Oregon
Kate Brown, Governor

Department of Environmental Quality
Headquarters
811 SW Sixth Avenue
Portland, OR 97204-1390
(503) 229-5696
FAX (503) 229-6124
TTY: 711

December 4, 2015

CERTIFIED MAIL: 7011 2000 0000 5122 9237

Integrated Power Services, LLC
c/o C T Corporation System, Registered Agent
388 State Street Ste 420
Salem, OR 97301

Re: Notice of Civil Penalty Assessment and Order
Case No. LQ/HW-NWR-15-143

This letter is to inform you that the Oregon Department of Environmental Quality (DEQ) has issued you a civil penalty of $4,500 for failing to completely and accurately determine whether waste coolant generated from the lathes at your facility in Portland was hazardous waste.

DEQ issued this penalty because complete and accurate hazardous waste determinations are an essential part of safe hazardous waste management. Failing to determine whether wastes are hazardous often results in illegal storage, treatment, and disposal of hazardous wastes, which poses a threat to human health and the environment.

DEQ appreciates your efforts to address the violation by re-sampling the waste and instituting a process to prevent this violation from occurring again. DEQ considered these efforts when determining the amount of civil penalty.

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

Via mail - 811 S.W. 6th Ave., Portland, OR 97204
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 it 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 in lieu of paying your penalty. Enclosed is more detail on how to pursue a SEP. SEP documents are available on the internet at http://www.deq.state.or.us/programs/enforcement/SEP.htm, or by calling the number below to request a paper copy.

DEQ's rules are available on the internet at http://www.deq.state.or.us/regulations/rules.htm, or by calling the number below to request a paper copy.

If you have any questions, please contact DEQ Environmental Law Specialist Sarah Wheeler, at (503) 229-6927. You may call toll-free within Oregon at 1-800-452-4011, extension 6927.

Sincerely,

Leah K. Feldon

Leah K. Feldon, Manager
Office of Compliance and Enforcement

Enclosures

cc: Laurey Cook, Northwest Region, DEQ
Mike Slater, U. S. Environmental Protection Agency, Slater.Mike@epamail.epa.gov

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION

OF THE STATE OF OREGON

IN THE MATTER OF: INTEGRATED POWER SERVICES, LLC, a foreign limited liability company, Respondent.	))))	NOTICE OF CIVIL PENALTY ASSESSMENT AND ORDER CASE NO. LQ/HW-NWR-15-143

I. AUTHORITY

The Department of Environmental Quality (DEQ) issues this Notice of Civil Penalty Assessment and Order (Notice) pursuant to Oregon Revised Statutes (ORS) 468.100 and 468.126 through 468.140, ORS 466.990, ORS Chapter 183 and Oregon Administrative Rules (OAR) Chapter 340, Divisions 011, 012, and 100-102.

II. FINDINGS OF FACT

1. Respondent operates a business repairing electric motors, generators, and mechanical power transmission components at 2315 Northwest 21st Place in Portland, Oregon (the Facility).

2. Since 2007, Respondent has reported annually to DEQ as a hazardous waste generator.

3. On February 4, 2015, DEQ staff inspected Respondent's Facility.

4. Respondent operates several large metal lathes at the Facility.

5. Since sometime in 2007 through August of 2015, Respondent was managing and disposing of the waste coolant from the lathes as non-hazardous waste.

6. On February 4, 2015, Respondent provided DEQ with analytical results from 2000, done by the Facility's prior operator, showing 10.8 milligrams per liter (mg/L) of lead in waste coolant generated from the lathes.

7. In 2012, Respondent's waste transporter and disposal contractor sampled the waste coolant, but did not test for mercury.

8. Respondent provided DEQ with a waste profile Respondent completed for their waste transporter and disposal contractor, indicating that Respondent's waste coolant sent for disposal did not contain metals and was not a hazardous waste.

9. On February 24, 2015, Respondent sampled waste coolant from its lathes. The results

demonstrated that two samples contained 0.21 and 0.22 mg/L of mercury.

10. On April 23, 2015, Respondent sampled and analyzed waste coolant as follows:

Lathe where waste coolant was generated	Results
Mills	5 mg/L lead
Small Monarch	9.2 mg/L lead
Medium Monarch	14 mg/L lead

11. On May 19, 2015, Respondent tested waste coolant from the Niles lathe and found that it contained 0.3 mg/L mercury.

III. CONCLUSIONS

Respondent violated OAR 340-102-0011(2) by failing to completely and accurately determine if Respondent's residue (as defined in OAR 340-100-0010(2)(ee) and 40 CFR 261.2, adopted by OAR 340-100-0002) was hazardous waste. As specified above, Respondent's waste coolant was hazardous waste when it met or exceeded regulatory levels of lead (5.0 mg/L) and mercury (0.2 mg/L) pursuant to 40 CFR 261.24, as adopted by OAR 340-100-0002. This is a Class I violation, according to OAR 340-012-0068(1)(a). DEQ hereby assesses a $4,500 civil penalty for this violation.

V. ORDER TO PAY CIVIL PENALTY

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

Pay a total civil penalty of $4,500. The determination of the civil penalty is attached as Exhibit 1 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 "**State Treasurer, State of Oregon**" and sent to the **DEQ, Business Office, 811 S.W. Sixth Avenue, Portland, Oregon 97204**. Once you pay the penalty, the Findings of Fact, Conclusions and Order become final.

V. NOTICE OF RIGHT TO REQUEST A CONTESTED CASE HEARING

You have a right to a contested case hearing on this Notice, if you request one in writing. You must ensure that DEQ receives the request for hearing **within 20 calendar days** from the date you

receive this Notice. If you have any affirmative defenses or wish to dispute any allegations of fact in this Notice or attached exhibits, you must include them in your request for hearing, as factual matters not denied will be considered admitted, and failure to raise a defense will be a waiver of the defense. (See OAR 340-011-0530 for further information about requests for hearing.) You must mail the request for hearing to: **DEQ, Office of Compliance and Enforcement - Appeals, 811 SW Sixth Avenue, Portland, Oregon 97204**, or fax it to **503-229-5100**. An administrative law judge employed by the Office of Administrative Hearings will conduct the hearing, according to ORS Chapter 183, OAR Chapter 340, Division 011 and OAR 137-003-0501 to 0700. You have a right to be represented by an attorney at the hearing, or you may represent yourself unless you are a corporation, agency or association.

Active duty service-members have a right to stay proceedings under the federal Service members Civil Relief Act. For more information, please call the Oregon State Bar at 1-800-452-8260 or the Oregon Military Department at 1-800-452-7500. Additional information can be found online at the United States Armed Forces Legal Assistance (AFLA) Legal Services Locator website http://legalassistance.law.af.mil/content/locator.php.

If you fail to file a request for hearing in writing within 20 calendar days of receipt of the Notice, the Notice will become a final order by default without further action by DEQ, as per OAR 340-011-0535(1). If you do request a hearing but later withdraw your request, fail to attend the hearing or notify DEQ that you will not be attending the hearing, DEQ will issue a final order by default pursuant to OAR 340-011-0535(3). DEQ designates the relevant portions of its files, including information submitted by you, as the record for purposes of proving a prima facie case.

12/4/15
Date

Leah K. Feldon
Leah K. Feldon, 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

VIOLATION 1: Failing to determine if Respondent's residue (as defined in OAR 340-100-0010(2)(ee) and 40 CFR 261.2) was hazardous waste, in violation of OAR 340-102-0011(2).

CLASSIFICATION: This is a Class I violation pursuant to OAR 340-012-0068(1)(a).

MAGNITUDE: The magnitude of the violation is minor pursuant to OAR 340-012-0135(4)(a)(C), because Respondent failed to make a hazardous waste determination on one waste stream (coolant).

CIVIL PENALTY FORMULA: The formula for determining the amount of penalty of each violation is: BP + [(0.1 x BP) x (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(3)(b)(A)(iii) and applicable pursuant to OAR 340-012-0140(3)(a)(J).

"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 0 according to OAR 340-012-0145(2) (a) (A), because there are no prior significant actions.

"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 no prior history.

"O" is whether the violation was repeated or ongoing and receives a value of 4 according to OAR 340-012-0145(4)(d), because there were more than 28 occurrences of the violation. Respondent has generated coolant waste since 2007, and should have done a hazardous waste determination upon generation (each time a lathe was cleaned out).

"M" is the mental state of the Respondent and receives a value of 2 according to OAR 340-012-0145(5)(b), because Respondent had constructive knowledge (reasonably should have known) of the requirement. Respondent has reported to DEQ as a hazardous waste generator since 2007, and DEQ sent Respondent a Warning Letter in 2011 for other hazardous waste management violations. As a regulated generator of various hazardous wastes, Respondent should have known of the requirement to completely and accurately determine whether the waste coolant was hazardous.

"C" is Respondent's efforts to correct or mitigate the violation and receives a value of -1 according to OAR 340-012-0145(6)(e), because Respondent made reasonable efforts to ensure the violation would not be repeated.

"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 as DEQ has insufficient information on which to base a reasonable estimate.

PENALTY CALCULATION: Penalty = BP + [(0.1 x BP) x (P + H + O + M + C)] + EB
= $3,000 + [(0.1 x $3,000) x (0 + 0 + 4 + 2 – 1)] + $0
= $3,000 + [$300 x 5] + $0
= $3,000 + $1,500 + $0
= $4,500