



Oregon

Tina Kotek, 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

August 11, 2023

CERTIFIED MAIL: 7016 2710 0000 4221 4056

Microchip Technology, Inc.
c/o CT Corporation System, Registered Agent
780 Commercial St SE Ste 100
Salem OR 97301

Re: Notice of Civil Penalty Assessment and Order
Case No. LQ-HW-NWR-2023-543

This letter is to inform you that the Oregon Department of Environmental Quality (DEQ) has issued you a civil penalty of \$5,541 for illegally disposing of hazardous waste solvent in the City of Gresham's sanitary sewer collection system in April of 2023.

Due to an error made when installing equipment at your facility in Gresham, waste solvent was piped to the City's system for disposal instead of into your facility's hazardous waste tank for disposal at a permitted hazardous waste disposal site.

DEQ issued this penalty because hazardous waste, such as the estimated 50 gallons of ignitable solvent you generated and sent to the City's wastewater system, must be properly treated and disposed of in order to protect public health and the environment. The City's wastewater system is not designed for or permitted to treat hazardous waste for discharge to the Columbia River.

DEQ appreciates your efforts to self-disclose the violation to DEQ and to prevent the violation from recurring. DEQ considered these efforts when determining the amount of civil penalty.

You may pay the civil penalty as follows:

Pay online with e-check (ACH) or Credit Card. Go to Your DEQ Online here: <https://ydo.oregon.gov>. Select Register Account or Login, then select Pay Invoices/Fees on your account dashboard. Enter the Invoice number and Account ID included on the attached payment slip. Note: US Bank charges a 2.3% convenience charge for credit card transactions. ACH payments have no additional charges.

Pay by check or money order: Make checks payable to "Department of Environmental Quality" and mail to the address on the enclosed payment slip. Please make sure to include the payment slip with your check or money order.

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

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.

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 your 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 Sarah Wheeler at 971-301-0622.

Sincerely,



Kieran O'Donnell, Manager
Office of Compliance and Enforcement

Enclosures

cc: Eric Kelley, DEQ
Accounting, DEQ
Bret Herbert, Senior EHS and Security Manager, Microchip Technology, Inc.,
Bret.Herbert@microchip.com
Rachel Allen, Pretreatment Coordinator, City of Gresham, rachel.allen@GreshamOregon.gov

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

3 IN THE MATTER OF:) NOTICE OF CIVIL PENALTY
4 MICROCHIP TECHNOLOGY, INC.,) ASSESSMENT AND ORDER
5 Respondent.) CASE NO. LQ-HW-NWR-2023-543

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 466.990, ORS Chapter 183 and Oregon Administrative Rules (OAR) Chapter 340, Divisions 011,
10 012, and 100-103.

11 II. FINDINGS OF FACT

- 12 1. Respondent operates a manufacturing facility at 21015 SE Stark Street in Gresham,
13 Oregon (the Facility).
- 14 2. At all material times, Respondent generates at least 2,200 pounds of hazardous waste at
15 the Facility on a monthly basis.
- 16 3. In March 2023, Respondent installed new equipment at the Facility, and inadvertently
17 switched the wastewater and waste solvent drain lines.
- 18 4. From April 7 through April 28, 2023, Respondent discharged into the City of Gresham's
19 sanitary sewer collection system an estimated total of 50 gallons (300 pounds) of ignitable waste
20 solvent, containing 65-75% of 1-Methoxy-2-propanol, 25-35% of 1-Methoxy-2-propyl acetate, and
21 greater than 0.3% of 2-methoxypropyl acetate (waste solvent).
- 22 5. Respondent has an industrial waste discharge permit with the City of Gresham, which
23 allows Respondent to discharge treated wastewater, but not waste solvent, into the City's sanitary sewer
24 collection system.
- 25 6. The City of Gresham does not have a hazardous waste disposal site permit.

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1 III. CONCLUSIONS

2 Based upon the foregoing Findings of Fact, DEQ has determined that Respondent violated the
3 following provisions of Oregon law, including the hazardous waste laws in the Code of Federal
4 Regulations (CFRs) as adopted by OAR 340-100-0002.

5 Respondent violated ORS 466.100(1) by disposing of hazardous waste at an unpermitted
6 location. The waste solvent was solid waste according to 40 CFR 261.2(a)(1), (a)(2)(i)(A), and (b)(1)
7 because it was disposed of by discharging it to the City’s wastewater system. The waste solvent was
8 hazardous waste according to 40 CFR 261.3(a)(1) and (2)(i) and as identified by U.S. Environmental
9 Protection Agency (EPA) Hazardous Waste Numbers D001 and F003 pursuant to 40 CFR 261.21 and
10 40 CFR 261.31, respectively. This is a Class I violation, according to OAR 340-012-0068(1)(h). DEQ
11 hereby assesses a \$5,541 civil penalty for this violation.

12 IV. ORDER TO PAY CIVIL PENALTY

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

15 Pay a total civil penalty of \$5,541. The determination of the civil penalty is attached as Exhibit
16 1 and is incorporated as part of this Notice.

17 If you do not file a request for hearing as set forth in Section V below, please pay the penalty as
18 follows:

19 Pay online with e-check (ACH) or Credit Card. Go to Your DEQ Online here:
20 <https://ydo.oregon.gov>. Select Register Account or Login, then select Pay Invoices/Fees on your account
21 dashboard. Enter the Invoice number and Account ID included on the attached payment slip. Note: US
22 Bank charges a 2.3% convenience charge for credit card transactions. ACH payments have no additional
23 charges.

24 Pay by check or money order: Make checks payable to “Department of Environmental
25 Quality” and mail to the address on the enclosed payment slip. Please make sure to include the payment
26 slip with your check or money order.

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

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

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

21 If you fail to file a timely request for hearing, the Notice will become a final order by default
22 without further action by DEQ, as per OAR 340-011-0535(1). If you do request a hearing but later
23 withdraw your request, fail to attend the hearing or notify DEQ that you will not be attending the
24 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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8/11/2023
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

VIOLATION NO. 1 Disposal of hazardous waste at an unpermitted location, in violation of ORS 466.100(1).

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

MAGNITUDE: The magnitude of the violation is moderate pursuant to OAR 340-012-0135(4)(b)(B)(i) because Respondent illegally disposed of 50 gallons (300 pounds) of hazardous waste.

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)(M)(i), because Respondent is a large-quantity generator of hazardous waste.

"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 3 according to OAR 340-012-0145(4)(c) because there were from seven to 28 occurrences of the violation. Each day of violation constitutes a separate occurrence. The violation occurred from April 7 to April 28, 2023, for 22 days of violation.

"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. According to OAR 340-012-0030(15), negligent means the respondent failed to take reasonable care to avoid a foreseeable risk of conduct constituting or resulting in a violation. When Respondent failed to ensure that the equipment was installed correctly so as to drain hazardous waste into the hazardous waste tank rather than the City wastewater system, Respondent failed to take reasonable care to avoid the foreseeable risk of illegally disposing of hazardous waste.

"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. Upon discovery, Respondent notified the agencies involved and shut down the improperly-installed equipment until repairs were

made. As of June 9, 2023, Respondent confirmed in writing to DEQ that the equipment was repaired so the violation would not recur.

"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 \$741. This is the amount Respondent gained by avoiding spending \$1,000 to dispose of the hazardous waste at a permitted facility. This "EB" was calculated pursuant to OAR 340-012-0150(1) using the U.S. Environmental Protection Agency's BEN computer model.

PENALTY CALCULATION: $\text{Penalty} = \text{BP} + [(0.1 \times \text{BP}) \times (\text{P} + \text{H} + \text{O} + \text{M} + \text{C})] + \text{EB}$
= \$6,000 + [(0.1 x \$6,000) x (0 + 0 + 3 + 4 + (-1))] + \$741
= \$6,000 + (\$600 x 6) + \$741
= \$6,000 + \$3,600 + \$741
= \$9,600

Pursuant to DEQ's Internal Management Directive on Self-Policing, Disclosure, and Penalty Mitigation, DEQ mitigates the gravity-based penalty by 50%, to \$4,800. 50% of the gravity-based penalty (\$4,800), plus the economic benefit (\$741) results in a **total civil penalty of \$5,541**.

Oregon Department of Environmental Quality
 700 NE Multnomah Street, Suite 600
 Portland, OR 97232-4100



State of Oregon
Department of Environmental Quality

Phone: 503-229-5437
 Fax: 503-229-5850

CIVIL PENALTY - ORS 468.135(2)

DATE:	August 11, 2023
RESPONSE DATE :	October 20, 2023
TOTAL PENALTY:	\$5,541.00

Account Name:	MICROCHIP TECHNOLOGY INC		
Account Type:	Vendor/Organization/Company	Reference Number:	CPGFD2400003
SubSystem ID:	200890	FIMS Acct. ID:	772

Penalty Summary

Penalty Amount	Interest	Adjustment	Amount Paid	Total Penalty
\$ 5,541.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 5,541.00

Payment of this penalty is subject to the exercise of your options or right to appeal as described in the enclosed enforcement documents.

To Pay Online with ACH or Credit Card Visit <https://ydo.oregon.gov> and select 'Register Account'



 PLEASE RETURN THIS PORTION WITH YOUR PAYMENT



REFERENCE NO.:	CPGFD2400003		
PAYCODE:	00401 7400 10040 74001 0500 000000 00		
FEE PROGRAM ID:	950	RESPONSE DATE:	October 20, 2023
FIMS ACCT. ID:	772	TOTAL PENALTY DUE:	\$5541.00

AMOUNT ENCLOSED:

MAKE CHECK PAYABLE TO: Department of Environmental Quality

DEQ FINANCIAL SERVICES - LBX4244
 PO BOX 4244
 PORTLAND OR 97208-4244

Check this box if updated address information has been provided on the back of the form.

00401 7400 10040 74001 0500 000000 0095000007723CPGFD240000300005541005



State of Oregon
Department of
Environmental
Quality

State of Oregon Department of Environmental Quality

CIVIL PENALTY - ORS 468.135(2)

700 NE Multnomah Street, Suite 600
Portland, OR 97232-4100
Phone: 503-229-5437
Fax: 503-229-5850

Penalty Detail

Transaction Date	Description	Amount
8/10/2023	2023-543 LQ-HW-NWR-2023-543	\$5,541.00

SFMS Agencies Use:

Trans Code	Treasury Fund	SFMS	Index	PCA (5)	Agency Object	Project #	Phase
723	00401	7400	10040	74001	0500	00000	00

Address Changes

Please visit <https://ydo.oregon.gov> to update your mailing address online or provide the following information:

Name _____
Address _____
City, State, Zip _____