



# Oregon

Tina Kotek, Governor

Department of Environmental Quality  
Office of Compliance and Enforcement  
700 NE Multnomah Street, Suite 600  
Portland, OR 97232  
(503) 229-5382  
FAX (503) 229-5787  
TTY 711

July 18, 2023

CERTIFIED MAIL No. 9589 0710 5270 0110 6008 52

Harris Khan, Registered Agent  
S&H Oil LLC  
1680 South Shore Blvd.  
Lake Oswego, OR 97034

Re: Notice of Civil Penalty Assessment and Order  
Case No. AQ/ACDP-NWR-2023-083

This letter is to inform you that DEQ has issued you a civil penalty of \$412.50 for failing to timely submit your 2022 annual report to DEQ as required by your Air Contaminant Discharge Permit Number AQGP-023, Source Number 03-0143-23-01.

DEQ issued this penalty because annual reports are an important mechanism for DEQ to determine whether sources of air contaminants are operating within the conditions and limits of permits. Without the report, DEQ is unable to determine the compliance status of your facility or ensure emissions are within levels that do not pose harm to public health or the environment.

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 portion of the penalty. Further information is available by calling the number below or at <http://www.oregon.gov/deq/Regulations/Pages/SEP.aspx>.

S&H Oil LLC  
Case No. AQ/ACDP-NWR-2023-083  
Page 2

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 Steve Siegel at (503) 229-5518.

Sincerely,



Kieran O'Donnell, Manager  
Office of Compliance and Enforcement

Enclosures

cc: Daniel Murphy, Northwest Region, DEQ  
Joshua Alexander, Northwest Region, DEQ  
Donald Hendrix, AQ, 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 S&H OIL, LLC ) ASSESSMENT AND ORDER  
5 Respondent. ) NO. AQ/ACDP-NWR-2023-083

6  
7 I. AUTHORITY

8 This Notice and Order is issued pursuant to Oregon Revised Statutes (ORS) 468.100 and  
9 468.126 through 468.140, ORS Chapters 183 and 468A and Oregon Administrative Rules (OAR)  
10 Chapter 340, Divisions 011, 012, 200, 214 and 216.

11 II. FINDINGS OF FACT

12 1. Respondent operates a Stage I gasoline dispensing facility at 1680 South Shore  
13 Boulevard, Lake Oswego, Oregon (the Facility).

14 2. On August 20, 2020, the Department of Environmental Quality (DEQ) assigned  
15 Respondent's Facility to General Air Contaminant Discharge Permit Number AQGP-023 as  
16 source number 03-0143-23-01. The Permit was in effect at all material times.

17 3. The Permit authorizes Respondent to discharge air contaminants from activities  
18 and processes at the Facility in accordance with the requirements, limitations, and conditions in  
19 the Permit.

20 4. Condition 11.4 of the Permit requires the Respondent to submit an annual report  
21 to DEQ by February 15<sup>th</sup> of each year that includes specific information for the previous calendar  
22 year of operation at the Facility.

23 5. Respondent received a warning letter in April 2022 notifying the Respondent of  
24 the requirement to submit an annual report for the previous calendar year to DEQ by February  
25 15<sup>th</sup> of each year.

26 6. Respondent did not submit its 2022 Annual Report to DEQ by February 15, 2023.

27 7. On March 15, 2023, DEQ issued the Respondent a Pre-Enforcement Notice.

1 III. CONCLUSION

2 Respondent violated Condition 11.4 of the Permit and OAR 340-214-0114(1) and (2),  
3 adopted pursuant to ORS 468A.050(1), by failing to submit its 2022 annual report to DEQ by  
4 February 15, 2023, as further described in Section II, Paragraphs 4 - 7 above. This is a Class II  
5 violation according to OAR 340-012-0054(2)(f). DEQ has assessed a \$412.50 civil penalty for this  
6 violation.

7 IV. ORDER TO PAY CIVIL PENALTY AND COMPLY

8 Based upon the foregoing FINDINGS OF FACTS AND CONCLUSION, Respondent is  
9 hereby ORDERED TO pay a total civil penalty of \$412.50. The determination of the civil penalty  
10 is attached as an Exhibit and is incorporated as part of this Notice.

11 If you do not file a request for hearing as set forth in Section V below, your check or  
12 money order must be made payable to "**State Treasurer, State of Oregon**" and sent to the **DEQ,**  
13 **Business Office, 700 NE Multnomah Street, Suite 600, Portland, Oregon 97232.** Once you  
14 pay the penalty, the Findings of Fact, Conclusions and Order become final.

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

16 You have a right to a contested case hearing on this Notice if you request one in writing.  
17 DEQ must receive your request for hearing **within 20 calendar days** from the date you receive  
18 this Notice. If you have any affirmative defenses or wish to dispute any allegations of fact in this  
19 Notice or attached exhibits, you must do so in your request for hearing, as factual matters not  
20 denied will be considered admitted, and failure to raise a defense will be a waiver of the defense.  
21 (See OAR 340-011-0530 for further information about requests for hearing.) You must send your

22 request to: **DEQ, Office of Compliance and Enforcement, 700 NE Multnomah Street, Suite**  
23 **600, Portland, Oregon 97232,** fax it to **503-229-5100** or email it to


24 **[DEQappeals@deq.state.or.us](mailto:DEQappeals@deq.state.or.us)**. An administrative law judge employed by the Office of  
25 Administrative Hearings will conduct the hearing, according to ORS Chapter 183, OAR Chapter  
26 340, Division 011 and OAR 137-003-0501 to 0700. You have a right to be represented by an  
27 attorney at the hearing, however you are not required to be. If you are an individual, you may

1 represent yourself. If you are a corporation, partnership, limited liability company,  
2 unincorporated association, trust or government body, you must be represented by an attorney or  
3 a duly authorized representative, as set forth in OAR 137-003-0555.

4 Active-duty service members have a right to stay proceedings under the federal Service  
5 Members Civil Relief Act. For more information contact the Oregon State Bar at 1-800-  
6 452-8260, the Oregon Military Department at 503-584-3571, or the nearest United States Armed  
7 Forces Legal Assistance Office through <http://legalassistance.law.af.mil>. The Oregon Military  
8 Department does not have a toll-free telephone number.

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

15  
16 7/18/2023  
17 Date

16   
17 Kieran O'Donnell, Manager  
18 Office of Compliance and Enforcement  
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## EXHIBIT

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

VIOLATION: Failing to timely submit a 2022 annual report to DEQ in violation of Condition 11.4 of Respondent's Air Contaminant Discharge Permit number 03-0143-23-01 and OAR 340-214-0114(1) and (2).

CLASSIFICATION: This is a Class II violation pursuant to OAR 340-012-0054(2)(f).

MAGNITUDE: The magnitude of the violation is minor pursuant to OAR 340-012-0130(4), as there is no selected magnitude specified in OAR 340-012-0135 applicable to this violation, and the information reasonably available to DEQ indicates no more than a de minimis adverse impact to human health or the environment, and posed no more than a de minimis threat to human health or the environment. Respondent's annual report indicates it operated within permit emission limits and Respondent submitted its report within 60 days of the due date.

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 \$375 for a Class II, minor magnitude violation in the matrix listed in OAR 340-012-0140(4)(b)(B)(iii) and applicable pursuant to OAR 340-012-0140(4)(a)(C) because Respondent operates the Facility under applicable pursuant to OAR 340-012-0140(4)(a)(C) because Respondent operates the Facility under an Air Contaminant Discharge Permit because it is subject to Area Source NESHAP regulations.

"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 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 0 according to OAR 340-012-0145(4)(a), because there was one occurrence of the violation. Respondent was late submitting one (2022) annual report.

"M" is the mental state of the Respondent and receives a value of 4 pursuant to OAR 340-012-0145(5)(c) because Respondent's conduct was negligent. Respondent's Permit expressly requires Respondent to submit an annual report by February 15<sup>th</sup> of each year. Respondent

was reminded of permit requirements to submit an annual report through a warning letter in April 2022. By failing to timely submit the 2022 annual report to DEQ, Respondent failed to take reasonable care to avoid a foreseeable risk of conduct constituting or resulting in a violation.

"C" is Respondent's efforts to correct or mitigate the violation and receives a value of -3 according to OAR 340-012-0145(6)(c) because Respondent made reasonable efforts to correct the violation by submitting the annual report in March 2023.

"EB" is the approximate dollar value of the benefit gained and the costs avoided or delayed as a result of 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 there is insufficient information on which to base a finding.

PENALTY CALCULATION:  $\text{Penalty} = \text{BP} + [(0.1 \times \text{BP}) \times (\text{P} + \text{H} + \text{O} + \text{M} + \text{C})] + \text{EB}$   
=  $\$375 + [(0.1 \times \$375) \times (0 + 0 + 0 + 4 + (-3))] + \$0$   
=  $\$375 + (\$37.50 \times 1) + \$0$   
=  $\$375 + \$37.50 + \$0$   
=  $\$412.50$