs established in the Prior Permit:

Date	Violation	Violation Class
January 2022	The reported monthly average TSS loading of 1,538 lb/d violated the permit limit by 2%.	III
January 18, 2022	The reported daily maximum TSS loading of 8,958 lb/d violated the permit limit by 168%.	I
January 2022	The reported monthly average TSS concentration of 46.7 mg/L violated the permit limit by 55%.	I
January 2022 (3rd week)	The reported weekly average TSS loading of 4,284 lb/d violated the permit limit by 90%.	I
January 2022 (3rd week)	The reported weekly average TSS concentration of 142.9 mg/L violated the permit limit by 217%.	I

8. Schedule A.1 of the Current Permit established the following technology based effluent limitations (TBELs) that apply May 1 – October 31 of each year:

Parameter	Average Effluent Concentrations		Monthly Average lb/day	Weekly Average Lb/day	Daily Maximum lbs
	Monthly	Weekly			
BOD <sub>5</sub>	10 mg/L	15 mg/L	490	740	980
TSS	10 mg/L	15 mg/L	490	740	980

9. DEQ's review of the Facility's DMRs from July 2022 through August 2022, identified the following violations of the TSS TBELs established in the Permit

Date	Violation	Violation Class
July 2022	The reported monthly average TSS concentration of 10.6 mg/L violated the permit limit by 6%.	III
August 2022	The reported monthly average TSS concentration of 13.0 mg/L violated the permit limit by 30%.	II
August 2022 (2nd week)	The reported weekly average TSS concentration of 17.58 mg/L violated the permit limit by 17%.	III

10. Schedule A.1.a.(3) of the Prior Permit set a TBEL for BOD<sub>5</sub> and TSS Removal Efficiency of not less than 85% monthly average for each.

11. DEQ's review of the Facility's DMRs from December 2021 through January 2022, identified the following three violations of the BOD<sub>5</sub> and TSS Removal Efficiency TBELs established in the Permit:

Date	Violation	Violation Class
December 2021	The reported BOD <sub>5</sub> removal efficiency of 83% violated the permit limit by 2%.	III
December 2021	The reported TSS removal efficiency of 74% violated the permit limit by 11%.	III
January 2022	The reported TSS removal efficiency of 68% violated the permit limit by 17%.	III

1 12. From September 30, 2021, until October 2, 2021, a sanitary sewer overflow (SSO) event  
2 occurred at the manhole located at 17633 SE Roethe Place in Oak Grove, OR. During the event,  
3 approximately 230,000 gallons of untreated wastewater mixed with stormwater was discharged to the  
4 Willamette River.

5 13. On January 3, 2022, an SSO event occurred at the manhole at 1716 SE Oak Shore Lane  
6 (Pump Station #2). During the event, approximately 108,000 gallons of untreated wastewater mixed  
7 with stormwater was discharged to the Willamette River.

8 14. On January 6, 2022, another SSO event occurred at the manhole at Pump Station #2.  
9 During the event, approximately 137,000 gallons of untreated wastewater mixed with stormwater was  
10 discharged to the Willamette River.

11 15. Pursuant to Schedule F, Section B.6.c. of the Prior Permit, uncontrolled overflows are  
12 prohibited where wastewater is likely to escape or be carried into waters of the State.

13 16. Pursuant to ORS 468B.025(1)(a), no person shall cause pollution of any waters of the state  
14 or place or cause to be placed any wastes in a location where such wastes are likely to escape or be  
15 carried into waters of the state by any means.

16 17. Pursuant to Schedule F, Section A.1. of both the Prior Permit and the Current Permit,  
17 failure to comply with any permit condition is a violation of Oregon Revised Statutes (ORS) 468B.025.

18 18. Pursuant to ORS 468B.025(2), no person shall violate the conditions of any waste  
19 discharge permit issued under ORS 468B.050.

### 20 III. CONCLUSIONS

21 1. Respondent violated ORS 468B.025(2) and Schedule A.1 of its Prior Permit by exceeding the  
22 TBEL established in the Prior Permit for BOD<sub>5</sub> a total of three times. Specifically:

- 23 a. On two occasions Respondent exceeded the TBEL for BOD<sub>5</sub> by 50% or more. These are  
24 Class I violations pursuant to OAR 340-012-0055(1)(k)(A); and
- 25 b. On one occasion, Respondent exceeded the TBEL for BOD<sub>5</sub> by less than 20%. This is a  
26 Class III violation pursuant to OAR 340-012-0055(3)(b)(A).

27 DEQ hereby assesses a \$6,600 civil penalty for these violations.

2. Respondent violated ORS 468B.025(2) and Schedule A.1 of its Prior and Current Permits by exceeding the TBEL established in its permits for TSS a total of eight times. Specifically:

- a. On four occasions Respondent exceeded the TBEL for TSS by 50% or more. These are Class I violations pursuant to OAR 340-012-0055(1)(k)(A);
- b. On one occasion Respondent exceeded the TBEL for TSS by 20% or more but less than 50%. This is a Class II violation pursuant to OAR 340-012-0055(2)(a)(A); and
- c. On three occasions Respondent exceeded the TBEL for TSS by less than 20%. These are Class III violations pursuant to OAR 340-012-0055(3)(b)(A).

DEQ hereby assesses a \$6,900 civil penalty for these violations.

3. Respondent violated ORS 468B.025(2) and Schedule A.1. of the Prior Permit by failing to meet the minimum removal efficiency required by the Prior Permit for BOD<sub>5</sub> and TSS. These are Class III violations pursuant to OAR 340-012-0055(3)(c). DEQ has chosen not to assess a civil penalty for these violations.

4. Respondent violated ORS 468B.025(1)(a) and (2) by causing pollution to waters of the state by discharging untreated wastewater mixed with stormwater into the Willamette River in violation of its permit. Specifically, on three separate occasions (September 30, 2021–October 2, 2021, January 3, 2022, and January 6, 2022) Respondent experienced SSO events on its system that in total resulted in approximately 475,000 gallons of untreated wastewater mixed with stormwater discharging into the Willamette River. This is a Class I violation pursuant to OAR 340-012-0055(1)(a). DEQ hereby assesses a \$13,200 penalty for these violations.

#### IV. ORDER TO PAY CIVIL PENALTY

Based upon the foregoing FINDINGS OF FACTS AND CONCLUSIONS, Respondent is hereby ORDERED TO:

- 1. Pay a civil penalty of \$26,700. The determination of the civil penalty is attached as Exhibits 1–3 and is incorporated as part of this Notice.

If you do not file a request for hearing as set forth in Section V below, your check or money order must be made payable to "**Department of Environmental Quality**" and sent to the **DEQ, Business Office**,



1 **700 NE Multnomah Street, Suite 600, Portland, Oregon 97232.**

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

3 You have a right to a contested case hearing on this Notice, if you request one in writing. DEQ  
4 must receive your request for hearing **within 20 calendar days** from the date you receive this Notice. If  
5 you have any affirmative defenses or wish to dispute any allegations of fact in this Notice or attached  
6 exhibits, you must do so in your request for hearing, as factual matters not denied will be considered  
7 admitted, and failure to raise a defense will be a waiver of the defense. (See OAR 340-011-0530 for  
8 further information about requests for hearing.) You must send your request to: **DEQ, Office of**  
9 **Compliance and Enforcement, 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232**, fax  
10 it to **503-229-5100** or email it to [DEQappeals@deq.state.or.us](mailto:DEQappeals@deq.state.or.us). An administrative law judge  
11 employed by the Office of Administrative Hearings will conduct the hearing, according to ORS  
12 Chapter 183, OAR Chapter 340, Division 011 and OAR 137-003-0501 to 0700. You have a right to be  
13 represented by an attorney at the hearing, however you are not required to be. If you are an individual,  
14 you may represent yourself. If you are a corporation, partnership, limited liability company,  
15 unincorporated association, trust or government body, you must be represented by an attorney or a duly  
16 authorized representative, as set forth in OAR 137-003-0555.

17 Active duty Service members have a right to stay proceedings under the federal Service  
18 Members Civil Relief Act. For more information contact the Oregon State Bar at 1-800-  
19 452-8260, the Oregon Military Department at 503-584-3571, or the nearest United States Armed  
20 Forces Legal Assistance Office through <http://legalassistance.law.af.mil>. The Oregon Military  
21 Department does not have a toll free telephone number.

22 If you fail to file a timely request for hearing, the Notice will become a final order by default  
23 without further action by DEQ, as per OAR 340-011-0535(1). If you do request a hearing but later  
24 withdraw your request, fail to attend the hearing or notify DEQ that you will not be attending the  
25 hearing, DEQ will issue a final order by default pursuant to OAR 340-011-0535(3). DEQ designates

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1 the relevant portions of its files, including information submitted by you, as the record for purposes of  
2 proving a prima facie case.

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11 / 10 / 2022  
Date


  
Kieran O'Donnell, Manager  
Office of Compliance and Enforcement

EXHIBIT 1

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

VIOLATIONS: Respondent violated ORS 468B.025(2) by exceeding the TBELs for BOD<sub>5</sub> set forth in Schedule A.1 of the Prior Permit three times.

CLASSIFICATION: Of the three violations, two are Class I violations pursuant to OAR 340-012-0055(1)(k)(A) and 1 is a Class III violation pursuant to OAR 340-012-0055(3)(b)(A). Pursuant to OAR 340-012-0145(4)(e), the penalty is calculated as a Class I penalty.

MAGNITUDE: The magnitude of the violation is minor pursuant to OAR 340-012-0135(2)(a)(C)(i) because the receiving stream flow at the time of the exceedances was more than 10 times the flow of Respondent's discharge.

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 \$3,000 for a Class I, minor magnitude violation in the matrix listed in OAR 340-012-0140(2)(b)(A)(iii) and applicable pursuant to OAR 340-012-0140(2)(a)(E)(i) because Respondent has an NPDES permit for a facility with a permitted flow of five million or more gallons per day.

"P" is whether Respondent has any prior significant actions (PSAs), 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 6 according to OAR 340-012-0145(2)(a), because Respondent has prior significant actions consisting of at least five Class I equivalent violations, as established in Case Nos. WQ/SW-NWR-2018-242; WQ/SW-NWR-2013-095; and WQ/M-NWR-2013-083.

"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 were more than one but less than seven occurrences of the violation. Respondent violated the TBELs for BOD<sub>5</sub> on three occasions.

"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 BOD<sub>5</sub> limits are express conditions of Respondent's permit. By failing to take necessary actions to comply with the

limits, Respondent failed to exercise reasonable care to avoid the foreseeable risk a permit violation would occur.

"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 according to OAR 340-012-0150(4) because there is insufficient information on which to make an estimate under the rule.

PENALTY CALCULATION:  $\text{Penalty} = \text{BP} + [(0.1 \times \text{BP}) \times (\text{P} + \text{H} + \text{O} + \text{M} + \text{C})] + \text{EB}$   
 $= \$3,000 + [(0.1 \times \$3,000) \times (6 + 0 + 2 + 4 + 0)] + \$0$   
 $= \$3,000 + [\$300 \times 12] + \$0$   
 $= \$3,000 + \$3,600 + \$0$   
 $= \$6,600$

## EXHIBIT 2

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

VIOLATIONS: Respondent violated ORS 468B.025(2) by exceeding the TBELs for TSS set forth in Schedule A.1 of both its Prior and Current Permit a total of eight times.

CLASSIFICATION: Of the eight violations, four are Class I violations pursuant to OAR 340-012-0055(1)(k)(A); one is a Class II violation pursuant to OAR 340-012-0055(2)(a)(A); and three are Class III violations pursuant to OAR 340-012-0055(3)(b)(A). Pursuant to OAR 340-012-0145(4)(e), the penalty is calculated as a Class I penalty.

MAGNITUDE: The magnitude of the violation is minor pursuant to OAR 340-012-0135(2)(a)(C)(i) because the receiving stream flow at the time of the exceedances was more than 10 times the flow of Respondent's discharge.

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 \$3,000 for a Class I, minor magnitude violation in the matrix listed in OAR 340-012-0140(2)(b)(A)(iii) and applicable pursuant to OAR 340-012-0140(2)(a)(E)(i) because Respondent has an NPDES permit for a facility with a permitted flow of five million or more gallons per day.

"P" is whether Respondent has any prior significant actions (PSAs), 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 6 according to OAR 340-012-0145(2)(a), because Respondent has prior significant actions consisting of at least five Class I equivalent violations, as established in Case Nos. WQ/SW-NWR-2018-242; WQ/SW-NWR-2013-095; and WQ/M-NWR-2013-083.

"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 violated the TBELs for TSS on eight occasions.

"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 necessary actions to comply with the limits, Respondent failed to exercise reasonable care to avoid the foreseeable risk a permit violation would occur.

"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 according to OAR 340-012-0150(4) because there is insufficient information on which to make an estimate under the rule.

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

$$\begin{aligned} &= \$3,000 + [(0.1 \times \$3,000) \times (6 + 0 + 3 + 4 + 0)] + \$0 \\ &= \$3,000 + [\$300 \times 13] + \$0 \\ &= \$3,000 + \$3,900 + \$0 \\ &= \$6,900 \end{aligned}$$

EXHIBIT 3

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

VIOLATION: Respondent violated ORS 468B.025(1)(a) and (2) by causing pollution to waters of the state by discharging untreated wastewater mixed with stormwater to the Willamette River in violation of its permit.

CLASSIFICATION: This is a Class I violation pursuant to OAR 340-012-0055(1)(a).

MAGNITUDE: The magnitude of the violation is moderate pursuant to OAR 340-012-0130(1), as there is no selected magnitude specified in OAR 340-012-0135 applicable to this violation, and the information reasonably available to DEQ does not indicate a minor or major magnitude.

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 \$6,000 for a Class I, moderate magnitude violation in the matrix listed in OAR 340-012-0140(2)(b)(A)(ii) and applicable pursuant to OAR 340-012-0140(2)(a)(D).

"P" is whether Respondent has any prior significant actions (PSAs), 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 6 according to OAR 340-012-0145(2)(a), because Respondent has prior significant actions consisting of at least five Class I equivalent violations, as established in Case Nos. WQ/SW-NWR-2018-242; WQ/SW-NWR-2013-095; and WQ/M-NWR-2013-083.

"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 were more than one but less than seven occurrences of the violation. Respondent experienced three SSO events.

"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. Respondent's permit expressly prohibits uncontrolled overflows where wastewater is likely to escape into a water of the state. By failing to take necessary actions to prevent the SSOs from occurring, Respondent failed to exercise reasonable care to avoid the foreseeable risk a violation would occur.



"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 according to OAR 340-012-0150(4) because there is insufficient information on which to make an estimate under the rule.

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

$$\begin{aligned} &= \$6,000 + [(0.1 \times \$6,000) \times (6 + 0 + 2 + 4 + 0)] + \$0 \\ &= \$6,000 + [\$600 \times 12] + \$0 \\ &= \$6,000 + \$7,200 + \$0 \\ &= \$13,200 \end{aligned}$$