



# 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

October 5, 2023

CERTIFIED MAIL: 9589 0710 5270 0110 6011 32

S&P Oil LLC  
c/o Rajan Sohi, Registered Agent  
2744 NW Daysha Drive  
Roseburg, Oregon 97471

Re: Notice of Civil Penalty Assessment and Order  
Case No. WQ/OS-WR-2023-106

This letter is to inform you that the Oregon Department of Environmental Quality (DEQ) has issued you a civil penalty of \$2,595 for operating a disposal system without a permit. Specifically, S&P Oil LLC has been operating the onsite wastewater treatment system serving the Halsey Shell facility in Halsey, Oregon without Water Pollution Control Facilities (WPCF) permit coverage since on or about January 7, 2022.

DEQ issued this penalty because properly permitted and operated onsite wastewater treatment systems are essential to protecting public health and the environment. DEQ notified you on at least two prior occasions that the WPCF permit issued to the prior owner of the facility needed to be transferred to S&P Oil LLC.

Included in Section IV is an order requiring you to submit a permit transfer application to DEQ within 30 days of the order becoming final by operation of law or on appeal. Additionally, the order requires you to confirm in writing to DEQ that S&P Oil intends to continue to engage Richard Taylor from Septic Technologies to inspect the system and that Mr. Taylor is authorized to submit to DEQ the monitoring reports required pursuant to Schedule B of the permit.

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.

S&P Oil LLC  
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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 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: Dan Wiltse, DEQ WR  
Accounting, DEQ

1 BEFORE THE ENVIRONMENTAL QUALITY COMMISSION

2 OF THE STATE OF OREGON

3 IN THE MATTER OF:  
4 S&P OIL LLC

5 Respondent.

) NOTICE OF CIVIL PENALTY  
) ASSESSMENT AND ORDER

) CASE NO. WQ/OS-WR-2023-106

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 Chapters 183, 454 and 468B and Oregon Administrative Rules (OAR) Chapter 340, Divisions 011,  
10 012, and 071.

11 II. FINDINGS OF FACT

12 1. In May 2014, DEQ issued Water Pollution Control Facilities (WPCF) Permit No.  
13 103079 (File No. 85860) (the Permit) to Q Pioneer LLC for the operation of an onsite wastewater  
14 treatment system located at 32980 Halsey-Sweet Home Highway (Hwy 228) in Halsey, Oregon (the  
15 Property).

16 2. On or about January 7, 2022, Respondent purchased the Property from Q Pioneer LLC.  
17 The Amended Annual Report Respondent filed with the Oregon Secretary of State on October 25,  
18 2022, lists the Property as Respondent's Primary Place of Business.

19 3. Pursuant to OAR 340-071-0162(2), WPCF permits must be in the name of the legal  
20 owner of the facilities the system serves or the lessee responsible for the operation and maintenance of  
21 the system.

22 4. Pursuant to OAR 340-045-0045 and Schedule F, Section A.5. of the Permit, the Permit  
23 may not be transferred to a third party without the prior written approval of DEQ. A transfer application  
24 must be submitted to DEQ 30 days prior to the proposed action.

25 5. At no point in time was an application submitted to DEQ to transfer the Permit from Q  
26 Pioneer LLC to Respondent.

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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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10/5/2023  
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: Respondent violated ORS 468B.050(1)(b) by operating a disposal system without holding a permit from DEQ.

CLASSIFICATION: This is a Class II violation pursuant to OAR 340-012-0060(2)(c).

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 \$750 for a Class II, moderate magnitude violation in the matrix listed in OAR 340-012-0140(4)(b) and applicable pursuant to OAR 340-012-0140(4)(a)(G) because Respondent's violation relates to an onsite sewage disposal system.

"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 0 according to OAR 340-012-0145(2)(a) because Respondent has had no water quality PSAs in the prior ten years.

"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 in the preceding ten years.

"O" is whether the violation was repeated or ongoing, and receives a value of 4 according to OAR 340-012-0145(4)(d) because the violation has been ongoing for more than 28 days. Each day of violation is a separate occurrence. The violation started on or about January 7, 2022, and has not been corrected.

"M" is the mental state of the Respondent and receives a value of 8 according to OAR 340-012-0145(5)(d) because Respondent failed to act with actual knowledge of the requirement. DEQ informed Respondent on at least two occasions that as the owner of the Property the permit must be transferred to Respondent.

"C" is Respondent's efforts to correct or mitigate the violation and receives a value of 2 according to OAR 340-012-0145(6)(g) because the Respondent has not addressed the violation.

"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 \$795. By failing to assume WPCF permit coverage for the disposal system at the Halsey Shell in January 2022, Respondent avoided spending a total of \$1,191 in Annual Compliance Determination fees (\$587 in 2022 and \$604 in 2023). This "EB" was calculated pursuant to OAR 340-012-0150(1) using the U.S. Environmental Protection Agency's BEN computer model.

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

$$\begin{aligned} &= \$750 + [(0.1 \times \$750) \times (0 + 0 + 4 + 8 + 2)] + \$795 \\ &= \$750 + (\$75 \times 14) + \$795 \\ &= \$750 + \$1,050 + \$795 \\ &= \$2,595 \end{aligned}$$